

**Jefferson County Local Development Corporation
Conference Call – Board Meeting Minutes
April 2, 2020**

Due to the COVID-19 pandemic, the Jefferson County Local Development Corporation held their board meeting via conference call.

I. Call to Order: Chairman Converse called the meeting to order at 8:33 a.m.

II. Roll call for attendance

Board Members – Chairman David Converse, John Jennings, Paul Warneck, Robert E. Aliasso, Jr., W. Edward Walldroff, Lisa L’Huillier, William Johnson, Christine Powers, Kent Burto, Gregory Gardner

Counsel – Joseph Russell, Esq.

Staff – Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Jay Matteson

Chairman Converse said that all resolutions will be presented at the next in-person board meeting to be ratified.

III. New Business:

1. Resolution Number 04.02.2020.01 to forgo loan payments for 90 days – Chairman Converse read the resolution. He asked for a motion to discuss. A motion was made by Mr. Warneck, seconded by Mr. Gardner. Mr. Aliasso asked why we are making it automatic for all loans since some may want to continue to pay. He said that he is not opposed to the overall concept just wondering why we want to stop collecting money. Mr. Eaton said the original concept was to only do it for those who asked for it. Mr. Aliasso thought that there should be another step in the resolution.

Mr. Eaton said that North Branch Farms and LCO Destiny LLC are the only companies to make a request so far. Mr. Warneck said a written request should be made so we don’t have to waive them all automatically.

Mr. Converse suggested adding a sentence to the resolution authorizing staff to approve a written request.

Ms. Powers said that Watertown Savings Bank created a form to have clients fill out an impact statement that is emailed to them to be processed. Mr. Walldroff said he likes the idea of an email request/impact statement stating specifics. Mr. Aliasso said staff will vet requests.

Mr. Aliasso said there might be federal relief for our organization and we can use the impact statements.

Mr. Zembiec said that some businesses prefer to keep paying.

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Roll call vote was taken for the amended resolution. Mr. Converse – Yea, Mr. Walldroff – Yea, Mr. Aliasso – Yea, Mr. Burto – Yea, Mr. Jennings – Yea, Mr. Gardner – Yea, Mr. Warneck – Yea, Mr. Johnson – Yea, and Ms. L’Huillier – Yea, Ms. Powers – Yea. Carried.

2. **Resolution Number 04.02.2020.02 for Clayton Island Tours** – Chairman Converse read the resolution. He asked for a motion to discuss. A motion was made by Mr. Aliasso, seconded by Mr. Warneck. Mr. Aliasso said we won’t know how long the grant will take to be received so he wonders if there needs to be a sunset period for the interest only period. Mr. Converse said we should leave it interest only for 12 months and if the grant receivable goes beyond that then we would look at it then. Mr. Aliasso suggested amending the sentence ‘or for a term to match receipt of the grant’ by adding ‘whichever occurs first’. Mr. Walldroff asked if whatever money comes in from the grant will be directly applied to the principal balance. Mr. Eaton said yes. Mr. Warneck asked if Mr. Kay has been approved by the grant yet. Mr. Alexander said the application was submitted and was accepted but there were a few issues that need to be resolved; it has not been officially approved as of yet.

Roll call vote was taken for the amended resolution. Mr. Converse – Yea, Mr. Walldroff – Yea, Mr. Aliasso – Yea, Mr. Burto – Yea, Mr. Jennings – Yea, Mr. Gardner – Yea, Mr. Warneck – Yea, Mr. Johnson – Yea, and Ms. L’Huillier – Yea, Ms. Powers – Yea. Carried.

3. **Resolution Number 04.02.2020.03 for LCO Destiny LLC** – Chairman Converse read the resolution. He asked for a motion to discuss. A motion was made by Mr. Burto, seconded by Ms. Powers. Mr. Aliasso pointed out that the email Mr. Alexander sent to the board from Lisa Weber asked for a six month hiatus of principal while she continues to pay interest. He said the proposed resolution is for a six month principal and interest moratorium. Mr. Eaton said that the request that was sent to him cited the loss of a major client was for a six month principal and interest moratorium with a new maturity date, so that’s the way he told Peggy to put together the resolution.

