



ECONOMIC DEVELOPMENT CORPORATION

**FINANCE COMMITTEE**  
**Meeting Minutes**

April 21, 2015 - 8:00 a.m.

<b>Board Members Present</b>	<b>Staff/Others Present</b>
Karen Parkhurst, Chair	Michael Wojcik, CFO
John Sheppard	Sue Vary, Economic Development Specialist
Rob Sollenne	Mike Manikowski, Executive Director
<b>Board Members Excused</b>	Joe Bridgeford
	Walt Matyjas
	Diane Foster, Staff

Chairperson Karen Parkhurst called the meeting to order at 8:00 a.m. A quorum was present. Rob Sollenne entered the meeting at 8:10.

**Approval of April 3, 2015 minutes:** *A motion was offered by John Sheppard, seconded by Karen Parkhurst to approve the minutes of the April 3, 2015. Unanimously approved.*

**Zoetek Medical Sales & Services, Inc:** Sue Vary began the discussion by reviewing the Project Memorandum for the loan request by Zoetek Medical Sales & Services, Inc. (Zoetek). Zoetek is requesting a \$400,000 loan to help purchase the building they currently rent and would create 6 jobs over the next 3 years. Michael Wojcik proceeded to review the financial projections. He indicated that Zoetek was recently purchased by Rob Christie and is the sole shareholder of the Company. The Company has a good history of earnings and is continuing the positive trend under the new ownership. The projections yielded mostly positive ratios throughout the projection period. Michael indicated that there was an eight (8) year seller note that is being deferred for five (5) years and that the payments could be difficult to make toward the end of the three (3) year amortization period. He is confident the Company has enough time to compensate for those payments via renegotiation or debt restructuring if earnings in those outlying years are unable to keep pace with debt payments as they near maturity. *John Sheppard moved to accept the loan as presented with the recommendation to review the interest rate twice after three (3) and six (6) years instead of once at five (5) years. The rate review is to be subject to the greater of 3% or 0.75% of prime as published by the Wall Street Journal. Rob Sollenne seconded the motion. Unanimously approved.*

**SDC Construction Services, Inc. (SDC):**

Both Karen Parkhurst and Rob Sollenne recused themselves from the meeting due to potential conflicts of interest. This left the committee without a quorum. Walt Matyjas and Joe Bridgeford volunteered to assist in the review of SDC's financials. Michael Wojcik began the discussion recapping his visit with Jim Spelman and his discussions with SDC's loan officer at the Bank of the Finger Lakes. The banker indicated that the bank does not have any immediate plans to call any of their loans with SDC. The bank would like to see the Company restructure their financial statements to show a clearer picture of the Company's two main sources of marginal income; construction and milling. Michael reviewed the updated projections resulting from conversations with Jim and some cash breakeven projections. He indicated that the Company's immediate

cost savings measures are clearly reflected in the Company's most current set of financials but does not reach the breakeven margins required to sustain current debt repayments. A lengthy discussion ensued about what type of assistance could be given to assist the Company in their turnaround. A grant or forgivable loan was discussed and will be recommended to the full board for discussion. No action was taken by the committee since a quorum was not present.

**Adjournment:** *John Sheppard moved to adjourn at 9:21 a.m.*

Respectfully submitted,

*Michael Wojcik*