



**TOWN OF MORRISTOWN MORRISTOWN DEVELOPMENT FUND  
BOARD  
MEETING NOTICE & AGENDA  
TEGU BUILDING, COMMUNITY MEETING ROOM  
43 Portland Street Morrisville, VT 05661  
2:00 PM Thursday, October 3, 2024**

[Join Zoom Meeting](#) or by phone join via conference call (audio only): 1 (646) 558-8656 | Meeting ID: [810 342 4528](#) | Passcode 05661  
The meeting will be live streamed on the Town of Morrystown's website:  
<https://www.morrystownvt.gov/community/page/meetings-agendas-minutes>

- I. CALL TO ORDER**
- II. AGENDA CHANGES/ADDITIONS**
- III. APPROVE MINUTES**
  - 1. Approve minutes 9-12-24
- IV. NEW BUSINESS**
  - 1. Review and approve MDF documents
  - 2. Review and approve MDF loan checklist and loan application form
- V. OLD BUSINESS**
- VI. COMMUNITY COMMENTS**
- VII. ADJOURN**



**MORRISTOWN DEVELOPMENT FUND**  
**Tegu Building - Community Meeting Room**

**MEETING MINUTES**  
**September 12, 2024**

Members in attendance: Steve Leach, Peter Merrill and Mary Ann Wilson  
Selectboard Liaison: Laura Street

Town Staff: Brent Raymond, Town Manager  
Judi Alberi, Executive Assistant

Guest: Attorney James Barlow

Steve Leach, Chairperson called the meeting to order 2:00 PM.

**I. AGENDA CHANGES/ADDITIONS:** None.

**II. APPROVE MINUTES:**

Minutes of August 1, 2024 were approved with the correction that MDF funding was not currently available. Applications will be received after the restructuring of the fund with a date to be determined.

**III. NEW BUSINESS:** None scheduled.

**IV. OLD BUSINESS:**

Atty Barlow presented a brief history of the MDF. He submitted the continuing draft versions of the documents to be submitted to the Selectboard:

1. Corporate resolution to dissolve MDF, Inc.-no changes.
2. An agreement to transfer the assets from MDF, Inc. to the Town of Morrystown – revisions approved.
3. A request for proposals from qualified lenders to provide loan services for the new MDF - revisions approved.
4. Revolving Loan Program Guidelines - revisions approved.
5. Selectboard Resolution. No changes.
6. Minor revisions for all documents need to be made to incorporate changes in dates and staffing and Selectboard updates.

**V.** Next meeting to be determined when documents are in final form.

**VI. ADJOURNED:** With no other business to come before the board, the meeting was adjourned at 3:32 PM upon motion..

Respectfully submitted,  
*Mary Ann Wilson*, Scribe



**MORRISTOWN DEVELOPMENT  
FUND BOARD  
MEMORANDUM**

**To:** Morristown Development Fund Board  
**From:** Judi Alberi, Executive Assistant  
**Date:** October 3, 2024  
**Subject:** Review and approve MDF documents

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**Suggested Motion:**

I move to approve the following draft documents as presented; Morristown Development Fund Inc. Asset Transfer Agreement, Morristown Development Fund Inc. Resolution, Proposed Morristown Development Fund Inc Guidelines, Town of Morristown Selectboard Resolution and the Proposed RFP for Loan Services and have the documents presented to the Morristown Selectboard for discussion and consideration.

**Attachments:**

1. Town - MDF Inc Asset Transfer Agreement 10.3.24
2. MDF Inc. Resolution 10.3.24
3. Proposed MDF Guidelines 10.3.24
4. Town Resolution 10.3.24
5. Proposed RFP for Loan Services 10.3.24

**MORRISTOWN DEVELOPMENT FUND**  
**ASSET TRANSFER AGREEMENT**

**THIS AGREEMENT** (the “Agreement”) is entered into by and between the Town of Morrystown, a municipal corporation in the County of Lamoille and State of Vermont (the “Town”) and Morrystown Development Fund, Inc., a Vermont non-profit with its principal place of business at 582 Laporte Road, Morrystown, Vermont (“MDF Inc.”)

