



ECONOMIC DEVELOPMENT CORPORATION

**FINANCE COMMITTEE**

**Meeting Minutes**

**Friday, January 7, 2021 – 8:00 a.m.  
via Zoom Meeting**

<b>Board Members Present</b>	<b>Staff/Others Present</b>
Karen Parkhurst, Chair	Michael Wojcik, CFO
Rob Sollenne, Vice Chair	Sue Vary, Economic Development Specialist
Walt Matyjas	Jessica Kazmark, Staff
<b>Board Members Excused</b>	
	<b>Guests</b>

**Call to Order:** Chair Karen Parkhurst called the meeting to order at 8:03 a.m. A quorum was present.

**GENERAL BUSINESS:**

**Approval of December 4, 2020 Minutes:** Karen Parkhurst presented the December 4, 2020 minutes for approval.

*Rob Sollenne made a motion to approve the minutes of the December 4, 2020 meeting as presented, seconded by Karen Parkhurst. Motion carried.*

**Tactical Construction:**

Suzanne Vary explained that Tactical Construction has requested OCEDC assistance in the amount of \$150,000. The veteran-owned Company will retain 35 FTEs and plan to create 21 new FTEs over the next three years.

*Rob Sollenne made a motion to enter Executive Session to discuss the financial history of a corporation at 8:05 a.m. Karen Parkhurst seconded the motion. Unanimously approved. Motion carried.*

*Rob Sollenne made a motion to exit Executive Session at 8:37 a.m. Karen Parkhurst seconded the motion. Unanimously approved. Motion carried.*

*Rob Sollenne made a motion to recommend approval of the Tactical Construction request to the full Board, contingent on the following:*

- *The term of the \$150,000 loan requested is 7 years (84 months) at the greater of 75% of prime or 3% at time of closing.*

- *Mortgage – negotiate with private investor regarding position or share of proceeds should there be a sale of the purchased property since first mortgage would be more than sale price and close to appraised value.*
- *Third security interest behind ESL and LNB on all assets except those identified specifically by leased equipment through other lenders. First security interest in Skywalker Enterprises, LLC (the real estate holding company).*
- *Personal guarantee of sole owner, Matthew Martin, of the Company.*
- *Life insurance on sole owner, Matthew Martin, for the loan amount with the borrower responsible for all premiums and ensuring that the policy remains in force for the life of the loan. The insurance may be decreased during the life of the loan but never below the existing loan balance.*
- *Semi-annual (June and December) compiled statements or better due 30 days following the close of the month unless reviewed or audited financial statements are produced at year end, in which case, either a reviewed or audited financial report will fulfill the financial reporting requirement.*
- *Copy for federal tax return - Form 1040 if financial statements provided are compiled. No tax returns due if financial statements provided are reviewed or audited.*
- *Employment reporting due at the end of January and July of each year the loans is outstanding.*

*Karen Parkhurst seconded the motion. Unanimously approved. Motion carried.*

**Impairment Cancellation:**

Michael Wojcik stated that in 2017 a loan impairment of 5.84411% was determined and that has been used for a yearly review of EDC loans. Due to the pandemic there are multiple deferments that were allowed by the Board. Michael went over each loan and listed the principal of each. Vertex was discussed as there is a risk of loss due to their recent situation. Michael will redo the calculation with the reserve adjustment identifying a Company as 50% of loan value reserve and keep the 5.84411% for the rest of the portfolio. The report will go to the full Board in February. *Rob Sollenne made a motion to approve the above calculation change and present to the full Board. Karen Parkhurst seconded the motion. Unanimously approved. Motion carried.*

**Adjournment:** *Rob Sollenne moved to adjourn at 9:02 a.m., seconded by Karen Parkhurst. Unanimously approved. Motion carried.*

Respectfully submitted,

*Brigitte Larson*