

TOWN OF UNION MEETING

LOCAL DEVELOPMENT CORPORATION

MARCH 25, 2020 -- 7:30 a.m.

Attendance.

Stephen Trichka (over phone - remote)

Diane Julian (over phone - remote)

Gary Leighton (over phone - remote)

James Peduto (over phone - remote)

Timothy Strong (over phone - remote)

Rosemary Pope, Esq., Town of Union LDC Counsel (over phone - remote)

Joe Moody, Director (in person)

Thomas Augostini, Town Council (in person)

Mary O'Malley-Trumble (did not participate - absent)

Jeffrey L'Amoreaux (did not participate - absent)

TRANSCRIBED BY:

Sally Omar

Czerenda Court Reporting

71 State Street, Suite 101

Binghamton, New York 13901

1 MR. TRICHKA: Okay. So, let's call the meeting  
2 to order. We have the minutes of the meeting last week,  
3 Thursday, March 19th. Start.

4 MALE SPEAKER: 7:32 a.m., call the meeting to  
5 order.

6 MALE SPEAKER: (Inaudible) --

7 MALE SPEAKER: (Inaudible) -- Barring any of  
8 those, I have a motion to approve those things.

9 MR. STRONG: Jim has so moved.

10 MALE SPEAKER: Second, Jim was the first, is  
11 there a second.

12 MALE SPEAKER: Who was the second, please?

13 MR. STRONG: Tim.

14 MALE SPEAKER: Tim second.

15 ALL MEMBERS: Aye.

16 MALE SPEAKER: All opposed. Okay. Good morning,  
17 again. I don't have any remarks. We have a very full  
18 agenda here. We've got a lot. Why don't we just move on.  
19 Joe turn it over to you?

20 MR. MOODY: Yeah, I'm -- I'm good, too. So, we  
21 can go work the business.

22 MALE SPEAKER: Good. Yeah, do we have to take  
23 discussion on, yeah, I guess it was. It's kind of a  
24 number of things on availability of funding, things like  
25 that, so I didn't know it ties into this.

1 MR. MOODY: It does tie into that. So, I mean I  
2 could go over the (inaudible) -- so we go to Item F under  
3 other business available UDAG and CBDG Funds. I explained  
4 to you at the last meeting the funds that were available  
5 which I included a printout of that for you, and bear with  
6 me while I'm trying to find my printout of it, and -- so  
7 I've got -- we have right now, LDC CBDG as of February  
8 19th, there's about \$392,540 that didn't include the March  
9 payments, which usually run about \$12,000 a month, and  
10 then we have the LDC UDAG, which is \$211,038, and the  
11 discussion at the last meeting was to put about \$300,000  
12 in CDBG money available for this new program, and about  
13 \$150,000 of the UDAG available for this program, giving  
14 us a total of about \$450,000, and whether or not we used  
15 a UDAG or CBDG, it's really based on job retention. Can  
16 they meet the lower income requirement, because as you see  
17 from the CDBG, they have to meet a lower matter income  
18 requirement of any employee that they retain, and so -- so  
19 I just want to give you the background on that, so you  
20 have that. You also see that in one of the E-mails that  
21 I forwarded or comments that I forwarded to you from --  
22 from HUD, Lambros Torres. HUD came back and indicated to  
23 Sara -- oh, jeez, where was that comment -- that he was  
24 basically fine with the program as it was, and that was  
25 before we tweaked it and are refining it, if you will. I

1 think he says it looks good, correct me if I'm wrong TUBA  
2 (ph) has significant funds to work with, correct. I  
3 believe she commented on that that they don't have  
4 significant funds. I'm not sure where he's coming up with  
5 that number, unless he feels that \$392,000 is significant  
6 funds, but -- so, I believe she, meaning Sara, has  
7 commented back to Lambros that funds are actually  
8 available. Again, he's only really in charge of, or HUD  
9 is really looking at the CDBG funds, not necessarily the  
10 UDAG Funds if you will.

11 So, that being said, so I covered Item F with  
12 you and maybe I'll cover Item E really quick with you. E  
13 is the loan portfolio monthly reporting. You'll see what  
14 outstanding balances we have with each one of our loan  
15 recipients, and how much basically comes bac on a monthly  
16 basis to us and really that plays into New Business, Item  
17 A, Discussion Concerning the Three-Month Loan Payment  
18 Deferment Option for existing loan recipients that are  
19 currently in good standing with LDC. Now whether or not  
20 I don't think they should be able to take advantage of  
21 this new loan program, but maybe we can offer them the  
22 deferment if they need it. That's if they come to us --

23 FEMALE SPEAKER: Right.

24 MR. MOODY: -- and they need it. But I don't  
25 think it's something that we have to -- I don't know if

1 we should be marketing it to them, but I think that they  
2 all -- they all pretty much know they could come to me and  
3 -- and request whatever they want to request, and I'd  
4 bring it back to the Board, but I think that's an option  
5 that we should probably address, and come up with maybe an  
6 agreement on that at this meeting so we do have that in  
7 place.

8           So that being said, I guess Steve, do you want  
9 me to  
10 go back to old business, Item A, which is the  
11 Proposed Establishment of the Town of Union National  
12 Disaster Program, (inaudible) -- and I gave you some  
13 -- some additional criteria after we met at the last, or  
14 after we discussed it, or after we discussed at the last  
15 meeting and I added them into the fact sheet, left out a  
16 few things like the -- the -- Gary pointed out, at the  
17 last -- or I think it was pointed out at the last meeting,  
18 what is the criteria when it comes to the size of the  
19 business. And I think we had talked about 15 --  
20 businesses with 15 or fewer employees within the  
21 geographic area of the Town of Union, which includes the  
22 Village of Endicott, the Village of Johnson City, and I  
23 think we were sort of -- I don't know if we came to  
24 agreement on the industry sectors, other than I think we'd  
25 leave that open, and we'd have to discuss that as the

1 applications came forward. We also discussed about  
2 reducing the application. Our standing application, as  
3 you know, is quite extensive, I think it's 12 pages.  
4 Maybe potentially trying to reduce the application size,  
5 or maybe keep the application and cross out certain things  
6 that we may not need, but I'm sort of in a (inaudible)  
7 about that, because pretty much everything in there is  
8 pretty much what we need for our standard loans. Although  
9 this may be a low doc loan, it's still a loan, and I think  
10 maybe Rose Pope will address certain things that we did  
11 with our FALP Program, or Flood Assistance Loan Program  
12 that streamlined the process including a Confession of  
13 Judgment. I don't know Rose if you want to step in at  
14 this moment and talk about what our -- what our loan  
15 documents look like for that program. I now you didn't --  
16 were in charge of closing those loans, but I think you  
17 spoke with Allen and -- and how the process was relatively  
18 streamlined. Do you want to talk about that, Rose?

19 MS. POPE: Sure, yeah. I mean those loans, the  
20 documents were streamlined, there's no mortgage, it's just  
21 a note. There was an adapted version of the business loan  
22 agreement, and then I think it was just (inaudible)  
23 documents that you need for that, that's the usual  
24 documents, but then what was added in there was an  
25 Affidavit of Confession of Judgment, which means that if

1 the default on this loan, we don't have to go through the  
2 whole litigation process, that Affidavit of Confession of  
3 Judgment gets filed and then we're in a position to move  
4 on that Judgment.

5 MALE SPEAKER: Which I think was pretty  
6 substantial and worked out very favorably to the LDC. I  
7 think that would be probably the course of action we  
8 should take even with these loans, being that those were  
9 four or five loans that we assisted with. I expect this  
10 to easily help 30 or 40 businesses, I would imagine, with  
11 this funding.

12 MR. MOODY: So, anyway, so the fact sheet that  
13 was presented to you, that could still be tweaked  
14 obviously. I know what we gave to HUD or Sara to give to  
15 HUD was -- was even less cumbersome. I already put some  
16 additional information in there, for example, no home-  
17 based businesses. I think we were in agreement at the  
18 last meeting that that was -- that was an important  
19 component to the (inaudible) -- they might gain the  
20 same rent as some of these other businesses, and due to  
21 the limited funds, we have to focus more on the businesses  
22 that are out there in our commercial industrial sectors,  
23 if you will, retail sectors to assist them, and also the  
24 retention of employees would have to be non-family members  
25 of owners, if you will, and they would have to be on the

1 payroll prior to the COVID-19 Disaster Declaration, if  
2 you will.