**WHEREAS**, MDF Inc. was incorporated on November 11, 1987 for the purpose of administering a revolving loan fund capitalized with funds received by the Town from the Vermont Community Development Program; (the “Morrystown Development Fund”); and

**WHEREAS**, the purpose of the Morrystown Development Fund has been to improve, stimulate, and maintain the economic and physical environment of Morrystown by creating and retaining employment with its principal focus to benefit persons who are of low and moderate income; and

**WHEREAS**, the MDF Inc. Board of Directors conducted a meeting on \_\_\_\_\_, 2024 at which there was considered and approved a resolution to dissolve the MDF Inc. and to transfer the Morrystown Development Fund and all assets and liabilities held or owned by MDF, Inc. to the Town; and

**WHEREAS**, the MDF Inc. Board of Directors and the Morrystown Selectboard have concluded certain discussions and understandings with respect to the transfer of the Fund and other assets held or owned by MDF Inc. to the Town and intend by these presents to memorialize such agreements and understandings.

**NOW, THEREFORE**, intending to be bound hereby, MDF Inc. and the Town mutually agree as follows:

(1) Simultaneously with the execution of this Agreement and subject to the terms and conditions set forth herein, MDF Inc. shall assign, transfer, convey and deliver to the Town, and the Town shall accept from the MDF Inc., all of MDF Inc.’s right, title and interest in the assets of MDF Inc. (the “Assets”). The Assets include, without limitation, the following:

(a) The Morrystown Development Fund, being comprised of the following:

1. Edward Jones investment account no. \_\_\_\_\_, having a principal balance, as of the date of this Agreement of \$\_\_\_\_\_.
2. Money Market account no. \_\_\_\_\_, having a principal balance, as of the date of this Agreement of \$\_\_\_\_\_.
3. \_\_\_\_\_

(b) All other funds, moneys, and assets held or owned by MDF Inc.

(c) All books and records of MDF Inc.

(2) The Morrystown Development Fund and other assets transferred hereunder shall be used by the Town as a revolving loan fund. The objectives of the Morrystown Development Fund shall be to improve, stimulate, and maintain Morrystown's economic and physical environment by creating and retaining employment with its principal focus to benefit persons of low to moderate income. The Morrystown Development Fund will assist in stabilizing the local tax base by stimulating new private investment in

the Town's small and medium-sized business sector by offering to local growing businesses otherwise unavailable financing.

- (3) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place simultaneously with the execution of this Agreement at the Morristown Town Office on \_\_\_\_\_, 2024, or at such other time and/or place as shall be mutually agreed upon by the Town and the MDF Inc. At the Closing, the MDF Inc. shall deliver the Assets to the Town and shall execute all such documents as are necessary to assign and transfer the Assets to the Town.
- (4) MDF Inc. represents and warrants to the Town that the statements set forth below are true and correct as of the date hereof:
  - (a) MDF Inc. has full corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby.
  - (b) The execution, delivery and performance by MDF Inc. of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of MDF Inc.
  - (c) No consent, approval, waiver or authorization is required to be obtained by MDF Inc. from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by MDF Inc. and the consummation of the transactions contemplated hereby.
  - (d) There are no claims, demands, litigation, or governmental investigations pending, or to MDF Inc.'s knowledge threatened against MDF Inc.
- (5) If any term or provision of this Agreement is invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement.
- (6) This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, the statements in the body of this Agreement will control.
- (7) This Agreement may be amended, modified or supplemented, and any provision hereof shall be waived, only by an agreement in writing signed by each party hereto. No delay in exercising any right or remedy hereunder shall be construed as a waiver thereof.
- (8) This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont, without giving effect to such jurisdiction's principles of conflict of laws.
- (9) The parties agree that this Agreement was jointly drafted, and that they both had opportunity to negotiate terms and to obtain assistance of counsel in reviewing terms prior to execution. This Agreement shall be construed neither against nor in favor of either party but shall be construed in a neutral manner.
- (10) The terms of this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective duly authorized officers on the dates set forth opposite their respective signatures.

