



ECONOMIC DEVELOPMENT CORPORATION

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

**December 16, 2014 - 4:00 p.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 Solenne	
<b>Board Members Excused</b>	

Chairperson Karen Parkhurst called the meeting to order at 4:00 p.m. A quorum was present.

**Approval of October 14, 2014 minutes:** *A motion was offered by John Sheppard, seconded by Karen Parkhurst to approve the minutes of the October 14, 2014 Finance Committee meeting. Unanimously approved.*

**Swiftlift, Inc.:** Sue Vary began the discussion by reviewing the Project Memorandum with the committee. She indicated the project was a building purchase for \$1,200,000 with the OCEDC funding \$400,000 and the bank \$800,000. The loan would likely be from Canandaigua National Bank. The project is projected to create three full time jobs over three years. Michael Wojcik proceeded to review the projections completed by both the management of Swiftlift and OCEDC staff. Both projections, supported by historical audited financial statements, indicated that the Company would have the capability to pay the loans. Michael indicated that the combined mortgage payments of both the OCEDC and bank loans would be less than the rent paid to the current landlord. He also stated that although the projection showed the building purchase in Swiftlift, Inc., it is the plan of the owner to create an LLC to purchase the building and the rent would then be paid to the LLC. Sue indicated that monthly rent payments would be \$11,900, the same as the current lease. Staff suggested a 10 year term, interest rate the greater of 0.75% of prime or 3% and reviewed at the 60 month mark, personal guarantee of the owner, an aggregate of \$400,000 of life insurance on the life of the sole shareholder with all costs to be borne by the borrower, third security interest in all assets of the Company, corporate guarantee by Swiftlift and discussed taking a second mortgage on the building. Rob questioned the liquidity of the owner and asked if the personal financial statements were available. Michael indicated they were not but would be at the full board. A lengthy discussion ensued and a consensus was reached. *A motion was offered by Rob Solenne, seconded by John Sheppard to recommend approval of the loan to the OCEDC Board as presented with the following changes to the fiscal write up; interest rate to be reviewed at the 36<sup>th</sup> and 72<sup>nd</sup> month, second mortgage for \$400,000 on the property, removal of filing security interest on all assets of the Company and eliminating the corporate guarantee of CSI Material Handling, Inc. Unanimously approved.*

**Adjournment:** *A motion was offered by John Sheppard and seconded by Rob Solenne to adjourn at 4:58 p.m. Unanimously approved.*

Respectfully submitted,

*Michael Wojcik*