

TOWN OF UNION
UNION, NEW YORK

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Local Development Corporation Meeting

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September 17, 2020
3111 East Main Street
Endwell, New York 13760

APPEARANCES:

FOR THE TOWN OF UNION

JOSEPH MOODY
LDC Director

STEPHEN TRICHKA
DIANE JULIAN
GARY LEIGHTON
JEFFREY L'AMOREAUX
TIMOTHY STRONG
Board Members

RICHARD A. MATERESE
Town Supervisor

ROSEMARIE POPE
Deputy Town Attorney

ROB SHIMER
Assistant

Digitally recorded proceeding,
Transcribed by: Ria Jara
Czerenda Court Reporting
71 State St.
Binghamton, NY 13901

1 (On the record)

2 MR. JOSEPH MOODY: Okay. Mine is on. How about
3 yours, Rob?

4 MR. TIMOTHY STRONG: Let's see here.

5 MR. MOODY: Rob? Rob?

6 MR. ROB SHIMER: Okay. I'm all set, Joe.

7 MR. MOODY: Okay.

8 MR. STRONG: And we're recording here as well.

9 MR. MOODY: Okay.

10 MR. STEPHEN TRICHKA: All right. Let's call the
11 meeting to order. I've got 8:02 a.m. And we have the
12 minutes of the regular meeting of 8/20 to approve. So are
13 there any adjustments to those minutes? Please let me
14 know. I'll give you a second.

15 MR. STRONG: I second.

16 MS. DIANE JULIAN: I second.

17 MR. TRICHKA: Oh, I said I'll give you a second.

18 MR. MOODY: Oh.

19 MR. TRICHKA: Okay. So we'll do Tim on the
20 motion, Diane on the second.

21 MR. STRONG: I got excited.

22 MR. TRICHKA: So approved. But I appreciate
23 your efforts to move the meeting along, Tim. All right.
24 So all in favor?

25 MALE VOICE: Aye.

26 MALE VOICE: Aye.

1 MS. JULIAN: Aye.

2 MR. TRICHKA: Opposed? All right. Then it's
3 accepted. And then my remarks. Good morning everybody.
4 It's still frustrating to be here remotely. I think I'm
5 actually running into the office right after this. But --

6 MR. MOODY: Yeah, it is. Yeah.

7 MR. TRICHKA: This is -- it's getting hard.

8 MR. MOODY: Yeah.

9 MR. TRICHKA: It's getting hard. It doesn't
10 feel like a vacation anymore.

11 MR. MOODY: Yeah, I agree with you.

12 MR. TRICHKA: And I think I know, with regard to
13 this, we're starting to see, you know, some things
14 creeping that are just inefficiently creeping in. Yeah.
15 For a while there it's like everything was fine, going
16 fine. I was waiting for the wheels to come off. But, you
17 know, people being offsite, I think there were a lot of
18 distractions especially with kids being, you know, kind of
19 in school but virtually in school, and back and forth and
20 back and forth. Things like that.

21 MR. MOODY: Yeah. Steve, you sound a little
22 garbled to me. I don't know if you sound like that to
23 everybody else.

24 MR. TRICHKA: Sounds what? Sorry.

25 MR. MOODY: A little garbled. A little far
26 back. Is anybody else having that?

1 MR. TRICHKA: Yeah. I'm working off my phone.

2 MR. MOODY: Oh, okay.

3 MR. TRICHKA: That probably is the problem.

4 MR. MOODY: Okay. All right. That's fine.

5 Okay. All right. I don't have any -- do you want me to
6 go on my remarks?

7 MR. TRICHKA: Yeah. Yes.

8 MR. MOODY: I have no remarks. I think you said
9 enough and you said it all.

10 MR. TRICHKA: Yeah. All right. We'll go to old
11 business.

12 MR. MOODY: Okay, old business. Discussing
13 setting up a Grant Committee. At the last meeting we had
14 agreed to set-up a Grant Committee, but Tim has some other
15 obligations. Gary obviously is no longer going to be
16 available unless it's just remote. So, we need to come up
17 with a committee to review these grant applications. Now,
18 the thing about these grant applications, they are going
19 to be open-ended. We talked about a timeframe when they'd
20 be due back by. But I think, because of what's going on
21 with COVID in the different industry sectors we may be
22 helping, I think we have to keep that an open-ended
23 application until we no longer need the -- until
24 businesses no longer need the assistance. I hope
25 everybody agrees with that.

26 But getting back to the committee, I need to

1 have some volunteers to be on this committee. And
2 unfortunately two of our committee members, Gary and Tim,
3 are on this call, but the only other committee members we
4 have on the call are Diane and obviously Steve. But Jeff
5 is not here and obviously Mary and Jim are not available.

6 MR. TRICHKA: Okay. I'm happy to do it, but I
7 guess we also want to hear from Jim and Mary and Jeff too.

8 MR. MOODY: Uh-huh.

9 MR. TRICHKA: But, yeah, I'd be happy to pitch
10 in, Joe.

11 MR. MOODY: Okay. Do you want me --

12 MS. JULIAN: This is --

13 MR. MOODY: Yeah, Dianne.

14 MS. JULIAN: I'd be happy to help out.

15 MR. MOODY: Okay. All right. So what I'll do
16 is I'll send the email around everybody and just say, I'll
17 ask for volunteers. And then I'll get to everybody. How
18 is that? Get back to everybody, Steven?