3 So, those would be individuals that we would  
4 expect to the reemployed or hired back, or whatever to the  
5 company for that three-month period that I think we  
6 thought that the recovery would take at least. Now, some  
7 people are talking much longer than that, but then  
8 obviously we don't have the funds to help much longer than  
9 that. I think that's where the SBA Programs may come into  
10 play along those lines.

11 But our intent was zero percent, three months of  
12 deferment, deferred payments, no principal, no interest,  
13 and then paying us back the principal that we loan out  
14 over the remaining 12 months. So, it's really a 15-year  
15 term, if you will -- a 15-month term, excuse me, paying  
16 back up to a maximum loan amount of, I think, we talked  
17 about \$15,000 for companies with 15 or fewer employees at  
18 the time.

19 Now, this is not going to help the mom and pop  
20 that -- that maybe just have a business -- and I'll just  
21 pick out Washington Avenue that has no employees. I don't  
22 think we're in a position to assist that with the CBDG  
23 funds, because it is based on retention of employees.  
24 Now, we would have to require the same documentation we  
25 require with our loans when it comes to maybe submitted



1 their (inaudible) and were told that they have to submit  
2 to State that indicates how many employees they have --  
3 they had on a regular basis. So, we would have to require  
4 that, prior to this COVID-19 Disaster Declaration. So,  
5 I'm throwing that out there to you. I think -- I think  
6 it's maybe just some fine tuning that has to take place,  
7 but I think it's a -- it's a -- it's a good step forward,  
8 a step forward that we need to take.

9 Now, just to let you know implementation of this  
10 may take a little bit longer than just you saying, go  
11 ahead, go do it, because my -- my hours technically are  
12 limited. I'm not even supposed to be here right now, and  
13 there is some limit as to what I can do at -- at home.  
14 So, I'd like to roll this out probably over the next week  
15 or two, hone it in, you know, getting everything ready to  
16 go, makes sure I have everything set up, because we still  
17 have to do credit checks on all these. We can't have any  
18 current bankruptcies, we can't have any maybe pending  
19 applicants with pending bankruptcies, and these businesses  
20 have to be profitable, so we're going to have to go over  
21 relatively a lot of financial information in a short time  
22 period, and I would suggest that we, like we did with the  
23 -- the grants, that -- that we maybe, at that Committee  
24 meet, or at least, I could get financial information to  
25 them. We can do it over the phone particulars on any

1 particular business of the low financial information.  
2 Then we could bring it forward to the entire Board for  
3 approval. That would be my suggestion. Go ahead.

4 MR. LEIGHTON: This is Gary. That sounds good,  
5 Joe.

6 MR. MOODY: Okay. And It doesn't have to be --  
7 I know Rose is involved with it. You know, I don't know  
8 if we need Rose in, there was a (inaudible) -- but it was  
9 Tim, Gary, and myself, I think that was --

10 MR. LEIGHTON: Mary, Mary.

11 MR. MOODY: Mary, also, yes. By the way, is  
12 Mary and Jeff on the line yet. Okay. So, they are not,  
13 okay.

14 MS. JULIAN: Joe, this is Diane Julian. When  
15 we did the flood program, did we have a streamlined  
16 application for that.

17 MR. MOODY: I think -- I don't think -- I'd have  
18 to look at that. I think we tried to streamline it.

19 MS. JULIAN: I kind of remember that.

20 MR. MOODY: Yeah. So, I would look at -- I  
21 would obviously go back and look at and see what we have  
22 on that --

23 MS. JULIAN: Okay.

24 MR. MOODY: -- but I know it may have been where  
25 I just went through the application. I said I crossed out

1 certain things. It may have been like that. I mean there  
2 are certain things we're not going to get away from like  
3 the Dunn's (ph) Number. They have to do that.

4 MS. JULIAN: Right.

5 MR. MOODY: And they're going -- and I'm sure  
6 that Dunn's is going to be rather -- and that's the  
7 sticking point, because sometimes Dunn says if you don't  
8 sign up for their service, it could take a long time.  
9 Now, I know it doesn't take a long time, but they try to  
10 say that. So, we're going to still need certain things  
11 like that when it comes to the use of CBDG funds. They're  
12 going to have to provide paperwork. Now, the good thing  
13 is, like I said, this is not a flood program where all  
14 their records may have been lost. They should have  
15 access --

16 MS. JULIAN: Right.

17 MR. MOODY: -- to all these records including  
18 the projected financials. Now, remember, this, and I  
19 don't know if we require projections. I think that that's  
20 what we didn't require was projected financials. That may  
21 be one of the things. And I don't think we require that,  
22 but we do need the historical financials. And the only  
23 issue would be any businesses that may have started this  
24 year. They're not going to be able to provide those  
25 historical financials. But, again, the intent is to have

1 these businesses open -- open for commerce. The thing we  
2 don't want to do is a loan, and all of a sudden, we see  
3 the owner is not opening the business up. The whole  
4 intent is open for commerce, keep an employee at least one  
5 employee. Now, we could require more, but I would -- I  
6 would suggest that we go with the HUD aggregate is one job  
7 for \$35,000 borrowed. So, that's one job created or  
8 retained per \$35,000 borrowed. I think if we limit it to  
9 one job per \$15,000 retained, obviously not created, that  
10 would be great. Now, if some business says, hey, for this  
11 I can retain four employees, great. You know, we'll  
12 require them to create -- retain the one, but we'll make  
13 record of the four, I hope.

14 MR. STRONG: Hey, Joe --

15 MR. MOODY: Yes.

16 MR. STRONG: This is Tim.

17 MR. MOODY: Yeah, Tim.

18 MR. STRONG: One question I have, are there --  
19 are we thinking there are any -- instead of thinking what  
20 industry would qualify, are there any we're thinking would  
21 disqualify, so what I'm thinking of right now, is those  
22 organizations that are considered essential, that are not  
23 being necessarily impacted, but might want to take  
24 advantage of an interest-free loan, is there any way to  
25 -- maybe they have to express or display the need or

1 something like that?

2 MR. MOODY: Yeah, I think -- I think they would  
3 have to obviously indicate the need and why -- why they  
4 have a need, so I don't know how you want to do that. I  
5 mean, I, for example, I know of one manufacturing company,  
6 the (inaudible) that just called me and they've actually  
7 been asked to do the -- the ventilators, to help with the  
8 ventilators, and they're actually looking to hire, so  
9 that's an example --

10 MR. STRONG: Yeah.

11 MR. MOODY: -- of business that are we going to  
12 help them? Should we help them? No, I think that they're  
13 probably doing quite well. So, I think it's maybe a  
14 series of questions that we have to ask them. There are  
15 industry sectors that I know we shouldn't help, like an  
16 adult bookstore, definitely we should not help them.  
17 There are certainly industry sectors that I don't know if  
18 we're capable of helping right now, and I'll give you an  
19 example of a nonessential industries, like the hair  
20 salons, the nail salons, and all that. I don't think  
21 they're allowed to be open and maybe somebody could  
22 correct me if I'm wrong. I don't know, Tom, if you have  
23 any insight on that. But I don't think that personal  
24 service business are allowed to be open right now under  
25 the essential businesses. So, do we help them

1 immediately? Well, maybe we don't help them immediately,  
2 but we get the application and process, so once we get the  
3 go ahead that they can be in operation, then we can help.

4 Now, some of those hair salons, for example,  
5 they -- they're independent, people independently rent the  
6 chair, so -- but they might have a receptionist that may  
7 be an employee. So, I think it's tough, but I think we  
8 have to take it by a case-by-case basis.

9 MR. STRONG: Okay. Again, that sounds good. I  
10 just wanted to make sure there was some ideas like who  
11 would not qualify, I guess you could say, not based on the  
12 number of employees alone.

