

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION
BOARD OF DIRECTORS

Friday, May 13, 2022

9:00 a.m.

Meeting held via zoom – recording available

Board Members Present Via Zoom: Dave O'Brien, Darrell Wilson, Sam Hall, Jared Humiston, Dana Hogan, Sue Clary, Matt Hicks, Brian Campbell and Marion Watkins

Staff Present: Deanna Derway – WCLDC President

I. Call to Order

Chairman O'Brien called the meeting to order at 9:11 a.m.

II. Approval of Minutes

After reviewing the minutes from the March meeting, Darrell Wilson made a motion to approve. Jared Humiston seconded and approved unanimously.

III. Executive Director Report

Next, Deanna gave the following Executive Director report and loan list updates:

- ~ All PAAA/PARIS reporting is completed, and everything is added to our website as required by the ABO. The Bolton LDC reporting is also completed, and Deanna submitted the final reports to them. We received their payment this week so that is finalized for the year.
- ~ We completed the Spring session of Start-up ADK and have begun planning for the Fall session. Deanna will let the Board know the dates once finalized with SUNY Adirondack.
- ~ Deanna was invited to attend a plant tour event of Argyle Cheese Farmer with Senator Schumer and his team, The Randle's and the Dickinson's from Ideal Dairy.
- ~ Deanna was a panelist at the "Small Business Toolbox" event in Salem and she thanked Sue Clary and the folks who put together the event as it was an excellent platform to get the word out about what the LDC does and the program we offer. It was a great event that was also very well attended, and we appreciate the opportunity.
- ~ Deanna has begun the site visits with our loans starting centrally in the County and will be expanding to the northern and southern parts of the County throughout the summer. Deanna highlighted that she will be gathering the employment data that will be interesting to analyze 2 years into COVID compared to pre COVID numbers. As always, we will look at this in the year end reports.
- ~ Loan List Update
 - Abuelos will be discussed later in this meeting under new business.
 - Bonnie & Clyde's is still for sale. They are currently accruing late fees and interest which Deanna expects will remain this way until it does sell as they have lost their home and Claude continues to have surgeries relating back to the effects of having COVID last year. They have had some interest but, no hard offers as of now. Deanna expects that we will recoup this funding in whole when it does sell.
 - Dan Courtney (DBA/Faded Clipz) is behind but, did make a late payment in March. He got behind and now is paying late each month with a late fee. He plans to make double payments the next two months to get caught up but, got a new job and is just starting to make money. Deanna will stay in touch with Dan and keep an eye on the situation.
 - Locust Grove shows as late due to an error with their auto pay that they have been enrolled in. They have taken care of that with the bank and their account is now current.
 - Scarlotta's Carhop in Granville has opened and is already thriving!
 - We also did another closing for Bardin's based on last month's approval of additional funding and the equipment will be installed and ready for hm to open by the end of June hopefully.

IV. Committee Reports

A. Loan Review Committee: Met on 5/9/22 and approved the write-off of Abuelos balance which we will review later in this meeting as resolution 22-10. We also closed the loan to Scarlotta's Carhop, and they are now open and thriving! A new closing for Bardin's Carwash was completed outlining the newly approved financing. The equipment is expected on 6/6 with an anticipated open date before the end of June if nothing changes between now and then.

B. Governance Committee: None

C. Audit & Finance Committee: Met on 5/9/22 to review and approve the financial reports and revised agenda that will be discussed under New Business during this meeting.

V. Old Business – None

VI. New Business

A. Review March and April monthly financial reports and Balance Sheet: Deanna talked about the fact that the LDC is in a good financial position after the first quarter as represented in the BOD report. Deanna walked through the reports; for income, you will see the fees associated with the loan closings we've completed recently. For expenses, Deanna highlighted that many of the LDC's annual insurance policies renewed including workman's comp, public officials, and Business Owners Policies. We also, paid out our quarterly disability payment, and quarterly legal retainer. You will also see the first payment to the Auditors with the final bill expected in May. Otherwise, the reports are very straight forward. Once there were no further questions, Darrell Wilson made a motion to approve the financials. Sue Clary and Brian Campbell seconded, and it was approved unanimously.

