

**WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION**  
**BOARD OF DIRECTORS - MEETING MINUTES**

Friday, August 21, 2020

Immediately following Board of Supervisors Meeting

Meeting held via zoom – due to technical error, the meeting did not record as it was supposed to

**Board Members Present Via Zoom:** Dave O'Brien, Jared Humiston, Brian Campbell, Darrell Wilson, Sam Hall (entered 9:06 AM), Dave Higby Lester Losaw, Mark Mahoney, Dana Haff, Dan Shaw and Matt Hicks (entered 9:12 AM)

**Staff Present:** Deanna Derway – WCLDC President

**I. Call to Order**

Chairman Humiston called the meeting to order at 9:03 a.m.

**II. Approval of Minutes**

After reviewing the minutes from the March meeting, Darrell Wilson made a motion to approve with a second from Dana Haff and approved unanimously.

**III. Executive Director Report**

Next, The Board reviewed the current loan list update. Deanna highlighted the fact that the businesses appreciate the freeze on their accounts during this crisis. The majority of the loan portfolio have resumed regular monthly payments at this point. There are, however, a few businesses in the portfolio that are unfortunately closing.

Deanna gave the following update on those:

- Harrington's – Foreclosure has been commenced by GFN. We are second mortgagee on this property and therefore, can expect to take a loss on this property. We do not know at this point what the loss will be (they owe \$97,872.08 plus interest and fees) but, we've already accounted for this in our bad debt adjustment last year.
- Roundhouse Bakery – They have closed the doors to the Café but, continue to operate the farm on Pompanuck Hill. They plan to sell the equipment that we have for collateral and use the proceeds to pay down the loan...we would then re-amortize the remaining balance and they would continue payments on the account.
- Party Pooperz/Hogwash – They are closing and put their house/business on the market, and it sold within days. Once they have the exact closing date, I will get them payoff statements and they will be paying off both loans with the proceeds.

There are 11 businesses that will resume payments over the August through October period. The Board discussed the fact that this is more positive news than we expected when all of this began in March. Deanna has been meeting with many potential applicants and is seriously working two currently but, many are afraid to pull the trigger on new funding right now. Deanna and Jared talked about the fact that we will have close to \$1 million dollars available to lend once we the upcoming projected payoffs are complete. The Board commended Deanna for her work with the businesses throughout the COVID crisis.

Deanna let the Board know that the PARIS reporting for BLDC was completed as per our approved contract with them and payment was received, Deanna will receive the \$2,500 stipend for her work as approved by A&F and BOD. They reached out and stated that they were very happy with the services and would like to look at contracting for the same services annually going forward. We will begin reviewing the proposed contract for this work at next month's Committee and Board meetings.

The Board asked if there are other options out there for businesses who still need assistance and Deanna talked about the numerous programs through the State including NY Forward which is still taking applications. Deanna also referred this to Dave O'Brien who is Chairman of the LCLGRP who talked about a new COVID related loan fund that they are working on. It will be a very low interest fund, but the details are not yet finalized. We will update the Board and share the information once these details are completed and approved.

The Board also discussed if the LDC would be available to apply for any of the COVID programs (PPP and EIDL) but, Deanna explained that in order for a Not for Profit organization to apply for those funds, you must be classified as a 501(c)(3) and we are a 501(c)(4) which excludes us from applying. The Board asked what would go into changing our classification to the 501(c)(3) to which Deanna replied that she is unsure as the LDC was created in 1985. Deanna will investigate this to see if this is a possibility and if so, what it would entail. Deanna said that this will take some time to assess but, that she will report back on this when she has some answers.

#### **IV. Committee Reports**

- A. Loan Review Committee – Loan statuses to be discussed under executive director loan list report.
- B. Governance Committee – None
- C. Audit & Finance Committee – The Committee reviewed the proposed 2021 budget at the 8/18/20 meeting and approved it to go to full Board for review and approval (included later in this agenda).

