

## WYOMING COUNTY BAC BOARD MEETING MINUTES

The WCBAC Board of Directors met on July 13, 2023 at 2:30 p.m. at the Wyoming County Business Center, 36 Center Street Warsaw, New York 14569.

### **1. Roll call to establish quorum**

Chairman Dadd, called the meeting to order at 3:17 p.m., in attendance were: Mark Dadd, Chairman; A. Douglas Berwanger, Vice-Chairman; Rebecca Ryan, Treasurer; Thomas McCormick, Secretary; Niccole Hastings, Director; E. Joseph Gozelski, Director; James Pierce, Executive Director; Robin Marschilok, Director of Operations; Jennifer Tyczka, Program Manager; Scott Gardner, Economic Development Specialist and Kevin Zanner, Hurwitz & Fine, Agency Counsel.

Absent: James Rutowski, Director

Guest: Mark George, Underwriter; Justin and Stephanie Britton, owners of Jay Bee Contracting, LLC

### **2. Administrative**

#### **A. Review/approve Minutes from May 11, 2023 Board Meeting**

The minutes from the May 11, 2023 Board Meeting were reviewed. A motion was made to accept the minutes by N. Hastings. The motion was seconded by T. McCormick and unanimously carried.

#### **B. Review and Approve Financial Statements from May and June 2023**

R. Marschilok presented the financial reports from May and June 2023. After review the Board approved the financial reports on a motion made by R. Ryan. The motion was seconded by N. Hastings and unanimously carried.

### **3. Action Items**

#### **A. A loan request from Justin Britton, owner of Jay Bee Contracting. Justin Britton will present an overview of his project and the need for financing. After Justin is excused from the meeting our underwriter Mark George (retired Vice President of the Bank of Holland) will present his credit analysis to the Board.**

J. Pierce introduced Justin and Stephanie Britton, owners of Jay Bee Contracting, LLC, to present their project to the Board (joined the meeting at 3:23 p.m.). Justin Britton was a graduate of the Fast Trac Program and has since started and maintained a successful business, focusing on kitchen, bath, window and door construction and remodels. Justin is a featured speaker at the ongoing Fast Trac business training classes and shares his knowledge and expertise of starting and

running a small business with the class participants. Justin started with a video presentation and explained to the Board that the business is growing with the most profit being realized from bath projects. They have been looking for a bigger space to accommodate the business growth and are in negotiations to lease a building currently. They would also like to scale up and are considering purchasing a franchise called Re-Bath. Jay Bee Contracting would have the WNY Region exclusively, that includes the Rochester and Buffalo regions. Re-Bath is a national company that provides full bath renovations not just fitting into the current design. Jay Bee Contracting has been denied by the local bank and is asking the WCBAC Board for a \$200,000 loan, which, along with owner equity of approximately \$200,000, will complete the needed funding for the franchise purchase, a show room build-out, 12 months of operating expense and the cost of up front materials for building bathrooms. The total project cost is estimated at \$398,200. Britton is asking for the funds at a 4% interest rate and a 10 year term. Britton ended his presentation answering a few questions from the Board. The Brittons thanked the Board and left the meeting at 4:00 p.m.

Pierce then introduced Mark George, a retired commercial lender from the Bank of Holland who has agreed to provide the needed underwriting of loan requests for both the WCBAC and the Wyoming County Business Center.

George presented his analysis of the loan request outlining Justin Britton's personal and Jay Bee Contracting's business credit and cash flows. George explained that none of the proceeds asked for will be used to purchase real property or equipment, in which case another source of collateral is recommended. There is currently a large amount of debt already incurred and it's difficult to get accurate estimated net income from the proposed franchise, being new to the region. However, Britton has been a proven borrower, he and his wife are committed to making the bath remodel business work and have shown they have the determination to succeed by starting Jay Bee Contracting during the onset of Covid-19 and persevering through it all. The franchise purchase would require additional employees, increasing Britton's staff from 6 to thirteen in the next 2 years. George stated his recommendations would be in favor of the loan using the Britton's home residence as collateral, 2<sup>nd</sup> behind the bank, a first position mortgage on his shop at 10 Robert Street in Warsaw, the personal guarantees of Justin and Stephanie Britton, and a term life insurance policy for \$200,000 on Justin Britton payable to the WCBAC for the term of the loan. George then concluded his review. The Board thanked him for providing the analysis in great detail.

After George's review, the Board considered the loan request. The Board approved the \$200,000 note at 4% with a 10-year term and collateral as recommended by Mark George, above, contingent on Britton solidifying the lease terms for a building on a motion made by J. Gozelski. The motion was seconded by D. Berwanger, T. McCormick opposed, and the motion was carried.

**B. A request from Letchworth Valley Campground and Resort to allow for a 12-month period of interest only.**

Bill Proietti, Owner of the Letchworth Valley Campground and Resort, has asked for an extension of the interest only period for his loan to be extended for an additional 12 months. The reconstruction and building of the camp ground has been delayed due to supply chain issues, lack of workers to complete the project and an environmental delay due to the DEC issuing an order for an archeology study. Proietti has asked for the extension of the interest only payment for a year in order to complete the project and increase revenue flow. After review, the Board approved the request for an additional 12 months of interest only payments, beginning June 1, 2023 through May 31, 2024 on a motion made by N. Hastings. The motion was seconded by D. Berwanger and unanimously carried.

**4. Other Business**

J. Pierce reminded the Board of the outstanding loan balance from Action Enterprises, (a subsidy of Wyoming County Community Action (“WCCA”)), carried on the loan portfolio. In a recent conversation with Carrie Johnson, Executive Director/CEO of Wyoming County Community Action, Jim informed her of the defaulted loan and the yearly interest payment paid by WCCA each year. In the Packet was an email correspondence from Carrie Johnson addressing the outstanding loan. Johnson explained that the financial situation with WCCA does not provide funds to pay the note but they will work something into next year’s budget to include a payment on principal in addition to the annual interest being paid.

**5. Next Meeting**

The Next Meeting is scheduled for August 10, 2023, immediately following the WCIDA Board Meeting at the Ag and Business Center.

**6. Adjournment**

The meeting was adjourned at 4:33 p.m. on a motion made by N. Hastings, seconded by R. Ryan and unanimously carried.

Minutes prepared by: Robin Marschilok