**Town of Morristown**

By: \_\_\_\_\_  
Donald McDowell, Selectboard Chair and Duly  
Authorized Agent

**Morristown Development Fund, Inc.**

By: \_\_\_\_\_  
Steven Leach, Chair and Duly Authorized Agent

DRAFT

**MORRISTOWN DEVELOPMENT FUND INC.  
CORPORATE RESOLUTION**

We the undersigned, being the Directors of Morrystown Development Fund Inc., consent and agree that Morrystown Development Fund Inc. shall be dissolved in accordance with the provisions of Title 11B, Chapter 14, of the Vermont Statutes Annotated, and the President be duly authorized to take all such actions as may be required to accomplish the same, including without limitation, executing such documents as may be required or appropriate to effectuate the transfer of all assets of Morrystown Development Fund Inc. to the Town of Morrystown, Vermont.

\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director Signature

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Director Signature

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Printed Name

\_\_\_\_\_  
Date

**MORRISTOWN DEVELOPMENT FUND**  
**REVOLVING LOAN PROGRAM GUIDELINES**

**1. Introduction**

The Morristown Development Fund (MDF) was established in 1986 with revenue received by the Town of Morristown from the Vermont Community Development Program. In \_\_\_\_\_, 2024, responsibility for the Morristown Development Fund was transferred from Morristown Development Fund Inc. to the Town of Morristown.

The Morristown Selectboard serves as the governing board of the Morristown Development Fund. The Selectboard has established an MDF Loan Advisory Committee to assist it in reviewing loan requests and assessing ongoing borrower financial strength and will retain a Loan Servicer as defined below to assist it in the administration and servicing of all loans. The Selectboard retains full authority and responsibility for all decisions related to the granting, future modification, and collection of all loans made by the MDF.

**2. MDF Loan Advisory Committee**

**A. Committee Membership.** The MDF Loan Advisory Committee is comprised of one Morristown Selectboard member and four at-large members appointed by the Selectboard for their competence and interest in economic development activities. MDF Loan Advisory Committee members are Morristown residents with business and financial knowledge and experience, though they need not have commercial lending experience.

**B. Terms.** The Selectboard member of the MDF Loan Advisory Committee is appointed annually. The at-large members have been initially appointed on the following schedule: one for one year, one for two years, one for three years, and one for four years. Thereafter, at-large members shall be appointed for three-year terms. If a member cannot serve a full term, the Selectboard appoints a person to complete the unexpired portion of that term.

**C. Quorum.** The MDF Loan Advisory Committee's quorum shall be three (3) members. Applications for loans shall be recommended for approval by at least three (3) affirmative votes. Votes of the MDF Loan Advisory Committee shall be recorded and reported to the Selectboard

**D. Officers and Staff.** The MDF Loan Advisory Committee shall annually elect a Chair and Vice Chair. The Morristown Town Manager and Treasurer shall serve as staff to the Loan Advisory Committee.

**E. Responsibilities and Authority.** The MDF Loan Advisory Committee shall review each loan application to determine whether the proposed loan meets the lending parameters of the MDF and to assess borrower creditworthiness. Once a loan is made the MDF Loan Advisory Committee will review financial information periodically provided by the borrower to assess the borrower's ongoing financial strength and to make recommendations to the Selectboard as necessary. While the MDF Loan Advisory Committee will have the authority to reject any

application pursuant to Section 6 B below, initial loan applications and any future modification requests or loan collection decisions may only be approved by the Selectboard.

**E. Liability:** Members of the MDF Loan Advisory Committee serve on a part-time volunteer basis and absent their own gross negligence or willful misconduct, shall have no liability for any loan made by the MDF and will be fully indemnified by the Town against any claims or costs arising as a result of the services they provide.

### 3. Loan Servicer

The Selectboard shall retain a local lending institution (the “Loan Servicer”) to advise the MDF Loan Advisory Committee regarding the creditworthiness of applicants and perform loan closing, servicing, monitoring, collection, and consultation services in exchange for a fee to be negotiated. The Loan Servicer will perform its duties with the same standard of care it employs in the conduct of its own lending activities.