Mr. Alexander said that he has been talking with Lisa for several months when she lost her major client. He said that she was just beginning to put a plan in place when the COVID-19 pandemic started. He said her request came in advance of all of that. He said that she has done a number of things to continue to pay down her loan and is looking for help. He said recent events may change all of this. Mr. Aliasso said that the board just passed a resolution allowing suspension of principal and interest so she can send an impact statement. He said we can have her follow that and scrap this resolution because she is covered under the other one or what she asked for in writing to forgo principal for six months. Mr. Walldroff agrees. He doesn’t think we should treat one business different from another. Mr. Warneck thinks the board should hear her plans for restructuring. Mr. Converse suggested tabling the resolution and follow resolution 04.02.2020.01 that was approved earlier this morning. Mr. Aliasso pointed out that she was in trouble before the pandemic since her problem preexisted and said that she needs to be careful how she words the impact statement. Mr. Walldroff said that she should be able to justify her conditions before, during and after the outbreak.

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A motion to table the resolution was made by Mr. Warneck, seconded by Mr. Gardner. Roll call vote was taken. Mr. Converse – Yea, Mr. Walldroff – Yea, Mr. Aliasso – Yea, Mr. Burto – Yea, Mr. Jennings – Yea, Mr. Gardner – Yea, Mr. Warneck – Yea, Mr. Johnson – Yea, and Ms. L’Huillier – Yea, Ms. Powers – Yea. Carried.

4. Other –

1. New Grant/Loan Program during the COVID-19 Pandemic – Mr. Alexander said that staff is receiving calls from businesses who are struggling as we move through the circumstances. He said that he created the Jefferson County Economic Development Recovery Team which is in the formative stages. He said that he hopes it doesn’t turn into a political issue because we need action and we need it today. He said that once it’s formed it’s going to need teeth to present to businesses. He said that Marshall has gathered resources and put them on our website. He said the Trust, DANC, ANCA and our agencies will need to push cash into small businesses immediately. He said that the Trust agreed to set aside money for a grant/loan program. He said that we are looking for others to put money into the pot as well. Mr. Alexander said that we have to be creative and he would like the board to consider the program (i.e. 25% grant 75% loan no P/I for first 6 months). He said that everyone is looking for development organization’s to step up and take the lead. He said that he knows it’s unusual and risky but we need to do it.

Mr. Warneck asked if the structure of the Recovery Team has been formed yet. He thinks we can take their recommendations and we provide the resources. Mr. Warneck asked how we set our structure up to expedite the process (i.e. Loan Review act on behalf of the full board to expedite the process). Mr. Walldroff said that we need to identify what pool of money we have to put on the table.

Attorney Russell said his firm is working on an executive order to allow IDA’s to make loans during this crisis but indicated that nothing has been approved yet.

Mr. Warneck suggested that the Executive Committee work with staff to come up with recommendations from the LDC and IDA should an executive order be signed that we can make available for that fund and figure out what we can put in the pot to make it happen.

Mr. Aliasso asked if other LDC’s will be asked to participate so that our LDC isn’t bearing the full brunt. Mr. Warneck said that is a good point. Mr. Alexander said there have been discussions with some of the LDC’s and some are willing to participate. Mr. Alexander said he is pushing for a local commitment that can be used in concert with federal and state activities. Ms. Powers said that she whole heartedly supports the LDC coming up with a program. Mr. Converse suggested earmarking up to \$500,000 and try to get other LDC’s to pitch in with a goal of \$1,000,000. Mr. Warneck said he thinks the groups need to get together to find out all the aspects to determine how much is out there and then we can determine how much our organization can put forward while keep our organization viable. Ms. Powers said the Clayton LDC would love to be a part of the program but said that they do not have any money. Mr. Warneck thinks we need to get a global view of the LDC and IDA to see what kind of resources we have available.

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Mr. Warneck said he will support that on the approval of the Executive Committee after they get together and come up with a number since we are not going to know how much we can afford to put on the table until the Executive Committee meets. After further discussion, he said he feels comfortable letting that number (up to \$500,000) go forward upon consensus of the Executive Committee because they are there to make the quick and tough decisions. Mr. Walldroff asked if the pool of money is just for loans. Mr. Alexander said it is being discussed for a small percentage to be a grant while the larger percentage will be a loan to be paid back. Mr. Converse asked for uniform criteria for application and loan/grant procedures.

