

Unity EDC Meeting Minutes

August 15, 2016

Committee Members Present: Chia Murdock, Lucia Picard, Dan McCormick, Mary Leaming, Emily Newell, Gail Chase, MaryAnn Hayes, Clem Blakney, Mike Gold, Jim Buckle, Joe Saltalamachia

Guest Speaker: Sarah Ross, KVCOG (Kennebec Valley Council of Governments)

Guest Penny Sampson

Meeting called to order 6:03

Minutes from June 20th and July 8th meetings reviewed and approved.

Guest speaker Sarah Ross presented an outline and information about how KVCOG can assist municipalities by administering Revolving Loan Funds (RLF)

<see inserted Document>

Committee discussed RLF options

Bangor Savings Bank suggested using KVCOG to administer account - the type of loans the committee would be approving would fall under "micro loan" category

Unity being a member town in KVCOG initial set up of RLF included in membership fees

Other costs incurred for ongoing account maint and underwriting etc

Should KVCOG manage RLF cost to the town may outweigh the benefits

Dan expressed concerns about KVCOG fees – we would have to have several significant loans out to cover the cost of monthly admin/ maint fees

Should the town decide a Loan Committee will be appointed- the issue of anonymity / privacy must be priority.

Ongoing discussions in fine tuning terms

- Make the loan/ app fee such that it covers the costs of admin fees
- Zero % low risk loans "one time only"
- Is there a viable client base for this type of service?

Next steps:

Try to identify good candidates for a loan committee

Lay out timeline for loan process

Continue finalizing the draft of RLF

Penny reported on Konokolus;

It has previously been attended by a recreation dept – but currently the attendant is there very few hours

The area needs improvements- The dept of conservation recommended grills, tables, safety ropes, a float for a suggested investment from TIF funds of \$2000.00

Dan votes to recommend spending \$2000 – Lucia seconded, committee voted to approve

** Joe did voice concerns/ liability of having a town float.

KENNEBEC VALLEY COUNCIL OF GOVERNMENTS
REVOLVING LOAN FUND ADMINISTRATION OVERVIEW

- KVCOG has administered RLF programs for – Gardiner, Waterville and Monmouth

Making a Loan:

1. Initial Borrower Meeting
 - a. Application and materials
2. Underwriting
 - a. Analyze financials
 - b. Market Analysis
 - c. Collateral Analysis
3. Loan Committee Meeting/Decision
4. Closing
 - a. Typically handled by attorney
 - b. Costs passed on to borrower
5. Ongoing Portfolio Maintenance
 - a. Payment processing
 - b. Compliance
 - c. Loan modifications/changes
 - d. Annual review and filings (UCC, etc.)

Average Costs:

- | | |
|--------------------------|--|
| • Initial program setup: | Included with KVCOG membership (\$400 value) |
| • Underwriting: | \$250 |
| • Closing : | \$250 - \$1000* |
| • Fund administration: | \$225/month |
| • Loan Software: | \$388.50** |

*paid by borrower – depends on complexity of loan

**price will be decreasing