



**North Country Alliance Local Development Corporation
Loan Review Committee Meeting
January 10th, 2019 at 2PM
Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Thursday, January 10th, 2018 at 2 PM via conference call. Dial information 1-800-977-8002 Participant Code 368009#.

Present: Al Dunham, Brian Gladwin, Tom Plastino, Ross Pancoe, and Deb McAtee

Excused: Marijean Remington and Steve Hunt

Others: Matt Siver (DANC), Dave Zembiec, Lyle Eaton (JCIDA), and Michelle Capone (DANC)

Call to Order: The meeting was called to order at 2:02 PM by Tom Plastino (Chair)

I. New Business:

- a. Meeting Minutes (Approval of Minutes January 3rd, 2019)
 - i. Motion: D. McAtee
 - ii. Second: A. Dunham
 - iii. All Approved 01/10/2019
- b. Portfolio Overview:
 - i. LC Drives paid off their bridge loan with the NCA.
- c. NCA LRC Request from Chamberlain, LLC for \$157,500 for 15 years at 5% (prime minus one percent with a floor of 5% fixed at closing)*.
 - i. The request was tabled at the January 3rd, 2019 meeting for additional information beyond the payoff schedule for cash flow projections. The committee requested 3 years of projected income statements with cash flow projections. M. Siver presented the revised write-up with projections and touched on the differences between the projections and the historical information provided on page 4 of the write-up. The largest differences between the projections and historical figures were increases in sales revenues, an initial decrease in maintenance expenses, and a reduction in depreciation expenses. M. Siver also indicated that the bank capped the debt service for Cap Ex expenses at \$50,000 annually. M. Siver indicated that the \$50,000 was broken down between \$10,000 cash and \$40,000 debt service. He indicated that he attached the full projections as Appendix A to the write-up along with their assumptions. T. Plastino asked if there

were any questions from R. Pancoe as he had the questions in regard to Capital Ex expenses previously. R. Pancoe indicated that it appeared to give a better picture of what was happening, although a reduction in cash flow of roughly \$30,000 annually to account for the deficit of \$30,000 that the John Chamberlain's personal financial statement shows. R. Pancoe indicated that cash flow is tight without the \$30,000 reduction and it will make it tighter. The committee discussed the operational history of the company and discussion indicated that the company has been in operation for 40 years and they have a good reputation the community. B. Gladwin indicated that seeing the new numbers and working with this type of company in the past that he started to have more comfort with the request. D. McAtee indicated that the company is one of two major players in the Greater Watertown market with long established relationships. She indicated that from a banking standpoint that the request is marginal, however these are economic development funds and GAP financing is used for this type of project. Based on the new information provided and the historical operations/reputation the committee made a motion to accept the request.

1. Motion to Approve: A. Dunham
2. Second: R. Pancoe
3. NCA LRC Approved 01/10/2019

II. Adjournment: The meeting was adjourned at 2:36 PM.

The next North Country Alliance Loan Review Committee meeting is scheduled to be held on February 7th, 2018 at 2 PM.