

**Revolving Loan Fund Committee
Meeting Minutes –November 26, 2018
130 North High Street – Conference Room**

The Hillsboro Revolving Loan Fund (RLF) Committee met on November 26, 2018 at 10:00 a.m. in the upstairs conference room of the Hillsboro City Building located at 130 North High Street.

CALL TO ORDER

Mayor Hastings called the meeting to order at 10:08 am.

ROLL CALL/QUORUM

The following members were present: Mayor Drew Hastings, Chair; Amy Hamilton, John Storrs, and Steve Ventura. Mel McKenzie and Steve Thompson were unable to attend the meeting. A quorum was met.

MINUTES

The following meeting minutes were approved as presented:

The following minutes were approved as presented.

- October 5, 2018
- November 8, 2018 (Special Meeting)

REPORTS

Monthly reports for October and November 2018 were reviewed. The Committee noted that loans for Warren Furniture, Classic Diner made payments but remain delinquent.

The RLF balance as of November 21, 2018 is as follows:

CDBG	\$71,478.04	
	\$38,538.48	Balance of Commitment to Critical Infrastructure Grant
	\$32,939.56	<i>Available</i> CDBG Balance
UDAG	\$172,466.20	
Total Balance	\$243,944.24	

MOTION John Storrs moved, seconded by Ms. Hamilton, to approve the monthly reports. Vote: all yea.

CORRESPONDENCE

November 20, 2018 The Committee received correspondence from Attorney Greg VanZant. After reviewing the loan files for Warren Furniture, Classic Diner and Shabby Moose, he recommended that the Revolving Loan Fund Committee initiate legal action to collect the delinquent payments. He sited the age of the accounts and the concern of the applicable statute of

limitations. The committee must obtain counsel who can litigate these matters because Mr. VanZant does not handle litigation. It was recommended Collection Proceedings for Delinquent Loans and Release of Mortgage be pursued.

Mr. VanZant recommended that the RLF Committee take collection action against three loans: Warren Furniture, Classic Diner, and Shabby Moose. Mr. Storrs suggested that the previous owner of Shabby Moose (the loan holder) and the new owner of Shabby Moose both be notified that unless the delinquent payments are made, the matter will be placed in collection. The Committee was concerned that the new owner knows nothing of the loan or the terms of the loan agreement. Mayor Hastings and Mr. Ventura will make inquiries regarding an attorney to handle collection.

The same correspondence from Mr. VanZant addressed the Lowell's Landscapes loan and the obligation to partially release the mortgage held against Robert Lowell's real estate. The terms of the loan state that once the loan balance is below \$60,000.00 the mortgage will be released as long as all other conditions and covenants are compliant.

MOTION Mayor Drew Hastings moved, seconded by John Storrs to begin Collection process by Attorney on Warren Furniture, Classic Diner and Shabby Moose. Vote all yea.

DISCUSSION

UNFINISHED BUSINESS

Lowell's Landscape – Progress Report

The committee discussed the issue of compliance. Lowell's Landscape is no longer operating as a retail location which was the purpose of the RLF loan. They also were concerned with the history of delinquent payments. The Committee has not received any correspondence from Geoff or Robert Lowell addressing the timely continuation of payments. Mr. Storrs reiterated that the mortgage on the Robert Lowell property was for the purpose of collateral and not a personal guarantee as part of the note. It was not clear if loan security was adequate after everything was auctioned on November 24, 2018.

MOTION Mayor Hastings moved, seconded by Ms. Hamilton to add the Lowell's Landscape loan to the list of loans to collect if the recommendation is made after the loan documents are reviewed by counsel. Vote all yea.

NEW BUSINESS

- Collection Proceedings for Delinquent Loans
- Lykins Oil – BP Station 157 West Main Street

Mayor Hastings informed the Committee that Mr. McKenzie offered Lykins Oil \$70,000.00 for the Old BP Station in exchange for a deed to the City right-of-way along the Lykins property on Fair Street. Lykins responded that they are interested if the City can provide a Quick claim Deed by December 31, 2018. Mr. McKenzie will try to complete the transaction before the end of the year. It is not certain if Lykins will accept the offer of \$70,000.00.

ADJOURN

The meeting adjourned at 11:38 a.m.

The next regular meeting is scheduled for December 24, 2018.

Drew Hastings, Chairman

Debbie Sansone, Secretary