

**Jefferson County Local Development Corporation  
Loan Review Committee Meeting Minutes  
March 28, 2017**

**Present:** Donald DiMonda, Robert Aliasso

**Excused:** David Converse, John Jennings

**Also Present:** Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Paul Warneck, Lisa LøHuillier, Donald Rutherford, Peter Schmitt, and Marcus Wolf of the Watertown Daily Times

**I. Call to Order:** Mr. Aliasso convened the meeting at 8:05 a.m.

**II. The Lodge at Ives Hill, Inc. –** The original loan was a participation loan with the WLDC (lead lender), DANC and JCLDC, in the amount of \$500,000 with collateral as a second position Mortgage on the property and assets. The current loan balloons on June 1, 2017 and an extension has been requested. Staff recommended an extension of 180 months with a 60 month call at 5%.

Mr. Schmitt, Ives Hill/Lodge Board Member, handed out a Financial Summary for Ives Hill Retirement Community and The Lodge at Ives Hill Inc. He said that the two companies are running as consolidated. He said that they hit a financial problem in 2015, when lack of marketing resulted in decreased occupancy; but are showing positive cash flow for 2016 and 2017. Mr. Schmitt said that they are making improvements to marketing and their website. He said that the Lodge has 15 to 16 of their 18 units occupied, which is up from 2015. He noted that the model they are operating in has been tight since the beginning, but said that they do not need to be fully occupied to be in a positive position. He said that the facility is being kept up-to-date.

Mr. Warneck asked if the Lodge will be in a better position in 5 years in order to not have to come back when the extension expires. Mr. Schmitt said that he believes they would be back to the table asking for another extension until the Ives Mortgage is paid off in 2029; but said that he doesn't perceive that as a negative thing because they have been running a tight model since the beginning and noted it's a good investment that the agencies made to the community. He said that our community is now a good place to grow old in.

Mr. Rutherford said that he wouldn't be opposed to taking the entire note in five years if that's what the IDA and DANC board wanted. He said that he will be recommending the extension to his loan review committee and board next month based on the excellent payment history, Mr. Schmitt's involvement, and community service the facility provides.

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Ms. LøHuillier said that she noticed the Lodge has had a social media presence recently and said that the outreach for community events has also been noticeable.

Mr. Eaton said that the going concern note in the 2015 audited financial statement should be addressed and asked for updated financials. Mr. Schmitt indicated that he would provide them.

After much discussion Mr. DiMonda made a motion to recommend the request to the full Board of Directors.

- III. Other** – Mr. Alexander said that he will be meeting with the Jefferson County Finance and Rules Committee today to discuss the Proposed UTEP and invited board members to join him.
- IV. Adjournment:** With no further business before the Committee, Mr. DiMonda made a motion to adjourn the meeting, seconded by Mr. Aliasso. The meeting adjourned at 8:56 a.m.