

REVOLVING LOAN COMMITTEE

MINUTES

October 2, 2019

1. OPEN MEETING – The Canaan Revolving Loan Committee meeting opened at 8:05 AM. Those present: Odette Crawford, Jean Ladd, Tammy Crawford, Haven Haynes, Jr., Noreen Labrecque (Committee members). Michael Daley and Richard Poulin, representative for Canaan Border Riders.
2. APPROVE MINUTES June 6, 2019 – Motion was made by Odette and seconded by Jean to approve the June 6, 2019 meeting minutes. Approved unanimously.
3. CANAAN BORDER RIDERS APPLICATION – Prior to the meeting the board members reviewed the application. As the application was incomplete, the board asked Mike and Richard to explain their request. Mike explained that they are applying for \$75,000 from the Revolving Loan towards the purchase of a 2020 Piston Bully 400 groomer. The price of the groomer is \$261,000.00. They have a grant from VAST in the amount of \$50,000.00, the trade-in is \$75,000.00, the Canaan Border Riders Club will be contributing \$61,000.00 and with the Canaan Revolving Loan of \$75,000.00 they will be able to meet the purchase price. The Club has enough funds in a CD to use as collateral on the loan but felt it was more prudent to borrow against the CD instead of depleting all their funds. The reason why they chose to apply to the Revolving Loan was for the lower interest rate. The Club plans on using the funds they receive during their yearly Softball Tournament (which has averaged \$15,000 per year) to pay back the loan. They are asking for a 5 year pay back term.
Tammy asked the board to review if the Club meet the eligibility for a loan. Once reviewed the board felt that the Club does qualify for at least most of the requirements.
The board asked that the Club complete the application, write up a business plan and include all information that was given to the board verbally at this meeting.
Odette informed Mike and Richard that the Border Riders Club will be responsible for all cost related to the closing of the loan.
The Border Riders Club would like to have the funds available to them by the end of the month if possible.
The board discussed the application and concluded that the Club is asking for 29% of the value of the groomer and snowmobiling is an asset to the town by enhancing public facilities, they do protect jobs in surrounding communities and the Club does provide a good service to the land owners in town.
On a motion by Tammy and seconded by Jean the board approved the lending the Canaan Border Riders the \$75,000.00 at a rate of 3.25% for a term of 5 years, once the board reviews the revised application.
4. OTHER BUSINESS – The board reviewed the current budget status and discussed the current payments being made by all loan accounts.
5. ADJOURN MEETING - Motion was made by Tammy and seconded by Odette to adjourn the October 2, 2019 Revolving Loan Committee meeting at 8:45AM.