

# NoteWorthy

VERMONT COMMUNITY LOAN FUND

Summer 2010

## A Scenic Tour of VCLF Success Stories

Vermont's Route 100 is well-known as one of the most picturesque drives in New England, tracing the length of the state from the Canadian border to the Massachusetts line. Less well-known, but no less 'noteworthy,' is the fact that Route 100 is also home to many businesses, facilities and communities that have benefited from VCLF's loan programs.

Westfield's **Lazy Lady Farm** ([www.lazyladyfarm.net](http://www.lazyladyfarm.net)) is known to cheese aficionados far and wide. Lazy Lady's very un-lazy founder and owner, Laini Fondiller, saw her small-scale operation take off with the help of a VCLF business loan in 2003. Since then, her production, her profits and her goat herd have expanded such that she's now an important player in Vermont's specialty foods community.

Fondiller spent years working on dairy farms. As a fan of both the agricultural life and of France, she moved abroad to work with a French cheesemaker who specialized in the making of chevre, the fresh French cheese made from goats' milk. Upon returning to the states and settling in Vermont, Fondiller wondered how she might utilize her new expertise here at home.

"Then — I heard about the Vermont Community Loan Fund." VCLF helped Fondiller with her business plan, and provided a loan to purchase a pasteurizer and to construct her current cheese production house. Today, she's turning out 230 pounds of cheese a week, 12,000 pounds per year, and wowing foodies across the continents.

Heading down into the village of North Hyde Park, a brightly-colored sign marks the entrance to **Round Hill Kids** child care center. Owner Christie Leone worked with VCLF and Union Bank to transform a modest ranch-style home into a licensed child care center, with spacious, sun-filled rooms and ample outdoor play space. Leone credits the child care business development assistance she received from VCLF with helping her prepare an effective business plan.



*Laini Fondiller, of Lazy Lady Farm, prepares a batch of chevre, her famous goat's milk cheese.*

*Continued on page 5*



# From the Executive Director

## BOARD OF DIRECTORS

Alec Barclay, *Essex Junction*  
Nancy Brock, *Waterbury Center*  
Louise Calderwood, *Craftsbury*  
Cairn Cross, *Ferrisburg*  
Brian Dunkiel, *Burlington*  
Elizabeth Glenshaw, *Lyme, NH*  
Rick Isabelle, *Derby*  
Kim Keiser, *Moretown*  
Chuck Lief, *Burlington*  
Michelle Ollie, *Hartland*  
Nancy Wasserman, *Montpelier*

## VOLUNTEER COMMITTEE MEMBERS

Megan Cicio  
Garth Genge  
Gisele Kloeckner  
Kim Phalen  
Sue Roberts  
Barb Saunders  
Jennifer Silpe

## STAFF

Will Belongia, *Executive Director*  
Erin Bettencourt, *Loan Coordinator, Business Programs*  
Rachael Beuchler, *Director of Finance and Administration*  
Sam Buckley, *Director of Business Programs*  
Hope Campbell, *Director of Child Care Programs*  
Paul Hill, *Director of Housing and Community Facilities Programs*  
Cindy Houston, *Microloan and Grant Portfolio Manager*  
Jake Ide, *Director of Development*  
Maria Lamberti, *Loan Coordinator, Child Care Programs*  
Anne Loecher, *Marketing and Communications Manager*  
Stephanie Panas, *Investment and Grants Coordinator*  
Barbara Petrie, *Loan Coordinator, Housing and Community Facilities Programs*  
Lesley Russ, *Senior Accountant*  
Lynn Winters, *Bookkeeper*

## SUMMER 2010 NOTEWORTHY

*Writing & Editing:* Anne Loecher, Jake Ide  
*Design:* RavenMark, Inc.  
*Photography:* Anne Loecher  
*Printed by:* Ecolor Printing



15 State Street, P.O. Box 827  
Montpelier, Vermont 05601

**Phone:** (802) 223-1448 **Fax:** (802) 223-1455

**Web:** [investinvermont.org](http://investinvermont.org)

Printed on 30% recycled stock manufactured with wind energy and using soy-based inks

On February 17<sup>th</sup>, 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009, commonly referred to as the Stimulus Bill or ARRA. This bill authorized \$787 billion in spending, new taxes and tax cuts, with the intent that these changes would help to turn our economy around, create jobs, and keep people in their homes.

