

## **LOAN ADMINISTRATION BOARD MEETING MINUTES October 25, 2018**

Pursuant to public notice, a scheduled meeting of the Escanaba Loan Administration Board was held on Thursday, October 25, 2018, at 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

Board Members Present: Vice-Chairperson Chris Economos, Roni Beaudoin, Jeanine Dagenais, and Holly Thomma

Also Present: City Treasurer Robert Valentine, City Attorney Russ Hall, and Executive Assistant Kim Gustafson

Absent: None

Vice-Chairperson Chris Economos called the meeting to order at 8:03 a.m.

### **APPROVAL/ADJUSTMENTS TO THE OCTOBER 25, 2018 AGENDA**

The agenda was approved as written.

### **APPROVAL OF THE JULY 19, 2018 MINUTES**

A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to accept the July 19, 2018 meeting minutes with two minor edits. Motion was approved unanimously.

### **NEW BUSINESS**

#### **1. Loan Status Review**

Bob Valentine reviewed the status of the following loans:

- A. EDA & CDGB loans have all been closed. The House of Ludington has been making payments as agreed. The owners are still looking for new owners to redevelop the building.
- B. UDAG – Wickerts is paying as agreed. They have a potential buyer for the business and property.
- C. Crispigna's is paying their loan as agreed. Andy contacted Bob and scheduled a meeting for later in the afternoon (10/25/18).
- D. There haven't been any new inquiries regarding D&M Subs. The current owner is working towards better record keeping, in hopes of securing a new buyer.
- E. Northern Initiatives approved a loan for Kobasic's Creations, a new business on Ludington Street. They have reported the business is doing very well.

**2. Update on Michigan Meats Settlement**

Attorney Russ Hall updated the Board on the settlement between the Dubord family, the owners of Michigan Meats, and the City of Escanaba. The Dubord cabin on Cook Lake has been signed over to the City in lieu of the outstanding loan balance for Michigan Meats. The plan is to place the cabin/property up for sale in the Spring. The EDA will be receiving 75% of the profits from the sale to recoup their investment; leaving the City with the remaining 25%.

**3. Update on Donalway Settlement**

Attorney Russ Hall stated the Waeghe family has filed for bankruptcy, and the end result left the City with approximately \$26,000 from the settlement. The City still owns a second lien on the house, but no payments have been received yet; the family is only making payments on their first lien. Since this was also an EDA loan, any recovery will need to be paid to them at a rate of 75%. The only way the City will collect any more money is through the second lien on the house.

**4. Update on CDBG Loans Through Northern Initiatives**

Bob Valentine noted the MEDC is challenging Northern Initiatives on loans that are not meeting certain objectives. He was happy to report the disbursements of loans in the City of Escanaba are doing well. In fact, another CDBG loan will be granted to Northern Machining & Repair, Inc. at the November 1, 2018 City Council meeting.

**5. Items from the Board**

None.

**GENERAL PUBLIC COMMENT**

None.

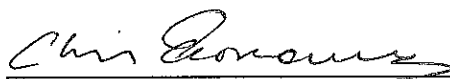
**ANNOUNCEMENTS**

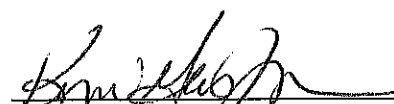
None.

**ADJOURNMENT**

**A motion was made by Boardmember Thomma, seconded by Boardmember Dagenais, to adjourn the meeting at 8:23 a.m. Motioned approved unanimously.**

APPROVED:

  
CHRIS ECONOMOS,  
VICE-CHAIRPERSON

  
KIM GUSTAFSON,  
RECORDER