19 MR. TRICHKA: Yeah, we can do that.

20 MR. MOODY: Okay. All right. And then I
21 think --

22 MR. TRICHKA: Yeah. And so when you said you're
23 going to extend it, I mean I guess the extension is only
24 as good as the availability of funds.

25 MR. MOODY: Availability of funds, yes.

26 MR. TRICHKA: Exactly.

1 MR. MOODY: And not to throw another glitch in
2 the works, but there may be additional funds available.
3 But I just heard that from Sara yesterday. But as of
4 right now we're just working off the 125,000 in the 50/50
5 grant program. But that being said, it leads into another
6 element that came about yesterday. Several people I've
7 talked to, businesses I've talked to since we last had our
8 board meeting were mostly self-employed. They had not
9 home-based businesses, but they really don't have any
10 current employees per se. So I'd like to be able to help
11 these businesses out.

12 So, Sara was able to find that there is the
13 ability for us to help out sole proprietorships as long as
14 the individual meets the low to moderate income
15 requirement. And basically they would have to --
16 basically it would be an urgent need, a kind of
17 development urgent need, a low to moderate income benefit.
18 And it would have to be a microenterprise loan or a
19 microenterprise business, which is five or fewer
20 employees, which if they're sole proprietorships, that
21 would fulfill that requirement. And they would have to
22 qualify and then we'd have to have some forms that they
23 would have to fill out.

24 But I think this gives us an ability to help.
25 Like I said, several businesses I've talked to just
26 recently I said we don't have anything in place that we

1 could help you unless you retain you're creating jobs, if
2 you will. But with this opportunity, I think it opens
3 doors up for us to at least help non-home-based sole
4 proprietors, if you will. And I think that's what we're
5 going to see more of because usually those are the
6 businesses that had been left out of a lot of the programs
7 not only in the federal but also county and state levels,
8 if you will.

9 So I think I would like to probably amend our
10 grants. One of our grant, I guess, requirement is to
11 leave it open to also sole proprietors with no jobs
12 creating or retained.

13 MR. TRICHKA: I don't remember. Did we approve
14 a resolution that specifically excluded those?

15 MR. MOODY: No, I guess, we didn't. But now we
16 could include those individuals, I guess, you can say, as
17 long as they meet the required requirements through HUD.
18 I mean we'll still -- there'll be more paperwork for these
19 individuals, but that is -- it is what it is. And there's
20 other forms that we have to fill out, like a duplication
21 of benefits form, to make sure they're not getting
22 additional benefits. So there's several steps we have to
23 take with HUD. I guess I just --- I don't even know if we
24 need an official amendment or anything like that. It's
25 more I'm bringing it to your attention and we could
26 address that, you know, as we get the applications in.

1 MR. TRICHKA: Yeah. I don't think we need to do
2 -- we didn't specifically exclude it or only specify that
3 it was for job creation, and I don't think we need to
4 amend the program. We could just accept the other
5 applications and consider them.

6 MR. MOODY: Okay. That sounds good to me.

7 MR. TRICHKA: Any objections to that?

8 MALE VOICE: No.

9 MALE VOICE: No.

10 MS. JULIAN: Good.

11 MR. TRICHKA: All right. Thanks. The
12 insurance, Joe.

13 MR. MOODY: Yeah. Anyway, so after we last
14 spoke, I just got an email recently, a couple of days ago
15 from Haylor, Freyer & Coon. And I attached the
16 documentation to you, for you. And it's really our
17 insurance went up \$28, I believe it was. Or \$26. And it
18 does not apply to the carve back, if you will. It does
19 not apply to our Town LDC directors' and officers' policy
20 as specified. And I think we knew that the last time we
21 spoke, but I just wanted to make you aware that we do have
22 that documentation and I sent it to everybody along with
23 our policy, if you will.

24 MR. TRICHKA: So the exclusion does not apply to
25 our policy?

26 MR. MOODY: As you could read there, right. The

1 carve back is it does not apply to our Town LDC directors'
2 and officers' policy and specified by the underwriter,
3 Philadelphia Insurance Company. So it's, yeah, it does
4 not apply to us. And let me read --

5 MR. TRICHKA: Does it apply to the town
6 officials then?

7 MR. MOODY: I'm sorry. Say that again.

8 MR. TRICHKA: I'm curious who it does apply to
9 then. Does it apply to the town officials?

10 MR. MOODY: No, it doesn't. No. This is our
11 own policy. This does not --

12 MR. TRICHKA: So it's the policy we've got.

13 MR. MOODY: Yeah.

14 MR. TRICHKA: Oh, it's just up with D&O. Okay.

15 MR. MOODY: Yeah. This is -- yeah.

16 MR. TRICHKA: All right.

17 MR. MOODY: I don't know. Rose, do you have any
18 comments on that from an insurance standpoint?

19 MS. ROSEMARIE POPE: No, Joe. I remember
20 researching it after we first talked about it, but I don't
21 recall what. But this is just the LDC's policy, correct?

22 MR. MOODY: Yes.

23 MS. POPE: So I think it's okay.

24 MR. MOODY: Yeah. So what --

25 MR. TRICHKA: Yeah. That was just my confusion,
26 whether we're sharing a policy or not. But it's okay.

1 MR. MOODY: Oh, no. No.

2 MR. TRICHKA: Okay.

3 MR. MOODY: And maybe I should just read this
4 email that was sent by Patty from Haylor, Freyer & Coon.
5 She said that, attached here is your directors' and
6 officers' policy. The invoice will come directly from
7 Philadelphia Insurance Company. Your renewal premium
8 increased by \$26. The policy limits and coverage are the
9 same as the expiring policy with the exception of the
10 abuse exclusion with workplace harassment carve back. Per
11 the underwriter, the endorsement was added as a
12 clarification of coverage that our D&O's policies never
13 intended to provide this type of coverage as it is
14 purchased separately. In this case, there is no EPLI
15 coverage on this policy. So the carve back would not
16 apply.