The Stimulus Bill has been called many things, some not so flattering. Hundreds of economists spoke out in favor of it and hundreds spoke out against it. It has been hailed and bashed almost daily in the press and by pundits. Much of this debate has been echoed in our local papers and newscasts.

We've seen some of this spending in road and bridge construction projects, and it's helped to alleviate Vermont's state budget deficits over the past 18 months.

What is less known is the competitive-based funding that has been awarded to Vermont organizations because of the Stimulus Bill. In early 2009, VCLF applied to two government entities, the U.S. Treasury's Community Development Financial Institutions Fund and the Small Business Administration's Microloan Program for loan capital to be used to finance new businesses and community organizations. We were successful in receiving \$2.75 million in Stimulus Bill-funded loan capital.

With these funds VCLF financed 13 businesses around Vermont:

- ▶ High Mowing Seeds in Wolcott
- ▶ Terry Precision Bicycles in Burlington
- ▶ Step By Step Children's Center in Lyndonville
- ▶ Giggles Family Childcare and Preschool in South Burlington
- ▶ Bradford Veneer & Panel Company in Bradford
- ▶ Rutland County Parent Child Center in Rutland
- ▶ World of Discovery Child Care Center in Hartford
- ▶ Covered Bridge Therapeutic Center in St. Albans
- ▶ Creative Minds Childcare in Newport
- ▶ Maple Leaf Brewery in Wilmington
- ▶ Jeff Locke Trucking in East Albany
- ▶ Happy Hands – A School for Little People in Brattleboro
- ▶ Jenny's Rockin' Daycare in Fairfield

We still have \$500,000 remaining in SBA microloan funds available for small businesses and childcare.

For these 13 businesses, Stimulus Bill funding made a difference. For the communities and employees of these businesses, Stimulus Bill funding made a difference. So, while you hear the economists and commentators debate, read editorials and letters to the editor criticizing the Bill, remember that some of that \$787 billion made an important impact here in Vermont. As these businesses repay their loans, we will lend out these funds again and again to businesses, multiplying their impact and improving the wealth and well-being of hundreds of Vermonters.



*Will Belongia*  
*Executive Director*

VCLF was successful in receiving \$2.75 million in Stimulus Bill-funded loan capital

A handwritten signature in blue ink that reads "Will Belongia".

Will Belongia

# The Loan Fund at Work

January 1 – June 30, 2010

## Small Business Lending

### **Birch Ridge Inn, Killington**

Mary Furlong and Bill Vines, owners of this boutique hotel/restaurant in the heart of Killington's busy tourist area, will use a VCLF loan to refinance short-term debt and to take out a second mortgage, improving monthly cash flow. ([www.birchbridge.com](http://www.birchbridge.com))

### **Bradford Veneer & Panel Co., Bradford**

BVP, manufacturers of wood paneling, will use a VCLF loan for new working capital to pay off trade debt and property taxes. ([www.bradfordveneerandpanel.com](http://www.bradfordveneerandpanel.com))

### **Catamount Glassware, Inc., Bennington**

This glassworks manufacturer of high-end cookware and glass specialties will use a VCLF line of credit for working capital and to finance accounts payable; a second loan will be used to refinance credit card debt.

### **Cornerstone Restoration Corporation, LLC, Hardwick**

CRC restores historical buildings to industry standards while maintaining their historical integrity. They will use a VCLF loan to renovate the historic Hardwick Inn, which will provide much-needed commercial retail and office space.

### **Foster & Company, Swanton**

F&C is a forest products and excavation company that uses low-impact logging equipment to cull low-value wood under approved forestry management plans; it's then sold to schools and farmers. The company will use a VCLF loan for working capital to purchase new equipment and refinance existing equipment loans.

