

Martin House, Inc
Finance & Investment Committee Meeting
March 13, 2025
Teleconference

https://teams.microsoft.com/l/meetup-join/19%3ameeting_OWVIMDUxMGQtOTQwZC00NjcwLTg4NDctMTBhMzJkNjQ3Njk5%40thread.v2/0?context=%7b%22Tid%22%3a%2291aaa67d-d237-45a8-925a-02458f0c3c03%22%2c%22Oid%22%3a%229987da3e-b623-457a-8fd5-97468c167bb1%22%7d

5:30 pm

AGENDA

1. Call to Order
2. Review of Minutes
3. Review of Martin House Financials
4. Old Business
 - a. Community Foundation of Eastern CT Endowment Program
5. New Business
 - a. Add Martin Luther King Jr. Holiday to Martin House Paid Holidays
 - b. Dime Bank Line of Credit
6. Executive Session
7. Adjournment



CFECT Investment Performance

(net of fees):

BTW Portfolio

2023	12.98%
2022	-14.12%
2021	16.9%
2020	9.77%
2019	24.6%
5-yr Annualized Return	9.1%
Return since inception	8.3%

Our 5-year annualized rate of return keeps us in line with our objectives of achieving perpetuity and making annual grant and scholarship awards that keep pace with inflation from the more than 600 funds we oversee.

Our Investment Approach

The Community Foundation of Eastern Connecticut is committed to stewarding the charitable funds entrusted to us by our donors to get as many dollars as possible out to the causes, nonprofits and communities they care about.

Our Investment Committee consists of board members and volunteers with extensive institutional investment experience and varied perspectives. With oversight by our Board, the committee is responsible for developing and implementing our investment policy, recommending investment managers and monitoring our investment performance.

The Community Foundation's investment manager is **Boston Trust Walden Company** (BTW). They have been a trusted partner for several years with impressive results. Their superior record of customer service and management of our assets has proven their ability to preserve and grow our endowment through prudent investment strategies in a well-diversified portfolio.

Our three-pronged asset-allocation approach centers on growth, risk reduction and inflation protection.

- All of our donors' funds are pooled together and invested in a well-diversified portfolio, which includes large, midsize and small-cap U.S. equities, international equities, real estate, alternatives and fixed-income securities (bonds).
- As we continue to bring an equity and justice lens to our work, we also continue to explore ways to align our investments with positive community impact. The investment portfolio is designed to minimize exposure to tobacco-related products, fossil fuels, gun manufacturers or distributors and private prisons. BTW is a longtime specialist in actively applying additional Environmental, Social and Governance (ESG) screens to our investment portfolio to encourage companies to act responsibly.

The Community Foundation's audit is conducted by CliftonLarsenAllen LLP (www.CLAconnect.com). The complete financial statements with accompanying footnotes and Form 990 are available on our website and for inspection at our offices: www.cfect.org/About/Publications.

**Members of the
Investment Committee:**

Barbara Sahagan, Chair

Harry Ferguson

Nick Fortson

Leah Hartman

Sassy Larrañeta

John Pritchard

For more information on our investment approach or spending policy, contact our Development Team at development@cfect.org or 860.442.3572.

Statement of Spending Policy

As of January 2024.

The Foundation's investment objective is to provide a total return that over the long term provides sufficient income and asset appreciation to fund the Foundation's spending policy. The Foundation's governing Board may modify or restrict, including variance power, the distribution of funds, expenditure rates and may impose a cap on the invasion of corpus.

The Foundation's spending rule will be set annually at approximately 5% of the four-year rolling average balance of its endowed funds. The Foundation intends to increase its distributions by at least the amount of inflation each year but may hold spending levels flat during extended periods of poor market performance. Recognizing the need to balance immediate needs against those of future generations, the Foundation will maintain a distribution corridor between 4-6% of the rolling sixteen quarter average of fund balance. In years of sustained market strength, the Foundation may consider creating a future reserve or declare a "community dividend" for that period only.

The Investment Committee makes this recommendation to the Board of Trustees based on careful consideration of Connecticut's UPMIFA regulations (§45a-535c of the Conn. Gen Statutes) which includes such factors as preservation of the fund, general economic conditions, inflation or deflation, the expected total return from income and the appreciation of investments.

Spending Rule Range = 5.25% - 6.0%

Dime Bank



EST. 1869 | MEMBER FDIC

February 28, 2025

Mr. Jon E. Maderia, Executive Director
Martin House, Inc.
401 West Thames Street, Building 700
Norwich, CT 06360

Sent via email to: jonm@martinhousect.org

Dear Jon:

Based on the information you have submitted, Dime Bank ("Dime") is pleased to approve your loan request ("Loan") of the following amount, on the terms and conditions set forth in this commitment letter ("Commitment").

Borrower. Martin House, Inc. (A Connecticut Non-Profit Corporation).

