



ECONOMIC DEVELOPMENT CORPORATION

FINANCE COMMITTEE

Meeting Minutes

**Thursday, September 5, 2019 – 8:00 a.m.
20 Ontario St., Canandaigua, NY 14424
Office of Economic Development’s Conference Room**

Board Members Present	Staff/Others Present
Karen Parkhurst, Chair	Michael Wojcik, CFO
Rob Sollenne, Vice Chair	Sue Vary, Economic Development Specialist
Walt Matyjas (via phone)	
Board Members Excused	

Call to Order: Chairperson Parkhurst called the meeting to order at 7:58 a.m. A quorum was present.

GENERAL BUSINESS:

Approval of June 7, 2019 Minutes: Karen Parkhurst presented the June 7, 2019 minutes for approval.

Walt Matyjas made a motion to approve the minutes of the June 7, 2019 meeting as presented, seconded by Rob Sollenne. Unanimously approved.

Z-Axis:

Sue Vary reviewed the purpose of the loan and where the County is with their application for funding with OCR. Eighty jobs are to be retained and twenty-five created. She suggested the \$100,000 from the OCEDC could be from the County RLF funds.

Michael Wojcik reviewed audited and projected financials with the Committee. He outlined the terms he recommends:

- Seven (7) year term with the standard interest rate
- First year interest-only payments
- Retention of 80 FTEs and creation of 25 FTEs
- At least 51% of jobs created will be made available to low- and moderate-income people
- Fifth security interest on all assets of Z-Axis and related real estate company
- Personal guarantee of the sole stockholder, Michael Allen
- Life insurance on Michael Allen for the amount of the loan
- Limit on shareholder distributions to state and federal tax amounts
- Annual year-end reviewed financial statements due within 120 days of FYE
- Employment reporting due at the end of Jan. and July each year of the term

Rob Sollenne was concerned about the debt coverage ratio. Michael explained that they are storing cash now for the equity portion of the project. Walt Matyjas inquired if they had any dominant customers. Michael said they had 1 customer in 2018 that accounted for 38% of sales and 2 in 2017 that accounted for 51% of sales. Karen Parkhurst stated that Michael Allen said he is diversifying the customer base in his presentation to the Board. The Committee discussed how 2020 would be a critical year for Z-Axis.

Rob pointed out that this would bring in \$459,000 to OCEDC coffers. There was further discussion of terms and other debt.

Rob Sollenne moved to recommend the loan with the terms Michael outlined. Walt Matyjas seconded the motion. Unanimously approved.

Adjournment: *Walt Matyjas moved to adjourn at 8:45 a.m., seconded by Rob Sollenne. Unanimously approved.*

Respectfully submitted,

Sue Vary