13 MR. MOODY: Does anybody have any other spin on  
14 that when it comes to industry sectors. Like I said adult  
15 book store, we're not going to assist.

16 Is there anything else on there?

17 MR. TRICHKA: This is Steve. I think you  
18 covered it, Joe, but by the same token, I don't -- I get a  
19 little leery about you going in in the beginning, and  
20 trying to say -- distinguish between an essential and  
21 nonessential businesses upfront. I'm not sure that's the  
22 way to go. I mean my inclination would be to just let the  
23 applications come in, and we can prioritize at the  
24 Committee, prioritize them.

25 MR. MOODY: Are we in agreement though that the

1 basic parameters of the business itself, they should not  
2 be currently bankrupt, not bankruptcy in process, had been  
3 profitable prior to the COVID-19 Declaration, New York  
4 State Declaration? Are we in agreement at least on that  
5 concept of the businesses, plus 15 or fewer employees, no  
6 home-based businesses, and the retention of lower income  
7 individual that's a non-family member? Are we in  
8 agreement on that?

9 MR. TRICHKA: This is Steve, I am.

10 MR. MOODY: Okay.

11 MS. JULIAN: This is Diane, I am.

12 MR. STRONG: I am.

13 MR. MOODY: Gary?

14 MR. LEIGHTON: Gary, I am.

15 MR. MOODY: Okay.

16 MR. PEDUTO: This is Jim, I am.

17 MR. MOODY: Okay. Okay. So, if we go forward  
18 with the program, and get the motion, then I just need  
19 that recount, I'm trying to write it all down, too. Well,  
20 we can go over that. So, is everybody okay with that,  
21 plus the \$15,000 max. Now, the question would be, this  
22 currently is not -- the Flood Program was not on our  
23 Sub-Recipient Agreement either. This program is not on  
24 our Sub-Recipient Agreement with the Town that we had  
25 signed and I think the Sub-Recipient Agreement, and,

1           Rose could have been wrong. The programs were guidelines.  
2           We -- there was no way under the Sub-Recipient Agreement,  
3           we could have known all the guidelines we had for the  
4           programs. Tom, you might want to chime in on this, too.  
5           We gave -- when we first signed the Sub-Recipient  
6           Agreement years ago, and now it's on a basis where if  
7           there's no objection, it just rolls into the next year,  
8           but some of these guidelines were just guidelines, and  
9           we've gone above and beyond dollar amounts  
10          that are within the Sub-Recipient Agreement. I don't  
11          think the Town has ever had any issues with any loans we  
12          made. So, I don't know, Rose, did we have to have the  
13          Town officially adopt this program. Again, it has not  
14          been done in the past, so Rose can you chime in on that?

15                 MS. POPE: I don't think so, Joe. I think we  
16          need to alter the Sub-Recipient Agreement to give the  
17          Board a little more flexibility when things like this come  
18          up where the amount that can be loaned. So, I think  
19          that's what we need to do. I don't think you need to have  
20          the Board, the Town Board approve this.

21                 MR. MOODY: Okay. Okay. So, you can move  
22          forward with the Town Board to maybe -- maybe look at our  
23          programs right now, because some of those programs I know  
24          for a fact were never even implemented, because we at  
25          (inaudible) indicate we can loan up to \$300,000 at a



1 specific name. So, maybe you and I could go through that  
2 and maybe we can come up with a generic -- here's what we  
3 can do up to this amount or whatever. How's that, Rose?

4 MS. POPE: That works for me.

5 MR. MOODY: Tom, that was okay with you?

6 MR. AUGOSTINI: Yeah.

7 MR. MOODY: Okay. So, okay, moving forward.

8 MS. POPE: Joe --

9 MR. MOODY: Yeah.

10 MS. POPE: Joe, it's Rose. Can I ask just one  
11 question --

12 MR. MOODY: Yeah.

13 MS. POPE: -- about the job cost ratio?

14 MR. MOODY: Yeah.

15 MS. POPE: If there's retention of one  
16 individual, but people are laying people off, what if that  
17 person doesn't come back, somebody that was on payroll,  
18 could bringing someone else in --

19 MR. MOODY: Well, under the HUD --

20 MS. POPE: -- that of retention?

21 MR. MOODY: -- under the HUD Program, and I gave  
22 you the chart from HUD for the Emergency Economic  
23 Programs, it did say retention. So, I think it's going to  
24 have to be retention, and if it's a creation, I think

1 we'll have to -- I hate to put this stuff in there, we  
2 might have to go back to HUD and say, okay, they tried to  
3 get a retain a person back. They don't want to come back  
4 for whatever reason, and they're trying to -- they want to  
5 create a job. Now, the only problem is, is an employer  
6 using that to get rid of somebody? And how are we to  
7 determine that that person didn't want to come back? You  
8 know, we're taking the word of the owner on that, too, so  
9 I think that's a fine line. I think we have to go under  
10 this, that this is the program, and then if that doesn't  
11 meet the requirement, we'll have to see why it doesn't  
12 meet the requirement, then we can talk about it.

13 MR. STRONG: Hey, Joe, this is Tim, again, and  
14 Rose. The question is, does that retention, is that the  
15 position, does it guide to the position, or the  
16 individual? (Crosstalk)

17 MR. MOODY: Yeah, it has to be the individual  
18 because it's the retention of the employee that was hired  
19 that was employed with the company prior to this disaster,  
20 so it's retention of employment.

21 MR. STRONG: Okay.

22 MR. MOODY: That's all intact. I'm looking for  
23 somebody to find this is their opportunity to get rid of  
24 somebody. That's not what the program is, it has nothing  
25 to do.

1 MR. STRONG: Okay.

2 MR. MOODY: So, do you -- do you --

3 MALE SPEAKER: Do you want to -- I know it's  
4 going to hard to -- I was not keeping up with you, can you  
5 try to summarize?

6 MR. MOODY: Let me --

7 MALE SPEAKER: Good. You are wheeling, this  
8 morning, Joe.

9 MR. MOODY: I know. I'm wired. Would you  
10 believe it, 7:30, I'm a morning person if you don't  
11 notice. Talk to me at 4:00 o'clock, forget about it.

12 So, anyways, all right. So, I mean -- I think  
13 the terms were explained in the fact sheet, but I could  
14 try to recap. Intent would be --

15 MALE SPEAKER: Okay.

16 MR. MOODY: -- see the motion -- I guess if you  
17 want to go forward with a motion it would be to assist  
18 with employers with 15 or fewer employees at the time, and  
19 this is all at the time of the Disaster Declaration, for  
20 the retention of at least one full time equivalent  
21 position, because they could be part time positions for a  
22 term of 15 months with three months of deferred principal  
23 and interest, at a zero percent interest rate. The  
24 principal would be paid back over the remaining 12 months.  
25 The intent would be to have a low doc loan -- I'm sorry.

1 Industry sectors would be kept open, but the intent would  
2 be for the LDC Board to determine if that would be an  
3 applicable industry sector that we could help.

4 The intent would be that the business was  
5 profitable prior to the Declaration, that there was no  
6 current bankruptcies, and no pending bankruptcies of the  
7 principle owners, if you will. That the employee that is  
8 to be retained would not be a relative of the owners.  
9 They would have to been on their payroll, again, prior to  
10 the Declaration.

11 I think that was the immediate. Did I leave  
12 anything out, Gary, or anybody?

13 MR. LEIGHTON: I don't think -- this is Gary,  
14 -- I don't think so.

15 MR. MOODY: Okay. In the -- again, and this is  
16 not part of the motion, but the -- the Credit Committee  
17 would be requested to meet to look at all of the  
18 applications. I have been requested by the Board to  
19 streamline the application, which I will look in -- best  
20 I can do. Mostly, I think it's going to be more for the  
21 projected financials, asking them to do that might be  
22 rather cumbersome. We understand that this is a low doc,  
23 and they are going to be -- they are going to be riskier  
24 loans, and we get -- as a Board, we've got to be willing

1 to look at these, and take on the riskier loans. I think  
2 we're all in agreement on that.

3 So, I guess I would need a motion on those  
4 particulars, and based on the fact sheet that I've already  
5 presented. Based on HUD's -- HUD's approval, I guess you  
6 can say, that's the most formal approval we're going to  
7 get, I guess, according to Sara. She goes, is that all I  
8 need, and I guess that's all that we need.

