

## MINUTES OF MEETING HELD JUNE 3, 2015

### 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 June 3, 2015 at 11:00 a.m. in the Committee Room at the Warren County Municipal Center, pursuant to the Notice of Meeting emailed May 19, 2015.

The meeting was called to order by Harold G. Taylor, Chairman of the Warren County Local Development Corporation, at 11:20 a.m.

The following Directors were present:

Harold Taylor	Peter McDevitt
Eugene Merlino	Frederick Monroe
Evelyn Wood	Matthew Simpson
Dennis Dickinson	

The following Directors were absent:

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation  
Jennifer Switzer, CFO, Warren County Local Development Corporation  
Frank Thomas, Warren County Budget Officer  
Rachel Seeber, Warren County Supervisor  
Martin D. Auffredou, Warren County Attorney  
Kristy Miller, Confidential Secretary to the County Administrator

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Chairman Taylor called the meeting to order. He asked for a motion to approve the minutes of the March 31, 2015 Annual Meeting. Motion made by Director Wood and seconded by Director McDevitt. Motion carried unanimously.

Chairman Taylor continued with the agenda regarding the review and approval of the March and April 2015 Financial Statements. Ms. Switzer states that there is a good cash flow with a little over \$500,000 total funds for lending. She explains that the financials between January and April 2015 are right on track with the budget and interest collected during that time period exceeds what was expected due to some loans being closed late last year as well as this year.

Chairman Taylor asked for a motion to approve the March and April 2015 Financial Statements. Motion was made by Director Simpson, and seconded by Director Wood. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the March and April 2015 Financial Statements.

Chairman Taylor continued with the agenda regarding the review and approval of the 2014 Federal Information Return. Ms. Switzer explains that she forwarded a copy of the LDC 2014 Federal Information Return to all Board members for their review and approval.

Chairman Taylor asked for a motion to approve the 2014 Federal Information Return. Motion was made by Director McDevitt, and seconded by Director Simpson. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the 2014 Federal Information Return.

Chairman Taylor continued with the agenda regarding the loan portfolio review and asks if there is any reason to go into Executive Session. Mr. Bartholomew defers to Mr. Auffredou for clarification on an Executive Session for the subordination request. Mr. Auffredou explains that an Executive Session is not necessary for the subordination request based on his review and a prior conversation with Ms. Switzer. He states that following such discussion, an Executive Session would need to be commenced for additional matters.

Ms. Switzer begins the discussion on the loan portfolio review and directs attention to the summary for the Loan History and Subordination Request for Davidson Brothers, Inc. She explains that the subordination request was submitted by Rick Davidson, co-owner of Davidson Brothers, Inc., to refinance his personal residence located in Hartford, NY. She further explains that the LDC holds a second lien on that particular real property through the existing loan with Davidson Brothers, Inc. She adds that the original loan amount was \$98,000 with a current balance of approximately \$25,908.00 with a payoff in 2016. She apprises that the subordination request would not affect any of the original collateral or the corporate and personal guarantees from Rick and John Davidson. Ms. Switzer reiterates that the subordination request is specifically for Mr. Davidson’s personal residence located at 3759 State Route 149, Hartford, NY. She explains that an appraised value has been verified for the residence and that the refinance will not increase the loan amount with LDC. She adds that Glens Falls National Bank is the entity requiring the Subordination Agreement from Warren County LDC.

Chairman Taylor questioned if a Subordination Agreement would take LDC from a second lien position to a third. Mr. Auffredou explains that Mr. Davidson is refinancing the existing first lien on his personal residence with Glens Falls National Bank and requesting the Subordination Agreement to confirm that LDC will remain a second subordinate lien to Glens Falls National Bank. He confirms that LDC will remain a second lien on said property. Mr. Auffredou asks if he has answered his question and Chairman Taylor affirms.

Ms. Switzer continues with the discussion by explaining that Davidson Brothers, Inc. has been a great borrower with no issues of late payments. She adds that any financial and insurance information that has been requested from Davidson Brothers, Inc. is always provided on a timely basis.

Chairman Taylor asked for a motion to approve the Subordination Request. Motion made by Director Wood, seconded by Director Dickinson. Further discussion ensued and Director Dickinson questioned what the collateral consisted of for the subordination request. Mr. Auffredou explains that the collateral consists of a house in Hartford, NY and that the subordination request originates from a refinance in order for the borrowers to obtain a lower interest from Glens Falls National Bank. After discussion, the following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby acknowledges a subordinate second lien position and further authorizes the Chairman to execute a subordination agreement with Glens Falls National Bank for refinancing the personal residence of Rick Davidson located at 3759 State Route 149, Hartford, NY in a form approved by the County Attorney.

Mr. Bartholomew proceeds with a general discussion on the current LDC refinancing process and explains that legal fees are currently being paid by applicants for this process; however, LDC does not have a refinancing fee structure put in place and he believes that most organizations do have a small modest fee for processing this type of information. Therefore, he advises that he and Ms. Switzer will be putting together a refinancing fee schedule for recommendation at the next Board meeting. Chairman Taylor advises that the fee schedule would make sense. Mr. Auffredou agrees with Chairman Taylor that a fee schedule would be advisable due to the amount of work that Mr. Bartholomew and Ms. Switzer conduct on refinances. He explains that the work consists of putting all the information together and submitting the information for his review, which is always well documented and presented. He continues to explain that if the LDC does in fact move forward with a fee for refinancing, the fee should be for the Board’s review and that there is no justification for attorney review.

Chairman Taylor refers to Mr. Auffredou for reasoning on declaring an Executive Session. Mr. Auffredou explains that a motion to convene an Executive Session would be necessary to discuss credit history and credit performance of certain unnamed portfolio loans through the LDC.

Chairman Taylor asked for a motion to declare an Executive Session. Motion made by Director Simpson, and seconded by Director Dickinson. The motion carries unanimously.

Executive session was declared from 11:28 a.m. to 11:45 a.m.

Supervisor Seeber entered the meeting at 11:43 a.m.

Committee reconvened and Chairman Taylor stated no action was taken in Executive Session.

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

Chairman Taylor adjourned the meeting at 11:46 a.m.

Dated: \_\_\_\_\_, 2015

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Peter McDevitt, Secretary