### 4. The Revolving Loan Fund

**A. Objectives.** The MDF is operated as a revolving loan fund. The objectives of the MDF are to improve, stimulate, and maintain Morristown's economic and physical environment by creating and retaining employment with its principal focus to benefit persons of low to moderate income. The MDF also assists in stabilizing the local tax base by stimulating new private investment in the Town's small and medium-sized business sector by offering to local growing businesses otherwise unavailable financing.

**B. Borrower Eligibility.** The applicant must demonstrate to the MDF Loan Advisory Committee's satisfaction a commitment, intent, and ability to repay the loan. The borrower must operate a business in Morristown and propose to use the borrowed funds for the portion of the business in Morristown, or the borrower must show that Morristown residents will be the primary beneficiaries of the loan. The borrower must be current on Morristown taxes and have a satisfactory credit history.

**C. Eligible Activities.** The MDF will be used for any legitimate business need that meets the Fund objectives described above.

**D. Security.** The MDF Loan Advisory Committee will recommend loan terms including required loan collateral and/or guarantees on a case-by-case basis. Typically, all available business assets of the applicant will secure loans made using MDF funds. Where necessary and desirable loans may be secured or partially secured by junior liens on assets pledged to other lenders. Guarantees and personal assets or assets of any related affiliate of the borrower may be utilized if the applicant's business assets are inadequate or unverifiable or if the failure to include as collateral the personal assets or assets of the affiliate would create an unnecessary or unacceptable risk of collection or enforcement. Need for co-signers and other specific security arrangements may be made as a condition of recommending loan approval by the MDF Loan Advisory Committee. At a minimum, a personal guarantee of loans shall be required by all business owners having 20% or greater interest in the business.

**E. Types of Loans.** The MDF Loan Advisory Committee shall consider, but not be limited to, fully amortizing loans with fixed interest rates. Generally, loan terms will be for no more

than five to ten years. This may be modified for real estate secured loans, where longer terms may be considered.

**F. Funding Limits.** Generally, loans shall be limited to ten percent of the total balance of the MDF funds. However, at its discretion, the MDF Loan Advisory Committee may recommend funding above the amount requested.

## 5. Loan Application Procedures

All loan requests must be accompanied by the MDF application form and the items below. The form will require the applicant to provide a personal financial statement and authorize a review of the applicant's credit standing. In addition, a credit report will be obtained. The application must include the following items:

**A. Project Description.** The applicant must describe the purposes for which the loan will be used, the total project cost, other funding sources, and the amount requested.

**B. Business Plan.** The application must describe the short and long-term goals of the business, including the business environment, size and character of the market, major competitors, significant customers, uniqueness of product or service, particular skill of borrower, general marketing and production plan, location, key personnel, and management plan.

**C. Financial Information.** The applicant must provide financial statements for three years past and projections for at least two years forward.

**D. Tax Returns:** Tax returns for the borrower and any guarantors must be provided for the most recent three tax years. Exceptions may be made for borrowers in business for less than three tax years.

**E. Equipment.** When applicable, the application must include the land, buildings, equipment, and other items to be purchased.

**F. Number of Jobs.** The application must indicate the number of jobs to be created or retained and a statement of the benefit to the Town.

**G. Application Fee.** An application fee will be payable to the Town of Morristown at the time of application submission. The fee is non-refundable and covers the cost of the credit report and processing.

## 6. Insurance

The following types of insurance may be required from the borrowers, depending on the Town's insurable interest:

**A. Homeowner's or Property/Casualty Insurance** sufficient to cover the amount of all mortgages and liens, including the Morristown Development Fund loan.

**B. Flood Hazard Insurance** for all loans made for improvements of properties existing within the standard, intermediate flood plain (100-year flood plain), at least in the amount of the Morristown Development Fund loan.

**C. Business Liability Insurance** may be required by any recipient of loan funds.

**D.** Keyman life insurance may be required on the principals in the loan amount naming the Town of Morristown as beneficiary and assignee.

For all insurance on the property, notification shall be sent to the insurance carrier to add the Town of Morristown as a loss payee. Subsequent yearly notification of continued coverage must be sent to the Town.