Roll call vote was taken for the amended resolution. Mr. Converse – Yea, Mr. Walldroff – Yea, Mr. Aliasso – Yea, Mr. Burto – Yea, Mr. Jennings – Yea, Mr. Gardner – Yea, Mr. Warneck – Yea, Mr. Johnson – Yea, and Ms. L’Huillier – Yea, Ms. Powers – Yea. Carried.

2. **Survey** – Mr. Zembiec said that as part of the Economic Development Recovery Team, Mr. Gardner will be working with Joe LaLone at JCC on collecting data from businesses to find out what their priorities are to figure out what is needed and how best to deploy it. Mr. Gardner said he is hoping the survey goes out early next week. The data will be put together to see what the damage looks like what it’s going to look like in the future and use that to see if we can drive some recommendations. Mr. Warneck asked if the Recovery Team will decide how to deploy the assets for the pool of money. Mr. Gardner said the only real specific action so far is to identify a business leader. He said that the team asked Scott Gray and Jeff Smith to reach out to a specific person. He said in his opinion right now he doesn’t feel like the recovery team can field this very central leadership role because the theme is not there yet. Mr. Warneck asked Mr. Alexander if the team does get there, does he see this as being part of their role. Mr. Alexander said yes in some ways because we need an overall community strategy to be effective. Mr. Alexander said he will continue to keep everyone in the loop. He said he doesn’t want it to become another impediment to get things done.

3. **Milk dumping** – Mr. Warneck ask if our local farms are dumping milk. Mr. Matteson said it is happening locally and nationally. He said that every cooperative that he is aware of is currently dumping milk. Mr. Walldroff said the same thing that happened to oil is happening to the dairy industry and said processing plants are shutting down. He said it’s going to be another blow to our economy and thinks it’s going to carry over into pork and beef. Mr. Walldroff said that Mr. Matteson has done a good job in his analysis.

- IV. **Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Gardner, seconded by Ms. Powers. All in favor. The conference call adjourned at 9:48 a.m.

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 04.02.2020.01

WHEREAS, due to the recent COVID-19 pandemic, Staff recommends board approval to forgo principal and interest payments for 90 days effective immediately for all Revolving loans with a written request/impact statement, and

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the recommendation, and be it further,

RESOLVED, that the Board of Directors authorizes Staff to vet the written request/impact statements and is directed to execute any and all documents necessary to carry out the purposes of this Resolution.

By: s/ Kent Burto
Kent Burto, Secretary

Roll Call Vote:

NAME	YEA	NAY
David Converse	X	
W. Edward Walldroff	X	
Robert E. Aliasso, Jr.	X	
Kent Burto	X	
John Jennings	X	
Gregory Gardner	X	
Paul Warneck	X	
William Johnson	X	
Lisa L'Huillier	X	
Christine Powers	X	

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 04.02.2020.02

**RESOLUTION FOR AUTHORIZING A REVOLVING LOAN TO
CLAYTON ISLAND TOURS**

WHEREAS, Clayton Island Tours has requested a loan in the amount of Forty Thousand Dollars (\$40,000.00) to be used for repair of flood damage and to prevent future damage, and

WHEREAS, Staff has reviewed this request and recommends approval of a Revolving Loan in the amount of \$40,000.00. Staff recommendation for the loan to be advanced on a demand note, bearing interest only for 12 months, or for a term to match receipt of the grant, whichever occurs first. Subsequent to receipt of the grant, the balance will be termed out for 5 years at 5%. Collateral will be a personal guarantee of David Kay and lien on the assets of the business. Staff does not recommend the loan be contingent upon approval of the Resiliency Grant, and

WHEREAS, due to the COVID-19 pandemic the Loan Review Committee was bypassed and the request was moved directly to the full Board of Directors for consideration, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approved the request for a Forty Thousand Dollar (\$40,000.00) loan to Clayton Island Tours with all terms and conditions as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

By: s/ Kent Burto
Kent Burto, Secretary

Roll Call Vote:

NAME	YEA	NAY
David Converse	X	
W. Edward Walldroff	X	
Robert E. Aliasso, Jr.	X	
Kent Burto	X	
John Jennings	X	
Gregory Gardner	X	
Paul Warneck	X	
William Johnson	X	
Lisa L'Huillier	X	
Christine Powers	X	