



**CREDIT COMMITTEE MEETING**

Thursday, November 29, 2018

10:00 AM

Schrafft's City Center, 529 Main Street, Suite 201, Charlestown, MA 02129

**AGENDA**

- I.** Establishment of Quorum
- II.** Administrative Matters and Governance
  - Review and Approval of Minutes.....*Tab 1*
    - June 7, 2018
    - September 12, 2018
  - Revised Loan Policy.....*Tab 2*
- III.** Cobblestone – Annual Loan Review.....*Tab 3*
- IV.** Loans for Consideration.....*Tab 4*
  - Healy Bus Company: \$900,000
  - Lowell Community Loan Fund, Inc., D/B/A Mill Cities Community Investments: Up to \$500,000
  - Mount Vernon Group Architects: \$750,000
- V.** Portfolio Review, Period Ending 06/30/18.....*Tab 5*
  - Risk Rating 4
  - Risk Rating 5
  - Risk Rating 6
- VI.** Loans Approved within \$500,000 In-House Lending Authority.....*Tab 6*
  - AmericanBio, Inc.: \$400,000
  - Atlantic Broom Service, Inc.: \$500,000
  - C2C Landscaping Company: \$50,000
  - Integrated Security, Inc.: \$500,000
  - Massachusetts Material Management, d/b/a Superior Waste Management: \$290,000
  - Meet Care Givers (SBA Loan): \$50,000
  - Milk Street Café: \$500,000
  - Oxford Trading Co.: \$500,000
  - Roddy Medspa, LLC: \$38,500
  - TCB Electrical Services Corp.: \$350,000
- VII.** Pipeline Report & Loan Activity Presentation.....*Tabs 7 & 8*

Adjourn

*Next Meeting:* Thursday, January 10, 2019

## Minutes of the Meeting of the Credit Committee

November 29, 2018

10:00 AM

529 Main Street, Suite 201, Charlestown, MA 02129

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**Members in Attendance:** Chair: Esther Schlorholtz, John Farmer, Carmen Panacopoulos, Nam Pham, Jim Reardon

**Members Not in Attendance:**

**Other Attendance:** Paul Allen, Larry Andrews, Katie Janowski, Rick Lewis, Don MacQuarrie, Neil Martin, Chuck Merrill, Angela Miele, Alison Moronta, John Santos, Paul Ricchi, Rob Williams

**Quorum**

The Chair welcomed everyone, established that a quorum existed and called the meeting to order.

**Approval of the Credit Committee Minutes**

The Chair called for a motion to approve the minutes of the June 7, 2018 and September 12, 2018 Credit Committee meetings. Thereupon, after a motion duly made and seconded, it was

**VOTED:** To approve the minutes of the Credit Committee meetings held on June 7, 2018 and September 12, 2018.

**Cobblestone – Annual Review**

Ms. Miele presented the Cobblestone audit to the committee. She went on to review the observations and suggestions, noting that the risk rating integrity is strong and no risk rating changes were recommended for the portfolio.

**Revised Loan Policy**

Ms. Miele presented the proposed changes to the Loan Policy highlighted on pages 4 – 7.

Following discussion and upon a motion duly made and seconded, it was

**VOTED:** To approve the Loan Policy revisions with the following edits:

- Page 6: Removal of extra period under Loan Pool
- Page 7: Remove “us” in “A Status of Title” under Legal and Insurance Documentation Requirements

A motion was made to go into Executive Session to discuss potential transactions involving financial and commercial information of applicants and their competitive position in their industry under Section 2(1) of M.G.L. 40W and expressing its intent to reconvene in Open Session after Executive Session. Following a roll call vote, it was unanimously voted in favor, to enter Executive Session to discuss the following items:

- Executive Session Minutes
- Healy Bus Co.
- Lowell Community Loan Fund, Inc., D/B/A Mill Cities Community Investments
- Mount Vernon Group Architects

The Committee returned to Open Session, whereupon the following were presented for approval:

**Healy Bus Co.**

Following discussion of the credit, held in Executive Session, and upon a motion duly made and seconded, it was:

**VOTED:** To approve a \$900,000 five-year Term Loan with a seven-year amortization. Interest rate on the loan will be prime +5% floating with a floor of 10%. Fees will be a 1% commitment fee and 1% at closing. Collateral will be a 1<sup>st</sup> security interest by collateral assignment of title in 20 buses. Junior ABA security interest subject to Brookline Bank and five other secured creditors.

The company currently has 93 full-time employees and is projected to have 93 full-time employees.

**Lowell Community Loan Fund, Inc., D/B/A Mill Cities Community Investments**

Following discussion of the credit, held in Executive Session, and upon a motion duly made and seconded, it was:

**VOTED:** To approve a demand to fund up to \$500,000 (total exposure \$1,000,000) for the second MCCI Emergency Commercial Loan Fund amortized at 36 months. Repayment will be no interest or payments for the first 6 months, then interest as received with Columbia Gas claims being applied to principal with a balloon payment at month 36. Interest rate will be fixed at 4% after 6 months. Collateral will be assignment of all claims against Columbia Gas from any business receiving funds from the MCCI loan.

The company currently has 7 full-time employees and is projected to have 7 full-time employees.

**Mount Vernon Group Architects, Inc.**

Following discussion of the credit, held in Executive Session, and upon a motion duly made and seconded, it was:

**VOTED:** To approve a \$500,000 Line of Credit with a revolving line with annual renewal on June 30<sup>th</sup> of each year, as well as a \$250,000 five-year Term Loan with \$6,302.09 of principal and interest due the first month and a five-year amortization. Interest rate on the loan will be prime +5% floating with a floor of 10%. Fees will be a 1% commitment fee and 1% at closing. Collateral will be a first lien on all business assets, first mortgage on 13 acres residentially-zoned land located at 227 Atlantic Road in Gloucester and a third mortgage on 9 Rocky Pasture Road in Gloucester.

The company currently has 22 full-time employees and is projected to have 26 full-time employees.

Along with the standard MGCC conditions to close, it was discussed that additional requirements are needed as discussed during Executive Session.

A motion was made to go back into Executive Session to discuss potential transactions involving financial and commercial information of applicants and their competitive position in their industry under Section 2(l) of M.G.L. 40W and expressing its intent to reconvene in Open Session after Executive Session. Following a roll call vote, it was unanimously voted in favor, to enter Executive Session to discuss the following items:

- Loans Approved Within \$500,000 In-House Lending Authority:
  - AmericanBio, Inc.
  - Atlantic Broom Service, Inc.
  - C2C Landscaping Company
  - Integrated Security, Inc.
  - Massachusetts Material Management, D/B/A Superior Waste Management
  - Meet Care Givers
  - Milk Street Café
  - Oxford Trading Co.
  - Roddy Medspa, LLC
  - TCB Electrical Services Corp.
- Portfolio Review, Period Ending 06/30/18

The Committee returned to Open Session.

After discussion concluded, it was

**VOTED:** To adjourn the meeting.

*Recorder:* Katie Janowski