## **7. Loan Application Decisions**

**A.** All applications will be reviewed by the MDF Loan Advisory Committee on a case-by-case basis.

**B.** An application may be recommended to the Selectboard for approval, subject to the MDF Loan Advisory Committee's terms and conditions. The MDF Loan Advisory Committee may decline an application for any reason or reasons which represent a reasonable determination that the approval of the application would not meet the MDF objectives and/or would not represent an appropriate or prudent use of MDF funds. In such instances, the applicant will be notified in writing of the reason(s) for disapproval.

## **8. Loan Closing, Service, and Documentation**

**A.** The Town shall provide the Loan Servicer with a copy of the approved application and a detailed term sheet which includes all relevant loan terms including the approved loan amount, required collateral, and all other terms and conditions as well as the name(s) of the attorneys and any other professionals involved in the loan closing. The loan servicer will coordinate all aspects of the loan closing including the receipt and filing of all required documents.

**B.** All closing costs, including but not limited to prepaid interest, title search, appraisal, recording, uniform commercial code (UCC) preparation and filing, legal opinions, security documents, and other miscellaneous costs, will be the financial responsibility of the applicant and may be included in the loan amount. Regardless of the final disposition of the request for funds, the applicant will pay the non-reimbursable application fee.

**C.** Loan payments will be made to the Loan Servicer for the account of the Town of Morristown according to the loan terms.

**9. Financial Reporting:** Copies of all required reporting documents will be provided to the MDF Loan Advisory Committee, the Loan Servicer and the Town of Morristown.

**A. Financial Statements:** Borrowers must provide quarterly internally-prepared financial statements and when required by the loan terms, annual accountant-prepared financial statements.

**B. Tax Returns:** Borrowers and any guarantors will provide copies of their annual tax returns

## **10. Loan Refinancing and Restructuring**

Refinancing, restructuring, and recasting of loans may be considered when the borrower's financial situation has changed since the closing of the loan. The decision regarding any loan restructuring must be approved by the Morristown Selectboard upon recommendation of the MDF Loan Advisory Committee.

**11. Non-Discrimination**

The Town of Morristown Selectboard and the MDF Loan Advisory Committee shall not discriminate based on race, color, religion, sex, national origin, age, marital status, sexual orientation, or disability in their lending practices.

**12. Confidentiality**

To the extent authorized by law, all information from an applicant shall be held in strict confidence by the MDF Loan Advisory Committee, the Morristown Selectboard, and the Town of Morristown staff. At no time shall an applicant's information be disclosed to anyone outside these groups without the applicant's consent.

**13. Conflicts of Interest**

A. Conflicts and the appearance of conflicts of interest shall be avoided to assure public confidence in the operation of the Morristown Development Fund.

B. No MDF Loan Advisory Committee member, Morristown Selectboard member, or Town of Morristown staff person shall participate in any decision concerning matters in which he or she, his or her spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, brother or sister in law, business associate, employer or employee has a direct or indirect financial interest.

**14. Amendments**

Amendments to these Revolving Loan Program Guidelines may be proposed at any time by the MDF Loan Advisory Committee and approved by the Morristown Selectboard.

Dated at Morristown, Vermont this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Donald McDowell, Chair

\_\_\_\_\_  
Christopher Palermo, Vice Chair

\_\_\_\_\_  
Laura Streets

\_\_\_\_\_  
Richard Craig

\_\_\_\_\_  
George Cormier

**TOWN OF MORRISTOWN**  
**SELECTBOARD RESOLUTION**  
**REGARDING THE ESTABLISHMENT OF THE**  
**MORRISTOWN DEVELOPMENT FUND LOAN ADVISORY COMMITTEE**

**WHEREAS**, the Town of Morristown operates the Morristown Development Fund, a revolving loan fund; and

**WHEREAS**, the objectives of the Morristown Development Fund are to improve, stimulate, and maintain Morristown's economic and physical environment by creating and retaining employment, with its principal focus to benefit persons of low to moderate income, and

**WHEREAS**, the Morristown Selectboard serves as the governing board of the Morristown Development Fund; and

**WHEREAS**, the Selectboard desires to establish a Loan Advisory Committee to oversee all loan applications submitted to the Morristown Development Fund and assist and make recommendations to the Morristown Selectboard on loan applications.

