

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

Friday, October 23, 2020 – 9:00 AM

Meeting held via zoom – recording available

**Board Members Present Via Zoom:** Dave O'Brien, Jared Humiston, Mark Mahoney, Matt Hicks, Darrell Wilson, Dave Higby, Don Ward, Dana Hogan, Sam Hall and Lester Losaw

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

**I. Call to Order**

Chairman Humiston called the meeting to order at 9:00 a.m.

**II. Approval of Minutes**

After reviewing the minutes from the September meeting, Darrell Wilson made a motion to approve with a second from Dave O'Brien and approved unanimously.

**III. Executive Director Report**

Next, The Board reviewed the current loan list update. Deanna gave the following updates: Roundhouse Bakery is still working to come to a deal with Hubbard Hall in order to sell the equipment (this will require our approval) in order to pay down the loan balances and re-amortize those loans. Gramps Old School (Center Falls Projects) won a historical preservation award this week. They had a nice, socially distanced, ceremony at the property to present them with the award and give tours. Thank you to Dave Higby and Don Ward for joining us. Starky's Grill remains delinquent as he battles serious health issues and COVID restrictions at the same time. I will continue to keep in touch with him to assess his needs and will work with LRC to address his evolving situation. Party Pooperz and Hogwash Cleaning Solutions closed on their property and paid off both loans in full this week which gives us about \$1 million available for lending. One of Bonnie & Clyde's loans has fallen behind as well; Deanna reached out and they are having housing issues and COVID related restrictions are also having an impact on the business. Again, Deanna will continue to assess their needs and keep the Committee and BOD updated on this account.

**IV. Committee Reports**

- A. Loan Review Committee – Loan statuses to be discussed under executive director loan list report.
- B. Audit & Finance Committee (A&F) – On 10/13/2020 the Committee discussed and approved Resolution 20-16 Authorizing the 2021 Contract with Bolton LDC. At last month's meeting, the Committee proposed raising the cost from \$3,500 to \$4,000 for 2021 now that we know how long the reporting actually takes. Deanna spoke with the Bolton LDC and they were comfortable with this. The Committee discussed the contract further and approved it along with giving Deanna a stipend of \$3,000 for completing the BLDC reporting in 2021, (after payment is received from BLDC) as the majority of the work is done on her time. This was approved by the Committee and will be voted on later in this meeting for final approval.
- C. Governance Committee – On 10/13/2020, the Committee reviewed and approved resolutions 20-18, 20-19 and 20-20. The Committee also discussed resolution 20-16 Authorizing the 2021 Contract with Bolton LDC. The proposed change to the contract from last year is raising the BLDC cost for 2021 to \$4,000 which was approved by A&F (based on actual hours spent this year). The Committee discussed the contract further and approved it along with the proposal of giving Deanna a stipend of \$3,000 for completing the BLDC reporting in 2021 as the majority of the work is done on her time. These resolutions were approved by the Committee and will be voted on later in this meeting for final approval.

**V. Old Business – None**

**VI. New Business**

- A. Financials: Next, we reviewed the September monthly financial reports and balance sheet, as well as, the financial binder reports so that the Committee can sign off on those once they are approved and we are in person again. Deanna talked about the fact that the financials continue to improve slightly each month as the loan portfolio continues to resume regular monthly payments and we see the loan interest income return. We also have taken in a few new loan applications which is a positive thing to see and started the Fall session of Start-up ADK with 15 participants so we will continue to see the revenue increase. There was no further discussion and Dave O'Brien made a motion to approve the financials. Sam Hall seconded, and the

September financial reports were approved unanimously. Each committee member will sign off on the approved monthly reports in the binder once we are in person again.

- B. Review 2019/2020 comparison report: We also reviewed the “P&L previous year comparison QuickBooks report” (comparing 2019 with 2020 YTD). Deanna talked about this report and the fact that this shows the gap slowly closing where in August we were at -48% for net income, this has reduced to -45% in September compared to 2019. For income, although improving, we do expect to obviously fall short of our projections for loan interest and origination/closing fees/apps due to COVID and the freeze of the loan portfolio. Most of our expenses are based on approved contracts and therefore remain generally flat at -1.3% compared with 2019.
- C. Next, we reviewed Resolution 20-16 Authorizing the 2021 Contract with Bolton LDC who wishes to once again contract with us, for Deanna to enter their required 2020 PARIS reporting (which is due 3/31/2021). At last month’s Committee meetings, they proposed raising the cost from \$3,500 to \$4,000 for 2021 now that we know how long the reporting actually takes. Deanna spoke with the Bolton LDC and they were comfortable with this. Therefore, Deanna worked with the LDC attorney to update the attached contract outlining the services that are to be provided. The Board discussed the contract further and the fact that this work falls on Deanna who will be doing the majority of the work on her time. Deanna expressed that with the everything going on this year, she would be OK with the stipend remaining the same as this year at \$2,500 but, they felt that this is a lot of work in addition to how busy we already are at the WCLDC and they decided that Deanna should receive a stipend of \$3,000 from the 2021 BLDC payment (after payment is received from BLDC). There was no further discussion and Lester Losaw made a motion to approve resolution 20-16, as well as, the \$3,000 stipend to Deanna. Darrell Wilson seconded, and it was approved unanimously.