17 MR. TRICHKA: Oh, so we just don't even have the
18 coverage in the first place?

19 MR. MOODY: Right. Yes. Okay?

20 MR. TRICHKA: Okay.

21 MR. STRONG: But the premium went up anyway.
22 That was the point. I think the premium went up.

23 MR. MOODY: Yes, yes. Exactly.

24 MR. STRONG: We got coverage, but more money.

25 MR. MOODY: There we go. All right.

26 MR. STRONG: Just a quick question. Did anybody

1 join on the phone in (indiscernible) that conversation?

2 MR. MOODY: Rick Materese is here. That's all.

3 MR. STRONG: Okay.

4 MR. TRICHKA: I saw Rick, yeah.

5 MR. STRONG: Okay. Just make -- I didn't know
6 if Jeff joined in the middle. I thought I heard him.

7 MR. MOODY: No.

8 MR. JEFFREY L'AMOREAUX: I did, yeah.

9 MR. MOODY: Oh, you did?

10 MR. L'AMOREAUX: I've been on for about almost
11 ten minutes. Yeah, I just sent Rob a note telling him I
12 logged in at 8:07.

13 MR. MOODY: Oh, super. Thank you, Jeff.

14 MR. L'AMOREAUX: Yeah. Sorry. I'm coming from
15 another meeting. Sorry about that.

16 MR. MOODY: Just to let you know, you're on the
17 Grant Committee.

18 MS. POPE: Way to go. How's that?

19 MR. L'AMOREAUX: It's a dream come true, Joe.

20 Do I get a belt of some sort to let me know of that title?

21 MR. MOODY: We'll work on something for you.

22 MR. TRICHKA: We can make him chair of the
23 committee. That would be sweet.

24 MR. MOODY: All right. Okay. Moving on. Do
25 you want we move on?

26 MR. TRICHKA: Yeah. Go ahead. Yeah.

1 MR. MOODY: Okay.

2 MR. TRICHKA: Yeah.

3 MR. MOODY: So new business. So we received a -
4 - you'll see my narrative write-up. We received an up to
5 \$200,000 request from George Slavik, III, president of
6 Slavik & Company Service, Inc. which is a plumbing & HVAC
7 contracting business. You may know the Slavik name from
8 Piccirilli-Slavik & Vincent. His father was an owner, a
9 part owner of that for many, many years.

10 So the family, the Slavik family, I believe, not
11 only George Slavik, III's father but also his brother
12 purchased the old Sage Supply building in Johnson City.
13 And they were looking for tenants, et cetera, and found
14 some tenants. But they also wanted to start - his son,
15 George Slavik, III, wants to start up his own plumbing
16 HVAC contracting business. So they're renting 1,200
17 square feet from the family, I guess, I'll say the family-
18 owned property. I do have a lease agreement that was
19 signed for the 1,200 square feet of leased property from
20 GFS (phonetic) Property Group. I just want to make you
21 are aware that there is that relationship there. So
22 you're aware of that.

23 So Mr. Slavik is starting this startup business.
24 He submitted an application, which you have a copy of
25 that, for a total project cost of over \$500,000 which
26 included project funding in the way of owner's equity of

1 \$300,000. The Town of Union LDC funding, I guess, request
2 again up to \$200,000 for a five to seven-year term and a 3
3 percent fixed interest rate. They're asking us to assist
4 them with the acquisition of two cargo vans and two
5 smaller cargo vans, tools and equipment for each one of
6 the -- outfitting each one of the vehicles. Furniture and
7 fixtures, they put working capital in there. And I've got
8 to add that's quite a substantial amount of working
9 capital, a soft cost of \$15,000 again for a total project
10 cost of \$500,000.

11 So with the TUBA program, we could go up to
12 \$200,000. We've never, I don't think we've ever come
13 across one with this much in working capital, if you will.
14 And also there is no bank involved with this. I have
15 confirmed that there is \$50,000 in a bank account as part
16 of the owner's equity. He puts down on his application a
17 lot of that owner's equity come from operating, or payback
18 will come from operating revenue, if you will. He did
19 indicate he could show more owner's equity if need be.
20 But I guess my concern is that that's a lot of owner's
21 equity to consider this entire project cost of \$500,000.

22 I would suggest and, you know, it's up to you,
23 we do have the funds available, as you can see what funds
24 are still available in the form of CDBG funds to do the
25 \$200,000. But my concern is, you know, that - the amount
26 of working capital personally. If we're to come in at 40

1 percent of the cargo vans, tools and equipment, furniture
2 and fixtures, soft cost, and maybe some working capital -
3 because we could do up to 40 percent with the TUBA program
4 - that gets us about \$100,000.

5 Now he did indicate that he could create the
6 seven jobs required for the \$200,000. But if we back it
7 down to \$100,000, he would only have to create I believe
8 four jobs for that amount under the TUBA program. So, you
9 know, you see the projected financials in his proposal.
10 I've no doubt that I think he could fulfill those
11 projected financials to pay us back. So credit, personal
12 credit was very, very good at a 770 FICO score. You saw
13 his net worth statement attached. His projections were
14 over five years, if you remember, for the business, again
15 attached.

