

BLDC

Binghamton Local Development Corporation

MINUTES OF THE ANNUAL MEETING OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION

November 21, 2013

Directors present: Tarik Abdelazim, Debra Andrako, Donald Bergin, Patricia Cummings, Timothy Grippen, Scott Hancock, Matthew Ryan, Chris Papastrat, Charles Pearsall, Chester Schultz and Lea Webb

Directors excused: Kenneth Frank, Marie McKenna

Members present: Ron Sall

Members Absent: John Patterson

Guest: Mayor Elect Rich David

Staff present: Merry Harris, Joel Boyd, Omar Sanders, Sabina Mora

President T. Grippen called the meeting to order at 9:07 AM.

APPROVAL OF THE MINUTES OF THE NOVEMBER 29, 2012 ANNUAL MEETING

President Grippen asked for a motion to approve the Minutes of the November 29, 2012 Annual Meeting. D. Andrako moved, seconded by M. Ryan to approve the minutes. The members voted unanimously in favor for the motion.

PRESENTATION OF THE ANNUAL AUDIT

Duane Shoen, CPA, of the audit firm of Ciaschi, Dietershagen, Little, Mickelson and Company, LLP, presented the audit report. The BLDC received an unqualified opinion, the best rating. The Management Comment Letter indicated that the two comments from the prior year had been resolved and no comments were made for this year. The main change has been an increase in the reserve for bad debt owing to three delinquent loans. The corporation's assets remain relatively constant.

T. Grippen asked for a motion to accept the audit as presented. L. Webb moved, seconded by D. Andrako to accept the audit. The members voted unanimously in favor of the motion.

The Directors thanked Mr. Shoen for his presentation.

The BLDC is an equal opportunity lender
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NEW BUSINESS – ELECTION OF OFFICERS

Due to the new administration and pending appointment of Directors and Members for 2014-16, the election of officers was postponed.

PUBLIC AUTHORITY ACCOUNTABILITY ACT COMPLIANCE

L. Webb, Chairwoman of the Governance Committee, presented the BLDC Mission and Performance Measures for review by the Directors. Each was reviewed and reaffirmed by the Directors. L. Webb presented the 2012-2013 report on progress with the performance measures and it was found acceptable. L. Webb requested that all Directors complete the Annual Confidential Board Performance Survey. M. Ryan requested that there be a discussion of the item "The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur." D. Andrako commented that the areas of risk would be loans in danger of default and that the Loan Committee reviewed these and approved a procedure for monitoring and mitigating default. M. Harris commented further that all new loans and any loans that had missed payments or showed signs of instability were monitored by the Financial Analyst and financial reports requested. Directors found this acceptable. By completing the survey the Directors fulfilled the requirement to acknowledge that they had reviewed and understood the mission.

PRESENTATION OF THE ANNUAL LOAN PORTFOLIO ANALYSIS

D. Andrako, Chairwoman of the Loan Committee, presented the annual analysis of the loan portfolio. The portfolio contains 32 loans. Sixteen loans equaling 43% of the portfolio were made to locations in downtown. Four loans were paid off during the year returning \$136,363 to the Revolving loan fund and \$163,949 to the UDAG fund. The highest concentration of loan funds is in real estate development. The overall balance has remained fairly steady. She noted that the normally low default rate has risen due to the non-payment by VMR Electronics and VMR Realty Management and Bubbles Professional Autocare. The Executive Director reported that legal counsel will pursue personal guarantees in the case of Bubbles and that while VMR Electronics was sold, the staff is tracking the situation with the real estate. Directors noted that at the time the BLDC partnered in the VMR loans the company was in a strong growth mode and did in fact prosper for several years until the cutback in federal military spending.

PRESENTATION OF THE 2012-2013 ANNUAL REPORT

Executive Director M. Harris presented the 2012-2013 Annual Report for the BLDC and BEDO. She highlighted numerous projects including technical assistance workshops, Community Discussion series, the NYS Main Street Grant, the Business Plan Competition, Downtown Student Kick Off and implementation of the recommendations from the Commission on Downtown Binghamton Development including rebranding and new brochure development.

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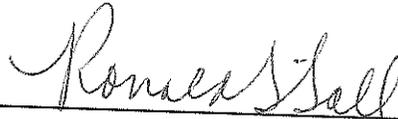
M. Ryan reviewed the agreement reached with Boscov's and the IDA to extend the lease for five years and require a \$1.2 million investment in the building. The roof replacement is complete and interior renovations are underway.

President Grippen welcomed Mayor-elect Rich David. Mr. David commented that the BLDC is an important asset to economic development and he looks forward to strengthening its role in stimulating small business development, expanding lending and leverage of private investment.

MAYOR'S REMARKS

The Mayor reiterated his praise for the BLDC Board and its creativity and commitment to growth, bringing out new products and introducing the Business Plan Competition. He commended the Board for its dynamic, no-nonsense, apolitical approach.

There being no further business the President called for a motion to adjourn. L. Webb so moved, seconded by D. Andrako. The members voted and the motion carried at 9:46 AM.



BLDC Secretary
Binghamton Local Development Corporation