



ECONOMIC DEVELOPMENT CORPORATION

**FINANCE COMMITTEE**

**Meeting Minutes**

Friday, July 9, 2021 – 8:30 a.m.

<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	Brigitte Larson, Staff
	Mike Manikowski, Executive Director
<b>Board Members Excused</b>	
	<b>Guests</b>

**Call to Order:** Chair Karen Parkhurst called the meeting to order at 8:31 a.m. A quorum was present.

**GENERAL BUSINESS:**

**Approval of February 3, 2021 Minutes:** Karen Parkhurst presented the February 3, 2021 minutes for approval.

*Rob Sollenne made a motion to approve the minutes of the February 3, 2021 meeting as presented, seconded by Karen Parkhurst. Motion carried.*

**Finger Lakes Extrusion – Deferred Payment Loan:**

Suzanne Vary reminded the committee that last July a deferred payment loan was approved by the Board for Finger Lakes Extrusion. Terms of the loan were to retain 22 jobs and create two new jobs as well as train employees on the new flex tubing equipment. Erica Wright contacted Sue and explained that while the Company was able to retain all jobs even through the pandemic, hiring for two new positions has been challenging.

It was discussed that many companies in the region are having the same issue with hiring new employees and that this may be an ongoing concern. The Committee suggested extending the agreement another year, to the end of July 2022. This will give the Company time to hopefully find the two new hires and if needed, the Board can reassess the situation in July.

*Walt Matyjas made the motion to recommend an extension through July 2022. Rob Sollenne seconded the motion. Unanimously approved. Motion carried.*

**Poseidon Systems Loan Application:**

Suzanne Vary gave a summary of the Company’s project, indicating that they are purchasing a 20,000 ft2 building in Victor and that it is estimated to be a \$2.4 million project. The Company is looking for OCEDC assistance in the amount of \$400,000 and will receive additional funding

from GRB and SBA. Poseidon plans to retain 22 FTEs and create 38 new positions over the next three years. It was also noted that the OCIDA has approved benefits for the project.

Michael Wojcik presented the credit evaluation and financials, stating that the Company has weathered the pandemic nicely.

*Rob Sollenne made a motion to enter Executive Session to discuss the financial history of a corporation at 8:48 a.m. Karen Parkhurst seconded the motion. Motion carried.*

Walt Matyjas exited the meeting at 9:01 a.m.

*Rob Sollenne made a motion to exit Executive Session at 9:02 a.m. Karen Parkhurst seconded the motion. Motion carried.*

Rob and Karen discussed the following terms to recommend to the full Board:

- The term of the \$400,000 loan requested is recommended to be 10 years (120 months) at the greater of 3% or 75% of prime at time of closing.
- Third mortgage interest behind Genesee Regional Bank and the SBA on 830 Canning Parkway, Victor, NY.
- Security interest behind GRB and SBA (UCC-1's).
- Unlimited joint and several personal guarantees of Mark Redding and Ryan Brewer.
- Life insurance on key active owner, Ryan Brewer, 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.
- Copy for federal tax return - Form 1165, if financial statements provided at year end 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 are outstanding.

**Modern Manufacturing Update:**

It was discussed that Jim Russell sold Modern Manufacturing but remained owner of the building that the EDC has the loan with. It appears that operations will remain in Ontario County for at least the next five years. Jim Coniglio will look through the loan terms and if anything is needed by the Board it will be communicated at Tuesday's meeting.

**Adjournment:** *Rob Sollenne moved to adjourn at 9:15 a.m., seconded by Karen Parkhurst. Unanimously approved. Motion carried.*

Respectfully submitted,

*Brigitte Larson*