### **Jeff Locke Trucking Inc., East Albany**

Jeff Locke Trucking will use a VCLF loan for accounts payable, to upgrade their computer system, and provide working capital to cover expenses in the gap period between service provision and invoicing.

### **Mike's Hobbies & Raceway, Rutland**

This hobby shop, established in 1983, will use a VCLF loan to refinance credit card debt, and thereby improve cash flow.

### **Northwoods Stewardship Center, East Charleston**

This educational conservation nonprofit will use a VCLF line of credit to fund its upfront operating costs for the coming contract season, which will involve hiring 65 to 75 young people to work on trails, habitat restoration, river corridor and invasive species control projects. ([www.northwoodscenter.org](http://www.northwoodscenter.org))

## Child Care Lending

### **Creative Minds Children's Center, Newport Center**

CMCC will use a VCLF line of credit to support contract accounts receivable; an additional loan will be used to purchase a second facility across the street, previously leased by CMCC, and to transform the building's second story into an apartment.

### **Emerson Falls Daycare, St. Johnsbury**

EFD will use a VCLF loan to restructure an existing bank loan and to cover cost overruns related to facility renovations and expansion, which will increase capacity.

### **Happy Hands – A School for Little People, Brattleboro**

Happy Hands will use a VCLF loan to construct an addition to their existing child care space, which will give them the capacity to create additional slots for eight children in two new classrooms.

### **Jenny's Rockin' Daycare, Fairfield**

Director Jennifer Fournier will use a VCLF loan to purchase equipment to expand her business from a registered home to a licensed home daycare. New equipment will include materials for an outdoor play structure as well as indoor improvements.

### **World of Discovery, Inc., Hartford**

WDI will use a VCLF loan to purchase a facility, and make all necessary upgrades and improvements to it, providing a new child care center that will replace a previous Hartford center which closed.

## Housing and Community Facilities Lending

### **Covered Bridge Therapeutic Communities, Inc., St. Johnsbury**

CBTC, which provides transitional housing and aftercare for adults recovering from substance abuse, will use a VCLF loan to finance the acquisition of a building to serve as a new facility in St. Albans. ([www.covered-bridge.org](http://www.covered-bridge.org))

### **Randolph Area Community Development Corp., Randolph**

RACDC will use a VCLF loan for costs of demolishing an existing building, in preparation for construction of their Salisbury Square affordable housing development. A second loan will cover remaining predevelopment costs. Salisbury Square will include 12 affordable rental units and 23 affordable units for ownership. ([www.racdc.com](http://www.racdc.com))

### **West River Montessori School, Inc., South Londonderry**

WRMS will use a VCLF loan to finance repairs and safety upgrades to their plumbing system, including lead-free faucets and updated guards on sink drains. ■

## Total Lending January 1 – June 30, 2010

<b>Small Business:</b>	
9 loans	\$992,900
<b>Child Care:</b>	
6 loans	\$644,500
<b>Housing and Community Facilities:</b>	
4 loans	\$440,000
<b>Total Loans:</b>	
19 loans	\$2,077,400

## Staff Changes

It's been a busy year! Sadly, we said goodbye to **Kevin Lunn**, our Loan Coordinator for Housing and Community Facilities Programs. Kevin left us to pursue a new opportunity in the accounting department at Northfield Savings Bank; we know he'll do as well with NSB as he did with the Loan Fund. Luckily, we were able to fill Kevin's position internally: **Barbara Petrie**, former Manager of our Child Care Business Development Center, will now be supporting VCLF's Housing and Community Facilities Programs.

Supported by a loan from the U.S. Small Business Administration, VCLF has created a Business Microloan Program. **Cindy Houston**, our former Loan Coordinator for Business Programs, will be steering the ship. After a search process this spring, we hired **Erin Bettencourt** to take her place supporting our Business Programs.

Formerly, Erin had been living in Peabody, MA, and working in the Emergency Department at Massachusetts General Hospital. She spent part of her childhood in Salisbury, Vermont, and we're glad she decided to come back!