16 So also to let you know, we did, I already did
17 submit this to our planning and our community development
18 department to do the environmental review in which they
19 looked to see if it's in the flood plain, et cetera. And
20 I did get the letter back. You'd see that I have that
21 highlighted there. But I did get the letter back
22 yesterday, on the 16th, indicating that it's categorically
23 excluded. So it does not require any flood insurance. So
24 we're good to go if you choose to approve this loan today.
25 We don't have to wait until the next meeting. So I'm
26 going to throw it out there for discussion, and then let's

1 go from there.

2 MS. JULIAN: Joe, this is Diane. Just a concern
3 on the owner's equity of \$300,000.

4 MR. MOODY: Yeah.

5 MS. JULIAN: Where is that coming from?

6 MR. MOODY: The \$50,000, I believe that was his.
7 That was put in. There is a statement. I do have his
8 account statement. I don't know if I included that in the
9 packet, but there was \$50,000 that I saw on a bank
10 statement that he said he's using it to owner's equity.
11 The other owner's equity, that's the question. I said,
12 well, where is the rest of that coming from? He says,
13 "Well, we could show -- I could show that. I can get
14 that." So I don't have an answer for you immediately
15 where that would come from.

16 MS. JULIAN: Okay.

17 MR. MOODY: But, you know -- yeah. I mean if --

18 MR. STRONG: Can I ask a question? Can money be
19 gifted? Could that be a potential place for where that
20 income is coming from?

21 MR. MOODY: Yeah.

22 MR. STRONG: Because I know the family pretty
23 well and I mean it wouldn't surprise me, if he needed to
24 come up with the cash, if that was a gift, if it was
25 gifted to him.

26 MR. MOODY: Yeah. That's not a problem. I'm

1 okay with a gift. I don't think the board would have a
2 problem with that as long as he doesn't pay it back.
3 Because you do, I do indicate in my write-up that any
4 owner's equity he puts into that, it's subordinate to our
5 position. And we would have a first position --

6 MS. JULIAN: Exactly.

7 MR. MOODY: Yeah. And we would have a first
8 position on the vans and the equipment, et cetera. Now
9 the only reason why -- before we talk, maybe I just want
10 to bring up the balances. Now, we still show \$420,000 or
11 so \$29,000 of LDC CDBG funds available. But you recall
12 that we sort of put aside X thousand of that for the Ndarp
13 program. That was our initial zero percent loan program
14 for businesses that we had two applications for, which was
15 the Greek House and obviously the Endwell Pack and Mail.

16 So it has not been a highly sought after program
17 as of right now. And I think, just to let you know, most
18 of the agencies that came up with programs like that, the
19 same situation with them. I think most people are waiting
20 for the grants, et cetera, and waiting for the PP
21 (phonetic) as we've talked in the past about this.

22 So even though they showed \$429,000 on there, we
23 still have to sort of honor what we agreed to - that we
24 were setting X thousand. I think it was I want to say 250
25 or more, but I mean we don't have to encumber all that for
26 this program. Because I think with the new grant program

1 coming up, I think that's going to be more advantageous to
2 most of the businesses anyways.

3 But I want to make you aware that, that I know
4 HUD wants us to spend the CDBG money. I have no doubt
5 about that. But I'm concerned with the \$200,000. That's
6 just my personal opinion. And I'd like, I really would
7 like some of you that know the Slavik family and would
8 like to share some things or whatever. Or, after you read
9 the business plan, what do you think?

10 MR. TRICHKA: Yeah. I don't know the Slavik
11 family, Joe, but I guess what's surprising me is we're
12 starting from ground zero but we're buying four vans right
13 off the bat. That seems like a lot to me. And then, you
14 know, the tools and equipment for four vans as well. That
15 just seems like a lot to be dealt with starting from
16 ground zero and just getting going.

17 MR. MOODY: I would normally agree with you.

18 MR. TRICHKA: You know, but why is it not one or
19 two vans to get started?

20 MR. MOODY: Yeah. I would normally agree with
21 you, but just because the family has been in that industry
22 for years, I think that obviously there is a lot of
23 connections there and I believe that there probably is an
24 opportunity. But I do agree with you also that they
25 that --

26 MR. TRICHKA: There's a lot of competition, too,

1 Joe.

2 MR. MOODY: Yeah.

3 MR. TRICHKA: We're not short on competition for
4 HVAC in this area.

5 MR. MOODY: Yeah. Anybody else or --

6 MR. L'AMOREAUX: What I would say, Joe - this is
7 Jeff - from the municipal side work, there's not many HVAC
8 contractors that do work for us that can do the work for
9 schools and the universities around here. They're a
10 bother [sounds like] actually and on our current project,
11 I mean in Endwell, they've always been good to work with.
12 But we only get about three to four HVAC contractors, at
13 most it's been. So while there's a lot of HVAC
14 contractors out there, most of them can't do the size or
15 the scope of school work with the bonding requirements
16 that are required and there are a lot of them.

17 MR. MOODY: Okay.

18 MR. TRICHKA: So, Joe, if you, if you're
19 uncomfortable with the amount there as far as absorbing,
20 you know, the TUBA, the available TUBA funds, I mean where
21 would you pull back to? Have you had any discussions
22 about funding them at 100 or something like that?

