

**TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION
MEETING MINUTES
THURSDAY, SEPTEMBER 17, 2020**

SYNOPSIS OF MEETING

The Town of Union Local Development Corporation remotely met for a regular meeting on Thursday, September 17, 2020 at the Town of Union Office Building, located at 3111 East Main Street in Endwell, New York.

I. THE MEETING WAS CALLED TO ORDER AT 8:02 A.M.

MEMBERS PRESENT (Remotely): Stephen Trichka, Diane Julian, Gary Leighton, Jeffrey L'Amoreaux (8:07 arrival), Timothy Strong

MEMBERS ABSENT: James Peduto, Mary O'Malley-Trumble

OTHERS PRESENT (Remotely): Rosemarie Pope (LDC Board Attorney), Richard Materese (Town Supervisor)

STAFF PRESENT (In-Person): Joseph Moody (LDC Director), Robin Shimer (Admin. Asst.)

II. APPROVAL OF THE MINUTES

The Minutes of the regular LDC Board Meeting of August 20, 2020 were reviewed and approved, as written.

Motion: Tim Strong
Motion 2nd: Diane Julian
Motion: To approve the regular LDC Board Meeting Minutes of August 20, 2020, as written.
Vote: Motion approved [4 - Yes, 0 - No, 3 - Absent]

III. PRESIDENT'S REMARKS

President Trichka warmly welcomed the meeting's participants and noted the unique challenges posed by remote meetings.

IV. DIRECTOR'S REMARKS

Director Moody concurred with President Trichka's observation and advanced the meeting's discussion of agenda topics.

V. OLD BUSINESS

A. Mr. Moody followed up on discussion from the prior LDC Board meeting about establishing a Grant Committee and determining its membership. The purpose of the Grant Committee is to review applications for the new 50/50 COVID-19-related Small Business Grant Program. The new program will use Community Development Block Grant (CDBG-CV) funds. Mr. Moody suggested having an open-ended application deadline. His suggestion was based on the COVID-19 situation and anticipated ongoing need for assistance. Mr. Moody sought volunteering Board

members for Grant Committee service. Mr. Trichka and Ms. Julian offered to serve. Mr. Moody also said, prior to membership finalization, he will e-mail all Board members to learn of their interest. Mr. Trichka requested affirmation, and Mr. Moody verified, that an open-ended deadline would be based on availability of funds. Mr. Moody next informed the Board of greater loan program interest by sole proprietorships. He suggested creating a loan program for non-home-based sole proprietors that does not require job creation. Mr. Trichka asked if prior LDC action excludes sole proprietors from loan application. Mr. Moody said it does not. The Board members determined amendment to current programs is unrequired and consideration will be given to future sole proprietorship applicants.

- B. Mr. Moody informed the Board that the LDC's insurance policy renewal premium increased by twenty-six dollars.

VI. NEW BUSINESS

- A. Mr. Moody informed the Board of a request by Mr. George J. Slavik, III, of Slavik & Co. Service, Inc. for a Town of Union Business Assistance (TUBA) loan in an amount not to exceed \$200,000.00. The loan's purpose is to assist in the acquisition of vehicles, tools and equipment for his start-up plumbing & HVAC contracting business, to be located within the former Sage Supply Co., Inc. building at 85 Main Street in Johnson City. Mr. Moody said the total project cost is approximately \$500,000.00. There is a notable owner's equity amount of \$300,000.00. Financing of \$200,000.00 by the LDC would require creation of seven jobs. Alternatively, funding of \$100,000.00 requires creation of four new jobs. Mr. Moody also said Slavik & Co., Inc. is not located within a flood plain, and therefore the proposed loan is excluded from environmental review procedures.