*Erin Bettencourt*

Lastly, we hired **Anne Loecher** as our new Marketing and Communications Manager. Anne has extensive experience in development, working for Community Connections in Montpelier, the Health Center in Plainfield and, most recently, at Food Works in Montpelier. Prior to that she worked in the advertising and marketing world in New York and Chicago. We're so glad to have her aboard!



*Anne Loecher*

## Board of Directors Changes

After years of service, VCLF's Board bid farewell to **Richard Kemp** of Burlington. Richard was a tireless advocate for the Loan Fund, always on the lookout for potential investors and donors (and rarely letting them say "no"). His connection to and belief in the Loan Fund's core ideals of social and economic justice has helped guide us for many years, and his humor will be sorely missed at Board meetings.

We are glad to have two new Board members. **Michelle Ollie** of Hartland is the Executive Director of the Center for Cartoon Studies in White River Junction and has a long career in design and illustration. **Brian Dunkiel** of Burlington is an attorney with Shems Dunkiel Raubvogel & Saunders, also in Burlington. Brian's expertise is regulatory, land use, environmental, and corporate governance law. We're looking forward to using both their talents for the continued success of the Loan Fund. ■

## The results are in!

### *VCLF's 2010 Investor Survey*

Every other year, the Loan Fund asks our community of investors for a bit of their valuable time and input for our Investor Survey. We want to find out what they think about the job we're doing with their support. We want to learn more about their concerns and hopes for their communities. And we want to gather their ideas about how we might better serve them. This year, as in years past, the response to the survey was tremendous!

Once again, there was a unanimous nod of approval for VCLF's socially responsible investing. For the second time in a row, **one hundred percent** of our respondents cited the **social impact** their investments have in their communities, and the opportunity to **keep investment dollars in Vermont** as their top investment priorities. Folks also praised the Loan Fund's interest rates, staff responsiveness, newsletters and reports.

Specific VCLF programs were cited as priorities, with 40% of respondents listing Affordable Housing investing as their number one investment priority; 20% choosing Vermont Small Business lending; 20% for Child Care programs, and 20% selecting the Loan Fund's Community Facilities lending as most important to them.

The 2010 survey showed, once again, that VCLF investors are socially concerned, charitable people. Over 70% of respondents reported they had other socially responsible investments in their portfolios. Respondents reported an average of 40% of their total portfolios as socially responsible investments, with a significant number reporting 100% of their investment portfolios as such. And, continuing that thread, virtually all respondents told us they regularly make donations of money and/or time to the nonprofits in their communities.

So once again, we are grateful for the response, and for the remarkable individuals who are our VCLF investors. Your commitment to investing in Vermont makes VCLF's work possible!

Not already a VCLF investor? Or want to add to your current investment? Contact **Jake Ide**, our Director of Development, at: [jake@vclf.org](mailto:jake@vclf.org) or (802) 223-4423. ■



## Scenic Tour *Continued from Cover*



“Hope Campbell (VCLF’s Director of Child Care Programs) shared her expertise and gave me the resources to get started,” she says, even walking the property with Leone to assess its suitability, and demystifying the licensing process. Today, Round Hill Kids serves over 30 families, and employs eight caregivers.

Pulling into downtown Morrisville, **The Bee’s Knees** ([www.thebeesknees-vt.com](http://www.thebeesknees-vt.com)) is a welcoming sight. In 2003, Sharon Deitz decided to pursue a new dream – a community-focused pub offering great local foods and music. Deitz started serving that summer, with minimal help and limited seating capacity. The “buzz” began — and within a few years, she needed to expand. She contacted VCLF to discuss a loan to purchase new kitchen equipment.

Today, the Bee’s Knees boasts 50 seats downstairs, seasonal seating for 25 outdoors, and another 25 seats planned for the upstairs level. The restaurant has more than doubled sales and increased their number of employees.

