

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION

Board of Directors Meeting

Friday, July 16, 2021

9:00 a.m. Meeting

Supervisors Classroom Building B

Board Members Present: Jared Humiston, Dave O'Brien, Don Ward, Dana Hogan, Dan Shaw, Sue Clary, Darrell Wilson, John Rozell, Sam Hall and Tim Fisher

Staff Present: Deanna Derway – WCLDC President

I. Call to Order

Chairman Humiston called the meeting to order at 9:01 a.m.

II. Approval of Minutes

After reviewing the minutes from the June meeting, Dave O'Brien made a motion to approve with a second from Dana Hogan and approved unanimously.

III. Executive Director Report

Next, the Board reviewed the current loan list update. Deanna gave the following updates:

- It has been increasingly more difficult working with loan applicants to gather the required documentation as small business owners are having such a hard time finding employees that they are picking up the slack and working incredibly long hours. The lack of workforce is something that Deanna is hearing as a complaint across the Board for business owners at my site visits.
- Harrington's Care A Lot will be discussed later during this meeting.
- Deanna spoke with Slate Town Brewing and she mailed out her 2 late payments last week to the bank. Mail has been a bit slow but, she will be caught up with these payments.
- Kingsbury National and Stumpy's both made their loan payments at the beginning of July within their 15-day grace period and are on track.
- We are still working on Bardin's LLC and have the building and loan agreement completed. Mark finished the first part which was the roof replacement which Dave O'Brien and Deanna went up and verified with a site visit this week. The inspections will have to be done this way for every step along the way. Therefore, we will be doing the first funding release soon (\$40,000 for the roof reimbursement and down payment for the car wash equipment which we already have the quotes for and will collect the invoices at each phase). Our attorney has been integral in guiding us through this as we have not done a B&L agreement like this in quite a few years.

IV. Committee Reports

- A. *Loan Review Committee* – None
- B. *Governance Committee* – None
- C. *Audit & Finance Committee* – None

V. Old Business - None

VI. New Business

A. Next, we reviewed the June monthly financial reports and balance sheets. Deanna walked the board through the report highlighting that overall, the LDC is in a good financial position with \$52,000 and excess revenue over expenses year to date. In this report, you will see the quarterly retainer fee for our attorney was paid as well as the consulting fee for Deanna doing the Bolton LDC reporting as approved by the Board. Once there were no more questions, Dana Hogan made a motion to approve. John Rozell seconded, and it was approved unanimously.

B. Harrington's Care A Lot: We received the proposed closing statement (included in BOD packets) regarding Harrington's. Deanna spoke with the LDC attorney and he unfortunately does not believe that the purchaser will be able to secure the financing necessary for purchase and renovations however, we still have to address this in case they are able to do so. As shown in the statement, we would collect \$39,160.06

to apply towards their balance but, the LDC would continue to have security interest in all the personal property (being handled separately) and we would be first on this since the bank would be paid off plus, the obligors and personal guarantors would still be liable for the remaining balance of the debt (although not guaranteed that we will be able to collect anything from them). We will continue to lose money towards the bank interest each day that this drags on however, but we are second position so don't have much recourse. This is most definitely more than we will take in if they proceed to foreclosure and would still leave the guarantors on the hook for the balance. We must give permission for them to move forward and explore this option. After a lengthy discussion about the options Brian Campbell made a motion to approve the request by the bank. Darrell Wilson seconded, and it was approved unanimously. Deanna will take care of executing the letter giving them permission and we will revisit where things are at when we meet next.

C. Approval of Response Letter in reference to State Comptrollers Audit 2021M-57: In response to the Audit report issued by the State Comptrollers Office we are required to submit a letter addressing each finding and a corrective action plan (CAP); Dave O'Brien and Deanna worked together to put together the letter and CAP included in the Board packets. The Board had another discussion about the findings and went through each response. Once there was no further discussion, Darrell Wilson made a motion to approve the response letter. Brian Campbell seconded, and it was approved unanimously. Deanna will take care of submitting the documentation to the State right away which will conclude the State Comptrollers Audit.

D. Miscellaneous

- We discussed the fact that we need a replacement for Lester Losaw on the Audit & Finance Committee since his resignation. Tim Fisher said that he would be interested in the position but, was not sure what it would entail as far as time commitments, etc. The Board will make a decision at the next meeting and officially appoint someone for the remainder of the year.
- Our Committees and /Officer appointments will be up at the end of this year so, in the coming months, Deanna will be emailing everyone a form to fill out with any positions that you may be interested in for 2022/2023.

VII. Adjournment

The meeting was adjourned at 9:37 AM. Motion made by Don Ward, seconded by Sam Hall and approved by all.



Jared Humiston, Chairman
Submitted by Deanna Derway, Executive Director/President

12/13/2021

Date