Northwest Colorado Council of Governments
Northwest Loan Fund (NLF) Board
City Hall Council Chambers
Glenwood Springs, CO
March 22, 2018

Board Members:
Alyssa Shenk, Town of Snowmass Village
Anne McKibbin, Town of Eagle
Bob Sirkus, Town of Snowmass Village
Carolyn Skowyrta, Town of Dillon
Heather Sloop, City of Steamboat Springs
Karn Stiegelmeier, Summit County
Kristen Manguso, Grand County
Mark Campbell, Town of Kremmling
Patti Clapper, Pitkin County
Thomas Clark, Town of Kremmling

Others Present:
Betsy Bair, Senator Bennet’s Office
Jennie Fancher, Mayor of Avon

NWCCOG Staff:
Anita Cameron
Elaina Wiegand
Jon Stavney
Nate Walowitz

Call To Order:
Karn Stiegelmeier, Chair, called the Northwest Loan Fund (NLF) Board meeting to order at 10:07 a.m. Round table introductions were conducted, and a quorum was present.

Approval of Minutes:
M/S/P Patti Clapper/Thomas Clark to approve the March 23, 2017 NLF Board meeting minutes as presented.

Approve Addition of 3/21/18 NLF Memo as Agenda Item:
M/S/P Patti Clapper/Bob Sirkus to add NLF Memo to agenda following program updates Patti Clapper/Bob Sirkus.

Approval of Postponing Final December 2017 NLF Financials:
Anita proposes to postpone the approval of the final December 2017 NLF financials until the May 24, 2018 meeting.
M/S/P Patti Clapper/Anne McKibbin to continue approval of the final December 2017 NLF financials for May 24, 2018 meeting.
**Approval of February 2018 Financials:**
Anita explained some of the abbreviations on the spread sheet, and reviewed what she is required to report for the loans. If the business is not a micro-enterprise (all owners Low to Moderate Income), they are required to create one job per every $20,000 borrowed. That is why the last column says either “micro” or has a number.

Anita informed the council of her current follow-up procedures regarding loan payments. If a business misses their payment, Anita calls them directly. Since the money is grant money, it is never a real loss to the Northwest Loan Fund (NLF). There are 23 active loans. Because of this low number, Anita is very connected and knowable on current status of each loan representatives of those businesses. She is in the process of converting a new software system, which will be able to generate emails to clients. Anita’s relationship-based communication system works best for this type of loan fund and for business loans in general. Business lending in a traditional bank would also not inundate clients with paperwork and prefers to operate from a relationship building perspective.

There is one “doubtful” loan listed on page 5. This client has not paid since 2016. Anita visited the owner yesterday. Anita is working on getting this piece of real estate listed with an agent.

The important point to remember is that NLF loans are going to people who would otherwise not be able to get these loans, so we know going in that they are risky. Overall, the Northwest Loan Fund is doing well considering the clientele.

*M/S/P Patti Clapper/Alyssa Shenk* to approve the February 2018 financials as presented.

**NLF Program Update:**
The Northwest Loan Fund approved a loan on March 8, 2018 for a husband and wife to purchase our largest downgraded loan. The loan will hopefully be approved by the state loan committee later this month allowing us to have a loan closing. This means one of the NLF problem loans will go away and the company will be owned by someone who knows how to run a business.

Council members asked about procedures for delinquent loans. There are none. Replying to a number of questions about the processes surrounding administering loans, especially those which are behind in payment, Anita provided background about the loan process by reviewing the process of applying for a loan: potential client calls Anita, she determines if they are a good fit for the loan fund, and if they are she asks them to complete an application. For instance, in February 2018, Anita received an application from an existing client’s friend. Anita took the time to educate this individual because it was an existing client’s friend. She then received another application who was confused about how to show assets of the individual owner and of the LLC. In this instance, Anita was spending too much time educating a potential client and directed them to a consultant. Anita mentioned this to show how much background work goes on while she is working on and with her current loans. Also, to highlight how she values the importance of maintaining good relationships out in the community and with the clients.
NLF Loan, Capital Creek Brewery in Basalt, is expanding to Aspen. They won the bid for the Aspen Public House (the old opera house). They will provide beer from Capital Creek Brewery and affordable food. The loan fund helped the brewery with their Basalt location last year. Their expansion is not part of the loan fund, but if we had not contributed to their start they would not be where they are at today.

Anita underscored that she is a one person show, and that with this work load there are plans for someone to help in the NLF department.

**Memo Approval:**
Jon Stavney provided background on the situation of the NLF contracting with Anita’s son who has stepped forward to help her migrate all the loan histories into a new computer software designed specifically for such programs. Jon noted that he does not need to ask NWCCOG Council for approval on the items listed in the memo, but because contracting with a relative goes against our Employee Handbook, Jon gave the council context on the memo to provide full disclosure. In the NWCCOG Employee Handbook it says the Executive Director has authority to override the nepotism policy, but Jon would like council input before making a decision.

Anita provided background on why the conversion is necessary. She has spent a significant amount of time going through the NLF spreadsheets with QuickBooks and noticed a few discrepancies. Anita talked with other Loan Funds and found software that is dedicated to loan management. The software has a ‘dynamic’ Interface with QuickBooks. Anita decided to subscribe to this software and contracted her son, Christopher, help her verify and load four years history into the system. The contract calls is a temporary contract. Christopher is 30 hours into the project. He believes it will take 120 hours total, including writing procedures for the Fiscal Department.

The council all agreed that this item acceptable as long as it is a case by case deal and not setting the precedent for future nepotism contracts. They decided that the conversation in the meeting provided enough disclosure for Jon to move forward. There was no vote on the matter taken.

**New Business:**
There is none.

**Adjournment:**
*M/S/P Patti Clapper/Bob Sirkus* to adjourn the NLF Board Meeting at 10:41 a.m.

Karn Stiegelmeier, NWCCOG Chair

May 24, 2018