

## MINUTES OF MEETING HELD DECEMBER 4, 2012

### 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 above-captioned Corporation was held on December 4, 2012, pursuant to the Notice of Meeting dated November 14, 2012, at 11:15 a.m., in the Committee Room.

The meeting was called to order by Harold G. Taylor, Chairman of the Warren County Local Development Corporation, at 12:23 p.m.

The following Directors were present:

Harold Taylor	Peter McDevitt
Frederick Monroe	Evelyn Wood
Eugene Merlino	William Mason

The following Director was absent:

Dennis Dickinson

Others Present:

Jennifer Switzer, CFO, Warren County Local Development Corporation  
Martin D. Auffredou, Warren County Attorney  
Wanda Smith, Confidential Secretary to the County Administrator  
Jamie Munks, *The Post Star*

Chairman Taylor called the meeting to order. He asked for a motion to approve the minutes of the October 31, 2012 meeting. Motion made by Director McDevitt and seconded by Director Wood. Motion carried unanimously.

Chairman Taylor continued with the agenda regarding the loan portfolio review. Jennifer Switzer advised an Executive Session was necessary to discuss some of the loans. Martin Auffredou suggested continuing with the agenda before going into Executive Session.

Chairman Taylor continued with the agenda regarding the financials. Ms. Switzer discussed briefly, noting there was little change from the previous month. She mentioned that the line item for the property insurance on Stonecast is under, and further stated that they were still waiting for the status of the loan in order to determine if the insurance would need to be renewed for an additional year.

Ms. Switzer further stated that she would like to discuss the possibility of increasing the provision for uncollectible loans. She stated that this year there were a few loans that were collected on, but had to be written off for a certain dollar amount, and further stated there are a couple more loans that they were in the process of foreclosing on. She went on to state that increasing this provision would show that they recognize in the balance sheet that there are a certain number of loans that they will not be able to collect on. Chairman Taylor asked what they wanted to increase this provision to. Ms. Switzer stated that they

would like to increase the provision by \$12,400 based upon their research. Director Monroe asked if this provision is the same as bad debt. Ms. Switzer confirmed it is, stating that the difference is this provision is recognizing the uncollectible loans based upon an educated guess and research, whereas the bad debt is the actual amount that was not provided for. If the increase is not made, there would be a larger amount for bad debt in year 2013. Director Monroe asked if the budget for bad debt would need to be increased. Ms. Switzer stated the remaining balance in bad debt could be moved to this provision. This would be a more accurate accounting. Discussion ensued. Motion was made by Director Monroe to increase the provision for uncollectible loans by \$12,400, and seconded by Director Mason. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby authorizes increasing the provision of uncollectible loans by Twelve Thousand Four Hundred Dollars (\$12,400).

Motion was made by Director Mason to approve the Financial Reports for October 31, 2012, and seconded by Director Wood. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the Financial Reports for October 31, 2012.

Chairman Taylor continued with the agenda regarding the renewal of the Temporary Servicing Agreement with Keena Staffing. Mr. Auffredou stated that the current Temporary Service Agreement with Keena Staffing was about to expire. He stated that he received a proposal from Keena to continue the agreement for the period January 1, 2013 - December 31, 2013 upon the same terms and conditions, including the provision that the LDC may pre-approve the employees that Keena assigns. He further stated that there was a slight adjustment on the compensation to \$50,770. He further stated that Ms. Switzer mentioned that the amount should actually be \$50,269. Chairman Taylor asked where the extra compensation will come from since it was not in the budget. Ms. Switzer stated that the extra compensation could be taken from either the travel/conference line item or the insurance line item for Stonecast, if not needed. Director Mason stated the amount was small and he believed the extra compensation should be adjusted and taken out of expenses. He went on to state that if the figure started growing in the future, then at that time, ask the County for additional funds. Motion made by Director Mason to authorize the Temporary Service Agency Agreement with Keena Staffing, Inc., and seconded by Director Wood. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation hereby authorizes the Temporary Service Agency Agreement with Keena Staffing, Inc. for a term commencing January 1, 2013 and terminating December 31, 2013, in an amount not to exceed Fifty Thousand Two Hundred Sixty-Nine Dollars (\$50,269), with the following:

- 1) add language to paragraph 4 stating not to exceed \$50,269 on an annual basis for this year and adjust the monthly payment schedule accordingly,

and be it further

RESOLVED, that the Chairman of the Warren County Local Development Corporation be, and hereby is, authorized to execute the Temporary Service Agency

Agreement in accordance with the terms resolved herein above and upon final review by the Warren County Attorney.

Director McDevitt left the meeting at 12:44 p.m.

Chairman Taylor continued with the agenda. Ms. Switzer stated a resignation letter was received from John Crawford, one of the Business Review Committee members, and asked for the Board to accept his resignation. She also asked for any suggestions for additional members for the Business Review Committee. Motion made by Director Monroe to accept John Crawford's resignation from the Business Review Committee, and seconded by Director Wood. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation hereby accepts the resignation of John Crawford from the Business Review Committee.

Ms. Switzer further stated she would send out an email to the Board asking for suggestions for the Business Review Committee. Discussion ensued.

Ms. Switzer continued with the agenda regarding holding a small business financing seminar for those who are already in business and who may be looking to expand, buy equipment, purchase property, etc. The seminar would give these businesses an idea of what resources are available. Chairman Taylor agreed there are people who are not aware of what the LDC has to offer, but asked how successful she thought the seminar would be. Ms. Switzer stated she believed proper marketing and working with banks and the Chamber of Commerce would help make the seminar successful. Chairman Taylor inquired regarding the cost. Ms. Switzer stated she hoped this would be little to no cost to the LDC and stated they would attempt to get sponsors for the event. Chairman Taylor stated it sounded like a low risk event. Director Monroe agreed.

Ms. Switzer stated the two (2) UCC filings Melissa Lescault was requested to do have been completed.

Chairman Taylor stated a motion was needed to go into Executive Session. Mr. Auffredou asked the Board to consider going into executive session to discuss 1) the credit history or performance of a particular principal(s) on a loan(s); and 2) potential or pending litigation involving Barking Spider, Tree Paad and Rosy Blues. Motion was made by Director Merlino, seconded by Director Monroe and carried unanimously that executive session be declared.

Executive session was declared at 12:54 p.m. to 1:12 p.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 Merlino, and carried unanimously.

Chairman Taylor adjourned the meeting at 1:13 p.m.

Dated: 1/11, 2013

  
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Peter McDevitt, Secretary