

# NoteWorthy

VERMONT COMMUNITY LOAN FUND

Winter 2010

## Keeping Your Dollars Local with VCLF Investments and Holiday Shopping

**Y**ou probably already know that investing with the Vermont Community Loan Fund is a great way to keep your dollars working hard in Vermont. So, it's good to remember that during the holiday season you can do the same by shopping with some of VCLF's great borrower businesses, who just happen to offer some of the best gifts anywhere. Here are a few suggestions:

Since 1958, **Paine's Christmas Tree Farm** in Morrisville has been decorating homes and hearths with lush and fragrant trees and wreaths, ornaments and more, operating on the family homestead on Route 100 in Morrisville. This family business began with Max and Inga Paine cultivating 30 acres, eventually expanding to 50 acres of trees.

Today, Tom Paine has taken over the business from his parents, working the farm with his school age sons, Sam and Ben, selling approximately 2,400 trees a year.

In 2009, Tom approached VCLF with a request for an operating line of credit which now assists him during the off season when he purchases seeds, trees and farm equipment. At the farm's gift shop, choose from an assortment of decorations including Paine's specially-designed, limited-edition annual ornaments ([www.paineschristmastress.com](http://www.paineschristmastress.com)).

Trees come with added holiday warmth at the **Northern Llama and Christmas Tree Company** in Waterville. Owners Geoff and Lindsay Chandler came to Vermont in 1985, originally intending to breed llamas. They soon discovered the animals were gentle, sure-footed — and that



*The crew at Paine's Christmas Tree Farm*

Photo: Cray Cat Studio

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# From the Executive Director

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## WINTER 2010 NOTEWORTHY

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

Dear Friends,

I often talk about how the Vermont Community Loan Fund is a bridge between Vermonters with capital and those who can put that capital to work in our communities. In everything that we publish and communicate we try to make tangible this link between investors and borrowers. And, it's a two-way street — we feel that it helps us succeed when borrowers know where their loan capital comes from and investors know where their capital is going. Most often, that is as much as we communicate — but it can go further. What about the products and services that our business borrowers offer?

Now, I am not only the executive director of VCLF, I am also an investor. As a VCLF investor, I know that my investment has been lent, repaid and relented to many Vermont businesses over the past 15 years. But since my investment in VCLF was in part lent to those great Vermont businesses, I feel like I contributed to their success.

This newsletter highlights some of those businesses that offer some wonderful products that are quintessential Vermont — Paine's Christmas Trees in Morrisville, Northern Llama and Christmas Tree Company in Waterville, Michael's Toys in Rutland, Danforth Pewters in Middlebury, Cavendish Game Birds in Springfield, Hollister Hill Farm in Marshfield, Outdoor Gear Exchange in Burlington, and Hammerhead Sleds in Essex Junction.

I enjoy driving through Vermont towns and seeing the hundreds of businesses that, with your help, we have financed. I take a lot of pride in the work that we have done to support them. And, I know that they are essential to the well-being of our small communities. I invite you to visit these businesses and see for yourself what you have helped to create, grow, and succeed.

Sincerely,

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

Will Belongia, *Executive Director*



*Will Belongia*  
*Executive Director*

"...we feel that it helps us succeed when borrowers know where their loan capital comes from and investors know where their capital is going."



*Gearing up for winter at the Outdoor Gear Exchange in Burlington.*

Photo: Outdoor Gear Exchange

# The Loan Fund at Work

July 1st – November 30th, 2010

## Small Business Lending

### **Central Vermont Solar & Wind, Rutland**

CVSW is a seller, installer and service provider of alternative energy systems, including photovoltaic and residential wind power. They will use a VCLF loan for permanent working capital. ([www.middlebury.net/cvsolar](http://www.middlebury.net/cvsolar))

### **Gas Watt Energy, Milton**

GWE is a developer and operator of renewable electricity production facilities. They will use their VCLF loan for working capital to bring additional generating capacity online at their methane-fueled merchant electric station at the Chittenden Solid Waste District's Williston Landfill.

### **Grow Compost of Vermont, Waterbury**

GCV will use a loan from VCLF to purchase compost screening equipment, which will be powered by waste vegetable oil, to grow their business.

### **Liquid Glass, Lyndonville**

LG, designers, manufacturers, and resellers of body jewelry, will use a VCLF line of credit to provide working capital to fund purchase orders for metal body jewelry which they purchase from suppliers. ([www.liquid-glass.com](http://www.liquid-glass.com))

### **Maple Leaf Malt and Brewery, Wilmington**

Maple Leaf, a longstanding restaurant business in the Mount Snow ski resort area, was recently purchased by Margaret Ziolkowski, who will use a VCLF loan to purchase the building where the restaurant is located.

