

TOWN OF UNION
BROOME COUNTY, NEW YORK

-----x
In the Matter of:

Local Development Corporation
Regular Meeting

-----x
April 22, 2021
3111 East Main Street
Endwell, New York 13760

APPEARANCES:

FOR THE LOCAL DEVELOPMENT CORPORATION

STEPHEN TRICHKA - president
DIANE JULIAN - vice president
GARY LEIGHTON
JAMES PEDUTO
MARY O'MALLEY-TRUMBLE
JEFFREY L'AMOREAUX
TIMOTHY STRONG
LDC Board Members

SARA ZUBALSKY PEER
Community Development Director

JOSEPH MOODY
Economic Development Director

ROSEMARY POPE
LDC COUNSEL

ROB SHIMER
LDC STAFF

FOR THE TOWN OF UNION

RICHARD MATERESE
Town Supervisor

THOMAS AUGOSTINI
Town Councilman

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

1 (On the record)

2 MR. JOE MOODY: Okay. I'm ready to go.

3 MALE VOICE: And we're recording, yes.

4 MALE VOICE: Recording here too.

5 MR. MOODY: Sure.

6 MR. STEPHEN TRICHKA: All right. I have 8:02.

7 MR. MOODY: Yeah.

8 MR. TRICHKA: So we should call the meeting to
9 order. Are you all set up?

10 MR. MOODY: I am.

11 MR. TRICHKA: Okay.

12 MR. MOODY: Thanks, Steve. Thank you.

13 MR. TRICHKA: All right. First thing, we have
14 the minutes from the meeting of March 18th. I just
15 put them up on the screen here. If anybody's got any
16 corrections. I didn't have a chance to look at it.
17 But failing that, may I have a motion to approve the
18 minutes?

19 MR. TIMOTHY STRONG: I so move.

20 MR. TRICHKA: Diane?

21 MS. DIANE JULIAN: I second.

22 MR. TRICHKA: Okay. Tim with the motion, Diane
23 second. Thank you. All in favor?

24 MALE/FEMALE VOICES: Aye.

25 MR. TRICHKA: Opposed? All right, the motion

1 carries. Are you happy, Richard and everybody? It's
2 good to be back. You know, it was a good spring. I
3 think we all enjoyed it and looking forward to
4 buckling down and shoveling again.

5 MR. MOODY: Oh, that hurts.

6 MR. TRICHKA: Joe, over to you.

7 MR. MOODY: Just real quick, I know two board
8 members have to have a dead stop at 9:00. So we'll
9 just try to move it along. Old business. Like, we
10 go into old business, Steve?

11 MR. TRICHKA: Yes, please.

12 MR. MOODY: Okay. So update on the 2020 Town of
13 Union LDC CDBG small business urgent need grant
14 program. So Sara -- is Sara on the line?

15 MS. SARA ZUBALSKY-PEER: Yeah, I'm here.

16 MR. MOODY: Okay. Sara, why don't you give us
17 an update? And please do that, Sara.

18 MS. ZUBALSKY-PEER: Sure.

19 MR. MOODY: Okay.

20 MS. ZUBALSKY-PEER: I just wanted to keep
21 everybody in the loop. We have begun and almost
22 finished most of our withdrawals for almost all the
23 businesses except for one. We had one late start.
24 So they will be starting this month and their last
25 withdrawal date will be within June.

1 As far as all the other businesses, you know, we
2 have the two that cancelled. At this point, I have
3 completed seven and the others are well underway.
4 There's only going to be -- right now I'm only seeing
5 four businesses. They're going to leave a little bit
6 of money on the table. The rest will actually go
7 through the entire grant amounts that were awarded to
8 them.

9 So it has been a long process and, as Joe knows,
10 very tedious to get these bills paid. We've had a
11 couple of stumbling blocks, but the program has moved
12 along really well. We are almost through what was
13 awarded and I'll have a number for everybody,
14 probably a better number next month, of what is
15 actually going to remain in that grant fund. I guess
16 we can all discuss what we want to do with that money
17 that remains moving forward.

18 MR. MOODY: Great. Thank you.

19 MR. TRICHKA: Thanks, Sara. Do we have an
20 estimate on what may remain? Can we do the guess so
21 far? How much?

22 MS. ZUBALSKY-PEER: I'm thinking it's going to
23 be roughly \$30,000.

24 MR. MOODY: We could talk about that as we get
25 closer to the end and what we want to do. Don't

1 forget we have a big potential of having funding
2 through the stimulus that we're still waiting on the
3 town board here and what the stimulus money can be
4 used for. So I'd say let's, before we start thinking
5 about that \$30,000 let's just think about what the
6 other funding might be used for also.

