

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION

Board of Directors
Friday, May 20, 2016
8:45 a.m. Meeting

Members Present: Seth Pitts, Rich Norman, Rich Moore, George Armstrong (entered 9:01), George Gang, Cassie Fedler, Dana Haff, Mitch Supernant, Jay Niles, Jared Humiston, Dave O'Brien, John LaPointe and Dan Shaw

Others Present: Deanna Derway – WCLDC President and Russell C. Tharp, Esq. – WCLDC Attorney

Chairman Pitts called the meeting to order at 8:46 a.m.

After reviewing the minutes from the March meeting, Dave O'Brien made a motion to approve with a second from Rich Moore and approved unanimously.

Next, we reviewed the March and April monthly financials. Dana Haff pointed out a correction that needs to be made on the April financials. Under the expense line item Payroll Administration the YTD total should read \$354.68. Deanna will make the correction. Rich Norman made a motion to approve with the one noted correction and Cassie Fedler seconded. There was no further discussion and they were approved unanimously.

Next, the Board reviewed the current loan list update and discussed the current status of each account. Deanna informed the Committee that South Hartford Equipment is still waiting for a Workman's Comp claim payout that will pay off the remaining balance of the loan. Deanna will update on the status of this again at the next meeting.

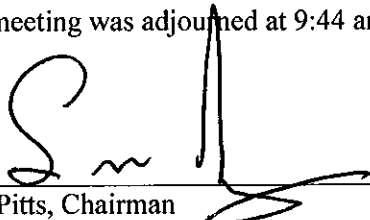
Chairman Pitts continued with the agenda regarding some policy updates that have been recommended to the full board by the Governance Committee. First the Board discussed the proposed procurement policy updates which would now include more precise limits for spending and bidding. Jared Humiston pointed out 2 typos on page 2 section B/6/g. Deanna will correct the errors. Dana Haff brought up page 3 section B/7 and does not like the way that this section is wording. Mr. Haff's questions were referred to Dave O'Brien, the creator of the document. After a brief discussion, they decided to have the words "or will not" eliminated from this section. Deanna will make this correction as well: *The recommendation for approval of the updated Washington County LDC Procurement Policy (with the above noted corrections) was put into the form of a motion by John LaPointe and seconded by Jared Humiston. Resolution #16-20 was approved with 12 ayes and 1 nay from Dana Haff.*

The Board then reviewed the proposed Discretionary Funds Policy. This policy is a recommended governance practice for Public Authorities. It was also approved and recommended by the LDC Governance Committee: *The recommendation for approval of the Discretionary Funds Policy was put into the form of a motion by Rich Norman and seconded by George Gang. Resolution #16-21 was unanimously approved*

Next, Deanna introduced Russell Tharp, the LDC attorney to discuss 209 Broadway Whitehall, LLC. As the Board knows, the owners of this business, Dave and Shelly Carpenter have filed for bankruptcy after only four loan payments. The collateral on this loan is the first mortgage on the building the restaurant is located. Mr. Tharp said the problems with the property are the taxes that will be due on the property and the fact that the Carpenters property insurance has been cancelled due to lack of payment. He also outlined the possible costs and length of time involved in the foreclosure process. We received a proposal from the second mortgagee in regards to the property but, the Board feels that the proposal does not benefit the LDC in any way and will lessen the chance of recouping our principal investment if accepted. Therefore, the Board discussed a counter offer to the second mortgagee outlining the terms that would be acceptable to the LDC. Mr. Tharp will address all of the terms outlined by the Board and prepare the counteroffer to submit to the second mortgagee and give them 30 days to respond before commencing foreclosure process. Rich Norman made a motion to accept this action, seconded by Dan Shaw and approved unanimously.

The meeting was adjourned at 9:44 am. Motion made by Rich Norman, seconded by Rich Moore and approved by all.

DD


Seth Pitts, Chairman


Date