#### **V. Old Business – None**

#### **VI. New Business**

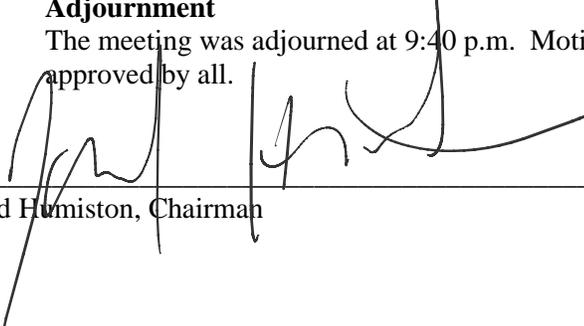
- A. Next, we reviewed the March, April, May, June and July monthly financial reports and balance sheets. Deanna talked about the fact that in April and May we were in the red due to the loss of the loan/bank interest income and lack of loan applications/closings but, since the businesses have started resuming monthly payments, this gap has been closing and we are back in the black. Dave O'Brien made a motion to approve the financials. Brian Campbell seconded, and the reports were approved unanimously.
- B. Review 2019/2020 comparison report – This report was provided as an update to the Board of where the finances are at compared to last year. It reads as expected with the interest income is down due to loss of interest income during the freeze due to COVID but, Deanna expects that this gap will continue to close over the remainder of the year as the businesses resume regular monthly payments. The expenses are paid based on contracts so, they remain mostly flat (-.33% compared to 2019).
- C. 2021 Budget Review and Approval – Deanna let the Board know that any line items proposed to change from last year are highlighted. The income line items are proposed to decrease by \$6,000 total because we have had numerous loans payoff over the last year and there are a few more (discussed early in the minutes under Executive Report) loans expected to payoff before year end. The remaining income line items are being left flat due to the expectation that this lull in new applications may carry over into 2021. The Expense line items proposed to change are all based on increases outlined in our professional services contracts. The only exception to this is the Legal Line item which we have been slowly increasing over the past 2 years in preparation for an expected increase at some point in the future. Our attorney has not raised our retainer fee in over 10 years and therefore, we are trying to pre-plan for a future increase that will not be a shock to the budget. Deanna was asked if she believes that the LDC will in fact be able to meet the proposed interest income amount for 2021 and she replied that as long as the re-opening continues to see steady progress and does not go backwards to closing that yes, she does believe that we will meet that number. Once there was no more conversation or questions, Darrell Wilson made a motion to approve the proposed 2021 budget. Dave O'Brien seconded, and it was approved unanimously. Deanna will get it submitted into the PARIS system as required by PAAA.
- D. Updates on the Office of the State Comptrollers Audit – Deanna updated the Board that the Audit by the Comptrollers office has begun, and they are currently in the exploratory phase. Deanna reminded the Board members that owe PAAA paperwork and still need to complete their PAAA training should address these items ASAP. Deanna also let the Board know that the Auditors may be reaching out to them with questions at some point just so they are aware. Deanna will continue to get the Auditors everything that they need and also will continue to give monthly updates on the process and progress.
- E. Miscellaneous
  - Start-Up ADK Fall Session – Deanna let the Board know that the fall session of Start-up ADK will be held via zoom and starts again on October 6 Deanna has been working with the college and Warren

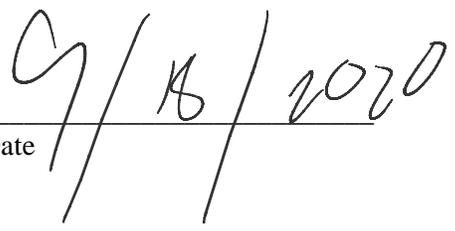
County LDC to update the MOU to reflect the change of going to zoom. The proposed MOU will go through Committee and come before the Board for approval at the September meetings.

- PAAA Board member training reminder – Deanna again reminded those that have not completed the required PAAA training that they must do so ASAP. Deanna will re-send the link of available training dates to those who still need to complete that requirement.

**VII. Adjournment**

The meeting was adjourned at 9:40 p.m. Motion made by Brian Campbell, seconded by Dave O'Brien and approved by all.

  
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Jared Humiston, Chairman

  
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Date

*Submitted by Deanna Derway, Executive Director/President*