7 MS. ZUBALSKY-PEER: I agree.

8 MR. MOODY: Okay. All right. That's it.

9 MR. TRICHKA: All right. Anybody have any other
10 questions about that? Questions for Sara?

11 MR. TIMOTHY STRONG: I just want to say thank
12 you, Sara, for administering that. I know it's been
13 a long work, but I think it's a big impact to the
14 businesses in our community. So thank you for taking
15 this on and carrying it through.

16 MS. ZUBALSKY-PEER: Yeah. No problem. Joe has
17 been a huge help with me sometimes when I can't get
18 answers. I know I can rely on him to reach out to
19 people.

20 MR. MOODY: Yeah. Thank you.

21 MR. GARY LEIGHTON: Sara, has that required a
22 lot of follow up for you with the stuff that's sent
23 in?

24 MR. MOODY: Yeah, it did.

25 MS. ZUBALSKY-PEER: Yeah. That's what takes so

1 much of the time. It's the constant ongoing process
2 of getting documentation each month from businesses.

3 MR. MOODY: It's not an easy program, but it was
4 a program that we should have implemented and we're
5 glad we implemented. But it's not an easy program.
6 Some of the businesses do not understand why certain
7 expenses cannot be paid via this program. So it's a
8 lot of educating them. I think Sara has had to do a
9 lot of that. So, anyway, would you like to move on?

10 MR. TRICHKA: Yeah.

11 MR. MOODY: Okay. so I just want to say one
12 other thing. There is a board member that has to
13 leave at 8:30, so I want to try to move this along as
14 best as we can.

15 MALE VOICE: Hey, Joe, that was me originally.
16 My interim (sounds like) got moved.

17 MR. MOODY: Okay.

18 MALE VOICE: So I'm good to go until 9:00.

19 MR. MOODY: Okay. Great. Thank you. All
20 right. So moving on. A resolution approving a
21 request from Nha Tran and Chau Tran of Pho Nomenal,
22 LLC, for a Town of Union microenterprise loan program
23 in an amount not to exceed \$20,000 to assist in the
24 purchase of furniture, fixtures, equipment and soft
25 costs for their startup Vietnamese restaurant to be

1 located at 29 Washington Avenue. Which is in the
2 former Thai Basil Restaurant location, some of you
3 may be familiar with that, right in the avenue.

4 So this is a brother-in-law and sister-in-law
5 team. They're related to Nha's husband who is
6 running the Vietnamese restaurant in Johnson City
7 before Binghamton University purchased the building.
8 So they are looking for another location. They
9 decided to find obviously this location in Endicott.
10 I think they also have another location in Binghamton
11 they're looking at. My understanding is the husband
12 still will be involved with the business, but it is
13 not his business. It's the wife's business and her
14 brother-in-law's business.

15 Anyway, so the overall project cost, I gave you
16 the narrative. The overall project cost is \$38,000.
17 On owner's equity, they're looking at \$18,000 in
18 equity into the project. It would be a three-year
19 term at 1.5 percent interest rate. It is a startup
20 business, but they do have much experience in the
21 restaurant industry. You see their resumes where
22 part of the business plan if you -- and it was part
23 of the package I sent out. They were looking at
24 obviously doing some improvements, signage,
25 improvements in the interior of the building, et

1 cetera, that needs to take place.

2 Let me just see here. The financial, I wrote in
3 there that we had a little trouble with pulling up
4 their -- are you guys hearing me okay?

5 MALE VOICE: Yeah.

6 MR. MOODY: Okay. I'm getting a lot of feedback
7 here. Okay. So they pulled up a credit report on
8 Nha Tran and the credit score was -- I think it was
9 675. Bear with me here. And I'm having trouble
10 pulling up Chau Tran's credit report up until this
11 morning. For some reason, we pulled it up and we
12 were able to find that he has a credit score of 558.
13 It does indicate that there is some delinquency,
14 serious delinquency, on it. So I guess I'd like to
15 open this up for discussion and see what everybody's
16 thoughts are on this.

17 I mean I do believe they're going to be able to,
18 based on their income projections, that they'll be
19 able to pay us back. But I do have some concern with
20 their personal credit although Nha Tran said that was
21 based on while she was in college and was trying to
22 work out a couple of items with that on her credit
23 report. But in light of what I just saw on Chau
24 Tran, I do have some concern. But, yeah, go ahead,
25 Gary.

1 MR. LEIGHTON: Joe, did you get any
2 profitability on the Johnson City business?

3 MR. MOODY: I do have tax returns from that.
4 From what I recall, they were profitable. I could
5 certainly try to find that. But I just have their
6 tax returns. I just have their tax returns. I do
7 not have the financials because this is technically a
8 separate business.