### **Meadowcrest Campground, Marshfield**

Heath Farnsworth will use a VCLF loan to purchase this central Vermont campground which has been in continuous operation for 25 years.

### **Paine's Christmas Trees, Morrisville**

This family-owned Christmas tree farm will use a loan from VCLF to purchase an ATV for farm use. ([www.paineschristmastrees.com](http://www.paineschristmastrees.com))

### **Sterling Motorwerks, South Burlington**

This start-up automotive service center, specializing in VW and Audi automobiles, will use a VCLF loan for working capital. ([www.sterlingmotorwerks.com](http://www.sterlingmotorwerks.com))

## Child Care Lending

### **Hand in Hand Learning Center, Essex Junction**

Hand in Hand will use a VCLF loan to purchase a new facility for their STARS-rated early childhood program that will increase capacity from 86 to 105 infants and children.

### **Little Critters Children's Center, Castleton**

LCCC is a start-up, for profit, full-day, full-year, child care facility serving children ages six weeks to 12 years, with a full-year preschool program and school age program. They will use a VCLF loan to perform leasehold improvements, purchase equipment, install a fence and for operating capital to start the center.

### **Pine Forest Children's Center, Burlington**

PFCC, a nonprofit, full-day, full-year child care program which was until January of 2010 a program of the Howard Center. It has since been restructured to create Pine Forest, Inc. This new ownership structure will use a line of credit from VCLF to support the operating capital needs of the business during the transition period.

## Housing and Community Facilities Lending

### **The Schoolhouse Learning Center, Inc., South Burlington**

TSLC, a nonprofit educational organization for grades K through six, will use a loan from VCLF for permanent operating capital, to transition from volunteer to professional leadership, including hiring a business manager and an educational consultant. (<http://theschoolhousevt.org>)

### **Laraway Youth & Family Services, Inc., Johnson**

LYFS provides comprehensive educational and therapeutic services for youths-at-risk in alternative education programs, as well as support services for their families. They will use a VCLF loan to finance renovation and improvements to their facility. ■

## Total Lending July 1 – November 30, 2010

### **Small Business:**

8 loans \$559,475

### **Child Care:**

2 loans \$518,000

### **Housing and Community Facilities:**

2 loans \$660,000

### **Total Loans:**

12 loans \$1,737,475



## VCLF Annual Board & Staff Retreat

On September 15, VCLF held its annual board and staff retreat. The group began the day with a breakfast presentation at the Bee's Knees in Morrisville, one of VCLF's borrowers that has recently expanded. Owner Sharon Dietz shared her experiences with the Loan Fund, praising its flexibility and role in her continuing success as a favorite community restaurant. Next, at the Trapp Family Lodge in Stowe, guest speaker Al Cantor, VP Philanthropy at the New Hampshire Community Loan Fund, presented an overview of philanthropy at that organization, as well as information about their current capital campaign.

Guest speaker Polly Nichols from the Vermont Housing and Conservation Board reviewed the state of affordable housing in Vermont. Nichols observed that due to the recession, there are fewer resources, less state money, more competition for tax credits, and an emphasis at the federal level on affordable housing for urban rather than rural venues. This has resulted in fewer, larger deals and

more stress on housing organizations. In light of this, Nichols explained that she saw areas of opportunity for VCLF in operating lines of credit, land bank deals and loans for work that needs to be done prior to installing solar panels or engaging in other renewable energy projects.

## Welcome Baby Ide!

VCLF Director of Development **Jake Ide** and wife Amy welcomed their second child, Alice Willa Pearl Ide, on Sunday, November 7, 2010. Alice arrived weighing a healthy 8 pounds and measuring 21 inches. Congratulations to all the Ides, including big sister Lily! ■



*Alice Willa Pearl Ide*

## Building Bright Futures Fund: Assisting Vermont's Child Care Providers

Since 2001, the Building Bright Futures Fund (BBFF), a state program administered by VCLF, has been making grant awards to help Vermont child care facilities start up new facilities, relocate, expand, and make facility improvements — with the ultimate goal of increasing the supply and quality of child care programs in the state.

For 2010, VCLF will award roughly \$65,000 to selected grantees, contacting recipients by mid-December.

The BBFF program is funded with revenue generated from the sale of specialty license plates, appropriations by the state legislature and donations from the public.

To date, over 3,500 children have benefitted from the BBFF program, with almost \$800,000 granted to 66 child care programs and three youth-service programs. And, BBFF grants have leveraged almost \$30 million in additional project funding.

