



April 26, 2019 REDCO Board of Directors Meeting Minutes

Directors Present: Baye Muhammad, Rosiland Brooks Harris, Dana Miller, Gary Bonadonna, Barbara Jones, Jennifer Berrios, Dick Mueller, Ruth Scott, Loretta Scott, Dale Trott, Willie Lightfoot, Sergio Esteban and David Young.

Henry Fitts, Julie St. Clair, Corinne Palermo, Matthew McCarthy Tim Curtin and Kate Washington

Staff Present: Tim Curtin, Matt McCarthy, Corinne Palermo, Suzanne McSain, Henry Fitts, Brad Willows

Secretary Present: Thaddeus Schofield

Baye Muhammad called the meeting to order at 12:04 pm

- I. Baye Muhammad presented the meeting minutes from the March 22, 2019 Board of Directors meeting. David Young motioned to approve the minutes, seconded by Rosiland Brooks Harris, and the minutes were unanimously approved.
- II. Resolution – The Commissary amended loan approval, presented by Thad Schofield. Thad discussed the request for board approval for \$258,660 loan, 7 year term/amortization at 3 % towards FF&E and a \$50,000 Philip J. Banks Grant for equipment, soft costs and working capital.

The amendment was necessary as the total project investment increased from \$1,849,960 to \$2,032,528 and there was a change in collateral to secure REDCO's loan. This collateral changed involved: REDCO having a first lien on equipment with an estimated total value of \$490,005, which had increased from the prior amount of \$254,343. The other change involves the potential Empire State Development (ESD) loan guarantee of 80% of the REDCO loan. This guarantee was not approved by ESD. The Rochester Downtown Development Corporation will continue to guarantee 20% of the REDCO loan as collateral.

Sergio Esteban motioned to approve the resolution, seconded by Dale Trott, and the resolution was unanimously approved.



- III. Resolution –Matt McCarthy presented the resolution to approve Vargas and Associates Loan and Grant request. The request for board approval for a \$75,000 REDCO Revolving Loan Fund Loan (12.3% of total project costs) and a \$25,000 REDCO Philip J. Banks Small Business Assistance Program Grant (4.1% of total project costs).

The REDCO loan will have a five year term and amortization. The interest rate will be fixed at 1 % (one percent). Collateral to secure the loan will be through an irrevocable letter of credit issued by Key Bank, in addition to being personally guarantee by Chrisine Vargas.

Sergio Esteban motioned to approve the resolution, seconded by Dale Trott, and the resolution was unanimously approved.

- IV. Resolution – NBD and Law Annual Fees –Thad presented the resolution requesting \$70,000 to provide compensation for services provided by various departments, to include NBD and Law Department. \$30,000 of this amount is distributed to the Law Department and the remaining \$40,000 will be dispersed to NBD.

Willie Lightfoot motioned to approve the resolution, seconded by Loretta Scott, and the resolution was unanimously approved.

- V. Resolution - Agreement with Freed Maxick to perform SBA REDCO Loan Audit, presented by Thad Schofield. REDCO is required to have an independent audit of its SBA 504 loans as part of the SBA reporting requirements. Freed Maxick is currently under contract with the City. The request is for REDCO to approve Freed Maxick to perform the audit.

Sergio Esteban motioned to approve the resolution, seconded by Loretta Scott, and the resolution was unanimously approved.

- VI. Discussion –Bayé Muhammad discussed a REDCO Board of Director's Retreat. This retreat will take place late May/early June. Topics of conversations will include, but are not limited to, REDCO Capacity Building, Rochester's Revolving Fund, and REDCO Mission. This will also be an opportunity to introduce RIT staff who will be assisting REDCO with potential changes for the future.

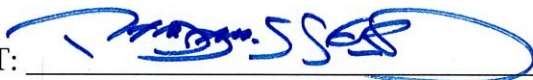
- VII. Presentation – Kate Washington presented OWN Rochester. The mission of OWN Rochester is to provide, create jobs and wealth-building opportunities in low income neighborhoods by overseeing the development of for-profit, employee-owned businesses. OWN supports worker owned businesses. Many small business owners

are seeking to retire but have no viable succession plan. OWN can assist and evaluate conversion opportunities. OWN Rochester would like to partner with REDCO for future endeavors.

- VIII. Other business included Thad Schofield discussing REDCO's financial summary. Thad also suggested to the Board the option of using a document sharing website in lieu of printing supporting documentation, with the option of hard copies if requested. This was acceptable to all and will be implemented in the near future. Thad advised that the next REDCO Board Meeting will be held on May 22nd. Baye also queried the group if anyone would be willing to host a future board meeting(s). Multiple offers were received.

The meeting was adjourned at 12:57.

ATTEST:



Thaddeus S. Schofield, REDCO Secretary