



ECONOMIC DEVELOPMENT CORPORATION

Tuesday, February 18, 2020

<b>Board Members Present</b>	<b>Board Members Excused</b>
Robert Solenne, Chair	Karen Parkhurst
Joseph Bridgeford, Vice Chair	Karen Springmeier
Supervisor Fred Lightfoote	David Bunnell, Secretary
Kevin Hill, Treasurer	
Supervisor Fred Wille	<b>Guests</b>
Erica Wright	Brian Young, Deputy County Administrator
Walt Matyjas	
Supervisor Dan Marshall	
<b>Non-Board Members Present</b>	
Mike Manikowski, Executive Director	
Suzanne Vary, Staff	
Michael Wojcik, CFO	<b>Contract Staff</b>
Jessica Kazmark, Staff	James Coniglio, Underberg & Kessler
Brigitte Larson, Staff	
Bob Mincer, Staff	

**CALL TO ORDER:** Robert Solenne called the meeting to order at 8:30 a.m. A quorum was present.

**NEW BUSINESS:**

**Timberline Hardwood Flooring:**

Suzanne Vary explained that Timberline Hardwood Flooring is currently located in Fulton and would like to move their operations to a smaller facility in Manchester. The rent would be significantly less than what the Company currently pays, and in time there could be an opportunity to purchase the building.

Kevin Hill arrived at the meeting at 8:32 a.m.

The Company projects to retain 15 FTEs and create 3 FTEs over the next three years.

Michael Wojcik presented the financial and credit analysis, pointing out that there is a high interest secured loan through OnDeck that the Company pays weekly. This was a concern discussed at the Finance Committee meeting and since then owners have been negotiating a

restructure of the loan given the present status. Michael indicated that the Company does profit each year and that the second owner of the Company has very strong personal financials.

The Board discussed the motives to the relocation to include the savings on rent and travel time. It was also discussed that the retained employees would travel to the new facility.

*Walt Matyjas made a motion to approve the Timberline Hardwood Flooring request in the amount of \$90,000 for a term of 36 months contingent on the following:*

- *The term of the \$90,000 loan to be 3 years (36 months) at 75% of prime at time of closing.*
- *Personal guarantee of both owners of the Company.*
- *Life insurance of key active owner, Thomas Vavra, 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.*
- *Retention of 15 FTEs and creation of 3 FTEs over the next three years.*

*Erica Wright seconded the motion. Unanimously approved. Motion carried.*

#### **Vertex Optics:**

Mike Manikowski reminded the Board of Vertex Optics' original request that was presented at the last meeting. Jayson and Joseph had previously requested a forgivable loan for employee training. At the time Michael Wojcik suggested to add the amount requested to the Company's current loan instead of a forgivable loan. Staff feels as though this is the best way to assist the Company with their workforce training.

Suzanne Vary indicated that she had met with the owners and discussed different programs that are available. The interest rate was raised to 4.5% and the additional funds will be added to the principal of the current loan, bringing it from \$300,000 to \$368,000.

Michael Wojcik commented on how the Company's projections were very close, and that 9 FTEs have been created. With the additional funding, Vertex will create an additional 2 FTEs. *Supervisor Dan Marshall made a motion to approve the increase in principal on the Vertex Optics loan. Supervisor Fred Lightfoote seconded the motion. Unanimously approved. Motion carried.*

#### **ADMINISTRATION:**

##### **January 14, 2020 Minutes:**

Rob Sollenne presented the January 14, 2020 minutes for approval as presented.

*Supervisor Fred Lightfoote made a motion to approve the January 14, 2020 minutes as presented. Erica Wright seconded the motion. Motion carried.*

##### **January Financial Statements:**

Michael Wojcik explained to the Board that the financials are not finalized and that they will be presented at March meeting.

##### **Invoices for Payment:**

Michael Wojcik reviewed and submitted the invoices for payment for approval, which included 4 invoices totaling \$404,970.00.

*Supervisor Fred Lightfoote made a motion to approve the invoices for payment. Kevin Hill seconded the motion. Motion unanimously carried.*

**Letter of Support for WDI:**

Rob Sollenne spoke about a letter that was sent to Senator Pam Helming, in support of the Workforce Development Institute.

Mike Manikowski commented on how this letter of support is something Staff has circulated that past few years and that it is a very good program.

**Annual Board Survey:**

Suzanne Vary reminded the Board that the ABO required annual survey was sent out. Sue is currently waiting on four responses.

**Project Pipeline:**

Mike Manikowski explained that there are currently 8 potential projects in the pipeline. Mike stated there are no start-ups and that they are local manufacturers looking to expand or purchase new equipment. Mike thanked the Board and commented on how the Business Retention & Expansion services through Jim Armstrong have led to several projects.

**ADJOURNMENT:**

*Supervisor Fred Lightfoote made the motion to adjourn the meeting at 9:00 a.m. Supervisor Dan Marshall seconded the motion. Motion unanimously carried.*

Respectfully submitted,

*Brigitte Larson, Staff*