23 MR. MOODY: Well, I think if they're using a lot
24 of this, if they indicate that working capital and they
25 are going to be paying back this with operating income, I
26 told them that, yes, we could look at up to \$200,000. But

1 I did indicate to them that, because of COVID, a lot of
2 the funds that we have in CDBG have been committed. So I
3 said, you could certainly ask for the \$200,000. I'm not
4 saying you're going to receive all the \$200,000 if you get
5 approved by the LDC Board.

6 So they've already been prepared to a certain
7 extent. I did not know when before that they weren't
8 going to have any bank involvement with this either. So
9 that changes a little bit also because we're in the first
10 position on, you know, yes, I agree, equipment and vans
11 and that they do age quite quickly, if you will. But a
12 five-year term on a commercial van, that's probably pretty
13 reasonable to have a five-year term on that.

14 So my concern was not that I don't think we
15 should approve necessarily the full 200. It's the other
16 ancillary things we have in the works with the Ndarp and
17 with the new grant program that, who knows, will we need
18 the additional CDBG money. And I know a bird in the hand
19 is worth two in the bush. I get it. But helping one
20 business or being able to help ten businesses, we've got
21 to look at that I think and think about that.

22 MR. TRICHKA: Yes. But we have available -
23 what? 429? I just went to the available CDBG.

24 MR. MOODY: Yeah. Correct. Yeah. Minus the
25 Ndarp that we sort of, you know, said, hey, we'll put this
26 amount aside. I forget the exact amount, you know.

1 Forgive me on that.

2 MR. TRICHKA: Yeah.

3 MR. MOODY: I mean I --

4 MR. TRICHKA: You know, I mean, given -- I agree
5 with you. I mean I'd rather -- I'd like to hold some
6 powder in reserve there so that we can have -- you know,
7 we can support additional businesses.

8 MR. MOODY: Uh-huh.

9 MR. TRICHKA: And I don't know enough about the
10 Slavik family finances to know how doable it is if we're
11 at 100 instead of 200. But I'd also -- I'm not sure that
12 that's relevant information either.

13 MR. MOODY: Right.

14 MR. STRONG: Theoretically though, if you're
15 sitting on cash equity to be able to put into these
16 projects, if you lower the amount of working capital we
17 were giving them, they would be able to retain more of
18 that cash for that purpose. I mean, so if we were not
19 comfortable on the working capital being up to that, up
20 270 that they were requesting, come up with a number we
21 are comfortable. And that's going to put more of their
22 own cash. That's going to keep it where -- right in their
23 account or wherever it should be anyway. Right, Joe?

24 MR. MOODY: Right. Yeah. I know. I agree.

25 MR. STRONG: So it's that gray area where they -
26 - some could even potentially inflate the working capital

1 number to work in their favor because that's not tied to
2 anything specific. So in their mind they might just go,
3 hey, let's inflate it and let's go at half million and
4 then ask for -- and kind of work backwards from there, you
5 know.

6 MR. MOODY: Right.

7 MR. STRONG: So, to me, I would agree with you.
8 If we want to come counter with something, I do -- I
9 always feel comfortable, well, generally speaking when it
10 comes to machinery or anything like that, that's got some
11 value to it. But I would go with your recommendation on
12 that at one piece, that working capital piece.

13 MR. MOODY: Well, if we were just to take that
14 working capital down, we'll just say down to \$50,000 and
15 remove \$220,000 out of the \$500,000 and I go up 40 percent
16 of that amount, we're coming up with \$112,000, you know,
17 in the form of 40 percent of 300 and -- I'm sorry,
18 \$280,000. So I mean \$100,000 is not -- I think that's
19 reasonable, you know, given these numbers. Yeah, I agree
20 with Tim. That could be inflated no doubt.

21 MR. TRICHKA: Yeah. My gut says it is too,
22 yeah. I like the idea of going in at 100.

23 MR. MOODY: Okay.

24 MR. TRICHKA: I think that gives us, yeah, more
25 available funds in the pool to look at other businesses.
26 And, yeah, I think that 270 does feel very high to me.

1 MR. MOODY: Uh-huh.

2 MS. JULIAN: Uh-huh.

3 MR. TRICHKA: So I mean I feel very comfortable
4 at 100.

5 MR. MOODY: 100? Okay.

6 MR. TRICHKA: Yeah.

7 MR. STRONG: Just a quick question though, Joe.
8 We counter -- play this out, we counter with that. Then
9 they're maybe then inclined to go to a bank to get the
10 balance.

11 MR. GARY LEIGHTON: Yeah, that's what I was
12 thinking about.

13 MS. JULIAN: Yeah. Why not.

14 MR. MOODY: Oh, yeah.

15 MR. STRONG: Then does that put us -- you know,
16 the bank -- sorry. Is the bank then going to be okay
17 being in -- I mean we would potentially slip back then and
18 do it in a different position than on that. Wouldn't we?

19 MR. MOODY: Yeah. I mean that is correct. And
20 we're technically supposed to be in a subordinate position
21 anyways. You know, generally we are in that position.
22 Generally, people don't come to us with that much owner's
23 equity, if you will. But, so yeah, they could come back
24 and say, okay, but now we're going to have a bank
25 involved. That's a possibility, but we could only do what
26 we have in front of us right now.

1 MR. STRONG: And we're normally comfortable with
2 that, though, I guess is your point.

3 MR. MOODY: Yeah, yeah. But, you know, but
4 again would you be comfortable at \$100,000 in a second
5 position lien on vans and equipment? You know, it's not a
6 building.