9 So, I guess that would -- oh, the only other  
10 question, I had to bring this up is that this is going to  
11 be rather cumbersome on Rose, our sole proprietor  
12 attorney, and the question is, she is going to have to be  
13 paid for this -- for the applications, if you will, and  
14 putting together the low documents. So, the question is,  
15 what is a reasonable fee to pay her to do this. This is  
16 assuming that maybe some of these individuals are not  
17 going to have attorneys to help them, given the situation.  
18 And in the Flood Assistance Loan Program, I think the --  
19 the fee was kept relatively low. It was based -- again it  
20 was based on paralegal though, correct me if I'm wrong,  
21 Rose, I think you talked to Allen about that. But this  
22 would be based on an attorney assisting, if you will,  
23 I'm going to have to point this at you, too, I don't think  
24 the Town Board would have to approve this, but you tell me  
25 if you think they would, given the situation. But the

1 intent would be to use CBDG Funds, and I already indicated  
2 to Sara that -- that this would be eligible for CBDG  
3 Funds, because it's a direct assistance of an applicant  
4 using CBDG Funds and direct attorney for a case-by-case,  
5 and application-by-application basis. So, I guess I want  
6 Tom to chime in on this first, and then maybe Rose could  
7 -- Rose could say what she needs to say. So, Tom, what do  
8 you think about -- does the Town Board need to approve  
9 this, because if it's outside -- it may be outside --  
10 because we had talked about attorney fees. I need some  
11 input.

12 MR. AUGOSTINI: Not as long as the Town Board is  
13 not expending --

14 MR. MOODY: Okay.

15 MR. AUGOSTINI: -- funds.

16 MR. MOODY: Because they would be using our  
17 regular CBDG Funds that are already allocated. Okay.  
18 Does everybody hear that?

19 MS. JULIAN: Yeah.

20 MALE SPEAKER: Yeah.

21 MR. TRICHKA: Joe, Joe, this is Steve. I guess  
22 I'm having trouble distinguishing because it feels  
23 like it's just part of the administrative expense that we  
24 would normally incur to disburse a loan. It's just that

1 we know that the expenses are going to be slightly higher  
2 due to the circumstances.

3 MR. MOODY: Well --

4 MR. TRICHKA: It feels like you're doing the  
5 same -- you're going through the same process.

6 MR. MOODY: No, we don't -- we don't -- Rose,  
7 can you -- can you comment and we don't pay that fee now,  
8 or --

9 MS. POPE: Well, in my new contract with the  
10 Town, effective January, I get paid for doing the  
11 closings, LDC closings, the normal closings. I get paid  
12 on an hourly rate for that, and it just depends on how  
13 much time it takes. We haven't really -- the only closing  
14 we had is Fuller Holy (ph) I think.

15 MR. MOODY: But is that -- but that's for the  
16 Town, correct?

17 MS. POPE: Right, yeah. Well, that's -- yeah,  
18 yeah, a little difficult to explain, but yeah, those fees  
19 were from case set aside with regular LDC closings.

20 MR. MOODY: Right, right. So, this is outside.

21 MS. POPE: It is, and we'll just go over to what  
22 I do for the Home Improvement Loan Program that I do with  
23 Sarah, and for those loans which are low doc loans, really  
24 not a lot to them, our agreed upon fee for each of those  
25 closings is \$350, be it me or Allen. And, so, we were --

1           you know, I think Sara mentioned it, as well, Joe, that,  
2           you know, she didn't see that as being -- well, she  
3           thought it being an acceptable fee for each closing.

4                   MR. MOODY: Yeah, she -- we didn't talk exactly  
5           on the number, but she did, but we were under the  
6           agreement that there should be a fee that's an acceptable  
7           fee for these CDBG Closings, yes. They would be directly  
8           from the CDBG Program to our attorney that's with a  
9           closing. So, yes, I mean, if that's within the realm of  
10          things, I mean, I'm sure Tom was aware of how much is paid  
11          for the home -- first time home -- was at closing. So, I  
12          think that would be something that maybe Tom could share  
13          and chime in on. But I don't think that's unreasonable.  
14          Again, being that Rose is the only individual working on  
15          these things and we don't know -- we don't know, Steve,  
16          how much the documents are really going to be. We're sort  
17          of going in this blindly to a certain extent, based on the  
18          FALP Program, but -- so, I don't think it's unreasonable.  
19          Tom?

20                   MR. AUGOSTINI: It sounds reasonable.

21                   MR. TRICHKA: So, what you're proposing -- this  
22          is Steve -- what you're proposing is the flat fee and not  
23          the hourly for processing of -- of the applications under  
24          the Ndarpp?

25                   MS. POPE: Correct.



1 MR. TRICHKA: Okay. Got it.

2 MR. MOODY: Okay. So, I guess we need -- I  
3 guess -- I don't know if we need a motion for that. I  
4 don't -- I guess I'm going to have to ask our attorney, do  
5 we need a motion for that, in addition to the motion, the  
6 motion for the program, but do we need a motion for the  
7 for the attorney fees?

8 MS. POPE: Well, I think you can include it in  
9 there, Joe, because you got as part of the closing costs  
10 on your sheet here --

11 MR. MOODY: Yeah, yeah --

12 MS. POPE: -- and recording fees get paid by the  
13 applicant.

14 MR. MOODY: Right.

15 MS. POPE: (Crosstalk) --

16 MR. MOODY: So, it's \$350 flat fee for the  
17 closing of each one of each one of these anticipated  
18 loans, and then the recording fees do have to be paid by  
19 the applicant. Now, the applicant may still have his own  
20 attorney fees, but that's -- that's up to them whether  
21 they have attorneys, so I'm assuming that, Rose, if they  
22 don't have their own attorney, this is -- the \$350 is  
23 part of this and encompasses -- encompasses everything,  
24 everything, is that correct?

25 MS. POPE: Say that again, Joe.

1 MR. MOODY: The \$350 -- let's say the applicant  
2 does not have their own attorney, now, does the \$350 only  
3 include the LDC documentation and you representing us, or  
4 does it also -- does it include whatever little things you  
5 may have to do for the applicant, I guess.

6 MS. POPE: It would include everything. You  
7 know, if -- they have to provide similar documentation --

8 MR. MOODY: Yeah.

9 MS. POPE: -- like a regular LDC loan.

10 MR. MOODY: Yeah.

11 MS. POPE: You know if they're an LLC or a  
12 corporation, they have to get those documents. If they  
13 don't have an attorney, sometimes they're not sure what to  
14 do, so I'm obligated to provide guidance to get it done.

15 MR. MOODY: Okay. Great.

16 MS. POPE: But I don't feel that -- I think if  
17 they get into deeper water and need something else, I'd  
18 have to tell them that they have to find their own  
19 attorney to work through it. I can't help them with that,  
20 but I can help them with the basics, and yes it would  
21 include that.

22 MR. MOODY: Okay. That's reasonable. So, I  
23 guess -- so, I guess, as part of the motion, to include  
24 the attorney fees for the closings and with those terms I  
25 previously mentioned.

1 MR. TEICHKA: Yeah, I think besides (inaudible)  
2 I like, I would agree, let's roll it in. So, let's go  
3 ahead with that. This is Steve.

4 I need a motion to approve the Town of Union  
5 National Disaster Assistance Program, Ndarps Loan Program,  
6 under the parameters previous enumerated by Joe, and also  
7 that there would be attorneys to support the Ndarps to a  
8 flat fee, and it was -- it was \$350 per application?

9 MS. POPE: Correct.

10 MR. TRICHKA: (Inaudible) --

11 MR. MOODY: Yes.

12 MR. TRICHKA: -- to process those applications.  
13 I don't think we can get anything more than (inaudible)  
14 for that. And then I say, we, okay, so can I have a  
15 motion to approve the Ndarps on that basis?