9 MR. LEIGHTON: Yeah, I know.

10 MR. TRICHKA: But it also is indicative of their
11 ability to run the business profitably and run it
12 well.

13 MR. MOODY: Yeah.

14 MR. TRICHKA: And it also might give us a good
15 baseline on whether the revenue projections are
16 reasonable for the new restaurant. I have no basis
17 from which to judge whether their estimates are, you
18 know, seem reasonable or not.

19 MR. MOODY: Right.

20 MR. LEIGHTON: Is there any other revenue
21 associated with -- they had \$408,000 in their, I
22 think, first year. Is there any other revenue
23 associated with that? If you take the \$408,000 and
24 divide it by \$20 for a meal, it comes out at 20,400
25 meals a year.

1 MR. MOODY: Uh-huh. Uh-huh.

2 MR. LEIGHTON: Which seems to me to be
3 impossible.

4 MS. MARY O'MALLEY-TRUMBLE: Gary, it's Mary. If
5 I'm not mistaken, in this location there's been a lot
6 of turnover. Right? Like a lot of restaurants have
7 not done well there. Is that right or wrong?

8 MR. MOODY: I think that's not -- I don't know
9 if that's correct or not. What I believe is that
10 this falls within what we'd like to see in the
11 Washington area when it comes to new restaurants, et
12 cetera. So I think that's what you're going to see
13 more of, the service industries, not necessarily the
14 retail. So it does fall within what we'd like to see
15 on the avenue in Endicott.

16 And also, in light of recent developments on the
17 Huron Campus, we'd like to see more of those
18 restaurants and a variety of restaurants, which I
19 think this would give us a variety of restaurants.
20 Although Thai Basil was in there quite a few years, I
21 don't know if anybody's familiar with that. You
22 know, they were in there quite a few years. So I
23 don't know.

24 MR. TRICHKA: I think that, yeah, the downfall
25 there started because the owner died.

1 MR. MOODY: Yeah. Right.

2 MR. TRICHKA: Then it just kind of fell apart
3 after the owner died.

4 MR. MOODY: So I don't -- I'm not concerned with
5 that. I'm more concerned with what you guys are
6 bringing up. It's the -- well, I know that this is a
7 benchmark. Their previous business is a benchmark of
8 what they'll be doing in the future. Agreed. And
9 I'm concerned, also concerned with their personal
10 credit. You know, those are two things. I think
11 that if you didn't want to approve it, that's fine.
12 But let's maybe not disapprove it. Maybe we need to
13 get more information from the business in order to
14 move forward.

15 MS. O'MALLEY-TRUMBLE: I would recommend that
16 though. I mean I'm all for restaurants, you know,
17 I'm a big proponent of Washington Avenue and growth
18 in restaurants. But it's off with -- I don't know,
19 you don't want to also make a decision if you've got
20 bad personal credit or if the revenue projections
21 aren't realistic in part. Right?

22 MR. MOODY: Yeah.

23 MS. O'MALLEY-TRUMBLE: A lot of businesses have
24 gone. A lot of restaurants or bars on Washington
25 Avenue in the last several years have gone in and

1 out, right, for different reasons. I don't know. I
2 mean I'm all for the restaurants and growing that,
3 but it's got to be realistic. Right?

4 MR. MOODY: Yes.

5 MR. LEIGHTON: What was the name of that
6 restaurant that went belly up that we financed three
7 years or so ago?

8 MR. MOODY: Coco Mojo? Is that Coco Mojo?

9 MR. LEIGHTON: Yeah.

10 MR. MOODY: Yeah. Don't forget we financed the
11 façade, not the business.

12 MR. LEIGHTON: Yeah.

13 MR. MOODY: We were going to finance the
14 business, but they needed to provide us some
15 additional collateral, I believe.

16 MR. STRONG: I think, I guess, my only thoughts
17 would be, when you're looking at credit, you've got
18 two borrowers, you know. You tend to look for the
19 better one and say do you feel that that person could
20 carry the debt should the not so good one default?
21 So I'd really be looking at this based on her and her
22 675 or whatever that was, being the stronger. That's
23 a little concerning to me personally. But then you
24 look at the can the business support the debt, which
25 would be the backup, which I would look at. And that

1 seems to be what we have some questions on.

2 You know, if she had a credit 720 score we
3 probably wouldn't -- I probably wouldn't have as big
4 a concern. But they're both right in that, you know,
5 he's obviously not great credit, but she's in that
6 range. I'm not sold on that, so I'd want to see some
7 really good numbers to support it to offer a little
8 more, to make me feel better about it.

9 MR. MOODY: Yeah.

10 MR. TRICHKA: When you say good numbers, you're
11 saying you have good revenue numbers, Tim?

12 MR. STRONG: I want to see the revenue numbers.
13 I want to feel better about our confidence in those
14 revenue numbers that they do produce to make me feel
15 better about not feeling so good about the primary
16 credit. The better credit being still not considered
17 a credit in my opinion. Sorry, what I would -- in
18 that, I'm going on my own experience, on my own
19 knowledge.