7 MR. STRONG: Yeah.

8 MR. MOODY: And, you know, obviously the
9 depreciation of that is quite significant yearly. So I
10 guess we can only present the facts we have in front of us
11 now.

12 MR. STRONG: Yeah.

13 MR. MOODY: If you approve it at \$100,000, we go
14 back to them and say this is what we are able to approve
15 it for. If you have a bank involved, we're going to have
16 to go back to the LDC Board and ask them if they, if
17 they're willing to subordinate to a bank, you know, if
18 that comes up. Or you could certainly come up with more
19 of the owner's equity initially up front and work down
20 that working capital and use some of your operating
21 profits too for that working capital, if you will.

22 MR. STRONG: Yeah. I think that be --

23 (interposing)

24 MS. JULIAN: This is Diane. Just a quick
25 question. I don't have all of the documents in front of
26 me, but how much were the -- like what did he say? Four

1 vans?

2 MR. MOODY: Yeah. They were about 47 and then
3 there had to be some additional work done. So it was
4 about \$50,000 each for the larger vans. Let me see. And
5 there were some options involved with it. And we will
6 only -- I mean if you approve it, it's going to be based
7 on obviously what the final -- up to the maximum \$170,000
8 for the cargo vans, up to \$30,000 maximum for the
9 equipment for those vans, and the furniture/fixtures and
10 all that. So if those vehicles for some reason should
11 come in less than that, then we would be coming in at less
12 than \$100,000.

13 MS. JULIAN: What if we just did the financing
14 for the vans? In that way, we're in first position for
15 the vans.

16 MR. MOODY: Yeah. I just -- I have no problem
17 with that. I don't mind having a first position on
18 equipment, furniture, fixtures either instead of just the
19 first on vehicles especially if we don't know if a bank is
20 involved.

21 MS. JULIAN: Yeah.

22 MR. MOODY: So I would say have first position
23 right now. Approve it on the first position on all assets
24 of the company which is all assets that they're requesting
25 us to assist in purchasing.

26 MS. JULIAN: Uh-huh.

1 MR. TRICHKA: Yeah. That was what I was going
2 to say, Joe. I think the risk, you know, around the
3 assets that we're securing against is there regardless. I
4 mean, there's -- the working capital is just still a
5 mortgage right now.

6 MR. MOODY: Right.

7 MR. TRICHKA: I'm not really sure it's going to
8 be in there as you're kind of working off the vans and the
9 equipment and tools.

10 MR. MOODY: Right.

11 MR. TRICHKA: There's no, as Tim just said,
12 there's no fixtures. There's no machinery like there
13 would be in a manufacturing setting.

14 MR. MOODY: Right.

15 MR. TRICHKA: So, yeah, I get, Diane. What
16 would make me nervous is, if we didn't get the vans, it's
17 still back up to \$170,000 which still feels like it's
18 going to get too --

19 MS. JULIAN: Yeah.

20 MR. TRICHKA: To me, like it's too big a chunk
21 of the available funds.

22 MS. JULIAN: Okay.

23 MR. TRICHKA: Even though it is the first
24 position, yeah. We have to recognize that, yeah.

25 MR. MOODY: Oh, so Diane, you were saying to
26 increase it above the \$100,000 and just have it go towards

1 the van or vehicles?

2 MS. JULIAN: I was just thinking rather than
3 saying, look, we want to help you and we'll finance this
4 portion of it for you, just say like we're willing to give
5 you the funding to help you for the purchase of the vans.
6 It's more solid than saying, look, we can't help you with
7 anything else.

8 MR. MOODY: Yeah. I mean I don't -- yes, I
9 stand by what I said earlier. I don't have a problem
10 helping them with all that as long as we're in the first
11 position and all that anyways. And let them decide, yeah.

12 MS. JULIAN: Right. I mean we could maintain
13 that position.

14 MR. MOODY: Yeah.

15 MS. JULIAN: But if we say we're going to cut it
16 back to \$100,000 and then they're going to look for
17 alternate finance, either it's your family or a financial
18 institution, then, you know, it depends on where we're
19 going to stand with that.

20 MR. MOODY: Yeah. But that's the chance --

21 MR. TRICHKA: Yeah. We could deduct it to say,
22 you know, it's 100 and we have first position on the two
23 large vans. They're like 50k each or something like that?

24 MR. MOODY: Yes.

25 MS. JULIAN: Uh-huh.

26 MR. TRICHKA: We can do it that way.

1 MR. MOODY: But I think we have to go in with
2 what we have in front of us because, we don't know, maybe
3 they are going to come up with more of family owner's
4 equity into the project.

5 MS. JULIAN: Uh-huh.

6 MR. MOODY: And they'll use it for the vans.
7 And if they don't, then we'll have to bring it back to the
8 LDC Board. But we have to go with what's in front of us,
9 and right now they've asked us to assist them in a first
10 position on all that equipment. And if we agree, we
11 should agree to that but reduce it based on availability
12 of CDBG funds for other projects, and also that their
13 working capital seems to be a little high.

14 MR. TRICHKA: Right. So this wouldn't -- I mean
15 if we do that, this wouldn't technically be an approval.
16 We're kind of making a counter offer?

17 MR. MOODY: No. I think you approve it based on
18 that.

19 MR. STRONG: So it's yes. They don't have to
20 come back?

21 MR. MOODY: Right.

22 MR. TRICHKA: Okay.

23 MS. JULIAN: Uh-huh.

24 MR. MOODY: They'll only have to come back if
25 they change the dynamics of the terms.

26 MR. STRONG: If they bring a bank into the

1 equation or anything is changed?