16 MS. JULIAN: This is Diane Julian, so moved.

17 MR. TRICHKA: Do I hear a second?

18 MR. STRONG: Jim, second.

19 MR. TRICHKA: Thank you. And all in favor?

20 ALL MEMBERS: Aye.

21 MR. TRICHKA: Any opposed. All right motion  
22 carries.

23 MR. MOODY: Thank you, I appreciate it.

24 MR. TRICHKA: We own the banking, Joe.

25 MR. MOODY: What's that?

1 MR. TRICHKA: We own the banking, Joe.

2 MR. MOODY: Don't, again, I want to make you  
3 aware this is not going to be rolled out tomorrow.

4 MR. TRICHKA: Okay.

5 MR. MOODY: It's a process. Okay. But at least  
6 we have it in place, which I think is a great initiative  
7 by the LDC Board. Thank you very much.

8 MR. TRICHKA: Okay.

9 MR. MOODY: Moving on, new business.

10 MR. TIRCHKA: Let's move on.

11 MR. MOODY: New business, three-month loan  
12 payment deferment option for existing LDC loan recipients  
13 that are currently in good standing with LDC, and I mean  
14 currently, I -- current with LDC loan repayments, meeting  
15 job creation requirements, and -- and financial  
16 information has all been provided as requested on an  
17 annual basis that's been provided. If they ever, then  
18 maybe they disqualify themselves, but I think we got to  
19 have this potentially in place, and you'll see, I talked  
20 about the -- about the amount of funding we get in on a  
21 monthly basis, which you know totals about, I think, about  
22 -- bear with me here, about 17 -- 18 -- I can't read my  
23 own writing. About \$17,000, \$18,000 a month that includes  
24 UDAG and CDBG Funding. Most of that is CDBG, about  
25 \$12,000, \$13,000 monthly. So, if we were to look at this

1 for a deferment, all we're talking and I think to say, all  
2 we're talking, because it still comes out to what?  
3 \$48,000 or so, over the three-month period, if everybody  
4 decided to take advantage of that, but the only other  
5 thing would be, and maybe would be that Rose would have to  
6 do an amendment to the current loan agreement as she did  
7 recently for Sonostics. So, it -- it takes some minor  
8 paperwork that we would have to give to the applicant and  
9 they'd have to sign it, and then we'd have to have our  
10 Town Comptroller do a new amortization schedule, get it  
11 out to them, so there is some work on all of our parts, if  
12 you will, and -- but I think having that in place would be  
13 good -- would be a good option for us and I think we would  
14 not have to obviously require not a full application,  
15 because we do have the history on each one of our loan  
16 applicants, and I do know who has submitted the  
17 financials as of yet, and who has not. Now, this is a  
18 good way to get them to submit their financials to us, but  
19 they should be doing that anyways. But, anyway,  
20 so I think that I would like to have that program in  
21 place, because I do think we're going to see that down the  
22 road, whether it's in one month, or two months. I'd like  
23 to think that some of these businesses, and this is a  
24 little bit different -- this is businesses with 15 or more  
25 employees. Some of these have a couple of hundred

1 employees, so some have 50, some have 20, so I think it's  
2 just our regular loan recipients, not only the Façade,  
3 Program, but all of them, I guess, you can say. Because  
4 the Façade could obviously play a role in this. You know  
5 they're bricks and mortars, and they -- and if they're not  
6 making any money off it, can they even pay that back. And  
7 I think -- I think what you see in the industry sector,  
8 financial industry sector, that the bank, the lenders, the  
9 credit unions are all looking to help these businesses  
10 out. I think we -- we need to do the same thing. So, I'd  
11 like to have that, a motion for a program like that.  
12 Well, first of all, discuss it and see if you want to do  
13 that, and then a motion to move forward with that.

14 MR. TRICHKA: Yeah. So, let's open for  
15 discussion. This is Steve. I'm a little confused if I  
16 missed that, are you intending to send a notice out to  
17 everyone offering that, or are you waiting for requests to  
18 come in.

19 MR. MOODY: I'm waiting for requests. I was not  
20 intending to -- to offer that, to be honest with you.  
21 That was not my intent. I would like them to come  
22 forward. I'm saying, well, we have this program in place,  
23 and then go forward with that. That's -- that -- that  
24 would be my initial because I think we're going to be  
25 pretty swamped with these existing, or these new loans.

1 I don't know -- I've got to be honest with you, I don't  
2 know if I have the staff to handle all that.

3 MR. TRICHKA: (Inaudible) --

4 MR. STRONG: Hey, Joe, this is Time.

5 MR. MOODY: Because I have no staff right now.  
6 I only have me as a staff member.

7 MR. STRONG: So, if that's case, does it take  
8 them missing a payment, or you actually catch them to say,  
9 hey, by the way -- like how are they going to know that --  
10 do they usually come to you before they miss that first  
11 payment?

12 MR. MOODY: Yes, they might come to me before  
13 that -- I've never had one that has not come to me that  
14 has -- I've had a couple, obviously, insufficient funds  
15 that's been remedied because they just -- the timing and  
16 all that, but usually I know in advance if somebody is --  
17 I'd like to think I know in advance if somebody is having  
18 financial troubles. I mean, I'll be honest with you,  
19 we're going to be talking about one that's going to be  
20 having financial troubles down the road is Sonostics. So,  
21 when I talked to Sonostics earlier, he goes, yeah, if the  
22 SBA doesn't come through with any programs, I may be  
23 coming to you for assistance again. So, that's what I'm  
24 really gauging this on. So, I'm assuming that they're  
25 going to come to us for assistance again. I know what

1           you're saying that we could be ahead of it, and before it  
2           gets to that point, I'm in a quandary on it, because we  
3           got April coming up in -- we're already in the 20 -- what  
4           is it, losing track, 25th. So, we're a week away from  
5           requests, and trying to get them in place and approved by  
6           -- by the first. I don't see that happening. So, I think  
7           we almost have to see who doesn't have the funds available  
8           on the first or the second when we get -- when we do the  
9           direct withdrawal and see what situation we're in.

10                   MR. STRONG: Sounds good, Joe. This is Tim,  
11           and the only other statement I'll make, I guess for the  
12           good of the Board is, you know, Visions is doing the same  
13           thing, 90 days. I think that's kind of a standard you're  
14           seeing right now in the industry, as far as like  
15           payment deferment and things like that. Ours is a  
16           business, it's personal, but I think 90 days is kind of  
17           the given time that they're thinking that it's going to  
18           potentially take to kind of get through some of this.

19                   MR. TRICHEA: Joe, this is Steve. Tim, I think  
20           that's perfectly appropriate, so I agree. Any other  
21           comments on the deferment option?

22                   MR. MOODY: Rose, just to clarify that would  
23           still be within your regular realm of --

24                   MS. POPE: (Inaudible) -- that's regular  
25           administration. That's not actual loan-related. It is,



1 but not the most pressing.

2 MR. MOODY: Okay. Gotcha.

3 So, a motion to approve the deferment program as  
4 I outlined, again, a case-by-case basis that would go to  
5 the, I think, the Credit Committee first again, and it's  
6 going to mean a lot of meetings, but it is, it's I think  
7 appropriate, unless you think this doesn't need to go to  
8 Credit Committee. I could just bring this to the regular  
9 Board. That -- that may be an option, too, so we can cut  
10 off the Credit Committee on this one.

11 MR. LEIGHTON: Gary, I agree.

12 MR. MOODY: Okay.

13 MR. TRICHKA: Yeah, this is Steve. I would  
14 agree, too. I think we could bypass that, come straight  
15 here.

16 MR. MOODY: Okay.

17 MR. LEIGHTON: This is Gary again. What choice  
18 do we really have? So --

19 MR. MOODY: We don't. I think we've always been  
20 -- I'll be honest with you, I think this Board has always  
21 been at the forefront of things, and we've always been  
22 willing to assist, and I think this is the thing we need  
23 to do, and I think you all -- all agree with that.

