

**KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS
Executive Committee**

February 26, 2018

Members Present

Jimmy Clayton
Zelodis Jay
Reggie Horton
Bryan Pfohl (On Phone)
Tom Lane

Sidney Dunston
Danny Wright
Walter Powell
Walter Gardner
David Smith

COG Staff:

Diane Cox
Mark Warren
Gina Parham

Others:

Jim Wrenn

Call to Order

Vice Chairman Clayton called the meeting to order and welcomed members. Vice Chairman Clayton asked Mark Warren to review the loans that had been recommended for approval by the Loan Review Committee.

Mark advised that the Loan Review Committee had met last week and reviewed three loan applications and interviewed all of the loan applicants. Two of the loan applications were recommended unanimously for submission to the Executive Committee for approval. One request was deferred for possible review at a later once additional items are addressed.

K&B

Mark shared a synopsis/summary sheet with each of the Executive Committee members and highlighted K&B Small Engine Repair loan request:

- K&B is a small engine(lawn mowers, chain saws, jet ski) repair shop located in Macon, NC
- Owners, Kevin and Lauren Sanford are requesting \$20,000 from the Micro Loan fund
- Funds will be used to demolish a dilapidated house and install a new building
- The new building will be up fit with insulation and walls, etc.
- This building would be used for the office and repair work
- This building would be moveable and the COG would have first lien on it.
- Additional information such as: business plan, tax returns, credit reports etc. were available for review in regards to the loan request.
- Interest rate would be 4.46%
- All loan funds would be paid directly to the vendors for their service
- All requirements would be reviewed and finalized by the COG attorney.

Mark also advised there was approximately \$60,000 that could be loaned in the Micro Loan fund.

K&B Small Engine
Motion # 1

A motion was made by Danny Wright to approve the loan request as presented. Walter Gardner seconded the motion. Motion carried unanimously.

Lake Gaston Jet Ski

Mark advised that the second loan request is from Larry Liles who wants to open Lake Gaston Jet Ski and he is asking for \$260,000 from the revolving loan fund. Mark again shared a summary/synopsis sheet with the Executive Committee and highlighted the loan request:

- Mr. Liles plans to acquire the property and building formerly known as Lake House Pub in Littleton, NC
- This property consists of 4.45 acres and he plans to erect a 40x75 foot metal building on the property.
- COG owns an adjacent lot, which contains the septic field for the business. This lot was acquired during the foreclosure and personal judgements of owners of Lake House Pub loan. Mr. Liles has offered to purchase the septic field acreage for \$30,000 with his own funds. This amount would be applied towards the outstanding debt on Lake House Pub.
- New Republic Bank foreclosed on the main building and land. They have agreed to sell this property to Mr. Liles for \$65,000.
- Members were also provided the opportunity to review the loan application, the tax returns, credit reports and appraisal of the property. (Appraisal as is \$125,000 and after improvements it would be \$435,000) if they desired to do so.
- Applicant asking for a 20-year amortization with a 5-year balloon payment.
- COG would have first lien on the new building, which would be moveable, and all property.

Attorney Wrenn, explained the history of the Lake House Pub loan, the process of filing judgements against the owners in NC and NJ and how the COG wound up with the septic field to this property.

Walter Gardner expressed concern over the "zoning" of the area on Lake Gaston as it is zoned Residential Lake Side and he was informed members of the Warren County Planning Board had been involved in this process. Attorney Wrenn stated he would communicate with Planning Director, Ken Krulik before loan is closed.

Lake Gaston Jet Ski
Motion # 2

Sidney Dunston made a motion to approve Lake Gaston Jet Ski Loan request as outlined and with any additional items deemed necessary by the COG attorney. Walter Gardner seconded the motion. The motion carried unanimously.

There being no further business, the meeting adjourned.

Sincerely,



Patricia S. Cox, Executive Director
Secretary to the Board of Directors