

MINUTES OF MEETING HELD NOVEMBER 19, 2018

THE MEMBERS OF THE BOARD OF DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

A meeting of the Members of the Board of Directors of the Warren County Local Development Corporation (LDC) was held on November 19, 2018 at 9:00 a.m. in the Committee Room at the Warren County Municipal Center.

The meeting was called to order by Peter McDevitt, Chairman of the Warren County Local Development Corporation at 9:00 a.m.

The following Directors were present:

Peter McDevitt	Frank Thomas
Craig Leggett	Eugene Merlino
Matthew Simpson	

The following Directors were absent:

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Jennifer Switzer, CFO, Warren County Local Development Corporation
Ronald F. Conover, Chairman, Warren County Board of Supervisors
Kevin B. Geraghty, Warren County Supervisor
Andrea Hogan, Warren County Supervisor
Claudia Braymer, Warren County Supervisor
Bennet Driscoll, Warren County Supervisor
John Strough, Warren County Supervisor
Douglas Beaty, Warren County Supervisor
Michael Wild, Warren County Supervisor
Matthew Sokol, Warren County Supervisor
Ryan R. Moore, Warren County Administrator
Mary Kissane, Warren County Attorney
Robert Henke, Chairman, Washington County Board of Supervisors
Kristy Miller, Confidential Secretary to the County Administrator
Wayne LaMothe, Warren County Planner
Thom Randall, *The Sun Community News & Printing*
Don Lehman, *The Post Star*
Travis Whitehead, Warren County Resident

Chairman McDevitt called the meeting to order. He asked for a motion to approve the minutes of the October 29, 2018 Regular Board Meeting. Motion made by Director Leggett and seconded by Director Simpson. Motion carried unanimously.

Chairman McDevitt continued with the agenda regarding the review and approval of the October 2018 Financial Statements. Ms. Switzer brings attention to the balance sheet and advises of approximately \$746,000 available to lend with the Accounts Receivable and Accounts Payable being related to the contracts between Warren County and Warren County LDC and Warren County LDC and Warren County EDC (Economic Development Corporation). Director Leggett asks for clarification on the total TD Bank loan account of \$32,620 and Ms. Switzer explains that there are a couple of different funding sources that would have been for a specific loan that the LDC had years ago, which is separated out in order to know that it goes to a certain CBDG funding source. She indicates that it can be utilized, but is more to track it historically in order to know how much came from the original source. Director Simpson asks what is done with interest for the LDC's cash balances and Ms. Switzer advises that there is currently one account that has a decent interest rate with another account with Glens Falls National Bank not having any interest available to it, but that she can look into the Investment Policy and what interest rates can be obtained from local banks including money markets where there is cash available. She continues to explain that \$1,000 to \$1,500 is earned per year from the one account. Director Simpson states that the current interest rates are rising and a lot of interest could be gained on the total checking account balance. He inquires if the FDIC insurance was a limited factor on what the LDC was able to do and Ms. Switzer advises that the FDIC insurance is not a concern being that Warren County LDC is a component unit of Warren County with collateral agreements that contain additional insurance. Mr. Bartholomew advises that there are a couple potential loans coming up and suggests taking a good portion of the loan and putting it into an account such as a money market or other interest bearing account and leave another portion in another account for flexibility. Ms. Switzer indicates that before the next meeting she will get ahold of Glens Falls National Bank as well as a couple other banks and do a projection that she will present to the Board to see what the interest rates are in order to make a suggestion of either moving some money into an existing account or another bank, but keeping in mind the LDC's existing Investment Policy. Ms. Switzer continues with the Profit & Loss Budget vs. Actual for the month of October and explains the loan interest, which is associated with the current loans and the agreement between the various entities. She moves on to the Profit & Loss Budget vs. Actual for January through October 2018 and points out the Miscellaneous Income, which is related to the sprint MAP session as well as a small account closer. She advises that there will be approximately \$1,000 added to the Miscellaneous Expense for the fall MAP session that will be ending the beginning of December.

