

**TOWN OF UNION
LOCAL DEVELOPMENT
CORPORATION MEETING MINUTES**

THURSDAY, AUGUST 20, 2015

The Town of Union Local Development Corporation met for its regular meeting on Thursday, August 20, 2015 at the Town of Union Office Building, located at 3111 East Main Street, Endwell, NY 13760

THE MEETING WAS CALLED TO ORDER AT 8:00 A.M.

I. **MEMBERS PRESENT:** Stephen Trichka, Diane Julian, Robert Corwin, Gary Leighton, Kay Adams, James Peduto, David Roth

MEMBERS ABSENT: None

OTHERS PRESENT: Rose Pope (LDC Counsel), Diane Lopez-Edouard, Randall Edouard

STAFF PRESENT: Joseph Moody, Robin Shimer

II. APPROVAL OF THE MINUTES

Minutes of the Regular LDC Board Meeting of July 23, 2015 were reviewed and approved, as written.

Motion: Jim Peduto
Motion 2nd: Diane Julian
Motion: To approve the minutes of the Regular LDC Board Meeting held on July 23, 2015 as written.
Vote: All yes, motion approved (6-yes, 0-absent, 1-vacancy).

III. PRESIDENT'S REMARKS

A. President Trichka shared welcoming comments with the Board and Ms. Lopez-Edouard. He thanked Ms. Lopez-Edouard of Unforgettable Parties for attending the meeting to provide further insight to the Board regarding her business financing request. Mr. Edouard arrived soon after the meeting began.

IV. DIRECTOR'S REMARKS

A. Director Moody referenced the financing request by Ms. Lopez-Edouard. He then requested the introduction of individual Board members to Ms. Lopez-Edouard.

V. OLD BUSINESS

A. Mr. Moody noted the possibility of calling the loan from Magic Needle by Yvonne. He shared such action may be necessary due to two factors: (1) non-conformance in

meeting the job creation requirement and (2) affirmation that the LDC Board does not act in an arbitrary or capricious manner. Mr. Moody has discussed the situation with Mr. and Mrs. Benjamin. They have consistently attempted to meet their job obligation. The loan is nearly paid off. Following Board discussion of Magic Needle's job creation and loan payoff status, and the need for the Board to uniformly adhere to LDC guidelines, it was decided to call the loan. President Trichka then requested a motion to call the loan of Magic Needle by Yvonne. The call is to be effective sixty (60) days from September 1, 2015, and the payoff is to be effective on November 1, 2015. The call is based on the inability of Magic Needle by Yvonne to fully meet its job creation requirement.

Motion: Jim Peduto

Motion 2nd: Bob Corwin

Motion: To call the loan of Magic Needle by Yvonne. The call is to be effective sixty (60) days from September 1, 2015, and the payoff is to be effective on November 1, 2015. The call is based on the inability of Magic Needle by Yvonne to meet its job creation requirement.

Vote: All yes, motion approved (6-yes, 0-absent, 1-vacancy).

VI. NEW BUSINESS

- A. Director Moody introduced Ms. Lopez-Edouard and Mr. Edouard to the Board members. He invited her to share with the Board information pertaining to her Microenterprise Loan Program financing request of \$20,000 to be paid back over a two (2) year term at 1.5% interest.

Ms. Edouard then provided an overview of her business, including its operational concept as a party store offering one-stop shopping, and provision of knowledgeable party planning assistance. She also shared insight about her business background and community involvement.

Mr. Leighton asked if her store is currently operational and, if not, what the projected time period is for becoming so. Ms. Lopez-Edouard said a lease has been signed, but payment is not required until the business opens. She can open by Halloween pending LDC loan approval. Mr. Trichka then inquired about the job creation outlook. He referenced the part-time job listed in the informational material, and questioned if such classification would meet the job creation requirement. Mr. Moody said any combination of part-time low income workers whose cumulative weekly work time equaled 35 hours and represented 51% of the new hirees would fulfill the requirement. Mr. Moody noted the Board's general preference is to approve a three (3) year loan term [versus a two (2) year term], and also to have a two (2) year period to meet the job creation obligation.

Mr. Roth inquired about the correlation of income and expense information listed in the business plan. Ms. Adams also shared her interest in verifying the structural balancing of those two financial aspects. Ms. Adams suggested the use of QuickBooks software. Mr. Peduto asked what two items in the business plan, if they were to change, would be the most problematic to Ms. Lopez-Edouard. She said a low sales volume dissimilar to projections would be a primary cause for concern. Mr. Peduto inquired what causes will drive or not drive sales volume. Marketing, visibility and customer service were cited by

Ms. Lopez-Edouard as key sales drivers. In response to Mr. Peduto's follow-up question about her marketing methodology, Ms. Lopez-Edouard said word of mouth is the projected primary means of advertising. Ms. Adams asked what the backup plan is if the business isn't initially successful in the first three months of operation. Ms. Lopez-Edouard replied that she could return to working at M&T Bank. In observing Ms. Lopez-Edouard's banking employment, Mr. Leighton asked if part of her decision to open a business was due to a diminishing mortgage industry. She said her decision was based on a desire to use her assets to primarily benefit herself.