**NOW THEREFORE BE IT RESOLVED:**

A. Committee Membership. The Morristown Development Fund (MDF) Loan Advisory Committee shall be comprised of one Morristown Selectboard member and four at-large members appointed by the Selectboard for their competence and interest in economic development activities. MDF Loan Advisory Committee members shall be Morristown residents with business and financial knowledge and experience, though they need not have commercial lending experience.

B. Terms. The Selectboard member of the MDF Loan Advisory Committee shall be appointed annually. The four at-large members shall be initially appointed to the following terms: one for one year, one for two years, one for three years, and one for four years. Thereafter, at-large members shall be appointed for three-year terms. If a member cannot serve a full term, the Selectboard shall appoint a person to complete the unexpired portion of that term. The initial at-large members shall be:

- |       |                 |
|-------|-----------------|
| _____ | Four Year Term  |
| _____ | Three Year Term |
| _____ | Two Year Term   |
| _____ | One Year Term   |

C. Officers and Staff. The MDF Loan Advisory Committee shall annually elect a Chair and Vice Chair. In addition, the Morristown Town Manager and Treasurer shall serve as staff to the MDF Loan Advisory Committee.

D. Authority. The MDF Loan Advisory Committee shall have the authority, as outlined in the Morristown Development Fund Revolving Loan Program Guidelines, to act on all loan applications and carry out those additional responsibilities assigned to the Committee in the Revolving Loan Program Guidelines.

E. Quorum. The MDF Loan Advisory Committee's quorum shall be three (3) members. Applications for loans shall be recommended for approval by at least three (3) affirmative votes. Votes of the MDF Loan Advisory Committee shall be recorded and reported to the Selectboard.

Dated at Morristown, Vermont this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Donald McDowell, Chair

\_\_\_\_\_  
Christopher Palermo, Vice Chair

\_\_\_\_\_  
Laura Streets

\_\_\_\_\_  
Richard Craig

\_\_\_\_\_  
George Cormier



## REQUEST FOR PROPOSALS

### LOAN SERVICES – MORRISTOWN DEVELOPMENT FUND \_\_\_\_\_, 2024

The Town of Morrilltown requests written proposals from qualified lenders in the Lamoille County, Vermont area, to provide services to the Town for loans made by the Morrilltown Development Fund (MDF), as set forth below.

#### **Background**

The Morrilltown Development Fund is a revolving loan fund established in 1986 with revenue received from the Vermont Community Development Program. In \_\_\_\_\_, 2024, responsibility for the Morrilltown Development Fund was transferred from Morrilltown Development Fund Inc. to the Town of Morrilltown. The balance of the Morrilltown Development Funds is approximately \$\_\_\_\_\_. Historically, loans made by the Morrilltown Development Fund have ranged from \$\_\_\_\_\_ to \$\_\_\_\_\_.

The Morrilltown Selectboard serves as the governing board of the Morrilltown Development Fund. In addition, the Selectboard has established an MDF Loan Advisory Committee to assist it in reviewing loan requests and assessing ongoing borrower financial strength.

The objectives of the Morrilltown Development Fund are to improve, stimulate, and maintain Morrilltown's economic and physical environment by creating and retaining employment, with its principal focus on benefiting persons of low to moderate income.

#### **Proposed Scope of Services**

The Town is requesting written proposals from qualified lenders to provide services in conjunction with service loans made by the Morrilltown Development Fund. The successful candidate will assume all responsibilities required under an agreement for servicing these loans, including but not limited to the following:

- **Loan Closing.** Once the Selectboard has approved an MDF loan, the servicer will manage the closing of the loan, including: (1) coordinating with the Selectboard, borrower, attorneys, and other interested parties, (2) ensuring that all necessary documents are signed and filed as required, and (3) obtaining and disbursing funds as required by the loan terms.
- **Loan Servicing.** The servicer shall set up each MDF loan on its system and will be responsible for: (1) tracking accrued interest and required principal payments, (2) billing



and receiving payments, and (3) providing regular loan statements to the borrower, the MDF Loan Advisory Committee and the Town.

