

MERAMEC REGIONAL DEVELOPMENT CORPORATION
MEETING MINUTES
December 20, 2017

Members Present: Tim Lorraine (Crawford), Michael Homeyer (Dent), Tim Seams (Maries), Larry Kliethermes (Osage), Jim Marcellus (Phelps), Gary Hicks (Phelps), Tim Comerford (Phelps), and Carol Carson (Pulaski)

Members Absent: Matt Raby (Crawford), Catie Ringeisen (Crawford), Ray Walden (Dent), Kathy Schlottach (Gasconade), Wanda Williams (Maries), Tom Klebba (Osage), Darlene Weber (Washington), Don Thompson (Washington), and Marla Stevenson (MRDC At-Large)

Staff Present: Bonnie Prigge (Executive Director), Linda Loughridge (Fiscal Officer), and Maria Bancroft (Business Loan Specialist)

Call to Order: Vice President Seams called the board meeting to order at approximately 12:03 p.m.

Welcome Reappointed Board Members: There were no recent new board appointments noted at the meeting.

Review and Approval of Minutes: The minutes from the September 20, 2017 and September 27, 2017 board meetings were reviewed by the board. Marcellus made a motion to approve the minutes as presented, seconded by Hicks. Motion passed.

New Business:

MRDC Portfolio Oversight (FKA Loan Servicing Report): Bancroft presented to the board the current portfolio servicing report for the SBA 504, RLF, and IRP loan portfolios for the period ended November 30, 2017. The RLF currently has 11 funds with a total outstanding balance of \$578,671 and approximately \$59,904 available for relending. The SBA currently has 28 loans with a total outstanding balance of \$5,980,856. The IRP currently has 7 loans with a total outstanding balance of \$201,070 and approximately \$328,584 available for relending.

RLF Revised Plan Changes: Loughridge presented new changes to the proposed RLF consolidated plan presented on September 21, 2016 as a result of EDA's regulations requiring compliance in each grant awarded in order to consolidate the funds into one. Therefore, MRPC must maintain two separate RLF plans; one for the RLF LTED and SSED and one for the RLF Disaster funds, until which point both funds are in compliance. Loughridge presented the changes for the new versions proposed for the two individual RLF plans for each fund. Hicks made a motion to approve the RLF LTED and SSED Plan as presented by staff, Marcellus seconded. Motion passed. Hicks made a

motion to approve the RLF Disaster Fund Plan as presented by staff, Marcellus seconded. Motion passed.

Loans in Process: Bancroft presented the board with a list of pending loans scheduled to close and new potential projects for board review. To date, staff closed on three new RLF loans. A fourth RLF loan will close approximately at the end of the year. There are three SBA approved loans under construction with closings pending. There is an existing IRP loan due for annual renewal (City of Edgar Springs) in process. Staff received about 12 referrals for potential loan projects to use MRDC's loan programs.

MRDC Meetings Schedule 2018: Bancroft presented a preliminary meetings schedule for next year and asked the board's input. There were no changes made to the schedule for 2018. Bancroft will email the final meetings calendar to the entire board before the end of the year.

Board Resolutions: Bancroft requested the board's approval for a resolution to close on an SBA 504 loan recently approved for Meramec Enterprises, LLC by MRDC on September 27, 2017 and approved by SBA on December 1, 2017. Marcellus made a motion to approve the board resolution as presented, seconded by Hicks. Motion passed.

MRDC Technical Assistance Contracts: Bancroft presented the board a technical assistance contract for a new SBA 504 debt refinance loan request project for Mid America Resorts, LLC located in Owensville, MO. Hicks made a motion to approve the new project's technical assistance contract, seconded by Homeyer. Motion passed.

MRDC's NADCO Letter on Regulatory Burden: Loughridge shared with the board MRDC's letter to the National Association of Development Companies in response to the comment period for reducing unnecessary regulatory burden from the SBA 504 loan program. The letter was provided for information only and no board action was required.

CDC Independent Loan Review: Loughridge presented a summary of MRDC's annual independent loan review prepared by Connell Consulting.

Current Financial Reports for FY 2017-18 and Final Audit Report for FY 16-17: Loughridge presented current financial reports for FY 2017-18 for the period 7/1/17 through 11/30/2017 for the SBA, RLF and IRP funds. Loughridge also presented the final audit for the SBA loan program and the audit for the RLF and IRP programs. The RLF and IRP financials and audit were presented only for informational purposes. After review of SBA's current financials, Hicks made a motion to approve the financial statements as presented, seconded by Comerford. Motion passed. After review of SBA's final audit for FY 2016-2017, Marcellus made a motion to approve the audit as presented, seconded by Kliethermes. Motion passed. Loughridge highlighted details of MRPC's audit specifically on the RLF and IRP loan programs. The auditors made a recommendation regarding the documentation of the borrower's life insurance for the DeClue Enterprises, LLC/The Wooden Nickel Saloon RLF/Microenterprise loan funded last year. The borrowers were unable to find reasonable life insurance due to their eligibility and therefore did not provide the assignment prior to the loan closing.

Therefore, Loughridge requested the board's approval to not require life insurance for the DeClue's RLF/Microloan due to their specific circumstances and inability to find adequate insurance to cover the loan. Marcellus made a motion to approve the request presented for the DeClue RLF/Microloan, seconded by Hicks. Motion passed.

Comments for the Good of the Order

- 1. Board Vacancies:** MRDC board has the following board vacancies: One seat in Gasconade County, one seat in Maries County, one seat in Dent County, one seat in Washington County, and two seats in Pulaski County. Please send recommendations to staff.
- 2. Next MRDC Board Meeting:** The next tentative loan review meeting is scheduled for January 17, 2018.

Final Remarks & Meeting Adjournment: Being no further business to continue the board meeting, Lorraine made a motion to adjourn the meeting at approximately 2:15 p.m., seconded by Carson. Motion passed.

The board approved the minutes on _____, 2018

Darlene Weber, Board President

Attested by Secretary or other MRDC officer