20 MR. MOODY: Yeah. I agree.

21 MR. LEIGHTON: Joe, what did the financial
22 statement say about the other credit? Then the one
23 person, I can't remember which one it was, he had
24 40,000 in liquid assets in which they were going to
25 use 18,000 of that to start the business. Is there

1 any other --

2 MR. MOODY: Are you talking about their net
3 worth statement that's in the packet, Gary?

4 MR. LEIGHTON: Yes.

5 MR. MOODY: Okay. Well, it's right there. Hold
6 on one second.

7 MR. LEIGHTON: Was that both of them?

8 MR. MOODY: Yeah. He actually showed a net
9 worth, a negative net worth. Chau did.

10 MR. LEIGHTON: Okay. So the other one?

11 MR. MOODY: And then she showed a positive net
12 worth above \$53,000.

13 MR. LEIGHTON: Yeah. Of which 20,000 --

14 MR. MOODY: Yeah. And you remember they were
15 going to also offer collateral on vehicles. I don't
16 know what the vehicles are right now, what they were
17 going to offer it on. So I mean, obviously, I have
18 many questions on this also that, in light of the
19 personal credit, I think we do have to go back and
20 get some additional information before we give them
21 the move for this.

22 But that being said, it does fit well into the
23 Washington Avenue corridor and what we'd like to see
24 in redevelopment there. But we just need to get some
25 additional information, which I could do, easily go

1 back and get that, try to get it.

2 MR. LEIGHTON: I would like to get information
3 on the Johnson City operation.

4 MR. MOODY: Yeah.

5 MR. LEIGHTON: That was --

6 MALE VOICE: Yeah, I agree with Gary. I'd like
7 to see their numbers on that other place that was
8 successful.

9 MR. MOODY: Okay.

10 MR. JAMES PEDUTO: Since we're piling on --

11 MR. MOODY: Oh, boy. Yeah.

12 MR. PEDUTO: I know we talked about the revenue.
13 I'd also like to see just a little more breakout on
14 the expenses. I mean this is an awfully tough time
15 in the service industry, particularly in the
16 restaurant side of things. I mean, they've got price
17 increases galore. They can't get staff. I mean it's
18 not for the faint of heart right now.

19 MR. LEIGHTON: That's a good point, Jim. It
20 wasn't really detailed out.

21 MR. PEDUTO: No. I mean maybe it's all family
22 and they're going to work, you know, but I think we
23 need to get some clarity there. I mean, it would
24 seem like in this environment it probably dictates
25 more working capital just because of the uncertainty.

1 You know, people aren't fully back and the costs are
2 going up. It's just -- it's a very uncertain
3 environment.

4 MR. TRICHKA: I guess, Jim, though, in that,
5 this thing, what could they say what would make it,
6 you know, more attractive for us in that respect?

7 MR. PEDUTO: Well, I think I agree with -- look,
8 we've never seen a business plan that didn't have
9 rosy projections. Right?

10 MR. MOODY: Right. Right.

11 MR. PEDUTO: Like what else are they going to
12 look like? I think, kind of going to, you know, our
13 concern is what's the backstop? Right? I mean we've
14 got two people. As Tim pointed out, even the
15 stronger of the two is weak. They've got no
16 additional assets to pledge. I mean, maybe there are
17 some other family resources that are available. I
18 think we need to ask them to, if it's possible,
19 perhaps dig a little bit deeper. I mean I think
20 there's a real good chance -- you know.

21 New restaurants don't have a great success rate
22 even in a good environment. And I'd certainly love
23 to see a restaurant here. It's just, you know, I
24 don't think we want to expose ourselves to undue
25 risks here. While it would be fun for one of us to

1 get to drive around one of their vehicles, I'm not
2 sure that's the collateral we're looking for.

3 MR. TRICHKA: Yeah. Okay. Did it say there
4 when their restaurant at Johnson City closed down?

5 MR. MOODY: It was several months ago because I
6 was -- I had met with them about finding a location
7 in JC for them. So it's been several months ago. BU
8 just closed on it. I don't recall the exact time
9 when they closed on it, but they did close on the
10 property.

11 MR. TRICHKA: All right. Yeah. Because I was
12 thinking, you know, at least two years of financials.
13 And even if we get half a year in 2020, we could see
14 what was going on with them pandemic-wise.

15 MR. MOODY: Right. We could get more
16 information, et cetera. And you know this might be
17 one of those - and we've done this on occasion -
18 where we have at least one of the applicant's
19 principals actually be on. He'd visit us in so you
20 could ask him questions directly. But maybe that's
21 something that we can look at after I get in touch
22 with them to try to get some additional information.