24 MR. STRONG: Okay. So, may I have a motion to  
25 approve offering a three-month deferment action for those

1 who are currently in good standing, but are upcoming have  
2 hardship or difficulty making loan repayment --

3 MR. MOODY: Upon request, yes.

4 MR. STRONG: -- upon request.

5 MR. MOODY: Yes.

6 MR. STRONG: Do I have a motion to approve that?

7 MR. LEIGHTON: So moved (inaudible) --

8 MS. JULIAN: Gary, I'll make that motion.

9 MR. STRONG: First attempt, second. Maybe,  
10 Gary, you got a second.

11 MR. PEDUTO: I'll second that.

12 MR. MOODY: All right. So, Tim was the motion.  
13 Gary was the second.

14 MR. TRICHKA: All in favor.

15 ALL MEMBERS: Aye.

16 MR. TRICHKA: Opposed? All right. Motion  
17 carries.

18 MR. MOODY: Okay.

19 MR. TRICHKA: Keep moving, Joe.

20 MR. MOODY: All right. All right. So, moving  
21 on. Business information provided, Ken McLeod, at  
22 Sonostics. You'll see the information that was attached.  
23 I include it in the last week's meeting if you will. It's  
24 sort of a partner information before you guys brought it  
25 up, well what are they going to do to address their

1 losses? I can't anymore to what he already indicated, so  
2 I don't know. There's really nothing we're going to do  
3 right now, unless you want to -- they're paying us. I  
4 gave you the situation that maybe -- I'm sure his sales  
5 have plummeted to probably zero, but the SBA has  
6 assistance, and he may be coming to us, and I guess we'll  
7 see if that -- if that comes to fruition. Now, the only  
8 question is, the reason why we ask for that information is  
9 we asked him to come in, so you can specifically ask  
10 specific questions, but he was going out of town, well,  
11 obviously things have changed since then, so we could  
12 obviously have him on the -- a Board Meeting in the future  
13 so you could address this in April, May -- April 23rd  
14 meeting, that's probably not a problem. But I think we're  
15 going to be pretty swamped with a lot of things, but I --  
16 it's something that you have to address and I think you  
17 should still have him come in and -- and so you could  
18 specifically ask him questions about the situation they're  
19 at. But he did explain it. I don't know if anybody else  
20 comments on it.

21 MR. TRICHKA: Hey, Joe, this is Steve. I  
22 (inaudible) -- yeah, I thought this all was specificated  
23 by a specific request he had made to the Board.

24 MR. MOODY: No, it was based on -- it was based  
25 on the -- we had -- we had deferment of payments, and then

1 we had a new adjustment to the bona fide loan document,  
2 and then the question was brought up about their  
3 financials, which I shared the financials and they're  
4 bleak, and that's what brought up what is he doing to --  
5 where is the money coming from. Okay, for example, is he  
6 selling stock? What's going on? How is he able to pay  
7 us? Where's the funds coming from? So, that's what  
8 really brought it up, and that's when I suggested, lets  
9 him come in, so we could address the question, or address  
10 your questions directly, and then he said he couldn't make  
11 it. I said, could you give us a blurb of what you're  
12 doing to address this, which he did, and I gave it to you.

13 MR. TRICHKA: It's okay. All right. So -- this  
14 is Steve again. I guess we could probably expect him to  
15 perhaps be in a position of risking a payment here, which  
16 brought him to the deferment option as a first course of  
17 action. But I don't know if there's any -- I mean there  
18 certainly isn't any action that we can direct him forward,  
19 but, hey, I mean --

20 MR. MOODY: No, I don't think so, I think it's a  
21 matter of this is what it is now. We have that new  
22 program, if it comes up, then we can offer it to him also.  
23 I think he's obviously -- that paragraph or page he gave  
24 me was prior to any of the COVID-19 outbreak in the  
25 losses, if you will, potential losses, down the road. So,

1 I think his-- his -- what he wrote in there has now  
2 changed again anyways. Agreed?

3 MR. TRICHKA: Yeah. Yes, but I would also --  
4 Steve -- I appreciate that he put that together for us --

5 MR. MOODY: Absolutely.

6 MR. TRICHKA: -- because I do think we're going  
7 to be hearing again from him soon.

8 MR. MOODY: Yes, in agreement. So, I think  
9 let's see where it goes with this next payment and then  
10 what, you know, and then we'll go from there. Okay?

11 MR. TRICHKA: Any other discussion on that?

12 MR. MOODY: By the way, we do have the signed,  
13 amended agreement from him, and notarized, so that you,  
14 Rose, for putting it together, and we do have that.

15 MS. POPE: You're welcome.

16 MR. LEIGHTON: This is Gary, I think if we meet  
17 with him, it's probably best we meet with him in person --

18 MR. MOODY: I agree.

19 MR. LEIGHTON: -- not over this conference, and  
20 also, I received from Joe the financial information that  
21 we had in 2016, and what it gave us for the end of 2019.  
22 What I'd like to do is work up a summary comparison  
23 between the two balance sheets, and you could pretty  
24 easily see how he's managing this. So, I'll get that out  
25 to Joe and we can distribute it to the rest of the Board.

1 Over the next two days, I should get it out.

2 MR. MOODY: Okay. That's -- that's fine, but I  
3 don't know if we can -- will be able to take action on  
4 anything anyways, but at least we --

5 MR. LEIGHTON: No, no, it's not for me to have  
6 expedited it.

7 MR. MOODY: Sounds good.

8 MR. LEIGHTON: Just for information.

9 MR. MOODY: Sounds good.

10 MR. TRICHKA: Okay. Great, thank you guys.

11 MR. MOODY: Thank you, Gary.

12 MR. TRICHKA: Joe, do you want to move on?

13 MR. MOODY: Okay. So, EMT, Energy Manufacturing  
14 Technologies, we approved a -- we approved three loans  
15 over the years. He's paid us back for his EMT loan just  
16 recently. He's paid us off, created jobs as required. We  
17 had made another loan for 17 Kentucky Avenue for the  
18 acquisition of -- of the property at 17 Kentucky Avenue,  
19 and then we made a third loan for the renovations to the  
20 property based on the grant did not come through for the  
21 State and we had obviously the IDA was involved with a  
22 couple of these loans also.

23 Now, everything was moving forward with a couple  
24 of these loans also. Now, everything was moving forward,  
25 and then Jim Kirkwood came to me and we were talking about

1 the commitment letter, and the jobs. At the time we  
2 approved this, it was 144 people employed, and that was  
3 the base employment. Since that time, there's been  
4 layoffs, there's been hiring back and all that, and he's  
5 only at 124 employees, I believe, he indicates in his --  
6 in his writeup. So, we approved this, based on 144 and  
7 the creation of seven, I think it was seven -- wait, hold  
8 on, bear with me -- seven full time equivalent positions.

9 So, the problem is the base employment, that is  
10 in our commitment letter the base employment with 144.  
11 There's -- obviously, there's ebbs and flows in businesses  
12 all the time. So, I'm suggesting that we, especially in  
13 light of what's going on, and his employment numbers may  
14 have changed since this COVID-19 Declaration, too. I'm  
15 not sure and I've not had time to talk to him after this,  
16 since the COVID Declaration, so I don't know what his  
17 employments are right -- numbers right now, but I think  
18 based on what he gave us, we would have to -- we should  
19 look at the employment of base of 124 employees as the  
20 base employment. I think that's what I have written up  
21 there. Does anybody have that in front -- in front of  
22 them immediately.

23 MR. TRICHKA: I see 125, Joe.

24 MR. MOODY: Okay. 125 --

25 MR. LEIGHTON: I do, too.

1 MR. MOODY: Okay. So, why don't we use the 125  
2 as the base employment and that he has to create what was  
3 in our original loan document, our commitment letter which  
4 is the seven full time equivalent positions on top of  
5 that, so the -- the only thing that we're going to see  
6 though is if he's filed below the 125 in the past month,  
7 which Dyro (ph) could of, I still -- we have to keep that  
8 as the base. It can't keep going down. So, I have faith  
9 in this company that I think that they're going to get  
10 back to the 125, if they're below that right now, but I  
11 still like -- I say we go on what he originally wrote as  
12 the 125 as the base employment, even though it's a lot  
13 lower than the 144 that you originally approved, but these  
14 are the ebbs and flows of businesses. If they could  
15 create the seven full time, 51 percent (inaudible) on top  
16 of that, it's a very good company, they got a niche, and  
17 they're -- the only problem that I've heard from Jim over  
18 the years, to be honest with you, is finding good  
19 employees and finding anybody.

