

Schoharie County Industrial Development Agency

Board of Directors Meeting

May 2, 2016



1. **Meeting** called to order 9:50 a.m. by Chairman Greenlees.
2. **Present** : Dr. Greenlees, Wanda King, Joseph Trapani. Also present: Ron Filmer, Jeff Haslun, Elaine Diamond, Tom Gray Absent: Chester Burton
3. **Minutes** of the March 31, 2016 meeting were approved with a couple of grammatical corrections on **motion** by Joe Trapani and seconded by Wanda King. All voted in favor.
4. **Bills/Communications** – none
5. **Treasurer – Balance sheet** – approved as presented.
6. **Committee reports/approvals** – Audit Committee proposed approval of the audit proposal received from Mostert, Manzanero & Scott starting this year at \$6,000 versus a second bid at \$7,500. Approved on **motion** by Joe Trapani and seconded by Wanda King.
7. **Old Business – Sharon Springs, Inc.** – the public hearing was held on April 18, 2016 and it went well (the stenographer's minutes are not yet available). One speaker, Seth Many, did state that he felt the IDA did not proceed with due diligence in particular with proving the financing of the project is secured. All other speakers were in favor of the project. There was one speaker who asked that all labor be union labor, or at least residents of New York State. Currently the attorneys are working on the terms of the PILOT, including the start date. The municipalities want the PILOT to start at the closing date. Joanne Crum of Lemire, Johnson & Higgins, LLC is the attorney for Sharon Springs, Inc. Closing is anticipated to be the end of May or beginning of June. The municipalities need to pass the official PILOT resolution (supplied by Joe Scott).

Middleburgh Meadows, LLC – the public hearing has been rescheduled from April 20th to May 10, 2016. Middleburgh Meadows is requesting the PILOT be 20 years. The Village and Town have already approved this PILOT. There had been a counterproposal of a 15 year PILOT made by the taxing jurisdictions which was rejected by the developers. Negotiations/talks are still on going.

Perrone – Ron did get their 2015 tax returns which were reviewed. There was concern of the business being able to make continued payments. Ron did meet with Mr. Perrone and Angela regarding the payment plans. They suggested that making weekly payments towards the existing loan would be easier for the business to achieve. The board suggested that Ron prepare a payment schedule based on \$750 per month and encourage them to sign up for automatic payments.

Fairbank Stables – there have been conversations and emails between Ron and Faye but the follow through by Faye has not materialized thus far. Ron will continue to work on this.

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Justine's – Steve Salerno is meeting with Ron tomorrow (5/3/16).

Taste of Europe – Ron stopped in to see them, but the restaurant was closed. He will continue to reach out to them.

8. **New business – Harva loan** – Tom Gray presented a loan analysis. They are requesting \$75,000; which would be comprised of two loans of \$50,000 and \$25,000. Harva is still recovering from the 2011 flooding caused by the hurricanes. They currently have 20 employees which would be retained by these loans. The \$25,000 loan is backed by a grant that they have been awarded to fix a key piece of equipment. This grant is a reimbursable grant. The repayment of this will be interest only for 12 months or less; principal payments will be made as grant funds are received.

The \$50,000 will be for working capital and to allow to catch up on some aging payables. This will be secured by marketable securities. The repayment will be interest only for 12 months and then regular principal and interest payments thereafter. This will allow the company to execute a contract with one large company (buying materials), some “breathing room” and an opportunity to catch up.

Tom recommended approval of this loan as Harva is a long standing business doing all the right things to keep and grow the business. After discussion and review of the analysis documents a **motion** was made by Wanda King and seconded by Joe Trapani to approve this loan. All voted in favor.

Contractors Millwork – Tom Gray presented a loan analysis. Alden Witham and his son Steve are the owners and only employees of a wood fabricating and spray foam insulation business. They are requesting \$100,000 to purchase a building on Route 20 in Sharon Springs in order to expand and have a separate building for their spray foam insulation business. The property has acreage and two apartments available to be leased; they have a potential commitment for the acreage and one apartment which would generate enough income to cover the debt services on this loan. They would be retaining two jobs and creating 1 ½ jobs. This loan would be backed by a first position on the property being purchased, as well as their personal guarantees. The owners are putting \$50,000 down on the purchase. The business and owners currently have no debt. Tom Gray recommended approval of this loan. After discussion and review of the analysis documents, this loan was approved on **motion** by Joe Trapani and seconded by Wanda King.

10. **Other** – there is currently a rodent problem in the building that is getting worse. Three quotes were obtained to get rid of the “animals” with two of them proposing to seal the building. The Board opted for that approach and chose the lowest of the two. Therefore, they chose Complete Home & Building Services for a cost of \$4,500 for removal and sealing up the building.

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Certificate of Deposit – with Community Bank is renewing. The best interest rate currently available is at Trustco Bank: 10 months at .75% or 36 months or greater at 1.0%. Community Bank's rates were .15% for one year and .55% for three years. All agreed to go with the 10 month CD with Trustco for .75%

Economic Development – The County is currently exploring a collaboration with the IDA, SUNY Cobleskill and another agency to set up an economic development office. Unsure where the dollars to fund this will come from or the number of hours expected to be dedicated to this. This was discussed and it was suggested that Ron reach out to other IDA's that might have a similar collaboration in place and how this was handled and how it is working out.

10. On motions duly made and seconded, the meeting was adjourned at 11:27 a.m.