Director Leggett questions whether the fifty percent over budget projected revenue is due to being conservative and Ms. Switzer explains that it is due to the two loans that closed in 2018 as well as the uncertainty of how many loans will be closed throughout the year. She advises that generally the interest that is calculated is based on current loans and not projecting any loans within the coming year. Mr. Bartholomew states that the LDC is expecting another sizable loan in December.

Chairman McDevitt asked for a motion to approve the October 2018 Financial Statements. Motion was made by Director Leggett and seconded by Director Simpson. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the Financial Report for October 2018.

Chairman McDevitt continued with the agenda regarding the review of the Loan Portfolio and Mr. Bartholomew defers to the Ms. Kissane if there are any updates to be discussed in executive session and she states that there are no further updates at this time. Mr. Bartholomew advises that an executive session would not be necessary.

Director Leggett asks if all the loans are current and Ms. Switzer advises that all loans are current other than the couple that are in bankruptcy.

Supervisor Wild states that \$855,000 in cash seems to be a large amount of money and asks what is expected to be accomplished in 2019. Ms. Switzer explains that the \$855,000 is not available to loan and approximately \$50,000 will be used for operating expenses as well as the \$2,900 housing expense, which still leaves about \$800,000. She advises that in the past as well as right now, the LDC is trying to market the loan fund and make responsible, but yet, some risk in getting the money back out into the community to small businesses. She continues to explain that the marketing procedures are focused around traditional advertising including the Startup Adirondack program with SUNY Adirondack and Washington County LDC, which is an eight week program that helps small businesses in Warren and Washington Counties learn how to put a business plan together with the goal for those businesses to come to the individual entities and request loan funds if they are unable to receive the funds from traditional banks. She advises that she attended a TD Bank forum with Mr. Bartholomew at the Hiland in Queensbury which allowed them the opportunity to talk about small business loans in Warren and Washington Counties and what the LDC has to offer to people. She states that doing more of this type of marketing is beneficial in getting the word out to those entities and the small businesses in the area that need assistance as well as maintaining the relationships that currently exist with the local banks. Supervisor Wild asks if the LDC has any specific goals for the year and Mr. Bartholomew advises that currently there is approximately \$200,000 to \$225,000 in loan proposals with one significant loan that will be looked at as early as December. He explains that the LDC works with the loan applicant and directs them to a bank in order to obtain financing as the LDC generally is not the primary lender. He continues to explain that the interest rates have been very low over the last few years but are beginning to rise and when that occurs, the LDC gets more business and would expect an increase in activity in December as well as 2019. Supervisor Wild questions the \$800,000 in cash to loan and what that number has been in the past five years. Ms. Switzer advises that the number fluctuates primarily due to how many loans are closed within the year as well as how the economy is doing. She states that the fluctuation is usually between \$450,000 and \$800,000.

Supervisor Strough entered the meeting at 9:16 a.m.

Ryan R. Moore, County Administrator, entered the meeting at 9:17 a.m.

Director McDevitt points out the establishments that serve food within the loan portfolio bringing attention to the Queen of Harts and states that they have great food and great products,

which is what makes him want to frequent the establishment as well as feeling confident about the loan.

Mr. Bartholomew points out that there are two loans that will mature next year, which will be part of the fluctuation on the balance of the cash to loan. Ms. Switzer reminds the Board that and refers to the loan with Burlap & Beams, which is an entity that may not employ a lot of people but over the last year have had twenty events from May through September in Athol, with at least a half a dozen, if not more, other small local businesses who had an opportunity to be a part of these events. She explains that it is the other side that needs to be kept in mind, the money that is being put back in for payroll, sales tax and in some cases even occupancy tax and not just the numbers that you see on the financial statements, but the other economic effects in the community.

As there was no further business to come before the LDC Board, motion was made by Director Leggett to adjourn the meeting, seconded by Director Simpson, and carried unanimously.

Chairman McDevitt adjourned the meeting at 9:18 a.m.

Dated: December ____, 2018

Frank Thomas, Secretary