Minutes of Finance Committee
Traill County Economic Development Commission
TCEDC Office - Hillsboro, ND

Board of Directors present: Rick Halvorson & Gail Mooney. **Also present:** Melissa Beach, Executive Director.

Committee Chair Halvorson called the meeting to order at 3pm.

Discussed organizational finances.
Recommendation:
In January of each year, the finance committee will analyze the finances of the organization and develop a budget to include emergency fund, savings and loan pool.
The 2011 Reserve Fund recommended budget:
$75,000.00 - Savings (for large projects)
$5,000.00 - Emergency Fund
$45,000.00 - Loan Pool

Discussed 2011 budget. Based on the number of inquiries received so far in 2011, it seems appropriate to maximize the number of dollars eligible to spend for the year.
Recommendation: TCEDC to lend up to $45,000 for the remainder of 2011 for development projects.

Discussed TCEDC loan interest. One year ago this summer, the Business Assistance Committee reviewed the lending policies and recommended we start charging interest on our loans. Since then, the board has only approved one loan, which was at 2% interest. The Finance Committee is suggesting we begin making rates more comparable with banks so we don't become the "free money" lender.
Recommendation:
TCEDC put in place a policy that establishes a starting point for loan interest that would be .5% higher than that of a comparable loan from a bank.
Justification:
- no longer a primary lender
- no longer in direct competition with lending institutions
- the ability to adjust loan interest rate based on the circumstance
- often those who need money from us are not eligible for bank loans, making the loans more risky

Discussed two applications for business assistance.
Recommendation:
$7,500.00 loan to Hillsboro Cooling Heating Refrigeration, Inc. for 3 years with 7% simple interest contingent upon the approval of the package funding at Lake Agassiz Development Corp. Payments to start immediately following the Lake Agassiz Development Corp. approval.
Justification:
- not primary lender
- interest based on the local lender rate of 6.5%
- retaining and creating jobs

Recommendation:
$7,500.00 loan to Hillsboro Municipal Airport for 3 years with 7% simple interest. Payments to start immediately.
Justification:
- not primary lender
- interest based on an estimated rate
- not a typical basis for TCEDC loan pool

Discussed membership on the finance committee. Current members are Rick Halvorson, Gail Mooney and Mary Stocking. Scott Hovde has expressed interest in being involved in the finance committee.

Meeting adjourned at 5pm.

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Officer (Print Name and Office)	(Signature)	(Date)
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Recording Secretary (Print Name)	(Signature)	(Date)