20 Tom, I don't know if you have anything to add to  
21 that.

22 MR. AUGOSTINI: You know, when he bought the  
23 company, he had about 70 employees --

24 MR. MOODY: Uh-huh.

25 MR. AUGOSTINI: -- and I will go back to when



1 the Marconi's opened it, Joe Marconi, and his wife, and  
2 then Joe passed and then Pat, his wife, took over the  
3 company. They were almost exclusively doing gun clips in  
4 the gun manufacturing world, and probably everyone knows  
5 that industry depending on current event and political  
6 makeup is a volatile type business which led him to  
7 diversify, but he's still only one of a handful of  
8 companies in the entire world that can do certain  
9 components of the gun industry, but he has diversified  
10 pretty well, and he's -- you know, even at 125, you know,  
11 he's increased employment by probably 75 percent.

12 MR. MOODY: Uh-huh. So, it's a good company.  
13 He's acquired, as you all know, he's not only acquired 10  
14 Delaware Avenue, but he's acquired across the street,  
15 and then 17 Kentucky, and he's cleaned up that block  
16 tremendously. Yeah, I don't want to go into tribute to  
17 the business, but it's really about the -- the number of  
18 employees right now. He's met the job creation with the  
19 first loan, and it paid us off that loan. He's met the --  
20 we've submitted all the job creations for the second loan  
21 to Sara and there's all indications that he's met that  
22 requirement, so it's just -- are you willing to agree with  
23 the base of 125?

24 MR. TRICHKA: Yeah, this is Steve, I just want  
25 to join. I had (inaudible) -- there's been enough time

1 that has passed between the application and this point in  
2 time that I think we have to be a little bit flexible to  
3 actual employment numbers. I was thinking we need to be  
4 sensitive about, or sensitive to it, you know, did the  
5 employer, Jensen employees temporarily bring his or her  
6 employment count down artificially, so they can easily  
7 bring those people back and then fulfill the job creation  
8 requirement and that -- this is fairly, clearly not to be  
9 the case here. So, you know, we just want to get through  
10 that hurdle, but I don't think it's smart for us to --  
11 personally, I don't think it's smart for us to -- to hold  
12 it to a number that's, you know, a few, quite a few months  
13 old at this point, particularly when we know it's a fairly  
14 viable business.

15 MR. MOODY: So, we need a motion to adjust the  
16 base employment to the 125 from the 144.

17 MR. TRICHKA: I think we need to do, I think all  
18 other parameters of the loan would make effect, so we  
19 need a motion to approve the current employment level from  
20 144 to 125 for the EMT and all other conditions of the  
21 loan would remain as is. Can I have a motion, please?

22 MR. LEIGHTON: Yeah, yeah, I'll make the initial  
23 motion.

24 MR. TRICHA: Okay. Tim, you're going to second  
25 it.

1 MR. STRONG: Okay, I'll take the second if it's  
2 necessary.

3 MR. MOODY: Thanks, Tim. All in favor.

4 ALL MEMBERS: Aye.

5 MR. TRICHKA: Opposed? All right, motion is  
6 carried.

7 MR. MOODY: Thank you. Next item, discussion,  
8 Southern Tier Technologies, Southern Tier Leasing,  
9 regarding job creation requirement, and two -- and number  
10 two, obligation to release the principal, Jim Tiesi.

11 This is a loan that we have -- we have two  
12 \$50,000 loans, one for the acquisition of the building on  
13 Chaumot, another one for the business itself on Chaumot.  
14 It was a combination of -- there were three principals  
15 involved with the first business of the acquisition, but  
16 the business itself was Mr. Wilson, Tiesi, and I'm a  
17 little braindead right now.

18 MS. JULIAN: Buchanan

19 MR. MOODY: And then with the acquisition of the  
20 then so -- and then with the acquisition of the building,  
21 it was just Buchanan and Tiesi. Well, as you can see --  
22 well, the financials have been provided. This business  
23 has been, it's been difficult. They -- and Jim Tiesi had  
24 to leave to drive income to obviously to have a living  
25 with his family, if you will. So, the suggestion was that

1           they would buy out -- Vanderkamp would buy out Jim Tiesi  
2           for Southern Tier Technologies and also Southern Tier  
3           Leasing. Mr. Wilson would remain. Now, my issue would be  
4           given the financial situation with them, they -- they  
5           created two jobs, they still have to meet the two-job  
6           requirement which they are now currently over their  
7           deadline to create the two jobs, okay? This is definitely  
8           one business that I could see coming to us also for the  
9           three-month deferment, if you will.

10                       The issue that I have is, in doing our due  
11           diligence and fiduciary responsibility for the LDC is  
12           that, and I'm sure you may all, or may not agree with  
13           this, is that to release somebody that now is drawing  
14           income and working for another corporation, and release a  
15           principal from this, based upon a business marginal right  
16           now, at best, that has not fulfilled the job creation  
17           requirements. I have an issue with that, just personally  
18           from -- from the -- as the Director if you will. You'll  
19           see the power-point that was put together for us and it  
20           was all handed out to you and I know this may cause  
21           obviously a dilemma with the buyout with Mr. Tiesi, which  
22           I think the buyout number from what you see there was  
23           pretty generous. You may all agree with that based on the  
24           financials of the company itself. I think those -- the  
25           buyout was pretty generous.

1                   So, I don't -- I'm throwing it out there for  
2                   you. I gave you my -- just my opinion on the matter. I  
3                   think they're -- I think they got to -- they hired a new  
4                   employee that's doing the marketing. Jim Tiesi was doing  
5                   the marketing and sales. I'm not sure how -- how do I put  
6                   this -- I think the gentleman that they've hired right now  
7                   is more aggressive in going out after more businesses.

8                   So, I think there is a bright spot and a bright  
9                   future, but I don't know if we're in a position as LDC  
10                  Board to release anybody from a guarantee on this loan,  
11                  but that's my opinion, so I throw it out there for you.

12                  MR. PEDUTO: This is Jim -- this is Jim, I share  
13                  that opinion.

14                  MR. TRICHKA: This is Steve. Do we -- I'm a  
15                  little torn. I'm not sure I'm completely on that camp at  
16                  the moment. Would we feel differently if we felt as  
17                  though fair value were being paid from the owner's  
18                  interest? I mean this come down to money to transfer the  
19                  ownership interest, or is it just the general principle or  
20                  beyond that?

21                  MR. MOODY: From my opinion --

22                  MR. PEDUTO: This Is Jim --

23                  MR. MOODY: Go ahead. Go ahead, Jim.

24                  MR. PEDUTO: I can't speak -- I can't speak for  
25                  Joe. I guess I'm looking at a business that might be

1 marginal, could conceivably have -- we may conceivably  
2 have difficulty with meeting its obligations, and I'm not  
3 comfortable removing somebody who might be -- might be  
4 another pocket for us to go after if this doesn't work  
5 out.

6 MR. PEDUTO: Yeah, I guess I'm just struggling  
7 with that concept of no ownership interest in the business  
8 anymore, but we're going to pursue him, and let's just say  
9 it takes another -- I just say (inaudible) another year,  
10 then they stop making payments in a year, because there's  
11 a financial condition and the guy has been out of the  
12 company, no ownership interest for a year --

13 MR. MOODY: Jim, they've got the ability --

14 MR. PEDUTO: (Crosstalk) --

15 MR. TRICHKA: Jim, they've got the ability that  
16 the client would come to some kind of persona contractual  
17 understanding as part of their buyout.

18 MR. MOODY: Yeah, that's a good point, that's a  
19 good point.

20 MS. POPE: (Inaudible) -- And this is Rose, I'm  
21 going to weigh in, and I agree with that. He signed a  
22 personal guarantee, and whether he's part of the business  
23 or not, that personal guarantee is going to stand unless,  
24 Jim, I believe said, they're going to somehow in their  
25 agreement, buyout agreement, indemnify him for it.

