

Revolving Loan Fund Loan Administrative Committee

October 8, 2019

2:00pm

Lake Champlain – Lake George Regional Planning Board office, Lake George, NY

MEETING MINUTES - DRAFT

Attendance:

Chad Richards, Glens Falls National Bank

Harry Booth, Small Business Owner, Washington County

Marc Monahan, NBT Bank

Christy Wilt, Director of Economic Development & Hamilton County IDA, Hamilton County

Carol Calabrese, Essex County IDA, Essex County

Patty Waldron, Small Business Owner and Board of Legislators, Clinton County

Chris Hay, Dannemora Federal Credit Union – via phone

Beth Gilles, LCLGRP staff

Carrie Yakush, LCLGRP staff

Ms. Gilles called the meeting to order at 2:00 P.M. at the LCLGRP office, Lake George, New York

APPROVAL OF JUNE MEETING MINUTES

Tabled until next meeting.

NYS OSC AUDIT

Ms. Gilles briefly reviewed the audit that was sent to the committee. During the exit interview, there were 7 recommendations by the auditors that Ms. Gilles submitted a corrective action plan for. The comptroller's office accepted the plan. Ms. Gilles stated the EDA has now expressed interest in some of our reporting. We may be audited federally.

2020 INTEREST RATES RECOMMENDATION TO THE BOARD

It was recommended that the interest rates remain the same, 5% - 6.5%, on a case-by-case basis. This will be presented for approval by the Board at the next Board meeting on 10/15/19.

LOAN MODIFICATION: JAMES ORLANDO/SCHROON LAKE CAMPGROUNDS

Ms. Gilles reviewed the history of James Orlando's loan. A 10-year loan was given in 2002 for \$56,250.00 at 6.5%. Our collateral is a 2nd mortgage co-equal with AEDC. He defaulted in 2008 and in 2010 he stopped paying altogether. In 2012, Walter Young, AEDC and Orlando communicated to reduce his payments to \$150.00/month. An agreement was made for \$150.00/monthly payments in September 2012. In December 2012, Mr. Orlando began paying \$150.00 a month. Orlando has been carrying a 70-day late fee that has accumulated to \$1,710.53 since September 2012. Ms. Gilles stated

there is no note or modification in his file backing up the agreement for the lower payment of \$150.00. The reduced payment agreement was an email between Walter and Orlando. He has been consistently making the \$150.00 payment since December 2012. The bank has his loan maturing in May of 2020. Chris Hay asked if the mortgage has a maturity date. If it doesn't have a maturity date, then we are not extending new money and we can modify the note and not impact the mortgage. A motion to re-amortize the principle, require payment of back interest and waive the late fees was made by Marc Monahan and seconded by Chad Richards. Motion carried.

LOAN BALANCE REPORT

Ms. Gilles reviewed the history of loan payments. Thomas Barber was sent a 90-day letter demanding all back payment to bring current or his Note will be called. Washington Co. Agri Parks makes sporadic payments on each of his 2 loans and pays late fees, but he hovers around 30-45 days late. We keep watch on him. Hilltop Slate has started becoming delinquent again. We will keep watch on him as well. Queensbury Truck Stop paid their loan off.

LOAN UPDATES

- **JOE BRAND/ALL BRANDS REDEMPTION CENTER**
His first loan is his personal loan. It was re-amortized. The second and third loans were combined. The RDC loan was re-amortized. He owed \$10,500 in closing fee to which we agreed he could pay an additional \$1,000 a month to pay it down. He has actually paid \$6,000 of it. The bank is still figuring out how to apply his payments on his accounts.
- **ANTON COOPER/COOPER LOGGING**
Filed for bankruptcy, Chapter 13. He put a plan to the court to pay \$100.00 from income from logging. We objected to this plan because he cannot get on his property to log. The Chapter 13 lawyers also object to this plan. We recently heard that Anton Cooper has a contract with Finch Paper to log his property. Ms. Gilles asked what parcels are in that contract. To date, no response had been given.
- **MICHAEL FINNEGAN/NORTH COUNTRY CLUB RESTAURANT**
Filed for bankruptcy, Chapter 7. Ms. Waldron was informed that Finnegan is selling pizza's online (Facebook) out of the back of the restaurant.
- **PETER WARD/ADIRONDACK MEAT COMPANY**
No change from last meeting's report. He is still being investigated by Essex Co. IDA.
- **WITHERBEES/PATRICIA CHRISTIAN**
Restaurant in the Town of Schroon. They have accumulated late fees. No insurance certificate on file. Restaurant was called and message was left. Patricia was unhappy about message left. Ms. Calabrese stated that she wants to do semi-annual site visits and Patricia has not been