2 MR. MOODY: Yeah. Yes.

3 MR. TRICHKA: Right, right. So what I'm hearing
4 is we're inclining, just based on this, to approve it at
5 \$100,000 but not necessarily specifying the assets. That
6 we'll just say first position on all these things and just
7 see what - and enforce their handle of it on working
8 capital? I'm just not sure if we say it's \$100,000 we
9 have the first position on all four vans. Can we justify
10 that?

11 MS. JULIAN: Yes. Take whatever we can.

12 MR. MOODY: Yeah. I say we could.

13 MR. TRICHKA: Yeah.

14 MR. MOODY: I say that's what they offered us.
15 We counter offer with \$100,000 and a first position on the
16 vehicles, tools and equipment, furniture and fixtures.
17 And if they come back with something else, then I'll bring
18 it back to the board.

19 MS. JULIAN: Yeah.

20 MR. TRICHKA: Okay. All right. Are people
21 comfortable with that? Gary, are you okay with that?

22 MS. JULIAN: Uh-huh.

23 MR. TRICHKA: All right. So I guess the motion
24 on the table is to approve the Slavik request at funding
25 of \$100,000 and have the first position on vehicles, tools
26 and equipment, furniture and fixtures.

1 MR. MOODY: Yeah, with the creation of four jobs
2 instead of the seven.

3 MR. TRICHKA: Four jobs?

4 MR. MOODY: Yeah.

5 MR. TRICHKA: Yeah, with the creation of four
6 jobs. All right. So do I have the permission to approve
7 that? Do you want me to wait, Tim?

8 MR. STRONG: No. I was going to move that.

9 MR. MOODY: Okay.

10 MR. TRICHKA: Okay. Thank you, Tim. The motion
11 is up. Second? Any --?

12 MR. L'AMOREAUX: Second by Jeff.

13 MR. TRICHKA: Thank you, Jeff. All in favor.

14 MS. JULIAN: Aye.

15 MR. STRONG: Aye.

16 MR. TRICHKA: Opposed? All right.

17 MR. MOODY: Thank you. Okay. Moving on.

18 MR. TRICHKA: Rick, do you have any heartburns
19 with that?

20 MR. MOODY: Rick? Rick?

21 MR. RICK MATERESE: I'm okay with that.

22 MR. MOODY: Okay.

23 MR. MATERESE: For some reason, I don't have a
24 camera. Can you see me or can you hear me?

25 MR. MOODY: I did. We saw you earlier. Yeah,
26 we see you.

1 MR. TRICHKA: Yeah. I don't know what happened,
2 but I can see you there now.

3 MR. MOODY: We see you.

4 MR. MATERESE: You can see me?

5 MR. MOODY: Yeah, we see you.

6 MR. TRICHKA: Yes, I can.

7 MR. MATERESE: Okay.

8 MR. MOODY: Okay. All right.

9 MR. MATERESE: I'm good.

10 MR. MOODY: Okay. So moving on?

11 MR. TRICHKA: Yeah, moving on.

12 MR. MOODY: Okay. LDC loan portfolio. You'll
13 see that in front of you. Just our monthly portfolio, so
14 no issues.

15 MR. TRICHKA: No issues. Okay.

16 MR. MOODY: Okay. Moving on, item B - available
17 Town of Union CDBG funds. You see that, what I sent late
18 yesterday. I sort of just cleaned up what our comptroller
19 put up, put out with us. I just colored things up to make
20 it look pretty. But you'll see the Town UDAG, the LDC
21 UDAG, and LDC CDBG funds that are still available as we
22 did talk about them. And those funds that are committed
23 for the programs or for the loan or grant recipients, if
24 you will.

25 The only thing you do not see -- you do see the
26 \$40,000 for the grant program. That was the small

1 business grant program. That was the loan or grant
2 recipients we approved, award winners, if you will.
3 They're not individually listed there, but that was for
4 those four. So just to let you know that. Okay? Any
5 questions on that?

6 MS. JULIAN: Okay.

7 MR. MOODY: No? Okay. Item C - Gary Leighton
8 sent that email to all board members that he's going to be
9 moving. He's still in his house as of today. I think the
10 closing is today. Right, Gary?

11 MR. LEIGHTON: That's right.

12 MR. MOODY: Yeah. So he will stay on. He
13 offered to stay on as long as remote meetings are allowed,
14 if you will. I sent the bylaws to both Steve and Rose
15 Pope for their review, if you will. So I guess, Steve,
16 Rose, do you have any comments?

17 MS. POPE: Joe, you know, there's -- oh, I'm
18 sorry, Steve.

19 MR. TRICHKA: No, no. Go ahead, I was going to
20 ask you to speak.

21 MS. POPE: I don't see anything in the bylaws
22 stating that, you know, the board member has to be a Town
23 of Union resident.

24 MR. MOODY: Right.

25 MS. POPE: So in this case, with Gary I guess --
26 when does Gary's terms end? When is Gary up?

1 MR. MOODY: Let me see. I don't know if Rob --
2 Rob, do you have that? When Gary's term is up? Weren't
3 you just appointed this last year?

4 MR. LEIGHTON: I'm not sure, Joe.

5 MR. MOODY: Okay.

6 MS. POPE: We can check into that.

7 MR. MOODY: Yeah.

8 MS. POPE: But I think, you know, as long as the
9 bylaws for this situation -- for Gary, as long as we can
10 do it remotely, I think we're okay.