23 Remember, this is CDBG money and we are under
24 the gun to make loans. But I also understand that we
25 have to make good loans. But why don't we leave it

1 at that and table it and get some additional
2 information?

3 MR. LEIGHTON: Okay.

4 MR. MOODY: Is that okay?

5 MR. PEDUTO: Thanks, Joe.

6 MR. MOODY: Yeah. Okay. So I'm going to move
7 on?

8 MR. TRICHKA: Yeah.

9 MR. MOODY: Okay.

10 MR. TRICHKA: Yeah, I think. Is there anything
11 else, last words on what we want to see before
12 further consideration? Okay.

13 MR. MOODY: Okay. Moving on, discussion item.
14 This was at the request of Sara Zubalsky-Peer,
15 director of planning, community development
16 department, concerning the CDBG funds that are now in
17 the coffers, I guess, of the LDC. Sara, are you
18 there?

19 MS. ZUBALSKY-PEER: Yeah.

20 MR. MOODY: Would you like to talk about this
21 please?

22 MS. ZUBALSKY-PEER: Yes, I would.

23 MR. MOODY: Okay.

24 MS. ZUBALSKY-PEER: So this is the discussion
25 that we've been kind of leading up to I think for a

1 while. I think Joe just kind of alluded to it, that
2 we're under the gun a bit to spend our CDBG money
3 especially this year more than ever because of all
4 the backlog we have from the shutdowns happening last
5 year. I've been in conversations with HUD multiple,
6 multiple times over the past couple of months. One
7 of the things they keep coming back to is our
8 revolving loan account.

9 We currently have about \$578,000 sitting in
10 there. The issue this creates every year is that
11 that's counting against the Town of Union when they
12 conduct the timeliness of expenditure test every
13 August 2nd. The issue we're sort of having right now
14 is that it's just money sitting there. It's not
15 moving. It's not being spent. It's creating this
16 kind of ongoing issue.

17 So Joe and I have been talking a lot. It's not
18 for lack of Joe trying. It's very difficult, I
19 think, right now to spend this money because there's
20 a lot of money out there and a lot of different
21 options available to businesses. Like he said,
22 sometimes he goes through this whole process and then
23 last minute the business might back out. And we
24 can't count that. What HUD is looking at is actual
25 closed loans and the jobs created. They don't see

1 all the frontend work.

2 MR. MOODY: Yeah. Let me just add there were
3 three loans that we actually had to withdraw, as you
4 recall - the Triple-City Towing and the Slavik, and
5 there was one other one. And that was considerable.
6 If we had closed those loans, we might not be in this
7 situation where Sara has to request the funding. So
8 go ahead, Sara.

9 MS. ZUBALSKY-PEER: Yup. So what I'm proposing
10 we do this year and kind of moving forward is look at
11 how much is sitting in that account each year when
12 I'm developing our annual plan. And if we need to,
13 if Joe doesn't have anything in the coffers, nothing
14 kind of lined up, temporarily move money out of the
15 revolving loan account to allocate to either housing
16 or infrastructure projects. See what's happening
17 with the loans that Joe's working on. If he gets
18 more, I can either process an amendment to move some
19 of our unprogrammed funds back into the account where
20 then in that following annual plan I would reallocate
21 money to it.

22 This current year we have two street
23 reconstruction projects in each village, in Johnson
24 City and Endicott. Both are going to need more
25 money. Typically, what we'd have them do is borrow

1 from their future allocation. But then what that's
2 doing is creating this ongoing issue where each
3 additional year they have less and less money to use
4 for their projects.

5 So what I'm proposing this year, to kind of
6 bridge it up and hopefully get money out the door
7 quickly is reallocate \$250,000 from the revolving
8 loan account to my regular CDBG account so that I can
9 allocate to these two projects. Get the money spent,
10 meet that timeliness of expenditure test. We don't
11 get any penalties from HUD. And then, moving
12 forward, I'm going to work with Joe to find out how
13 much he needs me to reallocate to the revolving loan
14 account.

15 MR. MOODY: We have about \$592,000 in the CDBG
16 checking account right now.

17 MS. ZUBALSKY-PEER: Yes.

18 MR. TRICHKA: So out of that balance, we were
19 proposing to move the 133 initially for the
20 infrastructure project?

21 MS. ZUBALSKY-PEER: Correct. So that's what I
22 would need right now to cover for Johnson City. And
23 then I don't know yet what I'm going to need for the
24 Village of Endicott.

25 MR. MOODY: So, Sara, are you recommending the

1 whole 250 right now or just the 133?

2 MS. ZUBALSKY-PEER: I would just to make it
3 easier I think paperwork-wise, I would do the 250
4 right now. So that we have that amount just moved
5 out and I don't have to come back and have you guys
6 pass another resolution.

