



ECONOMIC DEVELOPMENT CORPORATION

FINANCE COMMITTEE

Meeting Minutes

**Friday, December 16, 2016 – 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	
Board Members Excused	

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

Approval of December 1, 2016 Minutes: Rob Sollenne *made a motion to approve the December 1, 2016 minutes, seconded by Walt Matyjas. Unanimously approved.*

ClearCove Systems, Inc.: Sue began the discussion with a brief overview of the project that included a purchase of a building in the Town of Bristol that has been empty for a few years. ClearCove Systems, Inc. (ClearCove) has requested from the EDC a \$90,000 loan as part of a \$560,000 project (\$300,000 bank loan, \$170,000 equity, and \$90,000 EDC). Michael began the financial review indicating that ClearCove was not going the purchase the building but a newly formed entity would. The entity is going to have two shareholders, Doug Acomb and David VanDerEems. He said that both personal financial statements were received Thursday and looked good. Doug currently works for ClearCove and David is an investor in the project. Rob asked if there is a limit in EDC's Loan Policy of the number of start-up companies the EDC can grant loans to. Walt indicated there was not. He also indicated that was important to represent as many geographic locations as possible. This loan would serve that purpose if proper collateral and could be obtained. A discussion ensued regarding the amending of the loan policy to limit or determine what types of loans we could have outstanding at any given time. Michael indicated that we could tie something into a fund balance policy and that it could be completed during the summer months. After further discussion regarding the loan, the committee came up with questions that needed to be answered before they felt the project could be further considered. The questions were:

Where does the \$170,000 equity come from?

What is Greg Westbrook’s involvement in the purchase of the building?

Is ClearCove’s involvement in the purchase of the building anything other than a lessee?

Is there a lease agreement completed and signed yet?

Who will make the loan payments to the bank and EDC?

Can the committee meet Dave and Doug?

Michael and Sue will research the questions and get back to the committee. No action was taken on the request.

Loan Impairment: Michael began the discussion with a review of the current loan status of all the accounts on the balance sheet. He indicated the current loan reserve was at 11.3% of all outstanding loans and felt this was adequate given each loans performance this year. Walt suggested that a system be developed to rate each loan at the end of the year based on fiscal strength and current operational ratios. Michael said he does spread many of the financial information that comes in to see how well the projects were, etc. Rob suggested that maybe some of the weaker ones be shared with the committee. Michael said he would do so in the future.

Rob Sollenne made a motion to keep the Loan Impairment account at \$378,810.93 for the year ending December 31, 2016, seconded by Walt Matjyas. Unanimously approved.

Adjournment: *Rob Sollenne moved to adjourn at 9:02 am, seconded by Walt Matjyas. Unanimously approved.*

Respectfully submitted,

Michael Wojcik