receptive. Ms. Calabrese will do a site visit when the restaurant is open for business and collect any information we need. Ms. Calabrese has tried every means to contact her with no success. A letter was mailed by LCLGRP to Witherbee's requesting late fee payment, a current insurance certificate and the job survey. Patricia emailed stating her taxes are in extension and doesn't have them yet. She also sent an insurance certificate, but it doesn't name LCLGRDC as a loss payee. Ms. Gilles replied to her email explaining things and provided information for the job survey. Her loans with RDC and Essex Co. IDA are current but with late fees owed to RDC.

- BRIAN HOSAN/9 MILE COFFEE

Loan was closed on 2 weeks ago. \$25,000 loan. \$20,000 for equipment and \$5,000 for working capital. He provided receipts and bank account information for \$8,000 in equipment. We gave him \$13,000, \$8,000 in equipment and \$5,000 in working capital. He has the next 6 months to draw down the \$12,500 in remaining disbursements based on bringing in receipts. He has paid his closing fees. We have filed a UCC with the state and county. He is on interest only for the next 6 months.

- ROBERT ADAMS/UTOPIA RV PARK

Long Lake, Hamilton County. He is asking for \$80,000 for 15 years. He was turned down by other loan lending agencies. Submitted a loan application to LCLGRP. Ms. Gilles requested a list of required paperwork and the loan application fee. Mr. Adams submitted what was requested and the application fee. He does not have tax returns to submit because he and his wife live off social security. Ms. Gilles stated there is no way to gauge how he will be able to pay a loan back. Mr. Adams has property for sale which would be used as the collateral. Ms. Gilles asked the committee for some guidance. The loan committee reviewed the paperwork submitted by Mr. Adams. He wants the money to remove stumps, rent a backhoe, build a 24x32 foot pavilion with bathroom, laundry room and wrap around porch, electric and water lines to the RV sites, a septic tank and fence. He has all his permits. Chris Hay stated that Mr. Adams doesn't have a solid business plan, no tax returns, bankruptcy history and this is a startup. A motion was made by Harry Booth to reject Utopia RV Park application, seconded by Patty Waldron based on no way to show loan committee source of repayment, as well as not well-defined collateral, no back-up plan, and no basis for projections. Motion carried. It was recommended by Ms. Wilt and Ms. Waldron to return his application fee. Ms. Gilles agreed to do so.

OTHER BUSINESS

Job survey. We have sent letters to loan holders in March, May and a few in September. There are still several that have not sent them in. Ms. Calabrese stated this is grounds to call their Note. Ms. Gilles stated that the Board approved to hire an ED Coordinator for next year. Civil service approved the title. It is the hopes to have the position filled by the first of the year. Part of this job would be the loan fund and doing site visits. Meantime, a discussion ensued about the action to take to get the completed surveys returned. It was recommended by the committee to wait until the new ED Coordinator position is filled to complete site visits and obtain the job surveys.

MEETING SCHEDULE – SECOND TUESDAY OF MONTH BEGINNING QUARTER

- JANUARY 14, 2020
- APRIL 14, 2020
- JULY 14, 2020
- OCTOBER 13, 2020

Motion to adjourn the meeting made by Patty Waldron and seconded by Chad Richards. Motion carried.

Meeting adjourned at 3:13 P.M.