

Carver Center Finance Committee & Board of Directors Approval Requested to Renew Line of Credit with Tompkins Community Bank (June 2024)

Purpose: Seeking Board approval to renew our \$500,000 Line of Credit (LOC) from Tompkins Community Bank while the Carver Center is in a strong financial position. The Finance Committee approved the LOC on May 30, 2024.

Summary of Terms:

Amount: \$500,000

Purpose: Short term working capital needs

Rate: Prime + 1% floating, floor rate 7.50%

Term: Two (2) years HFLOC followed by 36-month term loan on outstanding balance (unless renewed)

Fee: \$300 annually during draw period, \$50 doc prep

Amortization: Interest only for 24 months: Payable in full immediately upon Lender's demand. If no demand, payable in 36 monthly installments beginning May 2026.

Secured by certain collateral including inventory and equipment, but excluding the building
Provide finance statements, tax returns and other such information if required

Negative covenants include prohibition on incurring additional indebtedness including loans and capital leases

Tompkins Community Bank

- Local Community bank serving Westchester, Putnam, and Dutchess counties since 1927. Headquartered in Ithaca, NY with a local branch in Yonkers.
- Owned by Tompkins Financial Corporation, a publicly traded company with four wholly owned banking subsidiaries
- Profitable for 61 years; Has paid cash dividends for 82 consecutive years; covered by the FDIC

Line of Credit and Borrowings (Policy approved 5/10/23)

The Board must approve any application for and the acceptance of a Line of Credit with a lending institution. The Chief Executive Officer and either the Treasurer or the President will be authorized, pursuant to a resolution of the Board, to execute the credit agreement as an officer of the Port Chester Carver Center.

Once a Line of Credit has been established, the Treasurer can authorize individual borrowing requests within the limit of the Line of Credit up to \$100,000. The Finance Committee of the Board must approve individual borrowing requests against the Line of Credit in amounts greater than \$100,000, or in all circumstances where the aggregate amount owed under the Line of Credit would exceed \$200,000 following such borrowing. In all cases, borrowing requests under the Line of Credit will require the written approval of the Chief Executive Officer and one of either the Treasurer or President. Written approval may take the form of email correspondence, with such correspondence retained by the Director of Operations.



Resolution of the Board of Directors of the Port Chester Carver Center, Inc.

Whereas the Carver Center, a New York not-for-profit organization (“Carver”) provides services to low and moderate income residents of Port Chester;

Whereas Carver has customarily carried a line of credit to assist in the payment of expenses taking into the variability of Carver’s cash flow throughout the fiscal year;

Whereas Carver’s most recent line of credit expire June 1, 2024;

Whereas the Board of Directors of the Carver Center (the “Board”) and the Board’s Finance Committee deem it prudent to retain a line of credit;

The Board of Directors of the Carver Center (the Board”) hereby authorizes as follows:

1. Carver Center, by and through its Executive Director and staff, is hereby authorized to open a line of credit with Tompkins Community Bank in the amount of \$500,000 on the terms set forth in the attachments to this resolution.

Approved by the Board of Directors, Port Chester, Carver Center Inc on June 5, 2024:

Stephen O’Connor
Secretary

Date