
WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
Regular Meeting of the Board of Directors - August 20, 2019
9:30 a.m.

Committee Members:

Peter McDevitt
Eugene Merlino
Matt Simpson
Frank Thomas
Craig Leggett

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- | | | |
|-----------|---|-------------------------|
| 1. | Approval of July 29, 2019 –Regular Board Meeting Minutes | Chairman |
| 2. | Review & Approval of July 2019 Financial Statements | Jennifer Switzer |
| 3. | Review of Loan Portfolio – Executive Session | Ed Bartholomew |
| 4. | Old/New Business | Chairman |

MINUTES OF MEETING HELD JULY 29, 2019

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 July 29, 2019 at 9:40 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 9:40 a.m.

The following Directors were present:

Peter McDevitt
Matthew Simpson
Craig Leggett

The following Directors were absent:

Eugene Merlino
Frank Thomas

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Jennifer Switzer, CFO, Warren County Local Development Corporation
Andrea Hogan, Warren County Supervisor
Claudia Braymer, Warren County Supervisor
Bennet Driscoll, Warren County Supervisor
Douglas Beaty, Warren County Supervisor
Michael Wild, Warren County Supervisor
Matthew Sokol, Warren County Supervisor
Ryan Moore, Warren County Administrator
Mary Kissane, Warren County Attorney
Tammie DeLorenzo, Assistant to the County Administrator
Kristy Miller, Confidential Secretary to the County Administrator
Don Lehman, *The Post Star*
Travis Whitehead, Queensbury Resident

Chairman McDevitt called the meeting to order. He asked for a motion to approve the minutes of the June 24, 2019 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 June 2019 Financial Statements. Ms. Switzer begins with the Balance Sheet as of June 30, 2019 and advises of approximately \$996,000 available to lend. She explains that she has reached out to the Business Review Committee Members to get some feedback on how to let people know that these funds are available. She advises that the Accounts Payable is about \$26,000, which

represents the Professionals Services Contract between EDC (Economic Development Corporation) and the LDC. She continues with the Profit & Loss Budget vs. Actual for the month of June and explains that the loan interest is under budget due to a couple of early loan payoffs as well as points out the expense of the Professional Services Contract between the EDC (Economic Development Corporation) and the LDC as previously mentioned. She moves on to the Profit & Loss Budget vs. Actual January through June and points out the Housing Expense in the amount of \$5,250, which is associated with the County Home Program for a septic replacement.

Director Leggett questions the early payoffs and if these funds reflect in the Operating Assets and Ms. Switzer advises that the funds are reflected in the loan funds and that is why you will see an increase in cash along with a decrease in receivable. She explains that if you look on the Balance Sheet under Loan Receivable it is down to about \$781,000, which is about a \$150,000 decrease.

Chairman McDevitt asked for a motion to approve the June 2019 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 June 2019.

Chairman McDevitt continues with the agenda regarding the review and approval of the exchange of collateral for current loan. Ms. Switzer explains that there is a current borrower who has applied for some funding through the CFA process to purchase a piece of property in Johnsbury in an effort to relocate a part of their business. She indicates that in doing so, the sale of part of the project is the sale of a piece of property that they are currently using for collateral. She advises that as of today, they are not ready for any type of approval as there are a lot of moving pieces including the involvement of Farm Bureau, a stub search and a reappraisal of the remaining properties that they have. She indicates that if this borrower does sell the one piece of property that the LDC has as collateral, the other two pieces will cover the balance of the remaining loan. She explains that she wanted to give the Board this information now before it gets too late, as there are a lot of moving pieces involved with this request.

Mr. Bartholomew advises that the most important part of this is that the first lienholder is Farm Credit and they have a Federal process that is very similar to the SBA that needs to be in place, which is not expected until the end of August and in the interim they will receive the stub search. He explains that the operation will remain at one site and the final manufacturing component will take place at the new location with a contingency for moving forward with this project when they receive the CFA award.

Chairman McDevitt explains how this is a great example of the effectiveness of LDCs, as the business plan and the people involved are very inspiring and hardworking with the ability to capture the imagination of certain businesses.

Chairman McDevitt continues with the agenda regarding the approval of payment to Atlantic Testing Laboratories. Ms. Switzer advises that she is looking for an approval of a payment in the amount of \$2,066.62 to Atlantic Testing Laboratories, which represents a five percent cash match that is required by a grant agreement with New York State Housing Trust

Fund Corporation in conjunction with the project for the Countryside Adult Home. She explains that the County was looking for some assistance with the five percent cash match and as mentioned before in the financial statements some of the payments that have been gone out are part of the Housing Program.