Ms. Julian inquired about the applicant's source of owner equity. Mr. Moody said \$50,000.00 is shown on a bank account statement of Mr. Slavik. If required, Mr. Slavik can provide documentation of the remaining amount. Mr. Strong asked if money can be gifted. Mr. Moody said money can be gifted. Mr. Moody is not opposed to gifting, due to owner equity being subordinate to LDC lien positioning. Mr. Moody then spoke about the level of LDC CDBG National Disaster Assistance Recovery (Ndar) funds. Mr. Trichka expressed reservation of LDC financing for four vans for the start-up business. He supported financing for one or two vans. Mr. L'Amoreaux noted the unique qualification of related Slavik HVAC businesses for meeting school capital project standards. Mr. Trichka asked if Mr. Moody has discussed with Mr. Slavik the possibility of receiving LDC financing of less than \$200,000.00. Mr. Moody said discussion had occurred. Mr. Moody supports having sufficient CDBG funds available for potential multiple financing requests arising from COVID-19's effect on local businesses. Mr. Trichka sought verification of availability of \$429,000.00 in CDBG funds. Mr. Moody affirmed the \$429,000.00 balance. Mr. Strong spoke to the aspect of the stated working capital amount. The Board members expressed support for financing of \$100,000.00 to Slavik & Co. Service, Inc. Ms. Julian inquired about the anticipated cost of the vans. Mr. Moody said the total cost could be \$175,000.00. Ms. Julian stated the possibility of providing financing for the vans only, which would assure a primary LDC lien position. Mr. Moody was comfortable with Ms. Julian's proposal. Mr. Trichka noted a loan of \$175,000.00 for vans exceeds a potentially desired \$100,000.00 level. He noted the LDC could provide \$100,000.00 and stipulate the use of \$50,000.00 each

for two vans, and also require LDC first lien positioning. Upon the completion of discussion of the loan amount, owner's equity, projected working capital costs and other aspects, President Trichka requested a motion to approve a Town of Union Business Assistance (TUBA) loan to Slavik & Co. Service, Inc. in an amount not to exceed \$100,000.00. The purpose of the loan is to assist in the acquisition of vans, tools and equipment. It requires the creation of four jobs.

Motion: Tim Strong
Motion 2nd: Jeff L'Amoreaux
Motion: To approve Town of Union Loan Program financing to Slavik & Co. Service, Inc. in an amount not to exceed one hundred thousand dollars (\$100,000.00). The loan shall be used to assist in the acquisition of vehicles, tools and equipment for the start-up plumbing & heating, ventilation and air conditioning (HVAC) contracting business to be located at 85 Main Street in Johnson City. The loan shall be for a five (5) year period at a fixed interest rate of three percent (3%).
Vote: Motion approved [5 - Yes, 0 - No, 2 - Absent]

VII. OTHER BUSINESS

- A. Mr. Moody provided a status review of the LDC's Loan Portfolio. He said there were no issues.
- B. Mr. Moody provided an availability summary of Town and LDC Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) funds. The summary listed \$291,042.29 in Town UDAG funds, \$230,649.57 in LDC UDAG funds and \$429,304.07 in LDC CDBG funds. He noted the designated inclusion of the LDC'S Small Business Grant Access Program in the UDAG total.
- C. Mr. Moody presented Mr. Leighton's resignation letter. Mr. Leighton plans to soon move. He will continue his LDC service until discontinuation of gubernatorial authorization extending remote meetings dates. Such ongoing service for non-town residents is in accordance with the LDC Bylaws, as ascertained by LDC Counsel. A member search will begin. Mr. Leighton's term expires on December 31, 2022.

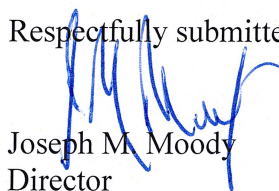
VIII. ADJOURNMENT

President Trichka then requested a motion to adjourn the meeting.

Motion: Tim Strong
Motion 2nd: Diane Julia
Motion: To adjourn the regular LDC Board meeting of September 17, 2020.
Vote: Motion approved [5 - Yes, 0 - No, 2 - Absent].

The meeting was adjourned at 8:45 a.m.

Respectfully submitted,


Joseph M. Moody
Director