

**The Orleans County Local Development Corporation
Board Meeting**

October 4, 2018

**121 N Main St 2nd Floor Albion NY Board Room
8:30 a.m.**

Draft

Members Present:

Tom Kuryla, Member
Kathy Blackburn, Member
Michael Bonnewell, Member
Bill Eick, Member
Ed Urbanik, Treasurer
Karen Sawicz, Vice Chairman
Clark Godshall, Secretary
Jeffrey Martin, Member
Laura Olinger (Bentley), Member
Fred Miller, Member
Skip Draper, Member

Members Absent:

Paul Hendel, Chairman

Also Present:

Jim Whipple, CEO/CFO OEDA
Diane Blanchard, OEDA Admin/MAP Manager
Kevin Zanner, Legal Counsel

The meeting was called to order by Vice Chairman Karen Sawicz at 8:30 a.m.

I. Roll Call

Diane Blanchard called the roll of Board Members. A quorum of the Board was present.

II. Approval of Previous Board Meeting Minutes August 2, 2018

The August 2, 2018 Board meeting minutes were reviewed. A motion was made to accept the meeting minutes as presented, by Clark Godshall, seconded by Kathy Blackburn. Motion Passed.

III. Financials

LDC Account Balance & Financial Statements

Jim Whipple and Diane Blanchard reported on the LDC financials. The GOSC loan fund account as of 08/31/18 has a balance of \$197,759.94, the HUD unrestricted account has a balance of \$5,175.68, the LDC account has a balance of \$32,616.51 and the savings account has a balance of \$109,104.36. Jim discussed the Balance Sheet and Profit & Loss reports.

Motion to accept financial report made by Tom Kuryla, seconded by Jeff Martin. Motion Passed.

IV. Legal---Nothing reported.

V. Loans/Grants

Executive Session

Motion to go into Executive Session for the discussion of financial and credit matters of a person or corporation and to invite Diane Blanchard, Jim Whipple and legal counsel to be present in Executive Session made by Kathy Blackburn, seconded by Skip Draper. Motion Passed.

Motion to exit Executive Session made by Jeff Martin, seconded by Skip Draper. Motion Passed.

No action was taken during Executive Session or from the discussion in Executive Session.

Loans---- Diane is working on 3 loan applications. Gallo's Hauling (\$40,000), DC Hauling (\$35,000) and Herbalty Cottage (\$15,000). Gallo's Hauling and DC Hauling loans were approved at the August Board meeting. Herbalty Cottage still needs Board approval.

Loan Aging Report----Diane Blanchard reviewed the loan report with the Board.

VI. Operations Report

Diane Blanchard reported the Fall MAP class started on September 4th and ends on November 6th. To date, 485 participants have gone through the program. There are 11 people in the current class. There are 7 businesses currently operating. Laura Loxley Vintage Inspired Goods, DC Hauling, Fastan, 365 Fitness LLC, Studio Fit, Milk and Honey Boutique and Vintage Vineyards. Others interested in starting a business include an Early Head Start Child Care Program, Drop in Child Day Care, a Machine Shop and a Photography business. Diane reported she collected program fees of \$1810.00.

Board Report/Review of Training Class Agenda---Clark Godshall was impressed by the Agenda used to run the Microenterprise class.

VII. Projects

Discussion on Acting as a Pass Through for a Community Development Project Being Undertaken by the Albion Rotary Club—Jim reported that the Rotary Club of Albion approached the LDC to act as a pass through for a grant for a community development project at Waterman Park. The Rotary Club is not a 501(c)(3) tax-exempt organization and therefore needs another 501(c)(3) organization to accept the grant funding and pass it through to the Rotary Club. Jim indicated that the LDC is not set up to administer a grant program for another entity but could act as a pass through. Kevin Zanner explained that the pass-through grant arrangement could be structured so that the LDC would require the Rotary Club, through a written sub-grant agreement, to perform the grant administration functions and to provide appropriate insurance and indemnification in favor of the LDC.

Karen Sawicz, a member of the Rotary Club, then explained the community development project in more detail. The Rotary Club approached the Albion Betterman Community and the Albion Merchant Association who suggested having a bronze statue of Charlie Howard. Charlie Howard was the first Santa who appeared in the Macy's Thanksgiving Parade. Albion also had the first Santa Claus School. Downtown merchants would like to see a 16x16 Santa Claus House which would be located on Santa Claus Lane in the Waterman Park. The project would also include electric for lights, murals and landscaping. The project cost would be approximately \$150,000. The Village of Albion was also approached. Fundraising and grants would pay for the project.

VIII Old Business

Consideration to Approve the Plan to Move Forward With Terminating the OCLDC Revolving Loan Fund and Requesting the County to Approve a Resolution Supporting the Plan.

Jim discussed with the Board the process for winding up operation of the Orleans County LDC Microenterprise loan fund. The LDC Board and the Orleans County Legislature will be asked to approve amendments to the Subrecipient Agreement between the County and the LDC. The amendments will:

- Prohibit the LDC from making future loans from the RLF except for the \$35,000 loan to DC Hauling, the \$40,000 loan to Gallo's Hauling and the \$15,000 loan to Herbalty Cottage or except as otherwise permitted by OCR;
- Allow for use of Program Income held in the RLF by the LDC to pay administrative and program delivery costs through no later than March 31, 2019;

- Allow the LDC to use any cash on hand in the RLF (after making the foregoing loans) as of December 31, 2018 to implement eligible CDBG activities by March 31, 2019 (subject to OCR approval);
- Provide for the return to Orleans County of any cash on hand in the RLF as of December 31, 2018;
- Provide that any Program Income generated by outstanding loans after December 31, 2018 and received by the LDC shall become the property of Orleans County and shall be paid annually to Orleans County within three (3) business days of March 31 of each year (starting March 31, 2019); and provide that any future income generated by outstanding loans that is not “Program Income” under HUD regulations be deemed unrestricted funds to be retained and used by the LDC without restriction.

Jim noted that the LDC will work to identify CDBG-eligible uses for the cash held in the RLF that can be approved prior to December 31, 2018 and implemented by 3/31/19.

Jim then presented the following resolution:

**RESOLUTION OF THE ORLEANS COUNTY LOCAL
DEVELOPMENT CORPORATION TO AMEND A
SUBRECIPIENT AGREEMENT WITH ORLEANS
COUNTY**

Resolution moved by Clark Godshall, seconded by Skip Draper.

Resolution Passed.

IX. New Business

Consideration of the Loan Application for Herbalty Cottage---Jim reviewed with the Board the written loan analysis prepared by Elizabeth Kraus from H Sicherman & Company. After some discussion it was agreed to approve the no interest \$15,000 loan to Herbalty Cottage.

Motion to approve the no interest \$15,000 loan to Herbalty Cottage made by Clark Godshall, seconded by Ed Urbanik. Motion Passed.

X. Motion to Adjourn

Motion to adjourn subject to Chairman’s recall made by Kathy Blackburn, seconded by Skip Draper. Motion Passed.

Next meeting scheduled for December 6, 2018.

**Respectfully Submitted,
Diane Blanchard**