11 MR. MOODY: Okay.

12 MS. POPE: Any change --

13 MR. LEIGHTON: Yeah. I think that was good with
14 the other girl that moved. I forgot her name.

15 MR. MOODY: Who is --

16 MS. POPE: I don't remember that one.

17 MR. MOODY: Yeah, I don't remember who that was.
18 Well, remote is different. I mean the remote is what
19 brings the -- it adds the element that we never had in the
20 past. Because remote meetings are now allowed by the
21 governor's office and he does look at it monthly. Right,
22 Rose?

23 MS. POPE: Yeah. And so is the 30-day
24 extension.

25 MR. MOODY: Right.

26 MS. POPE: So this current one will expire on

1 October 4th unless he extends it.

2 MR. MOODY: Right. And he's been extending it
3 for several months. I don't think he would -- well, who
4 knows. I can't get into his mind.

5 MR. TRICHKA: Once that extension runs out,
6 we're going to have to accept Gary's resignation. Is that
7 -- I mean I guess I'm just -- no offense, Gary. We're
8 talking about this in front of you.

9 MR. LEIGHTON: It's fine.

10 MR. TRICHKA: I can't think of having somebody
11 sitting in Virginia be on the board. It's not the best.

12 MS. POPE: I agree, Steve, that, you know, it's
13 the Town of Union board. There should be another person
14 filling Gary's position that's a Town of Union resident.

15 MR. LEIGHTON: Yeah.

16 MS. POPE: But in this, I mean in this situation
17 right now, until I think you can find someone to replace
18 Gary, as long as the governor extends -- if the board is
19 okay with that, I don't see an issue.

20 MR. MOODY: And Gary's term does expire December
21 of 2022.

22 MS. POPE: Yeah.

23 MR. LEIGHTON: Wow.

24 MR. MOODY: Yeah.

25 MR. LEIGHTON: Okay.

26 MR. MOODY: So --

1 MR. TRICHKA: I guess my inclination would be to
2 let this ride as long as the extensions are being provided
3 by the governor's office.

4 MR. MOODY: Yeah. Okay.

5 MR. LEIGHTON: Yeah, that sounds reasonable.

6 MR. MOODY: Yeah. Rick, do you have any --

7 MR. TRICHKA: Joe, I'd like to make a motion
8 that Gary's replacement is on the Grant Committee.

9 MS. POPE: Right.

10 MR. MOODY: Rick, I'm just -- on the Grant
11 Committee your placement. Rick, I've just got to -- Rick,
12 what do you -- what's your thoughts on this?

13 MR. MATERESE: My opinion is that Gary's done a
14 great job for us and I think keeping him as long as we can
15 is beneficial to the town.

16 MR. MOODY: Thank you.

17 MR. LEIGHTON: Thank you.

18 MR. TRICHKA: I don't think anybody on this
19 board would argue that point, you know, as far as Gary's
20 value on the board.

21 MS. POPE: No. Absolutely not.

22 MR. TRICHKA: So I guess why don't we just, you
23 know, at the moment take this all month by month as we
24 work through. But I think at the same time we should have
25 an eye out for other new members. And I guess if other
26 good folks could put some thought into that and feed those

1 suggestions in to either Joe or me or both.

2 MR. MOODY: Yeah.

3 MR. TRICHKA: I'd appreciate that.

4 MR. MOODY: Yeah. We've been very successful
5 finding board members from within our, within the board
6 itself. So I'd like to continue that if at all possible.
7 So if you do have names, yes, please send them to Steve
8 and myself. And we usually would meet with them and talk
9 to them, the individual that may be a candidate. So we'll
10 continue that. And again I think we've had great board
11 members. Steve, I think you could agree with that.

12 MR. TRICHKA: Yeah.

13 MR. MOODY: Okay.

14 MR. TRICHKA: Yeah.

15 MR. MOODY: Okay.

16 MR. TRICHKA: All right. So we'll let that -- I
17 don't think there's any action we need to take.

18 MR. MOODY: Great.

19 MR. TRICHKA: But other than that, we're not
20 accepting the resignation at this time. Sorry, Gary.

21 MR. MOODY: Sorry, Gary. You're in.

22 MS. JULIAN: Nice try, Gary.

23 MR. LEIGHTON: Yeah. That's okay. I tried.

24 MR. MOODY: And we know your address. I'll come
25 down there and make sure you're on it. So, okay. All
26 right. So that's it. Steve, a quick meeting for you.

1 MR. TRICHKA: Yeah. Yeah, I appreciate that
2 everybody. So if there's no other items anyone wants to
3 bring forward, then I'm looking for a motion to adjourn.

4 MR. L'AMOREAUX: So moved. Jeff.

5 MR. TRICHKA: Jeff, thank you.

6 MS. JULIAN: I second. Diane.

7 MR. TRICHKA: Diane second. All in favor?

8 ALL: Aye.

9 MR. TRICHKA: Aye. All right. Everybody have a
10 wonderful week and next month or so. And great --

11 (Off the record)

12

13

14 C E R T I F I C A T E

15 I, Ria Jara, certify that the foregoing transcript of
16 proceedings in the Union Town Board Meeting, Union, State of
17 New York, was prepared using digital transcription software and
18 is a true and accurate record of the proceedings.

19

20

21 

22 Signature_____

23 Date: October 4, 2020