



ECONOMIC DEVELOPMENT CORPORATION

FINANCE COMMITTEE

Meeting Minutes

**Friday, December 7, 2018 – 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	Mike Manikowski, Executive Director
Walt Matyjas	Sue Vary, Economic Development Specialist
Board Members Excused	Brigitte Larson, Staff

Call to Order: Chairperson Parkhurst called the meeting to order at 8:05 am. A quorum was present.

GENERAL BUSINESS:

Approval of November 2, 2018 Minutes: Karen Parkhurst presented the November 2, 2018 minutes for approval.

Rob Sollenne made a motion to approve the minutes of the November 2, 2018 meeting as presented, seconded by Walt Matyjas. Unanimously approved.

Michael Wojcik informed the group that Cheribundi has paid off their loan and Star Cider will be the next project to be funded, \$200,000 from GAIN and \$20,000 from RLF.

The group briefly spoke about the project report given to the Board at last month’s meeting. Mike Manikowski pointed out the true startup companies on the list. It was also pointed out that the Governance Committee will be meeting after the upcoming holidays.

BioWorks:

BioWorks is a company located in the Victor Business Center that specializes in agricultural disease and insect control products, along with plant nutrition products. Michael Wojcik explained to the Committee that BioWorks is asking for the OCEDC’s assistance with a \$500,000 project with relation to filling and packaging. The Company is requesting \$200,000 from the OCEDC and will have the remaining funds of \$250,000 from The Bank of Castile and \$50,000 in equity. Michael Wojcik also shared that the Company sends audited statements every year in addition to what they send monthly. It was also stated that the Company is doing well, showing significant profit every year and also that expenses are up a bit due to the building renovations that were recently done. The Company has a current loan with the OCEDC and it is in good standing with one tardy payment, over two years ago. The Company has made multiple remarks about inventory reduction and also shares its financials with its employees. Sue Vary explained that on the application, the Company plans to retain 42 employees and create 18 jobs; however that final number for new jobs is to be discussed and reconsidered. Karen Parkhurst

asked about a balloon payment coming up, in which Michael responded that it will be June of next year. Mike Manikowski also pointed out that BioWorks did not only create but also exceeded the jobs that the Company initially forecasted. Since BioWorks has a current loan with the OCEDC, the UCC and life insurance are already in place. It was also discussed that the loan will not close until May and that BioWorks is aware that the OCEDC does not currently have the available funds. Interest rate was briefly discussed.

Rob Sollenne made a motion to recommend approval of the BioWorks loan in the amount of \$200,000 contingent on:

- *A loan term of five (5) years (60 months) with payments calculated using a five (5) year (60 months) amortization with interest fixed at 0.75% of prime as published in the Wall Street Journal or 3%, whichever is higher at the time of closing.*
- *Security interest in all assets of the Company behind NYBDC and The Bank of Castile. The same position that the OCEDC is in with the Company's existing loan.*
- *Personal guarantees of William Foster, shareholders of BWV and cross corporate guarantee of BioWorks, Inc. or BWV Holding Corp.*
- *Life insurance in the aggregate for the loan amount on either William Foster with borrower responsible for all premiums and ensuring that the policy remains in force for the life of the loan.*
- *Reviewed financial statements or better of BWV Holding Corp and subsidiaries 120 days following the close of the year. In any case the statements must include the activities of BioWorks.*
- *Existing OCEDC loan terms remain the same with a principal balloon payment of \$41,978.19 plus accrued interest due on June 1, 2019.*
- *The loan will come from de-federalized funds held by the Ontario County Economic Development Corporation.*

Walt Matyjas seconded the motion. Unanimously approved. Motion carried.

Zoetek:

Zoetek is a medical instruments manufacturer located in Victor, NY. The OCEDC had assisted the Company with buying the building. Sue Vary explained that Zoetek is asking the OCEDC to release the second position on the Company's accounts receivables. This would be in order for the Company to get a line of credit from Canandaigua National Bank. Michael Wojcik explained that at the time of the original buyout of the Company, there was a line of credit but due to the inactivity, it was closed. Michael Wojcik also pointed out that the Company is always on time with their payments, and it is a well-run company with profitability. Prime collateral is the mortgage. Mike Manikowski suggested that since this is a request, the Board could agree but make a condition in return. Various conditions were discussed including one point above the current loan rate and interest reviews.

Walt Matyjas made a motion to recommend approval to the Board to release the second position on Zoetek's accounts receivables, subject to a rate increase of 1% added to the existing rate of the Company's loan. Rob Sollenne seconded the motion. Unanimously approved. Motion carried.

Mike Manikowski gave a brief update on the status of the Real Eats America project. The Real Eats America application for the grant is being taken to the Board at OCR. We hope to hear news regarding the application next week.

Adjournment: *Karen Parkhurst moved to adjourn at 8:36 am, seconded by Rob Sollenne. Unanimously approved.*

Brigitte Larson