7 MR. MOODY: Right. So we would have to
8 physically cut a check back, is that correct?

9 MS. ZUBALSKY-PEER: That was what Laura told me
10 when we went through the process.

11 MR. MOODY: Okay.

12 MS. ZUBALSKY-PEER: Because the money is
13 currently sitting in the LDC checking account, there
14 would have to be a check given back to the Town of
15 Union to put into CDBG.

16 MR. MOODY: Okay. So we need a --

17 MS. O'MALLEY-TRUMBLE: Just a question.

18 MR. MOODY: Yeah.

19 MS. O'MALLEY-TRUMBLE: Just a question. Sara,
20 it's Mary.

21 MS. ZUBALSKY-PEER: Yeah.

22 MS. O'MALLEY-TRUMBLE: You mentioned that you
23 get measured, CDBG gets measured - and I forgot - on
24 number of loans closed. And the jobs. Do they also
25 get measured on how successful the business is? In

1 other words, if you grant a loan and it doesn't work
2 out and the business closed, does it get measured on
3 that too or is it (audio glitch)?

4 MS. ZUBALSKY-PEER: They have and will
5 occasionally look at any default rates that we have
6 for our loans. But what I actually report in IDIS is
7 the jobs created. That's what then they use for
8 their data to report back to Congress for the success
9 of the loans.

10 So I would say that they're looking at the loans
11 closed and the job creation more so than they are at
12 the long-term success of the loans.

13 MR. MOODY: I want to add, unfortunately, that's
14 the case about because our delinquency rate has been
15 very low.

16 MS. ZUBALSKY-PEER: Right.

17 MR. MOODY: And traditionally very low. But
18 they don't recognize that. They don't see that. I
19 think for our job creation we've been performing
20 quite well. I think it was maybe in my 20 years
21 there, I think, maybe we had two or three that were
22 in question whether or not they created the jobs or
23 whatever. So I think we're doing quite well even
24 along those lines.

25 MS. O'MALLEY-TRUMBLE: Okay. Thank you. I

1 don't see any -- I mean it looks like you have the
2 full capability if the money gets needed in CDBG to
3 reallocate. Is that -- am I reading that right?

4 MS. ZUBALSKY-PEER: Yeah. So, right now I never
5 fully allocate all of our funds each year so that we
6 have a cushion. What that does is it just creates an
7 ongoing kind of unprogrammed fund account. An
8 unprogrammed fund account that I can draw from in the
9 event that you guys need that money back or depending
10 on the time. Because I know Joe and I were talking
11 about how long sometimes it takes from start to
12 finish and to when he would need those funds. Each
13 year when I'm allocating the budget in the annual
14 plan, I can reallocate that money back to the LDC
15 very easily.

16 MS. O'MALLEY-TRUMBLE: Okay. Thanks, Sara, for
17 making that clarification.

18 MR. TRICHKA: What have we done in the past to
19 cover these things? Like for example the Johnson
20 City infrastructure project. I understand the whole
21 dilemma around the funds not moving, the CDBG funds
22 aren't moving. What have we done in the past to
23 cover off those overruns? Because we haven't really
24 been doing or using this approach.

25 MS. ZUBALSKY-PEER: Correct. We would have

1 them. It would -- either mayor of the villages would
2 write a letter. The board would have to approve it
3 saying we recognize that we are over budget for what
4 was allocated for this project. We're going to
5 borrow from our next year CDBG money to pay for it.
6 So what I have to do is go in, temporarily reallocate
7 money from one of our accounts that we might have
8 extra money sitting in, like our home improvement
9 account. Temporarily move that into the
10 infrastructure to pay the contractor. And then have
11 to move money back into it the following year when we
12 get the money back.

13 So it's kind of a complicated and messy process
14 that I don't really like doing. From an accounting
15 perspective, I don't think it's a very clean process.
16 But that's how we've been doing it. The issue is
17 then they have this ongoing problem that they have
18 less money available that next year because they've
19 already borrowed it from the previous year. That's a
20 whole another issue because of the long-term
21 agreement.

22 We've kind of had this gentleman's agreement of
23 allocating 250 into each village. It happened many
24 years ago. And the 250 isn't going as far as it used
25 to. That even doing one block of street

1 reconstruction now, it's coming in over 250 each
2 year. So we're also going to change how that's going
3 to happen, moving forward, how we fund those build
4 projects each year. We're going to look at an actual
5 engineer's cost estimate instead of just basing it on
6 that 250.

7 MR. TRICHKA: Okay. So, Joe, you and Sara seem
8 to be in agreement on this?

9 MR. MOODY: I think there's not much we can do
10 at this moment. I think we almost have to agree to
11 this. I think it's probably the right thing to do
12 being that the money is available and that we do have
13 a mechanism to get the money back to the LDC. So
14 yes.