Amount. One Hundred Thousand and 00/100 Dollars (\$100,000.00)

Term. On demand, but if not sooner demanded, the Loan will be due and payable in 12 months (1 year).

Loan Proceeds. The Loan proceeds will be used for short-term working capital needs.

Interest Rate. Initial interest rate quoted will be held for a period of 30 days from the date of acceptance of this Commitment. If the Loan does not close within this period of time, then the interest rate on the Loan will be set ten days prior to closing at Dime's discretion. Interest expense will be calculated on actual number of days elapsed in the month based on a 360-day year.

Variable interest rate: The rate will float daily based on Wall Street Journal Prime Rate plus 1.25%. There will be a minimum floor on the interest rate of 5.00%. If the closing were to take place today the interest rate would be 8.75%.

Type of Loan. Borrower's obligation shall be a commercial demand revolving line of credit. The term of the Loan will be on -year from the date of the closing. Borrower will pay monthly installments of interest only as determined by the interest rate noted above. The payment will change with any interest rate change. The due date of the monthly payments shall be the first day of each and every month. If not sooner demanded, all outstanding principal and accumulated and uncollected interest will be due and payable in one year.

Collateral. This Loan will be secured by:

A UCC-1 Financing Statement creating a blanket first security interest in all personal property owned by the Borrower. Borrower represents that at the time of closing of this Loan, Borrower will be the owner of said personal property. In the event said property is not free and clear of any liens, encumbrances or agreements, the Bank, at its sole discretion, may terminate this Commitment

Dime may exercise any of its rights created herein or in the Loan documents, separately or together, without regard to the value of any or all of the Collateral and without notice (except as required by law), in the Dime's sole discretion.

Late Charge. Also, there will be a late charge of five percent (5.00%) of any installment not received within ten (10) days of its due date.

Default Rate. In the event of any default, the interest rate will increase by two percentage points (2.00%), during the term of the default.

FM: 1/16/25

Annual Fee. There will be an annual fee of \$100.00 that will be due and payable at the time of closing and annually thereafter.

Insurance. Borrower will be required to provide Dime with a copy of an insurance policy or policies at least seven (7) days prior to closing verifying that the insurance coverage listed below is in full force and effect:

Public liability insurance in an amount not less than \$1,000,000 and worker's compensation insurance (if applicable).

All insurance policies shall be in form and substance, for amounts and in companies "A" rated and acceptable to Dime, with annual premiums prepaid by Borrower, shall contain non-contributory standard mortgagee and Dime's loss payable clauses (as Dime may require) effective as of the closing date, providing for any loss payable thereunder to be paid to Dime, shall provide that the policy may not be canceled without 30 days prior written notice to the mortgagee and shall be deposited with Dime throughout the life of the Loan. Dime's obligations under this Commitment shall be conditioned upon receipt at closing of such insurance policies complying with this paragraph together with evidence of premium payment. All policies and endorsements shall be endorsed as follows: Dime Bank, ISAOA/ATIMA, 290 Salem Turnpike, Norwich, Connecticut 06360.

Secondary Financing. Without the prior written consent of Dime, Borrower may not, during the term of the Loan, pledge as security for other loans any of the Collateral given Dime in connection with the Loan.

Ownership of Borrower. Borrower will not make any change in the ownership of Borrower during the term of the Loan unless approved in writing by Dime.

Commercial Loan Agreement. These terms and conditions shall be incorporated into a commercial loan agreement, together with other terms and conditions, as Dime normally has in such an agreement. In the event that no commercial loan agreement is executed at closing, this Commitment shall survive the closing. To the extent that any of the terms of the final Loan documents contradict those of the other documents, the terms of the final Loan documents shall control.

Conditions Precedent. At least seven (7) days prior to the closing of the Loan and subject to Dime satisfactory review, Borrower shall furnish Dime the following, at Borrower's expense, which shall constitute conditions precedent to closing the Loan, in addition to any other documents required herein:

- (A) Borrower will open and maintain an operating account at Dime for the life of the Loan. If the account is not maintained it will be considered an event of default as the deposit relationship is factored into the Loan pricing.
- (B) Copies of ownership/organizational documents of entity Borrower, including but not limited to resolutions, By-Laws, Certificate of Incorporation, Incumbency Certificate and Certificate of Legal Existence along with any other documents required by Dime.

Title to the Collateral. Borrower may not sell, assign, encumber or otherwise transfer title of the Collateral during the term of the Loan unless otherwise provided in this Commitment or approved in writing by Dime.

Loan Documents.

All documents and other papers in connection with the Loan shall be prepared by Dime and shall be in conformity in form and terms with those customarily used by Dime for this size and type of transaction.

Affirmative Covenants.

The Borrower will be required to bring the loan balance to zero (\$0) and maintain a zero (\$0) balance for a least 30 consecutive days during the year.