- **Loan Monitoring:** The servicer will ensure that all financial and other reporting to be provided by the borrower is received in a timely manner and will promptly notify the MDF Loan Advisory Committee and the Town of any failure by the borrower to provide such information.
- **Loan Collection.** The servicer will promptly notify the MDF Loan Advisory Committee and the Town in the event of a default the servicer learns of in providing services to the Town. Once a course of action is determined by the Selectboard, the servicer will work with the Selectboard and the Selectboard's attorneys and other advisors to implement the agreed course of action, which may include such things as the sending of default notices or demand letters, the commencement of legal proceedings and coordinating the closing of any settlement agreements.
- **Consultation.** On an as-requested basis, the servicer will advise the MDF Loan Advisory Committee regarding the creditworthiness of applicants and consult with the MDF Loan Advisory Committee and the Selectboard regarding all matters relating to making, administering, monitoring, and collecting each loan.

### **Evaluation Criteria**

Candidates will generally be considered based on their response to this RFP, additional written information as requested by the Town, and interviews, if any, and will be evaluated against the following criteria:

- Reputation and experience.
- Responsiveness to the Town's needs.
- Experience with other community revolving loan funds.
- Competitiveness of proposed cost.



## **Requested Information**

Each respondent to the RFP must provide the following information:

- A brief description of your company and its experience providing the loan closing, servicing, monitoring, collection, and consultation services requested by the Town.
- Provide a fixed or flat rate fee based on the services described in this RFP. Please provide an alternative fee structure if your company would like to suggest one.
- Describe any material lawsuits, legal or administrative proceedings or governmental investigations, criminal actions, or law enforcement activities (including those by federal, state, or local authorities or self-regulatory organizations) relating to your company.
- Describe whether you foresee any potential conflicts of interest arising from providing loan services to the Town of Morrilltown. If so, describe how you would address potential conflicts of interest.
- Furnish evidence of the company's applicable liability insurance to provide the services described in this RFP, including an errors and omissions policy and an adequate blanket fidelity bond on all employees handling borrower/investor funds, monies, documents, and papers. In addition, provide current documentation regarding your firm's general liability, workers' compensation, umbrella liability, and professional liability insurance.

Your company may be requested to present to the Morrilltown Selectboard and the MDF Loan Advisory Committee as part of this RFP.

## **Submission of Responses**

The following requirements must be observed in the preparation and submission of a proposal:

- All inquiries should be directed to Brent Raymond, Morrilltown Town Manager, [braymond@morrilltownvt.gov](mailto:braymond@morrilltownvt.gov) no later than \_\_\_\_\_, 2024.
- Submissions must be sent electronically to [braymond@morrilltownvt.gov](mailto:braymond@morrilltownvt.gov) no later than \_\_\_\_\_, 2024.
- Responses must include a cover letter signed by an individual authorized to enter into an agreement with the Town of Morrilltown on behalf of the company, which must specify that your firm is submitting a response to this RFP for loan services.



## **Reservations**

The Town of Morrilltown reserves the right to:

- Reject any and all proposals received in response to this request.
- Negotiate the fees contained in any proposal.
- Waive or modify any irregularities in proposals received.
- Award contracts in any manner necessary to serve the best interest of the Town of Morrilltown and the Morrilltown Development Fund without obligation to accept a proposal based upon the lowest fee.
- Request additional information as determined necessary or request some or all firms responding to make oral presentations.

The approved firm will execute a contract satisfactory to the Town and agree that it will comply with the provisions of Vermont Statutes Annotated applicable to contracts with the Town.



**MORRISTOWN DEVELOPMENT  
FUND BOARD  
MEMORANDUM**

**To:** Morristown Development Fund Board  
**From:** Judi Alberi, Executive Assistant  
**Date:** October 3, 2024  
**Subject:** Review and approve MDF loan checklist and loan application form

---

**Suggested Motion:**

I move to approve the Morristown Development Fund loan checklist and loan application form as presented.