B. Resolution 22-10: Esther Davis (DBA/Abuelos) Write-Off Approval: After years of this loan being uncollectable, we conferred with our attorney, our Auditor (the bad debt expense policy), and Loan Review Committee and have deemed that the remaining \$7,865.49 balance is uncollectable and therefore, should be written off the books. The restaurant closed years ago, and the owner is in a continual negative financial state that has not improved and therefore, this resolution would approve cleaning it off the books using our bad debt reserve. With this write off it will bring our overall success rate from 91.97% to 91.93% just so the Board has that statistic for reference as we pride ourselves on the hard work to keep this success rate. The Board agreed that this is a more accurate way of accounting for this and after there was no further discussion.

Motion to approve made by: Dana Hogan

Seconded by: Darrell Wilson

Ayes: 9 Nays: 0 Abstain: 0

Approved: 5/13/22

C. Approval of Revised 2022 Budget: Deanna talked about this proposed change which is to account for the \$60/month dues associated with the program that we approved at the beginning of this year to re-do our Personnel Policy. We have allotted extra funds to the Auditors line item, so we are proposing pulling \$1,000 from the Audit line item and re-allocating that to the Dues/Subscriptions line item. The Board agreed this is a straightforward and easy fix to account for this and Jared Humiston made a motion to approve. Darrell Wilson seconded, and it was approved unanimously.

D. Harrington's Care A Lot: Deanna finally has some good news on this one. We received the final statement from the bankruptcy court in regard to Lisa Harrington's filing and the LDC received \$35,000 towards the delinquent balance from the property sale and \$2,200 from the sale of the personal property. Deanna picked up the checks yesterday and after this meeting will be hand delivering them to the bank to be applied to their balance of \$97,872.08. Bill

Harrington also remains as a personal guarantor on the loan as he did not file for bankruptcy and is in fact working and making money as shown in the bankruptcy documents. Going forward, we can now evaluate if we would like to commence legal action against him in an attempt to collect the remaining debt owed. Our attorney will keep us updated on this portion of this situation. Today however we need to make a decision on how to apply the \$37,200. Deanna conferred with Russ and the recommendation is to have the bank apply the funds first to accrued unpaid interest (\$18,000 +), the remaining funds to principal and waive the late fees. The reason we should not apply it all to principal is that it will have a negative effect if we choose to go against Mr. Harrington for the balance due and owing. The Board agreed that this is the best way to apply the funds and Darrell Wilson made a motion to approve. Brian Campbell seconded, and it was approved unanimously. Deanna will take care of this with the bank today.

Our attorney also submitted his bill to us for all the time spent on the Harrington's situation and as usual he was exceptionally gracious to us and capped his bill at \$2,500 after spending years working through this with me (he spent a great deal more time than he charged us for). The total owed to him for this is \$3,037.58 (\$2,500 fee plus disbursements for title rundowns, tax searches, etc.). Deanna would like approval to pay this out of the legal line item which we have extra money in as we have been increasing that over the past few years anticipating that this will increase significantly at some point. The Board was thankful for all that Russ Tharp does for the LDC and appreciates his excellent service and expertise as always. Darrell Wilson made a motion to approve Deanna paying this bill. Dana Hogan seconded, and it was approved unanimously. Deanna will also take care of getting this taken care of.

- E. Miscellaneous: In order to continue the ability to use videoconferencing for meetings, we need to address this through a new policy outlining the details and the circumstances of this based on the newly release rules. We would have to hold public hearing to review the proposed policy and then take it to the full Board as a resolution for approval as well. Therefore, Chairman O'Brien would like permission from the board for him and Deanna to set the public hearing and develop a proposed Videoconferencing policy. Jared Humiston made a motion to approve this action. Brian Campbell seconded, and it was approved unanimously. Dave and Deanna will take care of getting this all set up including publishing the legal notice in the Post Star letting the public know.
- F. Executive Session: Next, the Board wished to enter into executive session in order to discuss confidential personnel matters relating to employee contracts. With a motion by Sam Hall, seconded by Sue Clary and Dana Hogan and approved unanimously, the Board entered into Executive Session at 9:30 AM (all meeting attendees except for Deanna remained).

The Board came out of Executive Session at 9:38 AM with a motion from Darrell Wilson and Seconded by Brian Campbell and approved unanimously.

In the Open Session, Jared Humiston made a motion to allow the Chairman to execute the 3-year contract that was negotiated by the Executive Committee with the President/Executive Director. Dana Hogan seconded, and the contract was approved unanimously. Chairman O'Brien and Deanna will execute the approved contract.

VII. Adjournment

The meeting was adjourned at 9:40 a.m. with a motion from Dana Hogan, seconded by Jared Humiston and approved unanimously.



Dave O'Brien, Chairman

C-16-22

Date

Submitted by Deanna Derway, Executive Director/President