1 MR. TRICHKA: Which mechanically, like this is  
2 the point, that mechanically it would work the same as  
3 us letting him off the hook, and then that obligation  
4 would transfer back to the company, the relative -- the  
5 balance of the owners, it works the same way.

6 MR. PEDUTO: You're right, and if the company --

7 MR. TRICHKA: What is probably going to take  
8 place ultimately if we require them to -- if we keep Tiesi  
9 on -- on the hook and just say even suggest to them that  
10 the company or the other owners indemnify Tiesi for any  
11 liability. So, like I said, the money will come -- flow  
12 from the same place, either way.

13 MR. MOODY: What if -- well, if we have his  
14 personal guarantee though -- am I (inaudible) -- we also  
15 have his personal guarantee.

16 MR. TRICHKA: Again, I'm saying, yes, but if  
17 there is an indemnification then --

18 MR. MOODY: Right.

19 MR. TRICHKA: -- the company or the other owners  
20 are going to end up paying it, but that's frankly not our  
21 business here.

22 MR. MOODY: Right, right. I mean I guess my  
23 issue, just so you know you can't -- Jim didn't want to  
24 talk to me. So, the two things I have, job creation  
25 requirement that has not been fulfilled yet, that would

1 pass the deadline. Second thing is the business is not --  
2 is not doing overly well, if you will, so it's not like  
3 it's strong financially, okay, and then they would give up  
4 a personal guarantee on this, when we have a gentleman who  
5 is now working and could be making X dollars, and if we  
6 have to go after the personal guarantee, we still have it,  
7 I think that's important to keep all that. That's my  
8 (inaudible) --

9 MR. TRICHKA: This is Steve. I'm just curious  
10 what Diane and Tim ventures. I mean how do you eventually  
11 view these type of situations?

12 MS. JULIAN: I (crosstalk) --

13 MR. STRONG: We don't give up an opportunity for  
14 equity. This is --

15 MS. JULIAN: Right.

16 MR. STRONG: -- Tim, you don't give that up.

17 MR. TRICHKA: Okay.

18 MS. JULIAN: This is something that you know  
19 would follow through on, if you needed to later, so I  
20 would hold onto it.

21 MR. TRICHKA: Okay.

22 MR. STRONG: The only thing -- this is Tim, the  
23 only thing I would add is, you know, if we're thinking as  
24 a Board, if Mr. Buchanan came through with (inaudible)  
25 right now and is asking for \$37,000, which I think is the



1 balance, would we approve that. I'm inclined to say we  
2 probably wouldn't based on the way things are performing,  
3 so I would not recommend removing the other gentleman,  
4 Tiesi.

5 MR. MOODY: Agreed.

6 MR. TRICHKA: All right. It appears we have a  
7 consensus on that. I don't think you need any kind of  
8 action on the Board on it, but it sounds like --

9 MR. MOODY: Rose, do we need a motion for that  
10 to turn down his request or --

11 MR. TRICHKA: No.

12 MS. POPE: No --

13 MR. MOODY: Okay.

14 MS. POPE: -- I don't think so because you're  
15 just throwing it out there. What about it, there are two  
16 of them, right, or are you getting to the second one, Joe?

17 MR. MOODY: Well, no, it's the same thing  
18 because he's -- Mr. Tiesi is on both the -- the technology  
19 company, Southern Tier Tech, and the Southern Tier Leases,  
20 so he's on both those, so I don't -- I look at it the same  
21 way, why would you release him on either one of those.

22 MS. POPE: No, I didn't mean that, I meant as  
23 I'm looking here, it says that Glen, sorry I don't the  
24 last -- Glen Wilson wants to bring his personal client  
25 here because he's now below 20 percent. So, the same for

1 him, correct?

2 MR. MOODY: No, I would say no, why would we  
3 release that?

4 MS. POPE: Right. I'm just saying that we're on  
5 board with both. He suddenly reduced down to 19 percent  
6 which took him below our requirements to remain at the  
7 personal (inaudible) --

8 MR. MOODY: Yeah, so I'm sorry --

9 MALE SPEAKER: This is (inaudible) -- the  
10 rationale we have for Tiesi, I think it would equally  
11 apply here, and if need your decision.

12 MR. MOODY: Yup.

13 MALE SPEAKER: Are you going from above 20 to  
14 below 20 is -- is just the same as going from above 20 to  
15 zero.

16 MR. MOODY: Agreed.

17 MALE SPEAKER: If we're not going to release,  
18 we're not going to release, and again we're just holding  
19 them to the terms of the loan. If we were making any  
20 exceptions to that, or changing the terms, then we would  
21 need actual support, but barring that, I think we just say  
22 no, and move in.

23 MR. MOODY: That sounds good to me, so no  
24 motions required. I've been given my directive by the LDC  
25 Board. Thank you.

1 MALE SPEAKER: Okay. Great. Thank you.

2 MR. MOODY: And I think that was our last item.  
3 Wait, wait, oh, business resource, I gave you the  
4 information on SBA. You see the information that's on our  
5 website about Corona Virus, COVID Business Resources,  
6 that's on our website. You all got the -- the -- the  
7 members, the LDC members' names and numbers and phone  
8 numbers and cell phone numbers, so you should have all  
9 that, so if you need to contact each other, you have all  
10 that. I think that is everything I have. Oh --

11 MR. TRICHKA: Hey, Joe, this is Steve, you were  
12 -- I can't find it, you were speaking earlier of an E-mail  
13 we got that was approving us going forward. Was that the  
14 old E-mail from Sara, or was there a newer one that we got  
15 back from --

16 MR. MOODY: I think I forwarded the E-mail and I  
17 cut and pasted Lambros Torres' comment where I read to you  
18 earlier --

19 MR. TRICHKA: Yeah, and I can't find it. I  
20 couldn't find any --

21 MS. JULIAN: It was in the E-mail.

22 MR. MOODY: It was in the E-mail itself. Bare  
23 with me, all I said --

24 MR. TRICHKA: Oh, all right, I'm sorry.

25 MR. MOODY: From Sara Soval (ph) -- it looks

1 good, correct me if I'm wrong, TUBA (ph) has significant  
2 funds to work with, correct? And that was his approval,  
3 so --

4 MR. TRICHKA: Okay, all right, I'm sorry. I was  
5 looking for a separate --

6 MR. MOODY: No, I'm sorry, okay. All right, so,  
7 I guess that's it, and if you want to close the meeting,  
8 and then --

9 MR. TRICHKA: Any other business --

10 MR. MOODY: Yeah, just so --

11 MR. TRICHKA: Anybody else on the Board, any  
12 other thing that you said you feel needs to be wrapped up?

13 MR. MOODY: Could I just reiterate, just so you  
14 know, this is not going to take place over the next week.  
15 I don't see him rolling out that program within a week, so  
16 but -- so I will move forward as best we can. To move  
17 forward on a regular basis, we need I need a little more  
18 help with the staffing, too, so hopefully we'll get  
19 through this in the next couple of weeks, but in the  
20 meantime, I'm going hone in on everything, and clean up  
21 everything with an application, just so we're on the same  
22 page, and you know that. Okay. Did you hear that?

23 MR. TRICHKA: Yes.

24 MS. JULIAN: Okay, yeah.

25 MR. MOODY: Okay.

1 MR. TRICHKA: All right, o if there's no other  
2 business, then I'll ask for a motion to adjourn.

3 MR. MOODY: Motion to adjourn --

4 MS. JULIAN: So moved, Diane is filling in.

5 MR. MOODY: -- 8:42.

6 MR. TRICHKA: 8:42, yup, second?

7 MR. MOODY: Nobody wants to second it. You want  
8 to hear my voice more?

9 MR. LEIGHTON: This is Gary, I'll second.

10 MR. TRICHKA: All right, Gary was the second,  
11 thank you very much. All in favor.

12 ALL MEMBERS: Aye.

13 MR. TRICHKA: Opposed?

14 (MEETING CONCLUDED)

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I, SALLY OMAR, certifies that the foregoing Transcript of the Town of Union, Local Development Corporation Meeting, held on March 25, 2020, at was prepared using electronic transcription equipment and is a true and accurate record of the proceedings.

Date: April 15, 2020



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SALLY OMAR