

IDA

ZOOM MEETING

APRIL 2, 2020

The meeting was called to order by Chairman Tomlinson, at 2:30 P.M. The Executive Director, Ms. Wilt, called the roll with the following Members answering:

Steve Tomlinson, Chairman
William Farber, Vice Chairman
Tim Brownsell
Robert Peck
Tim Pine
James Bateman

Also Present:
Christy Wilt, Executive Director
Laura Abrams, Secretary

Financial Report:

Ms. Wilt explained that the financials had previously been emailed to the members. Ms. Wilt reported that the NBT Bank account has a balance of \$329,861.88 and the Community Bank account has a balance of \$69,674.28. A motion was made by Mr. Brownsell to accept the Financial Report, seconded by Mr. Pine. Carried.

Payment of Bills:

Rose & Kiernan Insurance	\$269.00
BST – Annual Audit	\$2,750.00

Ms. Wilt explained that the Annual Audit is complete but she has not received it yet. She is asking permission to make the payment once she has received the audit.

Mr. Farber made a motion to pay the bills as audited with the caveat that we not send the check to BST until Ms. Wilt has received the audit. Seconded by Mr. Bateman. Carried.

New Business:

COVID-19 and Loan Program – Ms. Wilt explained that she has received phone calls from the Adirondack Hotel and Jim from Camp Sacandaga stopped in her office, they are both looking for some relief from their payments. The Adirondack Hotel has closed, they are doing some take out but they have had to lay almost everyone off. Jim has started working at Lowe's and isn't making enough to cover this right now, he promises to still pay off his full loan amount once his account matures in June. He is paid through February. She also has a request from the Outdoor Emergency Services Group to not pay their balance of \$5,300 plus interest until August because their project cost more than they anticipated, but did tell her they could pay if they needed to. Ms. Wilt stated that other IDAs, North Country Alliance, Reginal Planning Board, etc. have all come up with various loan programs, deferrals,

things of that nature to assist their businesses. The Essex County IDA sent a letter out to their borrowers stating that for 3 months they weren't taking any payments, then after 3 months they would re-evaluate due to the pandemic. She stated that she wanted to discuss what others have done to see how this IDA feels about it. Ms. Wilt further stated that by giving our loan recipients more money we are just putting them further in debt instead of giving them relief. Our loans are only 3% as it is, we have money to loan if they need it, so she doesn't see a reason to create a brand-new loan program. Mr. Tomlinson asked if she is suggesting just adding the payments on to the end of the loan. Ms. Wilt stated that we would follow what Essex County did and send out a letter explaining that due to the COVID-19 pandemic the IDA does not expect payments for the next 3 months, then we will re-evaluate. Mr. Tomlinson stated that sounds reasonable. Ms. Wilt stated they still have the option to pay if they wish to. Mr. Peck asked, for those that have paid through April or May and they are having a problem getting started up again and they open in May or June would we extend that to them as well. Ms. Wilt stated we could word the letter to state 3 months from your last payment. Mr. Tomlinson asked if this is just for the people that ask for assistance or will this go to all loan recipients. Ms. Wilt stated that the letter would go to all loan recipients. The members agreed.

Motion was made to authorize Ms. Wilt to draft a letter to all loan recipients stating that no payments are due within 90 days of their last payment due to the COVID-19 pandemic by Mr. Peck, seconded by Mr. Farber. Carried.

Old Business:

The Woods Inn – Ms. Wilt stated that Charlie Frey did send a payment of almost \$11,000, catching up his loan payments on the large loan through April 10. He still has not paid the \$50,000 guaranteed by the grant. He owes \$53,333.80. Ms. Wilt requested Kara Lais to draft a letter to Mr. Frey. Ms. Lais informed her that we cannot at this time pursue collections due to restrictions they have under the COVID-19 pandemic, but she would definitely draft a letter for us. Ms. Wilt expects to have the letter tomorrow. Ms. Wilt asked if the members would like to see the letter prior to her sending it. Mr. Tomlinson asked if Mr. Frey has received the \$50,000 check. Ms. Wilt stated that he received \$174,000 from Empire State Development. Mr. Tomlinson asked if she has heard from him in regards to that. Ms. Wilt stated that she has not. Mr. Pine clarified that in regards to the \$50,000 loan, the agreement was that he was going to repay it when he received the \$174,000, correct? Ms. Wilt replied that is correct, we have confirmation that he received the money and we have not been paid. Mr. Farber asked that since it is our other loan that is attached back to the collateral and the highest position, are we making a mistake by granting this universal exception to all loan recipients, granting him the same exception if he hasn't fulfilled his obligation to pay us the \$50,000. Ms. Wilt stated she feels the exception should only apply to loans in good standing. Mr. Farber discussed the exception being offered to loan applicants in good standing instead of the individual loans. Mr. Farber stated that he doesn't feel a loan applicant is in good standing if they have \$50,000 that was paid to them by Empire State Development and not reimbursed to us. Mr. Farber stated that he would be willing to entertain, in these hard times, some kind of a gesture in his direction, but what bothers him, on behalf of the IDA and our fiduciary responsibility, is his sense that he doesn't have to talk to Ms. Wilt, that he doesn't have to do anything to repay it, he basically feels bulletproof. Mr. Farber stated that he doesn't feel he is, he may be in the near term in this situation, but we don't have to extend him a further gratuitous gesture in terms of extending his loan with no need to make payments in the interim if he is not acting in good faith on the other loan.

Mr. Farber made a motion to amend the prior action so that it only applies to loan applicants that are in good standing with the IDA. Seconded by Mr. Tomlinson. Carried.

Ms. Wilt asked if anyone has been asked about other types of relief. Ms. Wilt stated some information came out yesterday regarding \$10,000 payroll grants for businesses that are keeping their staff on. She further stated that ANCA and their Center for Business Transition is working on doing some educational opportunities on getting paid on-line, introducing e-commerce and technical support services for people that may have a store they want to sell things out of but don't know how to set up payment systems etc. on-line. She expects to have that information next week. Mr. Farber stated he is on ANCA's Board, but they are turning this into a donor drive just to be clear.

Mr. Farber asked if we need to do something with the OESG, Inc. loan, he doesn't believe that fits into the category of our other loans that are making payments; this was a bridge loan. It seems that we would need to evaluate this request separately from the businesses that may be in trouble during this pandemic.

Ms. Wilt reviewed the request she received from them. She stated that they had a loan for \$50,000, they repaid all of it except \$5,300 plus interest. Their agreement indicated that they were supposed to pay the balance in full when they received their funds, which they have. They stated that delays in the final grant approval resulted in unanticipated cost increases in key project components. They are faced with expenses beyond the grant amount to finish the project. They are planning a significant fundraising event in early August and are confident they will be successful; then they will be in a position to make the final payment. Mr. Farber asked if they included any specifics on exactly how much the overrun was and how that relates to not paying the \$5,300. Ms. Wilt stated that she received some verbal numbers, they stated the cost of the building was over by \$4,800 by the time that they received the grant funds, delivery was extra, some items that are on hold to put the building together went up; they stated that it was \$7,500-\$8,000 more than they anticipated. Mr. Farber stated that he can attest to the fact that it was difficult getting the release of this money, it was a grant Senator Tedisco had been of assistance with, when we went through the change of majority from one Senate majority to another there was a shutdown of these disbursements until they got systems in place which cost them a fair amount of time on this project, so he is not shocked that they had some cost overruns. Ms. Wilt added that their fundraising activity is a golf tournament, she expects it to be successful.

Mr. Farber made a motion to extend to OESG, Inc. an extension on the \$5,300 due on their loan plus any applicable interest until after their August 9th fundraiser. Seconded by Mr. Bateman. Carried.

Mr. Bateman asked Ms. Wilt if there are any pending applicants. Ms. Wilt stated no, she had a couple of people do pre-applications but it is quiet as far as people borrowing.

As there was no further business, motion to adjourn by Mr. Farber, seconded by Mr. Bateman. Carried.