



ECONOMIC DEVELOPMENT CORPORATION

**FINANCE COMMITTEE**

**Meeting Minutes**

**Friday, June 8, 2018 – 8:00 a.m.**  
**20 Ontario St., Canandaigua, NY 14424**  
**Office of Economic Development’s Conference Room**

<b>Board Members Present</b>	<b>Staff/Others Present</b>
Karen Parkhurst, Chair	Michael Wojcik, CFO
Rob Sollenne, Vice Chair	Mike Manikowski, Executive Director
Walt Matyjas	Sue Vary, Economic Development Specialist
<b>Board Members Excused</b>	Brigitte Larson, Staff
	Ed Russell, Underberg & Kessler (call in)

**Call to Order:** Chairperson Parkhurst called the meeting to order at 8:03 am. A quorum was present.

**GENERAL BUSINESS:**

**Approval of April 6, 2018 Minutes:** *Rob Sollenne made a motion to approve the minutes of the April 6, 2018 meeting, seconded by Walt Matyjas. Unanimously approved.*

**LaBarge Media Loan Request:**

Michael and Sue briefly reviewed the history of LaBarge Media, how it was started by David LaBarge Sr. in 1984 and given to his sons David LaBarge Jr. and Jason LaBarge in 2001 as equal owners. The loan request is in the amount of \$175,000 as part of a \$232,800 project for equipment purchases, building renovations, and permanent working capital needs. Ten (10) jobs would be retained and two (2) jobs added. The Company is expanding into Animation and Digital Marketing and they currently participate significantly in Business to Business inside Ontario County. The Company has averaged 12% annual growth in sales over the past decade and has a diverse customer base with annual top customers around 10-12%. Michael reviewed the personal financials, company projections and other pertinent information. Rob Sollenne questioned why the property was not listed on the personal financials and Michael indicated it was an error on their part. Michael said the building has a \$100,000 mortgage through Canandaigua National Bank, but feels it is worth more like \$300,000. Karen Parkhurst mentioned the stability and longevity of the Company. All agreed the strength is in the collateral. We have personal guarantees of owners, David Jr. and Jason, as well as their spouses, and life insurance in place. *Robert Sollenne motioned to approve the loan, \$175,000 for 7 years (84 months) with an interest rate at 3/4 of the Prime Rate as published in the Wall Street Journal at time of closing, second security position behind Canandaigua National Bank on business assets, a second position mortgage behind Canandaigua National Bank on their building for \$175,000, and other customary collateral and reporting terms as outlined in the loan write-up documents. Walt Matyjas seconded the motion. Unanimously approved.*

**Amcore Power Systems Loan Request:**

Michael and Sue reviewed the brief history of the Company's start-up. Amcore purchased the soft and hard assets of a company in Wisconsin in 2017 and is planning to relocate and establish their place of business in Fishers, NY. There are three (3) owners, Ted Cordes, Timothy Hauert, and Yavuz Erkan. This loan would be in the amount of \$250,000 as part of a \$500,000 project that includes equipment purchases, building renovations, and initial permanent working capital. Five (5) jobs would be created over the next three years. The Company will have a significant Business to Business relationship with Victor Insulators in Victor. Michael went over personal financials and company projections. Karen Parkhurst questioned where their salaries come from and Michael shared the owner's tax returns with them. It was discussed that Ted owns two other businesses. Walt Matyjas brought up the possibility of the Company leaving Ontario County in the future. It was discussed to have a \$25,000 penalty in place if the Company decides to leave the County within the term of the loan. We have personal guarantees from all owners and spouses, as well as life insurance in place for the two active owners/employees of the Company, Ted Cordes and Timothy Hauert. *Walt Matyjas made a motion to approve the loan, of \$250,000 with terms and reporting requirements as outlined in the loan write-up document with the following addition and amendment;*

- *The Company shall incur a of \$25,000 penalty if the Company relocates out of Ontario County during the term of the loan resulting in no less than 5 retained jobs in the County , and*
- *Change the term of the loan from seven (7) years to five (5) years.*

*Rob Sollenne seconded the motion. Unanimously approved.*

#### **Thompson Health Forgivable Loan Request:**

Sue explained that F.F. Thompson Hospital is transitioning to the same system used by University of Rochester Medical Center (URMC) for electronic medical records. This is to remedy the situation of incompatibility throughout the URMC system. The deferred payment loan would be in the amount of \$22,390.00 as part of a \$913,030 project, providing training to 90 clerical support associates. Walt Matyjas stated his wife works at Thompson Hospital, and would excuse himself from the discussion if it was a conflict of interest. Ed Russell III determined it was not a conflict of interest due to Walt's wife being in a different department and not having the ability to sway any decision relating to the project. Discussion continued about how staff will attempt to seek approval from the Ontario County Board of Supervisors to use the County's HUD RLF funds, meaning the employees would need to fill out HUD-required family income forms. *Rob Sollenne made a motion to approve the deferred payment loan, of \$22,390.00, for three (3) years. Walt Matyjas seconded the motion. Unanimously approved.*

#### **Swiftlift, Inc - Collateral Change Request:**

Michael presented information on Swiftlift's request to remove certain collateral from a loan OCEDC gave them in 2013. He said the request came in late Wednesday and he is waiting on a few questions regarding the request. Tom Edwards will be merging Swiftlift and his other company, CSI Material Handling, with Toyota Material Handling Northeast. Tom Edwards would be 60% owner of the resultant Company. Upon further discussion, Mike Manikowski stated that he would like more research and information regarding this request. Michael said he should have all questions answered by Tuesday's full Board meeting and will report on it then. *No action was taken due to insufficient information at the time.*

**Adjournment:** *Walt Matyjas moved to adjourn at 9:14 am, seconded by Rob Sollenne. Unanimously approved.*

Respectfully submitted,  
*Brigitte Larson*