

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
May 28, 2025**

Present: David Converse (Chair), John Condino
Phone: Rob Aliasso

Absent: Charles Capone

Also Present: Marshall Weir, Lyle Eaton, Peggy Sampson, Jay Matteson, William Johnson,
Dawn Robinson
Zoom: Paul Warneck, Greg Gardner

I. Call to Order: Chair Converse called the meeting to order at 8:00 a.m.

II. Pledge of Allegiance

III. Loan

- 1. LCO Destiny, LLC update** – Mr. Weir said that he and Mr. Aliasso met with Alex Morgia regarding the sale of the LCO Destiny building. He said that Mr. Morgia is buying the building and selling it to Metalcraft Marine.

Mr. Aliasso explained that the sale has nothing to do with the building Ms. Weber was in; it's the old Fishercast building that is being sold. He said that building is being sold to Metalcraft who will be moving all of their operations to the building and then Metalcraft will sell the building that they are currently in and then Mr. Morgia is going to move his Monthly Boxer business and the Reefertilizer business into Ms. Weber's current building. He said everyone is moving around, but indicated that it is a good thing and that one of the anchor businesses in the park will move to the front of the park, located in the large old Fishercast building. Mr. Weir said that he is more comfortable with it after speaking with Mr. Morgia.

Mr. Aliasso said Mr. Morgia has a firm closing date with Metalcraft for July 1, 2025. He said that Mr. Morgia indicated that he will schedule a closing a few weeks after the July 1st closing to satisfy our loan, along with our co-lender (NCA), which is the building Ms. Weber is currently in, because we have a lien on it.

Chairman Converse asked if Metalcraft's outdoor storage may be a concern. He suggested we address it upfront. Mr. Weir said they do store hulls outside, but he is not sure if we will get complaints about it. Mr. Aliasso suggested that we look at our covenants and the Town of Watertown laws for outside storage, since he didn't know if there is a difference if it is storage versus part of the manufacturing process. Mr. Warneck read the following from the covenants: *Outdoor storage will only be permitted when completely enclosed by plantings, walls or fences of pleasing appearance.* Mr. Warneck said that we have the right to amend the covenants unilaterally.

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IV. Other/Unfinished Business –

1. **Proposed Lending/Collection Policy and Procedures** – The committee reviewed a redline version of the proposed changes to the policy. They are as follows:

#11. Collection Procedures

- 15 days delinquent – **Add** *‘a late payment fee will be due, as stated in the Note.’* at the end of the sentence.
- 30 days delinquent – **Remove** ‘The regular monthly billing is sent to the Borrower, which will include two months payment due plus a late fee, as stated in the Note.’ **Add** *‘a late payment fee will be due, as stated in the Note.’* as the third sentence.
- 60 days delinquent – **revised paragraph to** *‘When a loan is 60 days delinquent, a third delinquent letter will be sent indicating the account is in default. The letter should indicate that a meeting with JCIDA is necessary to set up a schedule to correct the default, which will be presented to the Board of Directors for consideration. Further, the Borrower/Guarantor must be advised that if a repayment schedule is not adhered to, the CEO shall have the discretion and authority to turn the account over to the JCIDA attorney with instructions to begin legal proceedings to collect the full amount of the debt.’.*

#12. Reports to be kept

- **Remove** ‘current financial reports – updated annually’ and **replace** with *‘Annual financial statements and/or personal financial statements and tax returns.’.*
- **Add** *‘Once received, they are to be reviewed, summarized, and analyzed for future trends. Any irregularities or questionable trends would be brought to the attention of the Loan Review Committee for further consideration.’* to the end of #12.

#13. Environmental Risk Consideration

- **Add** *‘environmental’* to the first sentence after the word potential.
- **Add** *‘prior to closing on loans secured by real estate. The assessment shall be paid for by the applicant, conducted by an outside consultant, and reviewed by the CEO and reported to the Loan Review Committee. Any environmental risk factors resulting from the assessment must be fully disclosed to the Board of Directors before the loan is closed.’* to the end of the paragraph.
- The committee recommended **removing** ‘will’ and **replacing** it with ‘may’ in the first sentence.

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#14. Appraisals

- **Reword** the first sentence to *‘The loan amount cannot exceed the appraised value of real estate or equipment without Board approval.’*.
- **Add** *‘The appraisal will be completed by a qualified appraiser and provide an estimate of the current market value.’* as the third sentence.
- **Add** *‘All loan requests that involve the purchase of machinery or equipment must include the invoice showing the value of the machinery and equipment.’* as the last sentence.

#15. Reserve for ~~Bad Debt~~ Specific Valuation Reserve

- **Remove** the paragraph and **replace** it with the Internal Loan Review/Risk Rating system.

Exhibit A

- **Add** – *‘Application: A fully completed loan application, including schedules and attachments, and 3 years of financial statements or tax returns must be submitted. Also, financial projections for 3 to 5 years are required with the application.’*
- **Change** the point of contact to the Chief Executive Officer.

Mr. Aliasso pointed out that we don’t always require life insurance. Mr. Matteson asked if it should be defined as to when it will be required. Mr. Eaton said that it is determined during the underwriting process and requires board approval if it is waived. He indicated that we have had instances when a borrower cannot obtain life insurance because of certain medical conditions.

Mr. Aliasso asked Mr. Weir to reach out to Mr. Capone to help develop language that notifies the Borrower that payments won’t be deferred when their loan is in default.

A motion was made by Mr. Condino to send the proposed policy with the amendment to the full board of directors for consideration, seconded by Mr. Aliasso. All in favor.

- Internal Loan Review Risk Rating as of 12/31/24** – The rating was included in the packet for review.

- V. Adjournment:** With no further business before the committee, Mr. Condino made a motion to adjourn the meeting, seconded by Mr. Aliasso. The meeting was adjourned at 8:24 a.m.

Respectfully submitted,

Peggy Sampson