For more information on the BBFF grant, visit <http://www.investinvermont.org/grant-programs/building-bright-futures>. ■



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## Keeping Your Dollars Local

Continued from Cover

Photo: Lindsay Chandler



*Heading out on a sleigh ride to chose a tree from Northern Llama and Christmas Tree Company.*

llama fiber made soft, beautiful mittens and sweaters. They also discovered that their farm property was perfectly suited for Christmas tree growing. Putting the two ideas together, the Chandlers now offer warm weather llama treks up to Smugglers' Notch, and holiday season tree sales. For the holidays, head out on a sleigh ride to choose your tree, then come indoors to warm up with complimentary hot cider and visit the gift shop for llama fiber outdoor wear — “seven times as warm as sheep’s wool” says Lindsay Chandler (802-244-2257).

Where can you find an old fashioned toymaker who still works and sells out of his own shop, carving trains, tractors, rocking horses and more? Only in Vermont, at **Michael's Toys** in Rutland, to be exact. When the Walt Disney Company set out to locate a real-life Gepetto (the kindly old woodcarver/toy and puppet maker of Pinocchio fame) they realized that Rutland's own Michael Divoll was completely unique.

“I'm the last remaining person they found who designs and creates his own toys in his own shop, like Geppetto in Pinocchio,” says Divoll.



*Michael's Toys in Rutland is ready to rock for the holiday season.*

Divoll built wooden canoes, which led to carving wooden toys. When he brought his shop to Rutland, he met up with VCLF which helped finance his purchase of the Merchant's Row retail/residential space he occupies today.

Business picks up every holiday season, so he urges customers to get orders in early. Holiday favorites include a large size rocking horse, strong enough for adult riders, and a series of cars, planes, tractors and cars that promise to last for generations ([www.michaelstoys.com](http://www.michaelstoys.com)).

Fill out your gift list with a visit to **Danforth Pewterers**, with shining pewter jewelry, candlesticks, accessories and more. Danforth of Middlebury is among the nation's oldest pewterers, having started operations in 1755. Though they have not operated continuously since that date, Fred Danforth, who is a direct descendant of founder Thomas Danforth, and wife Judi have been at the helm since 1975.

Judi does much of the designing herself, and it is her jewelry creations which top many a gift list each holiday season. Recently, Danforth bought the Shirley Pewter business, with VCLF helping to finance the acquisition.

The purchase served to expand operations, product lines, and add several jobs. The Shirley business has long been popular in the south, with a retail outlet in the Colonial Williamsburg historic park. As for favorite stocking stuffers, Judi recommends Danforth's annual tree ornaments (“At \$14.95, they're affordable heirlooms” she says), enameled earrings and necklaces, and custom-engraved items for a personal touch ([www.danforthpewter.com](http://www.danforthpewter.com)).



*Beautiful pewter lamps from Danforth Pewterers make excellent holiday gifts.*

What's a holiday without a feast? At **Cavendish Game Birds** in Springfield, supplying some of the country's most elegant restaurants with quail, pheasant and other specialties is a year-round job. “But the holidays are busiest by far,” says Rick Thompson, who with his brother Bill owns this gourmet enterprise. The Thompsons started the business in 1988, when Bill was working as a chef and Rick was a food distributor. The two came up to Vermont from the New Jersey/Philadelphia area, purchasing their farm in 1992 with the help of the Loan Fund. Rick estimates that

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## Keeping Your Dollars Local

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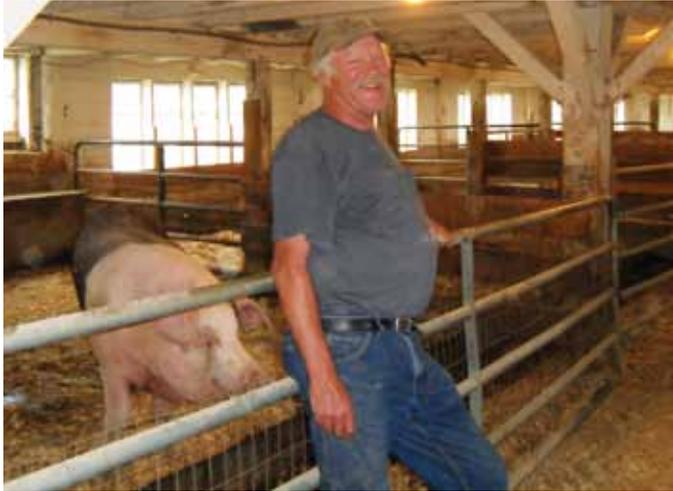


Photo: Anne Loecher

Visit Hollister Hill Farm of Marshfield for farm raised meats.

they now sell approximately 350,000 quail annually and contract out pheasant purchasing to other game farmers. Their website includes recipes and tips from their friend and top chef Jason Tostrum of the Weathersfield Inn. They raise as many as 400 birds per week, and work with two dozen

distributors to send the birds to high-end restaurants across the globe. The Thompsons can usually fill orders within 24 hours ([www.vermontquail.com](http://www.vermontquail.com)).