**Attachments:**

1. MDF loan checklist
2. MDF Loan-Application

# **Morristown Development Fund Loan Checklist**

PO Box 475 Morrisville Vermont 05661

An equal opportunity employer, lender and service provider

## **Purpose**

To help create jobs by providing loans to small and medium sized businesses

- That will be providing jobs in the community to low- and moderate-income individuals
- Whose project or activity has direct benefit to low- and moderate-income individuals
- Where existing or private sources of funding are not otherwise available or are limited
- To supplement existing or private sources of funds

## **Eligibility**

Available to any for-profit or not-for-profit firm, with special emphasis on firms that:

- Create high quality jobs
- Employ and train low- and moderate-income individuals
- Provide meaningful economic benefit to Morristown
- Have sound finances, with history of profits and solvency
- Exhibit a high level of technology and innovation
- Are growth oriented

## **Ineligible Borrowers and Loan Uses**

- Lending institutions
- Gambling institutions
- Businesses not located in or not relocating to or not providing a direct economic benefit to the Town of Morristown
- Real estate purchases
- Business debt consolidation

## **Lending Limits**

- Minimum loan is \$2500
- Lending to any one project shall not exceed 50% of the fund's total assets

## **Rates and Terms**

- MDF will establish rates and terms on a case-by-case basis

## **How to Apply**

- Applications are available at the Administration office – Municipal building
- \$100 application fee (may be waived at committee's discretion)

## **Loan application checklist**

\_\_\_ A well thought out business plan, which addresses the following topics:

- a. A brief description of your business, its location, and a paragraph on the benefits expected from the proposed loan.
- b. A description of the educational, technical and business experience of individuals in management positions.
- c. List any licenses or permits necessary for the business
- d. Discuss any personal needs associated with the business
- e. Provide a brief analysis of present and future competition in the market
- f. Describe the market and who needs your products and services

\_\_\_ If your business is a partnership, provide a copy of the agreement

\_\_\_ If your business has any subsidiaries or affiliates, provide their names and the relationship with your company, as well as a current balance sheet and operating statement

\_\_\_ If you are buying machinery or equipment with this loan, provide a detailed list of the items and their cost.

\_\_\_ A personal financial statement for each loan applicant

\_\_\_ The following financial documents:

- a. Balance sheet dated within 90 days of submission of application
- b. Profit and Loss statement and/or Federal tax return for the previous three years
- c. Cash flow projection for the following year

\_\_\_ A list of each existing business loan or debt which includes the original date and amount, present balance, interest rate, monthly payment, maturity and security. Please indicate whether the debt is current or delinquent.

\_\_\_ If real estate is being offered as collateral, a copy of a recent appraisal or tax bill must be provided for the property.

Additional information may be requested upon review.



### Purpose of the loan

Purpose:			
Building and Construction ___ Building ___ Purchase ___ Renovate	Amount for construction: \$ _____	Amount for land: \$ _____	
Amount for new equipment: \$ _____	Amount for Notes Payable: \$ _____		
Amount for working capital: \$ _____	Amount for equipment repair: \$ _____		
Amount for Accounts Payable: \$ _____	Other: _____		
		\$ _____	
<b>Total Amount requested:</b>	\$ _____	<b>Requested term:</b>	_____

### Summary of Collateral

Present Market Value	Present Loan Balance	Cost Less Depreciation (book value)
Land and Building	\$ _____	
Inventory	\$ _____	
Accounts receivable	\$ _____	
Machinery and Equipment	\$ _____	
Furniture and Fixtures	\$ _____	
Other:	\$ _____	
<b>Total Collateral</b>	<b>\$ _____</b>	

### Bank References

Institution Name:	Institution Name:	Institution Name:	
Checking Account #	Savings Account #	Loan #	Loan Balance: \$ _____
Address:	Address:	Address:	
Phone:	Phone:	Phone:	

I/We authorize disclosure of any and all information submitted in connection with this application to any financial institution interested in participating in this financing. I/We certify that the information provided with the application is true and complete. I/We authorize the financial institution to investigate the credit history of the applicant business and its owner(s). I/We understand that further information may be requested.

Corporation/Partnership/Business Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_