Chairman McDevitt asked for a motion to approve the payment to Atlantic Testing Laboratories. Motion was made by Director Simpson and seconded by Director Leggett. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the payment in the amount of \$2,066.62 to Atlantic Testing Laboratories.

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

Ms. Switzer advises in relation to the review of the loan portfolio, two summaries have been received this month, with the longer version being something the Board will be seeing moving forward. She explains that in June the ABO (Authorities Budget Office) came out with some additional requirements for reporting for any entity under the PAAA (Public Authorities Accountability Act) and anyone that has a loan or a loan program, the purpose and whether the loan is current or delinquent has to be made available to the public.

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

Chairman McDevitt adjourned the meeting at 9:51 a.m.

Dated: August ____, 2019

Frank Thomas, Secretary

Warren County LDC
Balance Sheet
As of July 31, 2019

	Jul 31, 19
ASSETS	
Current Assets	
Checking/Savings	
GFNB Loan	301,948.54
GFNB Operating	55,978.71
TD Bank Loan Account	
TD Bank Housing	21,813.82
TD Bank Loan	245,727.25
TD Bank Loan Account - Other	6,666.53
Total TD Bank Loan Account	274,007.60
Total Checking/Savings	631,932.85
Accounts Receivable	
Allowance for Doubtful Accounts	-182,557.50
Loan Receivable	774,807.28
Total Accounts Receivable	592,249.78
Other Current Assets	
1 Yr CD - TD Bank	500,000.00
Total Other Current Assets	500,000.00
Total Current Assets	1,724,182.63
TOTAL ASSETS	1,724,182.63
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	29,166.70
Total Accounts Payable	29,166.70
Total Current Liabilities	29,166.70
Total Liabilities	29,166.70
Equity	
Opening Balance Equity	483,514.08
Unrestricted Net Assets	1,237,680.40
Net Income	-26,178.55
Total Equity	1,695,015.93
TOTAL LIABILITIES & EQUITY	1,724,182.63

11:58 AM

08/14/19

Accrual Basis

Warren County LDC

Balance Sheet

As of July 31, 2019

1. Cash available to lend \$1,004,375

2. Payments due to EDC per 2019 contract

Warren County LDC
Profit & Loss Budget vs. Actual
July 2019

	Jul 19	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Program Income			
Bank Interest	0.00	0.00	0.00
Contract - Warren County	0.00	0.00	0.00
Loan Fees	0.00	0.00	0.00
Loan Interest	1,614.84	2,045.00	-430.16
Miscellaneous	0.00	0.00	0.00
Total Program Income	<u>1,614.84</u>	<u>2,045.00</u>	<u>-430.16</u>
Total Income	<u>1,614.84</u>	<u>2,045.00</u>	<u>-430.16</u>
Gross Profit	<u>1,614.84</u>	<u>2,045.00</u>	<u>-430.16</u>
Expense			
Program Expense			
Accounting	0.00	0.00	0.00
Housing	2,062.53		
Legal	0.00	500.00	-500.00
Loan Proceeds	0.00	0.00	0.00
Marketing	0.00	1,135.00	-1,135.00
Office Expense	0.00	135.00	-135.00
Professional Services Contract	4,166.74	4,166.66	0.08
Total Program Expense	<u>6,229.27</u>	<u>5,936.66</u>	<u>292.61</u>
Total Expense	<u>6,229.27</u>	<u>5,936.66</u>	<u>292.61</u>
Net Ordinary Income	<u>-4,614.43</u>	<u>-3,891.66</u>	<u>-722.77</u>
Net Income	<u>-4,614.43</u>	<u>-3,891.66</u>	<u>-722.77</u>

11:55 AM
08/14/19
Accrual Basis

Warren County LDC
Profit & Loss Budget vs. Actual
July 2019

1. Payment for Atlantic Testing Laboratories as approved at 7-29-2019 meeting
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11:57 AM
 08/14/19
 Accrual Basis