For farm-raised, delicious Vermont turkeys, hams, chickens and beefalo, don't miss **Hollister Hill Farm** of Marshfield. Come for a visit at Bob and Lee Light's B&B ([www.hollisterhillfarm.com](http://www.hollisterhillfarm.com)) and shop at their farm store. You'll find meats, poultry, homemade jams, and maple syrup from their own sugar bush.

As the snow begins to pile up outside, check your gift list for snow sport enthusiasts, and then head to the **Outdoor Gear Exchange** in Burlington, which offers one of the most extensive selections in Vermont for outdoor gear, clothing and accessories — for skiing, snowboarding, snowshoeing and more. And, for those who are headed for warmer climates for a winter break, you'll find everything for scuba diving and snorkeling, bicycling, etc. All this inventory explains why owner Marc Sherman contacted VCLF to expand his retail space. In 1995, the store was 800 square feet and had three employees. Today it occupies 8,000 square feet, plus 2,000 additional square feet of office space and employs over 50 Vermonters. This year, the business won a Greentailer award for environmentally sound practices (<http://gearx.com>).

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Vermont made  
Hammerhead Sleds  
combine speed and  
safety.

# Investor Profile

## Tristan Cunningham



Tristan Cunningham

Loan Fund investor since:  
**2010**

Tristan chose to invest her inheritance with VCLF. "I love the people and places VCLF helps. I support that one hundred percent."

**T**wenty-five year old Tristan Cunningham of San Francisco is a professional actress and circus acrobat. But when it comes to her investments, she doesn't believe in taking unnecessary risks.

Cunningham is among a new breed of investors at the Vermont Community Loan Fund.

Growing up in Vermont, she attended and then worked for Vermont's celebrated Circus Smirkus youth circus. There, and at the Addison Repertory Theatre, she honed the skills that led to a B.F.A. in theater arts and film.

Recently, she inherited a house, and when it sold, she found herself in an unexpected position. "Suddenly, I had a large sum of money for someone so young," she says, "so I wanted to make sure I did the right thing with it." Cunningham set about searching for investment opportunities that were in keeping with her own values.

"I was very unsure about what to do with my money. I went to a bank to talk about investing with them, and it just didn't feel right," she remembers. She found it interesting she said, that at a time when Wall Street investments have proven very risky, VCLF investments have been steadier.

Cunningham found herself increasingly interested in socially responsible investments. And, she kept coming back to Vermont — in more ways than one.

"I love Vermont. I still have a lot of family in Vermont. And I'll always return to Vermont," she says. Thus, when her friend, Stephanie Panas, who works with the investment team at VCLF, suggested Cunningham consider investing with the Loan Fund, she was immediately intrigued.

"I read on the website about how VCLF puts money back into Vermont. I loved their lending programs, like affordable housing, child care lending and others."

Cunningham's desire to continue to be a part of Vermont life, as well as the strong community values that VCLF supports persuaded her to invest with the Loan Fund. "I love the people and places VCLF helps," she said. "I support that one hundred percent." ■

## Keeping Your Dollars Local

*Continued from page 6*

For excitement throughout the winter season, add a Vermont-made **Hammerhead Sled** to your list. After many years as a marketer in Vermont, company founder Steve Luhr started up Hammerhead Sleds in Essex Junction in 2002 when he noticed a gap in the market.

"Bicycles had segued into some very adult, technical bikes, like mountain bikes and racing bikes," he says, "but sledding didn't have anything like that. Sledding remained a backyard, recreational past-time and not a racing sport."

Not any more. Hammerhead Sleds offer speed and control. "You can ride on a tube and go really fast, but there's no control," Luhr notes. And old-fashioned sleds don't offer much speed, especially in heavy snow. Hammerheads, with attachments for wide and narrow rudders, steering controls and advanced design, allow for racing speeds and safety. When Hammerhead teamed up with VCLF, a line of credit helped contribute to the

company's growth. Shop at retailers including Hammacher Schlemmer, Eastern Mountain Sports and L.L. Bean or online ([www.hammerheadsleds.com](http://www.hammerheadsleds.com)).

With so many outstanding artisans and entrepreneurs, a renowned hospitality and resorts industry and more, spending holidays, and holiday dollars, in Vermont couldn't be easier or more fun. ■



Photos (both): Courtesy Hammerhead Sleds



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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.

<u>Social Investment Term Account</u>				<u>Social Investment Cash Account</u>	
1-2 Years	3-4 Years	5-9 Years	10+ Years	No term, Withdrawals on Demand	
1.5%	2.5%	3.0%	4.0%	.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 November 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.*