



Monroe County Industrial Development Corporation

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Minutes

Monroe County Industrial Development Corporation

September 12, 2017

Location: M&T Bank Offices, 180 S. Clinton Avenue, 7th Floor, Rochester, NY 14604

Board Members in Attendance: H. Abdul-Wahid, D. Brooks, T. Brown, C. Campbell, D. Halladay, P. Hin, E. Krzanowicz, A. Laniak, R. Lasch, D. Mendick, J. Morse, P. Pecor, Z. Phillips, J. Rizzo, L. Ryan, P. Smith, S. Strassenburgh, D. Zorn

Others Present: Executive Director J. Adair, L. Birr, M. Doyle, M. Geise, B. O'Brien

Also Present: R. Endress, Esq. (Harris Beach PLLC), M. Patel, Esq. (Harris Beach PLLC), C. Peterson (GRHS Foundation, Inc.), E. Russell, Esq. (Underberg & Kessler LLP)

President Strassenburgh called the meeting to order and opened the public forum at 8:00 a.m. There being no public forum items, the meeting commenced.

St. John's Home for the Aging (d/b/a St. John's Meadows): A public hearing was held September 12, 2017 at 7:30 a.m. prior to this meeting. Attorney Russell presented the project and discussed the use of proceeds. Attorney Patel reviewed the SEQRA determination. The Board considered the bond request under the Board's authority granted by Monroe County Legislature Resolution No. 288 of 2009. On motion by H. Abdul-Wahid, second by P. Hin, abstention by P. Smith, the resolution was adopted. A summary follows:

BY THIS RESOLUTION, THE MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION APPROVES THE ISSUANCE OF ONE OR MORE SERIES OF ITS REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$320,000,000 FOR THE BENEFIT OF ST. JOHN'S HOME FOR THE AGING AND THE EXECUTION AND DELIVERY OF ALL DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH

GRHS Foundation Inc.: A public hearing was held September 12, 2017 at 7:45 a.m. just prior to this meeting. C. Peterson presented the project and use of proceeds. Attorney Patel reviewed the SEQRA determination. The Board considered the bond request under the Board's authority granted by Monroe County Legislature Resolution No. 288 of 2009. On motion by P. Hin, second by D. Halladay, abstentions by P. Smith and E. Krzanowicz, the resolution was adopted. A summary follows:

BY THIS RESOLUTION, THE MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION APPROVES THE ISSUANCE OF ONE OR MORE SERIES OF ITS REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE BENEFIT OF GRHS FOUNDATION, INC. AND THE EXECUTION AND DELIVERY OF ALL DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH

Minutes: The draft minutes of the June 21, 2017 Meeting of the Board were presented. On motion made by L. Ryan, second by C. Campbell, the minutes were unanimously approved.

SBA Independent Loan Review: L. Birr provided a full review of the contents of the Internal Loan Review with management report, as well as risk rating procedures. After discussion, and upon motion by H. Abdul-Wahid, second by P. Smith, the Internal Loan Review, with management report, was unanimously approved.

SBA SMART Audit: L. Birr reported the status of the SBA SMART Audit as near completion, with some more reporting to be made to the SBA.

Internal Control Policy: Attorney Endress discussed revisions made to the Board-approved Internal Control Policy, made in accordance with SBA's request to comply with 3 CFR Section 120.826(b), and to include 504 loan program procedures for the annual independent loan review and loan risk rating and classification processes. The revised policy also directs management to assign the responsibility for the internal control function (covering financial, credit, credit review, collateral, and administrative matters) to Executive Director Adair. On motion made by D. Halladay, seconded by P. Pecor, and unanimous approval, the revised Internal Control Policy as presented, subject to SBA approval with no substantive changes, and the responsibility for internal controls being assigned to Executive Director Adair, was duly adopted.

SBA Portfolio and NAICS Code Report: Executive Director Adair presented the SBA 504 Loan Program Status of Portfolio as of August 31, 2017, and the report of SBA loans grouped by NAICS codes. The portfolio has 112 loans, with an outstanding balance of just over \$32,179,000. The NAICS report indicates loans in a wide variety of industries, with a concentration of 31.4% in manufacturing.

Job Compliance Report: Executive Director Adair presented Loewke-Brill reports for three months (June, July and August) for the monitoring of the one active construction project (the Jewish Home of Rochester). 100% compliance with local labor requirements was confirmed each month.

Activity Report: Executive Director Adair presented the newly-formatted project activity report through August 31, 2017, compared to prior year to date. This year's total number of projects is up 28% from last year, primarily due to increased Great activity. There are currently 10 SBA 504 loans in backlog, with the potential of 6 closing by year end. We are initiating presentations to area banks to promote 504 activity. Bond activity increased during 2017, with 3 closed bonds this year totaling over \$591 million in company investment. There are 3 loans on the Watch list, and efforts are being made to keep in touch with these borrowers.

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Treasurer's Report: The newly-formatted Cash Flow Report was presented by P. Hin. The report shows a positive projected cash balance.

Other Business: L. Birr provided an update regarding the Kingsbury loan liquidation, noting that the SBA will charge the loan off, that lawsuits are continuing, and we remain responsible for administering the loan. The Board also discussed options regarding the Laser Max MCIDC loan.

President's Report: President Strassenburgh thanked E. Krzanowicz for accepting the Loan Committee's request to become a member.

There being no further business to discuss, upon motion made by P. Hin, second by L. Ryan, all aye, the meeting of the MCIDC Board was adjourned.

Respectfully submitted,

H. Abdul-Wahid, Secretary