Warren County LDC
Profit & Loss Budget vs. Actual
 January through July 2019

	Jan - Jul 19	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Program Income			
Bank Interest	1,244.56	0.00	1,244.56
Contract - Warren County	0.00	0.00	0.00
Loan Fees	0.00	500.00	-500.00
Loan Interest	15,249.22	14,315.00	934.22
Miscellaneous	306.90	750.00	-443.10
Total Program Income	<u>16,800.68</u>	<u>15,565.00</u>	<u>1,235.68</u>
Total Income	<u>16,800.68</u>	<u>15,565.00</u>	<u>1,235.68</u>
Gross Profit	<u>16,800.68</u>	<u>15,565.00</u>	<u>1,235.68</u>
Expense			
Program Expense			
Accounting	6,500.00	7,000.00	-500.00
Housing	7,312.53		
Legal	0.00	2,500.00	-2,500.00
Loan Proceeds	0.00	0.00	0.00
Marketing	0.00	6,825.00	-6,825.00
Office Expense	0.00	825.00	-825.00
Professional Services Contract	29,166.70	29,166.82	0.08
Total Program Expense	<u>42,979.23</u>	<u>46,316.62</u>	<u>-3,337.39</u>
Total Expense	<u>42,979.23</u>	<u>46,316.62</u>	<u>-3,337.39</u>
Net Ordinary Income	<u>-26,178.55</u>	<u>-30,751.62</u>	<u>4,573.07</u>
Net Income	<u><u>-26,178.55</u></u>	<u><u>-30,751.62</u></u>	<u><u>4,573.07</u></u>

Warren County LDC Loan Portfolio Summary as of July 31 2019

	Original Loan Date	Loan Maturity	Jobs	Original Loan Amount	Term of Loan	Loan Purpose	Monthly Payment	Balance as of 7/31/2019	Current Delinquent
59 Lake LLC	4/13/2018	5/10/2025	3 FTE's	40,000.00	7 yrs - 5%	Purchase & Renovate Property	565.36	34,265.00	Current
Adk Fishing Adventures	3/4/2015	4/1/2020	30 seasonal	46,250.00	5 yrs 5% amortized over 15 yrs	Refinance - New Bldg Construction	365.74	36,440.00	Current
Adk Sports Complex	12/7/2006	Def 1 year - 4/2014	21	300,000.00	8 yrs 3 %	Equipment/Working Capital	3663.99	22,786.00	Current
Adk Sports Complex	10/9/2007	12/1/2014	0	9,000.00	7 yrs 3%	Equipment	118.92	225.00	Current
All in Glass Studios	4/20/2016	12/20/2020	1 PT to FT	30,000.00	3 yrs 6% - 2019 6 mos interest only	Refinance	912.66	12,773.00	Current
Axis technologies Of NENY	7/7/2010	8/1/2017	2	51,750.00	7 yrs 4%	Equipment	100	12,060.00	Current
Burlap & Beams	4/30/2015	6/1/2020	waived	60,000.00	5 yrs 5% amortized over 10 yrs	Equipment	636.39	38,570.00	Current
Celtic Attitudes Clothing	8/6/2015	9/1/2020	1	9,400.00	5 yr 5%	Equipment	359.1	2,101.00	Current
LuiMaZu LLC dba Nettie Meadow Cheese Farm	12/21/2017	9/10/2025	18-20 retained	115,000.00	7 yrs 4% - 6 mos interest only	Refinance/ Working Capital	1571.91	109,017.00	Current
Martha's Dandee	2/10/2012	2022 balloon	6	52,650.00	10 yrs 3%	Equipment/Working Capital	363.59	29,560.00	Current
New Way Lunch Warnensburgh LLC	3/27/2018	4/10/2025	3 PT	80,850.00	7 yrs - 5%	Refinance /furniture	1139.9	88,234.00	Current
Queen of Harts	2/24/2016	2/24/2021	8	20,000.00	5 yrs 5.5%	Working Capital	392.02	7,285.00	Current
Queensbury Seamless Gutters	6/21/2016	6/21/2019	3 Retained	50,000.00	3 yrs 6%	Bldg Reconstruction	1421.1	5,194.00	Current
Reliable Racing	12/21/2015	6 mos 7/2016	25 FT & PT retained	100,000.00	6 mos - 5%	Materials/Inventory Purchase	interest only	116,376.00	Delinquent
Stonecast	1/16/2003	2/6/2013		400,000.00	5 yrs 5%		6597.07	218,635.00	Delinquent
Superior Cantina	7/1/2014	8/1/2021	16 (6FT)	75,000.00	7 yrs 5%	Equipment	1060.04	47,160.00	Delinquent
The Barking Spider	11/21/2008	11/1/2013 Revised per Board to 2019	6	65,000.00	5 yrs 4%	Renovation/Equipment/Working Capital	1088.26	9,358.00	Delinquent
Great Camps ADK, Inc. dba Friends Lake Inn	6/3/2014	7/1/2029	25 - retained	200,000.00	15 yrs 5% yrs 1-5, FHL + 300 basis pts yrs 6-15	Property/Business Purchase	1561.59	0.00	