

**Jefferson County Local Development Corporation
Loan Review Committee Meeting Minutes
May 28, 2025**

Present: David Converse (Chair), Dawn Robinson, John Condino
Zoom: Rob Aliasso

Absent: Charles Capone

Also Present: Marshall Weir, Lyle Eaton, Peggy Sampson, Jay Matteson, William Johnson
Zoom: Paul Warneck, Greg Gardner

I. Call to Order: Chairman Converse called the meeting to order at 8:24 a.m.

II. Other –

1. Proposed Lending/Collection Policy and Procedures – The committee reviewed a redline version of the proposed changes to the policy. They are as follows:

#11. Collection Procedures

- 15 days delinquent – **Add** *‘a late payment fee will be due, as stated in the Note.’* at the end of the sentence.
- 30 days delinquent – **Remove** ‘The regular monthly billing is sent to the Borrower, which will include two months payment due plus a late fee, as stated in the Note.’ **Add** *‘a late payment fee will be due, as stated in the Note.’* as the third sentence.
- 60 days delinquent – **revised paragraph to** *‘When a loan is 60 days delinquent, a third delinquent letter will be sent indicating the account is in default. The letter should indicate that a meeting with JCIDA is necessary to set up a schedule to correct the default, which will be presented to the Board of Directors for consideration. Further, the Borrower/Guarantor must be advised that if a repayment schedule is not adhered to, the CEO shall have the discretion and authority to turn the account over to the JCIDA attorney with instructions to begin legal proceedings to collect the full amount of the debt.’.*

#12. Reports to be kept

- **Remove** ‘Current financial reports – updated annually’ and **replace** with *‘Annual financial statements and/or personal financial statements and tax returns.’.*
- **Add** *‘Once received, they are to be reviewed, summarized, and analyzed for future trends. Any irregularities or questionable trends would be brought to the attention of the Loan Review Committee for further consideration.’* to the end of #12.

#13. Environmental Risk Consideration

- **Add** *‘environmental’* to the first sentence after the word potential.

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#13. Environmental Risk Consideration - continued

- **Add** *‘prior to closing on loans secured by real estate. The assessment shall be paid for by the applicant, conducted by an outside consultant, and reviewed by the CEO and reported to the Loan Review Committee. Any environmental risk factors resulting from the assessment must be fully disclosed to the Board of Directors before the loan is closed.’* to the end of the paragraph.
- The committee recommended **removing** *‘will’* and **replacing** it with *‘may’* in the first sentence.

#14. Appraisals

- **Reword** the first sentence to *‘The loan amount cannot exceed the appraised value of real estate or equipment without Board approval.’*
- **Add** *‘The appraisal will be completed by a qualified appraiser and provide an estimate of the current market value.’* as the third sentence.
- **Add** *‘All loan requests that involve the purchase of machinery or equipment must include the invoice showing the value of the machinery and equipment.’* as the last sentence.

#15. ~~Reserve for Bad Debt~~ Specific Valuation Reserve

- **Remove** the paragraph and **replace** it with the Internal Loan Review/Risk Rating system.

Exhibit A

- **Add** – *‘Application: A fully completed loan application, including schedules and attachments, and 3 years of financial statements or tax returns must be submitted. Also, financial projections for 3 to 5 years are required with the application.’*
- **Change** the point of contact to the Chief Executive Officer.

Mr. Weir said that he will reach out to Mr. Capone to help develop language that notifies the Borrower that payments won’t be deferred when their loan is in default.

A motion was made by Ms. Robinson to send the proposed policy with the amendment to the full board of directors for consideration, seconded by Mr. Condino. All in favor.

- Internal Loan Review Risk Rating as of 12/31/24** – The rating was included in the packet for review.

III. Adjournment: With no further business before the committee, Mr. Condino made a motion to adjourn the meeting, seconded by Mr. Aliasso. The meeting adjourned at 8:28 a.m.

Respectfully submitted,
Peggy Sampson