

**Jefferson County Industrial Development Agency  
Loan Review Committee Meeting Minutes  
March 27, 2024**

**Present:** David Converse (Chair), John Condino, Christine Powers  
Zoom: Rob Aliasso

**Absent:** Kent Burto

**Also Present:** David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Joy Nuffer, Robin Stephenson, Joeseeph Frateschi, Esq., Joey Drouin  
Zoom: Justin Miller, Esq.

- I. Call to Order:** Chair Converse called the meeting to order at 8:00 a.m.
- II. Pledge of Allegiance**
- III. Loan Request –**
  - 1. Drouin Distribution Ltd.** – A request for a loan from the MICRO Loan Fund in the amount of \$40,000 to be used for working capital to help facilitate Reefertilizer’s wholesale revenue growth and continued US expansion. The total project cost is \$80,000.

Staff recommended a \$40,000 MICRO Loan at a rate of 6% for a 5-year amortization. Projection to create 2 jobs over three years. The loan will be secured with a lien on all assets of the business, personal guarantees of Joey Drouin, Mike Drouin, cross-corporate guarantee with Reefertilizer Inc. as well as keyman life insurance in the amount of the loan.

Ms. Stephenson provided background information. She said Drouin Distribution is leasing space from the Monthly Boxer (Alex Morgia) located in the Jefferson County Corporate Park in order to better serve growing U.S. demand. She said that they are seeking a MICRO loan to beef up their display at tradeshow.

Mr. Drouin said that he started Reefertilizer in 2017 in Canada with his brother Mike Drouin and started selling their product in 2018. He said they created a video that went viral on Reddit which resulted in a huge increase in demand. He also said that they are in 30 lawn and garden retail locations and noted that their first distributor was BFG.

Mr. Drouin said that they have realized that they need to spend more money on their display at trade shows, which can cost approximately \$10,000 to \$15,000 to attend. He said that they will be attending the Ace Hardware trade show in August in Chicago and the True Value trade show in October. This will help expand their business.

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Mr. Drouin brought a sample box containing their three products: a Start bag, a Grow bag, and a Bloom bag which sells for \$79.95. He said that he also has 25-pound bags available. The product is for growing cannabis indoors or outdoors in or around home settings.

Mr. Drouin said their plan for next year is to buy larger bags and bag in the Watertown location. He noted that they are only filling orders from that location right now.

Ms. Powers asked if there are any banking concerns. Mr. Drouin said that one of his employees did some research with his previous employer in Colorado for the legality of cannabis fertilizer and discovered that they bank with Key Bank, so Mr. Drouin approached Key Bank to set up an account locally. He emphasized that what they are selling is not illegal since there is no cannabis in the fertilizer. Ms. Powers asked if Mr. Drouin has any aspirations to go beyond the fertilizer stage. Mr. Drouin said maybe in the future.

Mr. Aliasso asked if Mr. Drouin can bypass retail to customize an order directly to a larger customer. Mr. Drouin said yes.

Mr. Drouin said that he uses Ez-Gro located in Kingston Ontario to order his bags. Ez-Gro mixes and fills the bags. Mr. Drouin said that he sold approximately 1,000 trios last year. He said that the current inventory includes 1,500 – 2,000 for each of the three bags. Mr. Drouin noted that they have a federal trademark on the product.

Mr. Aliasso asked if the key man life insurance contingency has been discussed. Ms. Stephenson said yes.

Mr. Drouin left the meeting.

Mr. Aliasso said the loan will be unsecured. Attorney Miller said that we can look at enforcement between the U.S. and Canada and find out if there are any retirement funds or assets. Attorney Frateschi said that we can see if there is any value to his intellectual property associated with the product.

A motion was made by Mr. Aliasso to recommend the loan to the full board of directors for consideration, seconded by Mr. Condino. All in favor.

**IV. Other/Unfinished Business –**

- 1. Executive Session** – At 8:38 a.m., a motion was made by Mr. Condino to discuss financials of a particular corporation, seconded by Mr. Aliasso. All in favor. Committee members, staff and counsel remained.

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At 8:48 a.m., a motion was made by Mr. Condino to leave the executive session, seconded by Ms. Powers. All in favor. No action was taken.

- V. Adjournment:** With no further business before the committee, Mr. Condino made a motion to adjourn the meeting, seconded by Ms. Powers. The meeting was adjourned at 8:48 a.m.

Respectfully submitted,

*Peggy Sampson*