15 MR. TRICHKA: Theoretically, I would agree. I
16 feel like it's the right thing to do from the whole
17 town standpoint. Not just, you know, economic
18 development. Not just our organization.

19 MR. MOODY: Right.

20 MR. TRICHKA: And, you know, I just want to make
21 sure that everybody's maintaining discipline over
22 this. So we don't just siphon it down to a point
23 where we don't have enough usable funds to work.

24 MR. MOODY: I think, given the confidence that
25 Sara just indicated, that we will be able to get the

1 funds back into the LDC if and when needed, I think,
2 it's maybe something we need to move forward on,
3 yeah.

4 MR. LEIGHTON: If it really is not quite --

5 MS. ZUBALSKY-PEER: But I think because -- oh,
6 go ahead.

7 MR. LEIGHTON: Sara is facing a penalty if it's
8 not done.

9 MS. MOODY: Right.

10 MS. ZUBALSKY-PEER: And I fully anticipate, you
11 know, moving forward that I will work very closely
12 with Joe to find out what exactly he needs and just
13 be in constant communication so that we can make sure
14 you have the, you know, funds that you need to get
15 loans closed.

16 MR. RICHARD MATERESE: And if I might chime in,
17 working with Sara for these past three years, she has
18 been an excellent partner in getting things
19 accomplished and have been able to maneuver funds
20 around and get what we need done. So I have great
21 faith in her ability to get money available for loans
22 when you need it.

23 MR. MOODY: Right. And I want him to point out
24 the town board is always aware of this and is on
25 board with us also. Correct, Rick?

1 MR. MATERESE: I'm sorry, Joe, you sort of --

2 MR. MOODY: Yeah. The town board is, I just
3 want to point out, the town board is aware of this
4 and is in support of this. Correct?

5 MR. MATERESE: That's correct.

6 MR. MOODY: Okay. Thank you.

7 MR. TRICHKA: Okay. I don't know that --

8 MR. MOODY: I think you need a motion.

9 MR. TRICHKA: Yeah, we need a motion to approve
10 it?

11 MR. MOODY: I don't -- do we need a resolution?

12 MR. TRICHKA: Let's ask Rose.

13 MS. ROSEMARY POPE: Yes. Yes, you need a
14 resolution for this.

15 MR. TRICHKA: Okay. I thought so. All right.
16 So the resolution is --

17 MR. LEIGHTON: Sara and Joe, how should that
18 resolution be worded?

19 MR. MOODY: Sara, do you want to answer that?

20 MS. ZUBALSKY-PEER: I don't have any formal
21 wording. Basically, it would just be to get the
22 point across that the LDC is reallocating or what is
23 the right term we want here?

24 MS. POPE: Sara, how much are you taking now?

25 MR. MOODY: 250.

1 MS. ZUBALSKY-PEER: 250.

2 MS. POPE: So you'll be moving \$250,000 from the
3 revolving loan fund account to be used towards CDBG
4 eligible projects for infrastructure and for both the
5 Village of Johnson City and the Village of Endicott.
6 Is that so then?

7 MS. ZUBALSKY-PEER: Yeah.

8 MR. MOODY: Yeah. CDBG revolving loan fund.
9 Not the UDAG. Yup.

10 MS. POPE: Yeah. Okay. Well, I was just
11 reading the top so that I'll see. That's good, Joe.
12 Yes.

13 MR. MOODY: Yes. So like I will present a
14 resolution to that effect with those words that Rose
15 just said. Is that okay, Steve?

16 MR. TRICHKA: Yeah, yeah. I just want to make
17 sure that everybody's comfortable with that language.
18 I'm not going to try to repeat it because I'll get it
19 wrong.

20 MS. POPE: I will too.

21 MR. TRICHKA: Okay. So we're looking for a
22 motion to approve what Rose said.

23 MS. POPE: You can call me out on this one.

24 MR. TRICHKA: It's fully recorded so --

25 MS. O'MALLEY-TRUMBLE: I'll make that.

1 MR. MOODY: Is that Mary?

2 MS. O'MALLEY-TRUMBLE: Let's push the motion,
3 whatever.

4 MR. MOODY: Is that Mary?

5 MS. O'MALLEY-TRUMBLE: Yes. I'm sorry.

6 MR. TRICHKA: Yeah, that's Mary. Do I have a
7 second?

8 MS. JULIAN: Diane. I second.

9 MR. TRICHKA: All right. Thank you, Diane. All
10 in favor?

11 MALE/FEMALE VOICES: Aye.

12 MR. TRICHKA: Any opposed? Okay. The motion
13 carries. Thank you for that and thank you for
14 walking us through that, Sara. We really appreciate
15 it.

16 MR. ZUBALSKY-PEER: Thank you. I really
17 appreciate it. It really is a big help. You know I
18 do appreciate you guys having that trust in me, that
19 I'm not going to take the money and never give it
20 back to you.