Ms. Julian inquired if Unforgettable Parties would be assimilating into all-encompassing wedding planning, and also if the business would be interacting with event centers. Ms. Lopez-Edouard affirmed she would be pursuing and attaining both goals. Mr. Peduto asked what the volume of consultation needs to be to achieve a break-even point. Ms. Lopez-Edouard said closing one of three presentations every two months, which equates with six events annually, is the requisite number. Mr. Peduto posed the question of why bother to have a store if only six events is the cost recovery level. Ms. Lopez-Edouard said a store provides a more professional environment and possibility of greater services. Mr. Peduto asked what each event is worth in terms of gross revenue. Ms. Lopez-Edouard said an event such as a Christmas Party is worth \$5,000 (low scale), and the average gross revenue for a wedding in this region is about \$20,000.

Mr. Roth asked Ms. Lopez-Edouard if Mr. Edouard would be a co-signer of an approved loan. She said Mr. Edouard would provide a personal guarantee, but not co-sign on a loan. Mr. Corwin sought affirmation of Mr. Edouard's provision of a personal guarantee, and Mr. Edouard stated he would in fact do so. Mr. Corwin remarked upon the high respect he has for his Board colleagues' experience, expertise and lifetime achievements. He also commended Ms. Lopez-Edouard for her professionalism, qualitative preparation and provision of detailed information to Board members. He further stated his admiration for Mr. Edouard's agreement to provide a personal guarantee. Mr. Corwin referenced the notable cost attributed to event planning, and asked if this community is able to support such price levels. Ms. Lopez-Edouard said a business similar to Unforgettable Parties, Party City, has annual revenue of \$2.7 million. She would like to achieve a modest percentage of that amount. Mr. Leighton asked what the operational hours of her business would be. Ms. Lopez-Edouard said she plans to be competitive with Party City, and her hours would be similar to that business. She would be closed on Mondays. Mr. Trichka thanked Ms. Lopez-Edouard for her time, insight and assistance in further informing Board members about her business plans and loan request. He said the Board would likely make a decision on her loan application that day.

Subsequent to the departure of Ms. Lopez-Edouard and Mr. Edouard, Mr. Trichka sought the Board's perspective on the possibility of approving the requested loan, including the Board member's desired terms of the loan. The Board sought to establish a 3 year loan repayment period. After thorough discussion and notation of the higher risk inherent of a Microenterprise Loan, Mr. Trichka requested a motion to approve a Microenterprise Loan Program loan to Diane Lopez-Edouard d/b/a Unforgettable Parties in an amount not to exceed \$20,000 to be paid back over a three (3) year term at 1.5% interest, to assist in the purchase of furniture, fixtures and equipment, inventory, and advertising for the business to be located at 518 Hooper Road, Endwell, NY.

Motion: Gary Leighton
Motion 2nd: Kay Adams
Motion: To approve a Microenterprise Loan Program loan to Diane Lopez-Edouard d/b/a Unforgettable Parties in an amount not to exceed \$20,000 to be paid back over a three (3) year term at 1.5% interest, to assist in the purchase of furniture, fixtures and equipment, inventory, advertising and soft costs for the business to be located at 518 Hooper Road, Endwell, NY. The loan is to be effective upon the condition of receiving a personal guarantee from Randall Edouard.
Vote: All yes, motion approved (6-yes, 0-absent, 1-vacancy).

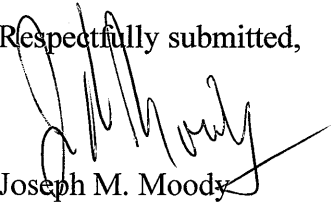
VII. OTHER BUSINESS

A. Mr. Moody presented for discussion LDC liability insurance coverage. Such insurance had previously been part of the town's policy. However, that is no longer the case. Therefore, it is now essential to obtain liability insurance coverage. Mr. Moody requested the Board member's individual completion of Item 3, Section 2 of the insurance application form.

VIII. ADJOURNMENT

A. President Trichka asked Board members if they had additional concerns or items to discuss. There being no further business to come before the Board, President Trichka adjourned the meeting at 9:10 a.m.

Respectfully submitted,



Joseph M. Moody
Director