

# **LOAN ADMINISTRATION BOARD MEETING MINUTES**

## **July 19, 2018**

Pursuant to public notice, a scheduled meeting of the Escanaba Loan Administration Board was held on Thursday, July 19, 2018, at 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

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

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

Absent: Boardmember Jeanine Dagenais

Vice-Chairperson Chris Economos called the meeting to order at 8:02 a.m.

### **APPROVAL/ADJUSTMENTS TO THE JULY 19, 2018 AGENDA**

**A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to accept the July 19, 2018 meeting agenda as submitted. Motion was approved unanimously.**

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

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

### **NEW BUSINESS**

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

Bob Valentine reviewed the UDAG Loans, noting Gordon Cashen is now on a monthly ACH and there have been no issues with payment. He also stated the lots on Ludington should be finished possibly by Fall and that the two Crispigna loans are going well.

Bob Valentine then reviewed the CDBG Loans and noted that the only outstanding loan is for the House of Ludington, in which they pay monthly as scheduled without issue. Northern Initiatives is overseeing all others.

Bob Valentine discussed the two legacy EDA loans, one of which is Michigan Meats. He explained he inspected the Dubord cottage on Cook Lake and felt it would be able to be sold as part of a collateral substitution offer. Russ Hall stated there is still a judgement lien on the house. However, since there is a lady bird deed on it, the sale of the cottage would allow the city to release the house lien. There was also discussion of how to proceed with the sale of the cottage and cost related to it. Bob will check the tax status of the cottage and Russ will check the lien status.

A motion was made by Boardmember Thomma, seconded by Boardmember Beaudoin, to accept the deed to the cottage property in satisfaction of the EDA loan balance for Michigan Meats. Ayes were unanimous.

A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to sell the cottage under a corporation created through Russ Hall's office, through a licensed realtor decided on by the city, within 20% of the realtor's suggested price, be approved. Ayes were unanimous.

**2. Consideration of Request for Modification of Crispigna Subordination**

Russ Hall stated BayBank has now requested the City of Escanaba subordinate its first mortgage on 1215 Ludington Street with the condition of BayBank funding a \$195,000 loan. This is an additional \$30,000 that has been requested for improvements to the property and for the purpose buying out the land contract on the restaurant property next door. This would be for a loan total of \$360,000.

A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to accept the subordination request from Baybank and Crispigna's Foods, LLC., subject to BayBank's prior mortgage being capped at the \$195,000 amount. Ayes were unanimous.

**3. Collateral Assignment for Michigan Meats Loan**

See notes under Loan Status Review regarding the Michigan Meats loan.

**4. Update on Donalway Collections**

Atty Hall updated the Loan Administration Board on the Donalway loan. The Trustee either has or will obtain \$55,000 associated with Ms. Waeghe's ownership in a construction business, of which the City will receive approximately \$35,000. The city retains a lien on the Waeghe residence.

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

Bob stated a loan to Kobasic Creations has been approved in the approximate amount of \$60,000. The loan will be used to purchase equipment and update the building on Ludington Street (The old UP Power Sports, next to the old Mexican restaurant), so Kobasic Creations can operate their business there.

**6. Items from the Board**

None.

**GENERAL PUBLIC COMMENT**

None.

**ANNOUNCEMENTS**


None.

**ADJOURNMENT**

A motion was made by Boardmember Thomma, seconded by Boardmember Beaudoin, to adjourn the meeting at 8:51 a.m. Motioned approved unanimously.

APPROVED:

  
CHRIS ECONOMOS,  
VICE-CHAIRPERSON

  
KIM GUSTAFSON,  
RECORDER