

MINUTES OF MEETING HELD JANUARY 26, 2021

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 January 26, 2021 at 10:30 a.m. in the Board Room/Remote Access at the Warren County Municipal Center, pursuant to the Notice of Meeting emailed January 22, 2021.

The meeting was called to order by Peter McDevitt, Chairman of the Warren County Local Development Corporation at 10:38 a.m.

The following Directors were present:

Peter McDevitt	Eugene Merlino
John A. Diamond	
Craig Leggett	

The following Directors were absent:

Brad Magowan

Others Present:

Jim Siplon, Interim President, Warren County Local Development Corporation
Lisa Daly, Warren County Local Development Corporation
Linda Oldenburg, Warren County Local Development Corporation
Rachel Seeber, Chairwoman, Warren County Board of Supervisors
Frank Thomas, Warren County Supervisor
Bennet Driscoll, Warren County Supervisor
Robert Terwilliger, Warren County First Assistant Attorney
Wayne LaMothe, Warren County Planner
Patricia Tatich, Warren County Associate Planner
Donald Lehman, Warren County Director of Public Affairs
Kristy Miller, Confidential Secretary to the Warren County Administrator
Doug Miller, Warren County Resident

Chairman McDevitt called the meeting to order. He asked for a motion to approve the minutes of the December 29, 2020 Regular Board meeting. Motion made by Director Merlino and seconded by Director Diamond. Motion carried unanimously.

Chairman McDevitt advises that in early May 2020 Mr. Bartholomew and himself met with the principles of Kirsh Helmets for about 2 hours and were very impressed with their commitment to all American made components along with a very unique patented technology. He indicates this is an industry that he hopes to encourage and support as well as help through an LDC program. He explains that The Post Star had a great article relative to the City of Glens Falls LDC program, which they put together a \$600,000 deferred loan program and a downtown revitalization initiative to help start new businesses as well as help expand existing ones. He

continues to explain that this is a great example of how LDC's can be a vital and great component and believes that adding solar to the function of the Local Development Corporations by utilizing land that is not being used and can be put on the tax rolls for communities throughout Warren County. He states that going forward this is an issue that should be discussed in greater detail.

Chairman McDevitt continued with the agenda regarding the review and approval of the December 2020 Financial Statements. Ms. Daley advises that there is nothing out of the ordinary and Mr. Siplon confirms that there is nothing out of the ordinary and that it is his goal to talk about some things that will increase the level of activity.

Chairman McDevitt asked for a motion to approve the December 2020 Financial Statements. Motion was made by Director Diamond and seconded by Director Merlino. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the Financial Reports for December 2020.

Chairman McDevitt continued with the agenda regarding the review of the Loan Portfolio. Mr. Siplon advises that it is their goal to engage everyone that is in the loan portfolio and make sure they are sensitive to their situation due to the unprecedented COVID pandemic. He indicates that a vast majority of them have resumed payments and this past month they were able to add two more to that roster, which includes Nettle Meadows as well as Axis Technologies. He explains that the fact that Nettle Meadows is in a cash flow position to renew is great for the business as well as the state of their investment in the Town of Lake Luzerne with their new facility. He continues to explain that they want to make sure that if they engage with everyone enough in order to help the Board establish both that are able to get on the right side of the ledger as well as those where they continue to have risk and be honest with the Board about that. He advises that they are working hard to develop a strategy for anybody that is in the loan portfolio that is not meeting their obligations and what the right strategy is to help them meet their obligations. He indicates that Kirsh Helmets would not be where it is now without the support of the LDC and Kirsh is something that is not only a great enterprise but the reason that other businesses want to come to this area. He explains that he had a business come in that is interested in relocating from Pennsylvania due to the experience of watching Kirsh and the fact that they chose to locate here and are getting the support they need to grow their business. He continues to explain that this business found there to be more activity here than in other regions. He indicates that businesses like that as well as Kirsh represent a multiplier and a value well in excess of their own economic impact

Chairman McDevitt states that the story is a very good one and the upside in terms of success is good as well as a market place ready to be tapped and the ability over time to employ large numbers of people, which will help all within the community. He explains that all industries have been negatively impacted with COVID and suspects that Kirsh is as well. Mr. Siplon advises that the interesting thing about Kirsh is that their using what would be considered the "dip" in economic activity to both raise capital and to develop their strategy so that when the economy recovers they have an approach that will essentially allow them to immediately participate in that upward trajectory.

Director Merlino questions that at the last meeting he asked what 59 Lake LLC was and Ms. Oldenburg said she would look into it. Mr. Siplon indicates that she is working on it with the County and doesn't have anything to report yet.

Director Leggett questions the bank interest for December 2020 to Budget as it is down significantly and if that is just because something wasn't booked when it should have been and the statement of activity to December 2020 if that is to the end of the year and not just a month. Ms. Daley advises that she believes the statement of activity for December 2020 is just for the month and the issue of the bank interest for December in the amount of \$23.38 versus \$9,712 budgeted is for when the budget was entered into QuickBooks it wasn't spread amongst the 12 months. Director Leggett asks if that includes the interest for the CD and Ms. Daley confirms. Mr. Siplon explains that the bank interest is underperforming due to the economy and the balances they had versus what was budgeted they have adjusted in the budget going forward. He continues to explain the reason he did not provide to the end of year is because he has not had enough time to review those before they close the books for the year.