Cross Default Provision. The Loan will be cross defaulted with all other Dime loans to Borrower.

Other Documents. Dime will receive within one hundred twenty (120) days after the end of the fiscal year of Borrower, updated financial statements and income tax returns (Federal and State Returns) of Borrower which are in form and substance satisfactory to the Dime.

Costs. All costs in connection with this Loan, including but not limited to cost of title examination, cost of title insurance, appraisal fees, recording fees, and attorneys' fees (including the fees and expenses of Dime's counsel) or any such customary expenses as have been normally and reasonably incurred in connection with the processing of the Loan, shall be paid by Borrower and any Guarantor regardless of whether or not the Loan actually closes.

Patriot Act. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. This means Dime will require all Borrowers to provide their name, address, date of birth and other information that allows Dime to identify them. Dime may seek to verify driver's license or other identifying documents.

Beneficial Ownership/Control. The Financial Crimes Enforcement Network (FinCEN) and Bank Secrecy Act requires federally covered financial institutions to collect customer identification information/documentation regarding beneficial owners ("Beneficial Owners") who directly or indirectly own 25% or more of a legal entity and; any individuals who have significant responsibility to control, manage, or direct the legal entity ("Beneficial Controller") of any legal entity customers involved as Customers, Borrowers and/or Guarantors, including but not limited to executive officers, senior managers, or other individuals who perform similar functions.

Dime will require all applicable Customers, Borrowers, Beneficial Owners and Beneficial Controller to provide any/all documentation needed to fulfill Dime's regulatory requirement, including, but not limited to name, address, date-of-birth, driver's license, operating agreements, by-laws, partnership agreements or other identifying documents required by Dime and/or its legal counsel.

Gross Provisions. The captions over each section of this Commitment are for convenience only and shall not define or limit the sections or affect in any way their construction and application.

Assignability. This Commitment shall not be assignable by the Borrower without the prior written approval of Dime and the Loan shall not be assumable.

Governing Law. This Commitment and the Loan documents to be delivered pursuant hereto shall be deemed to be construed under the laws of the State of Connecticut.

Returned Payment Fee. Dime will charge a Returned Payment Fee of \$25.00 for any payment that is returned to Dime when used to make a payment on your Loan.

Termination. Dime shall have no obligation to close the Loan if any of the following occurs prior to the closing date:

- (a) The Borrower shall have been adjudicated bankrupt, insolvent, or a trustee or receiver shall have been appointed for all, or a substantial portion of its property.
- (b) The Borrower shall have filed a petition of bankruptcy or same has been filed against it.
- (c) There shall have been a material change in the financial condition of Borrower or a change in the condition or value of the Collateral.

Correction of Errors. In the event any of the documents evidencing and/or securing this Loan misstate or inaccurately reflect the true and correct terms and provisions of the Loan, and said misstatement or inaccuracy is due to unilateral mistake on the part of Dime, mutual mistake on the part of Dime, and/or Borrower or clerical error, then in such event Borrower shall, upon request by Dime, and in order to correct such misstatement or inaccuracy, execute such new documents or initial such corrected original documents as Dime may deem necessary to remedy said inaccuracy or mistake. If the Borrower fails or refuses to correct any such errors, Dime shall have the right to accelerate the Loan and demand payment in full.

Electronic Signature and Counterparts. This Commitment may be executed in counterparts, and all such executed counterparts shall constitute the same commitment. It shall be necessary to account for only one such counterpart in proving this Commitment. Counterparts may be delivered via facsimile, electronic mail (including PDF or any electronic signature complying with the U.S. Federal E-SIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Borrower's Representations. This Commitment has been issued to Borrower on the basis of certain information and materials provided by Borrower to Dime or its agents and all representations, information, exhibits, data and other materials submitted with and in support of Borrower's Loan application. Any misinformation or withholding of material information incident thereto shall, at the option of Dime and without limitation to any other right or remedy of Dime, void Dime's entire obligation hereunder.

Intent of Parties. By the acceptance of this Commitment, Borrower agrees that the terms and conditions expressed herein shall survive the closing of the Loan and are to remain in full force until the payment in full of the principal balance of the Loan plus all accumulated interest, and other associated costs.

Acceptance. This Commitment shall remain open for your acceptance until March 15, 2025 and shall be voided by Dime unless a copy of this Commitment is signed by all parties indicated below and returned to Dime by this date.

Closing. If this Loan is not closed in full compliance with the terms and conditions of this Commitment within thirty (30) days of the date of this Commitment, Dime may, at its option, terminate its obligations contained herein.

Very truly yours,

DIME BANK

By: 

William J. Rosadini
Its: Vice President

Accepted and agreed to this _____ day of _____, 2025.

BORROWER:

Martin House, Inc.

By: _____
Jon E. Madeira
Its: Duly Authorized Executive Director