In the neighboring town of Stowe, in a tidy enclave adjoining the center village, is **Sylvan Woods**, a project of the nonprofit affordable housing developer Lamoille Housing Partnership (LHP) ([www.lamoillehousing.org](http://www.lamoillehousing.org)). LHP worked with the Loan Fund and other financial institutions to build the development, which was completed and ready for occupancy in 2007. Sylvan Woods consists of 17 traditional cape-style structures and is home to 52 Vermonters: families, seniors and individuals. “The kids play together, ride bikes together. Residents tell me they feel they can rely on one another,” says LHP Director Rita Pitkin.

The Mad River Valley is known for great skiing, great scenery...and great pizza, thanks to the **American Flatbread Company** ([www.americanflatbread.com](http://www.americanflatbread.com)) in Waitsfield. Founder and CEO George Schenk and his staff of 80 full- and part-time employees are dedicated to providing local, seasonal, delicious cuisine alongside a healthy helping of community mindedness, social responsibility and sustainable practices.

Schenk first dreamt up the recipe for American Flatbread while working as an appetizer chef at another of the Valley’s high-profile inns. Soon, his specialty pies were such a hit that he launched AFC. When the Waitsfield property AFC was leasing came up for sale in 2001, he contacted VCLF. Thanks to VCLF, Schenk was able to expand operations at a critical time. “It turns out last winter was the best winter we’ve ever had.”



*Sharon Deitz of The Bee’s Knees, Morrisville*



*Sylvan Woods, Stowe*



*George Schenk of American Flatbread, Waitsfield*

*Continued on page 6*

## Route 100 *Continued from page 5*

Killington was where you'd frequently find Bill Vines and Mary Furlong, whenever they could get away from their busy Boston-based corporate lives. It was on one of their frequent trips to the resort town back in 1997 that they spotted the expansive, uninhabited residential property only minutes from top-rated skiing and golfing. And it was then they changed career paths to become innkeepers and permanent residents of their favorite place.

That year they purchased the property, extensively renovating and expanding it to become the **Birch Ridge Inn**, ([www.birchridge.com](http://www.birchridge.com)) a ten-room boutique hotel, with an adjoining fine dining restaurant. Under their skilled management, the Birch Ridge quickly developed a great reputation and a following. Today the inn frequently hosts



*Birch Ridge Inn, Killington*

a full house and employs as many as ten part-time staff during the high tourist seasons. Recently, Trip Advisor, the popular online travel guide, ranked the Birch Ridge the Number One inn in the Killington area – no mean feat in a resort town known for its outstanding hospitality offerings.

This year, when the couple wanted to refinance a second mortgage and consolidate their short-term debt, they found VCLF's process "straightforward and easy" and their review of the inn's new business plan to be very helpful. "We definitely got a sense that VCLF is in the game to help Vermont businesses," says Vines.

Route 100 goes on, heading south, revealing forests, farms, homes and village greens. VCLF projects crop up again and again. You can't help but notice the vibrancy of Vermont — the hard-working and vivid landscape, the sense of community, the pride of the reinvigorated village centers — and the work yet to be done. ■

Lazy Lady Farm's goats graze in Westfield, in the Northeast Kingdom.

# Investor Profile

## *The Reverend Sister Laurian Seeber*

**B**efore becoming ordained as an Episcopal priest almost 15 years ago, The Reverend Sister Laurian Seeber worked for a company that researched, developed and manufactured high-tech projects. At one point, she was assigned to a project that involved working on bombers. Though she remembers being nervous about it, she talked to her supervisor, explaining that as a pacifist, she couldn't work on projects involving implements of war. Happily, she was assigned to a different project — and kept her job.

That would not be the last time Sister Laurian would take a firm moral stand. Years later, when she became the custodian of her father's trust, she wanted to invest with the Vermont Community Loan Fund because, she explains, "It is extremely important that my money not do things I'm morally unwilling to do myself."

When first she mentioned the Loan Fund to the then-manager of her father's trust (who worked at one of the large investment firms that would ultimately collapse in the current economic upheaval) he was skeptical. He urged her to keep the funds in traditional investment vehicles.