Chairman McDevitt continues with the agenda regarding Report from EDC President, Jim Siplon, including notification of audit. Mr. Siplon advises that he has had a lot of conversations with Chairwoman Seeber about how the LDC is structured and she will continue to communicate to the Board on how she sees that evolving. He explains that no matter how many Board members there are or who they are, the LDC's role stays unchanged and to continue to act as the Board's agent. He continues to explain that it is hope that they continue to garner the trust of any remaining or new Board members and they will continue to help anyone who is new to keep them up to speed. Mr. Siplon advises that the LDC was notified by the State that they are going to perform an audit. This notification was issued in February 2020, but due to COVID they delayed the execution of the audit and were just notified that they will now put that audit back on the schedule. He explains that this process is a simple review of financials and key policies, which they have been getting to the auditor. He continues to explain that they have asked for a roster of the Board so they can make contact, but he didn't want to give out this information until he had an opportunity to announce the audit to the entire Board. He indicates that the audit is being locally administered by a Queensbury area auditor and he has no reason to believe that there is any agenda to this audit other than a simple regulatory follow-up.

Mr. Siplon advises that the LDC continues to have discussions about what might be additional areas to explore and they have businesses that have made inquiries on whether or not there is some financial support that will help them with their unusual circumstances. He explains that there are a handful of businesses that have experienced loss that are unrelated to COVID during a COVID period, which means that they have already taken advantage of COVID related opportunities. He continues to explain that it is his goal to present to the Board a series of options that they could potentially pursue to fill the gaps between the Federal and State programs. He advises that if the businesses are not eligible for the aid they need in order to stay alive, he wants to bring it to the Board and figure out the right amount of the LDC's cash balance to potentially make available and under what kind of terms. He explains that his staff is in the process of doing a financial review of how much they think may be a prudent investment and would bring it to the Board formally at the next Board meeting.

Chairman McDevitt states that it is a great suggestion as there are certain businesses that are falling through the cracks and they are good people and tax payers and they need people like Mr. Siplon that have the interest and dedication to see if they can get some help. He indicates

that he appreciates Mr. Siplon's efforts as it can sometimes be a difficult environment with all the underlying rules and regulations.

Director Leggett advises that he thinks it would be helpful to the LDC Board if that was presented with the context of what the LDC's mission is and statutory authority to provide this alternative financial assistance.

Chairwoman Seeber explains that what Director Leggett just stated is very pertinent as they look at the March Annual meeting when the reorganization takes place. She continues to explain that it is her hope to have a much better understanding of the different loan balances and how there are different ideas that are being talked about. She advises if in fact the LDC has the authority to be able to think outside the box and offer that to businesses, as other counties have. She indicates that is the reason why they are looking at the By-Laws, the amended By-Laws from 2011 and looking at a Board between 3 to 7 members. She welcomes Supervisor Diamond to the Board advises that his appointment is effective immediately replacing Assemblyman Simpson's position on the Board. She thanks the County Attorney's Office for their assistance and advises that a memo will be coming from them explaining the history of the LDC, the By-Laws and adhering to those moving forward.

Director Diamond asks Mr. Siplon to explain briefly the LDC's financial position of what the assets are and what the amounts are for, for example, if the assets of the Glens Falls National Bank Loan account in amount of \$173,000 is a loan portfolio. Ms. Daley explains that the Glens Falls National Bank Loan account is a checking account of the funds that they use to loan out to businesses when assistance is requested and the Glens Falls Operating account is where they do their monthly billing. Director Diamond asks if the LDC has \$173,832.65 available to loan and Ms. Daley confirms that the LDC does have that amount in that account and in the TD Bank Loan account there is \$286,086.73. Mr. Siplon advises that those accounts represent the total aggregate cash position of the organization and he is trying to get what the appropriate levels of reserve against that would be and he believes there will be some potential cash to reinvest. Director Diamond asks if the current assets are the properties owned by the LDC and Ms. Daley explains that the current assets are the CD, the Accounts Receivable balance and the two balances in the Loan and Operating accounts. Director Diamond asks what the value of the property is that the LDC owns and Mr. Siplon advises that the LDC does not own property, but the EDC (Economic Development Corporation) does. Director Diamond asks if the Allowance for Doubtful Accounts in the Accounts Receivable are in arrears and Ms. Daley explains the amount in that account is an amount that was agreed upon in years past. She continues to explain that amount is an amount from a certain percentage from the loan portfolio that will probably be uncollectable. Mr. Siplon advises that the amount represents an estimate of what would be consider risk and his goal is to get a much more precise assessment of the actual disposition of particularly accounts that are delinquent or not current in the portfolio and present that to the Board for recommended action before the March meeting.

Chairman McDevitt continued with the agenda regarding the review of the Loan Portfolio and Mr. Siplon states that an executive session would not be necessary at this time.

Mr. Siplon indicates that Ms. Daley has shared with him some more input that she just recently received about a particular loan portfolio, but he would like to confirm the information before they discuss it in executive session.

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

Chairman McDevitt adjourned the meeting at 11:07 a.m.

Dated: February ____, 2021

Brad Magowan, Secretary