*Motion to approve made by: Lester Losaw*

*Seconded by: Darrell Wilson*

*Ayes: 10*

*Nays: 0*

*Abstain: 0*

*Approved: 10/23/20*

- D. Next, we reviewed Resolution 20-18 removing the current WCLDC Secretary and Appointing a new one. Dana Hogan, the Secretary of the Washington County Local Development Corporation, wishes to step down from his position and Sue Clary has agreed to step into the position for the remainder of 2020 and 2021. Dave O’Brien made a motion to approve the change. Darrell Wilson seconded, and it was approved unanimously.

*Motion to approve made by: Dave O’Brien*

*Seconded by: Darrell Wilson*

*Ayes: 10*

*Nays: 0*

*Abstain: 0*

*Approved: 10/23/20*

- E. Next, we reviewed Resolution 20-19 removing a current member of the Loan Review Committee and appointing a new one. Dana Hogan, a member of the Washington County Local Development Corporation’s Loan Review Committee, wishes to step down from his position and Sam Hall has agreed to step into the position for the remainder of 2020 and 2021. Dave O’Brien made a motion to approve the change. Lester Losaw seconded, and it was approved unanimously.

*Motion to approve made by: Dave O’Brien*

*Seconded by: Lester Losaw*

*Ayes: 10*

*Nays: 0*

*Abstain: 0*

*Approved: 10/23/20*

F. Next, we reviewed Resolution 20-20 removing one of the five approved Check Signatories and appointing a new one. Dana Hogan, who is one of the five approved check signatories for the Washington County Local Development Corporation, wishes to step down from this position and Sue Clary has agreed to step into the position for the remainder of 2020 and 2021. Dave O'Brien made a motion to approve the change. Sam Hall seconded, and it was approved unanimously.

*Motion to approve made by: Dave O'Brien*

*Seconded by: Sam Hall*

*Ayes: 10*

*Nays: 0*

*Abstain: 0*

*Approved: 10/23/20*

G. Updates on the Office of the State Comptrollers Audit

They are back to in person visits and will be here approximately 2 days a week (and the rest of the days consist of phone interviews). They are still in the risk assessment phase for another 2-4 weeks and then will do a deep dive, most likely on loan files. They believe that the in-person part of the audit will be complete sometime around Thanksgiving. After that, they will meet with the Executive Committee and myself to do an initial exit interview where they will go over Preliminary Audit Findings. Next, they will be in the editing phase for 3-4 months. Lastly, they will meet with us again for the official closing conference to go over the finalized report and recommendations before it is published. We will then have 30 days to respond to their findings and 90 days to implement any changes. All in all, they should be completely finished by approximately June of 2021. We have nearly 80 hours into the audit now and I will continue to keep a spreadsheet tracking time spent.

H. Miscellaneous:

- Start-Up ADK Fall Session – Deanna let the Board know that the fall session of Start-up ADK began on October 6th via zoom with 15 participants. Deanna also highlighted the fact that there are still a few Board members who need to complete their required PAAA training by the end of this year. Deanna will send another email with the website which frequently updates the list of available dates as we want to be sure to remain in compliance.
- Jared Humiston brought up the Shield Act and talked about the fact that this may be something that we want to discuss in relation to advanced cyber protections from threats especially regarding personal information. The Board had a brief discussion about this and agreed that we should explore this further starting at the Governance level. Darrell Wilson made a motion to approve exploring this further. Sam Hall seconded, and it was approved unanimously. Deanna will add this to the Governance agenda for the beginning of 2021.
- In light of the ongoing pandemic situation, the Board also discussed the best course of action for holding our monthly Board meetings as most members are attending meetings via zoom. Based on the conversation, the Board finds that holding our LDC Board of Directors meetings via zoom the week after the regularly scheduled Washington County Board of Supervisors monthly meetings will work best for everyone as trying to attend both on the same day is causing some availability issues. Until the pandemic situation improves, we will plan on holding the BOD meetings via zoom the week after (or the week before for the month of December due to Christmas) the County BOS meetings.

**VII. Adjournment**

The meeting was adjourned at 9:46 p.m. Motion made by Dana Hogan, seconded by Sam Hall and approved by all.

  
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Jared Humiston, Chairman

1/12/2021

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Date

*Submitted by Deanna Derway, Executive Director/President*