21 MR. MOODY: Thanks, Sara. Thank you.

22 MS. O'MALLEY-TRUMBLE: There's no cause to doubt
23 on that, Sara.

24 MR. MOODY: Okay. Moving forward.

25 MR. PEDUTO: Maybe with her successor, but not

1 her.

2 MR. MOODY: Yeah. True. All right. So moving
3 forward, Steve?

4 MR. TRICHKA: Yes, please.

5 MR. MOODY: Okay. You'll see in the back of the
6 last item in the packet is the LDC loan portfolio.
7 It indicates that we still have funds encumbered for
8 the OM Shirdi which is the hotel on Main Street, on
9 West Main Street in Endicott, across of En-Joie.
10 That's a \$100,000 facade grant or loan, excuse me.
11 Then we have the three grants that still have not
12 closed the GAP grant funds that we approved. Three
13 of the four are still moving forward.

14 I have done a site visit to the Mindful Health &
15 Wellness grant and everything looks great. They've
16 done what they indicated in their grant. So I think
17 Rose Pope is moving forward on the closing on that,
18 but we have not closed as of yet.

19 The other two, Johnson City Coffee Roasting, I'm
20 assuming they're still moving forward. They have the
21 coffee roaster, but they have not closed on the grant
22 yet. I think the reason why they have not opened up
23 the facility yet is because of, obviously, COVID and
24 what we've already talked about the restaurant
25 industry. But the last I knew, they are still moving

1 forward on that. The other one, Seneca (phonetic), I
2 still have to get more details on that to report back
3 to the LDC board on that.

4 So that's all we have encumbered. Everybody is
5 paying as agreed in spite of COVID and what we've
6 experienced the past year. So I'm very happy with
7 that. That's all I have as an update for that. Any
8 questions or comments?

9 MR. LEIGHTON: Joe, is there any interest only
10 loan still in operation?

11 MR. MOODY: No. No. You mean for the ones that
12 we agreed to with our deferment program?

13 MR. LEIGHTON: Yes.

14 MR. MOODY: No. They're all paying as agreed
15 again. So, like I said, I think the LDC has
16 performed quite well when it comes to delinquency and
17 working with our loan recipients. That's
18 traditionally how we've been very successful. It's
19 unfortunate HUD does not necessarily look at that.
20 But --

21 MR. TRICHKA: And you don't send us anything
22 coming up either. I mean have you heard from, for
23 example, Synoptic (phonetic) or anybody like that?

24 MR. MOODY: No, I have not. I don't have any
25 reason to believe that they're not going to pay as

1 agreed. I've not heard rumblings. No contacts. You
2 know, what we'll probably end up doing as soon as
3 we're -- in getting back to business visitations and
4 all that, I may do try to get back in touch with each
5 one of these on a one-on-one basis if they're willing
6 to meet with me. Just to touch base with them.

7 MALE VOICE: Right.

8 MR. MOODY: In person. In person I should say.

9 MALE VOICE: Okay.

10 MR. TRICKHA: All right, Joe, anything else?

11 MR. MOODY: No. That is it.

12 MR. TRICKHA: All right. Anybody else have
13 anything? Last words? All right. We can close
14 things out?

15 MALE VOICE: Yeah.

16 MR. TRICKHA: In that case, thank you, Joe, you
17 know, a quick meeting or two on what to do on the
18 restaurant. Other than that, may I have a motion to
19 adjourn?

20 MR. MOODY: Right, at 8:39?

21 MR. LEIGHTON: I'll make the motion. This is
22 Gary.

23 MR. MOODY: I'm sorry, what was the time?

24 MR. TRICKHA: Thank you, Gary. Any second?
25 Gary has got the motion.

1 MR. MOODY: Okay.

2 MR. TRICHKA: 8:39. Second?

3 MR. PEDUTO: Jim.

4 MR. TRICHKA: Thank you, Jim. All in favor?

5 MALE/FEMALE VOICES: Aye.

6 MR. TRICHKA: All right.

7 MR. MOODY: Thank you.

8 MR. TRICHKA: Thank you all. I appreciate it.

9 MALE VOICE: Thank you.

10 MR. MATERESE: And the town appreciates it.

11 Thank you all.

12 MALE VOICE: Thank you, Mary.

13 MS. POPE: Thank you.

14 MS. O'MALLEY-TRUMBLE: Have a great day.

15 (Off the record)

16

17 C E R T I F I C A T E

18 I, Ria Jara, certify that the foregoing transcript of
19 proceedings on the Town of Union's Local Development
20 Corporation Board Meeting, Broome County, State of New York,
21 was prepared using digital transcription software and is a true
22 and accurate record of the proceedings.

23

24

1

2

Ria Tura

3

Signature: _____

4

5

Date: July 24, 2021