However, Sister Laurian realized that the priority of such large investment firms is profit rather than social impact, and that the morality of the companies in which the funds are invested does not play a role in decision making. By investing with VCLF, she was able to keep her money local as well as have it do the good in the community.

Sister Laurian is most passionate about VCLF's affordable housing loan program. Besides supporting affordable housing by investing with the Loan Fund, she became personally involved early on in a VCLF-financed housing project. In 1992, as the coordinator of a group from Christ Episcopal Church in Montpelier, she personally raised \$40,000 toward Montpelier's North Street housing project by asking many individuals to donate at least one dollar and to sign a petition indicating that the community welcomed such a development. She is happy that, as she gets older and perhaps less able to take such an active role in the community, the funds she has invested in VCLF will continue to do good on her behalf.

In addition to knowing that funds invested in VCLF are benefiting the community, Sister Laurian also values the security of investing with the Loan Fund, something that has become more important as she plans her retirement and beyond. VCLF is playing a crucial role in Sister Laurian's estate planning. In her will, she states that she "has faith in two entities, the Episcopal Church and the State of Vermont". By making arrangements to leave her investment with VCLF after her death, with the interest on these investments benefiting the Diocese, she is able to ensure the continued support of the two things that mean so much to her. ■



**The Reverend Sister Laurian Seeber**

Loan Fund investor since: 1992

In her work as an Episcopal priest, Sister Laurian travels extensively throughout the state, and admits that her strong belief in VCLF often leads her to into discussions of the value of investing in Vermont. "I'm a pretty good traveling salesman, I think. I've brought more than one investor to the Loan Fund."

## Join the Legacy Investors Circle!

**T**he Loan Fund is now offering three new opportunities for you to make a planned gift that will support our work forever: **Legacy Investments**. 100% of your Legacy Investment will support our Permanent Capital Fund, which will be dedicated strictly to loan capital in perpetuity. Your gift will be the foundation on which VCLF is able to both make more loans and raise additional capital. How you can help:

1. **Make a bequest.** Consider including a gift to VCLF in your will.
2. **Bequest your investment.** If you're already an investor in the Loan Fund, you can bequest your investment to VCLF. Your investment will continue functioning normally, and you'll be able to continue choosing your rates and terms over time. At the end

of your life, your investment will become permanent loan capital and continue working to transform Vermonters' lives forever.

3. **Make a Charitable Gift Annuity.** In exchange for your gift, you and/or your designee will receive interest payments for life, while the capital you've provided to the Loan Fund is loaned out to create opportunities throughout Vermont. At the end of your life, your CGA will become a part of our Permanent Capital Fund, to be loaned and re-loaned in perpetuity. A CGA allows you to make an immediate gift to the Loan Fund with permanent effects.

**For more information about Legacy Investing, please contact Jake Ide, Director of Development, at (802) 223-4423 or [jake@vclf.org](mailto:jake@vclf.org).** ■





P.O. Box 827  
Montpelier, Vermont 05601

Non-Profit Org.  
U.S. Postage  
**PAID**  
Barre, VT  
Permit #222

## Invest in VCLF – Invest in Vermont

In every corner of our state, VCLF investors strengthen Vermont. They create and preserve jobs for themselves and their neighbors, ensure that single adults, seniors and families have homes that are both safe and affordable, provide critical community services, preserve our working landscape, and provide quality child care, creating healthy beginnings for Vermont's youngest citizens.

It's easy to help. VCLF offers a variety of investment options to accommodate your social and financial goals.

### Current Investment Rates\*

#### Social Investment Term Account

1-2 Years	3-4 Years	5+ Years
1.5%	2.5%	3.0%

#### Social Investment Cash Account

No term, Withdrawals on Demand
.75%

Call Stephanie Panas at 224-9133 for more information about all of the benefits you receive when you invest in VCLF.

*\* Rates as of August 1, 2010. Lower interest rates allow us to keep financing affordable to borrowers, increasing the impact your investment has in Vermont communities. Rates are subject to change.*