

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
May 1, 2019 - 8:13 p.m.
Millennium Hotel – 2040 Walden Avenue
Cheektowaga, New York 14225

Board of Directors in Attendance

| | |
|-----------------|-------------------|
| John Redman | Timothy Popielski |
| Denis Serugendo | Edward Halady |
| James Antkowiak | Richard Cielinski |
| Kristina Groff | Stephen Bojdak |

Not In Attendance: Cheryl Moore, Jeffrey Mendola and Paul Gilden

Resource Personnel in Attendance

Richard Willis, Town of Cheektowaga Director of Community Development
Elizabeth Kraus, H. Sicherman & Associates
Amy Vigneron, Attorney At Law, Cohen & Lombardo P.C.
Paul Leone, Town Business Consultant
Jerome Gabryszak, Community Development Aide

President Redman called the meeting to order at 6:25 p.m.

Remarks

President Redman welcomed the Board and guests. John thanked the Board members for their continued dedication to the mission of the CEDC and stated that the Corporation’s next big effort will be in marketing, including finalizing the redesign of the CEDC website.

Updates

Speed Motor Express: The \$140,000 loan to Speed Motor Express of WNY is expected to close within the next one to two weeks.

Global Asset Management Solutions: Amy Vigneron, CEDC Legal Counsel, sated that efforts are still underway to discover whether the loan recipient, Richard Costanzo, has assets of any type in Florida that could be used to repay some or all of the money owed to the CEDC’s \$200,000 loan.

John & Sue of WNY: The Community &Economic Development Office has received payment from John Kwiecinski’s attorney in the amount of \$25,469.01.

Reading of Minutes

Jerome Gabryszak reviewed the minutes from the last meeting, held on May 14, 2018. President Redman asked for any comments, additions or corrections. None being made, the following motion was made:

Motion by: Steve Bojdak
Seconded by: Richard Cielinski
Motion: To accept the minutes as read.
Vote: Ayes 8 Nays 0 Abstain 0

Remarks

Jerry Gabryszak informed the Board that he planned to retire from his position with the Town Community Development Office by the end of the year. He stated that his retirement means that, although the Community Development Office would be able to absorb some of Jerry's duties, Board members will be expected to take up other tasks. Jerry indicated that he is working on an outline of the work he performs that will aid in the transition.

Richard Willis also called on Board members to become more active in carrying out the business of the Corporation and working on ways to market the CEDC's loan program. The redesign of the website and creation of marketing material has stalled and needs to be a priority. He also reminded the Board that HUD requires the Town Community Development Office to comply with its timeliness rule that requires the Town to have no more than 1.5 times its annual allocation of funds remaining in its CDBG line of credit plus the amount of program income on hand from its housing rehab loan program and CEDC business loan programs 60 days prior to the end of its program year. The Town's program year ends on March 31, so it must be in compliance by January 30. If the ratio is more than 1.5, then the grantee is considered untimely and risks losing the amount by which it is over the 1.5 ration in subsequent year funding. If the CEDC has a large balance of unspent funds, the Town may have to recapture some of those funds for use on a Town capital project in order to stay in compliance. Recently the Town recaptured and expended \$200,000 from the CEDC in order to meet the 1.5 ratio.

Election of Officers

President Redman asked for any nominations from the floor, and, there being none, presented a slate of the current officers for re-election, all of whom agreed to serve another term in their respective positions. The proposed slate is John Redman III-President, Timothy Popielski-Vice-President, Denis Serugendo-Treasurer and Edward Halady-Secretary. The following motion was made.

Motion by: Richard Cielinski
Seconded by: Stephen Bojdak
Motion: To close the nominations for Officers of the Corporation.
Vote: Ayes 8 Nays 0 Abstain 0

Motion by: Kristina Groff
Seconded by: Stephen Bojdak
Motion: To authorize Edward Halady to cast one ballot for the election of the proposed slate of officers.
Vote: Ayes 8 Nays 0 Abstain 0

Re-Appointment of Current Directors

Motion by: James Antkowiak
Seconded by: Stephen Bojdak
Motion: To recommend to the Cheektowaga Town Board that the following individuals be re-appointed as Directors of the Cheektowaga Economic Development Corporation for a term of three years: Paul Gilden, Edward Halady, Kristina Groff and Cheryl Moore.
Vote: Ayes 8 Nays 0 Abstain 0

Amendment of By-Laws

Following a discussion and deliberation of whether the Town should continue to appoint Directors to the CEDC, as required in the By-Laws, or should the CEDC Board of Directors appoint Directors to its Board, the following motion as made.

Motion by: James Antkowiak

Seconded by: Stephen Bojdak

Motion: To amend the Bylaws pursuant to Bylaws procedures to authorize the Cheektowaga Economic Development Corporation Board of Directors to appoint Directors to its Board of Directors.

Vote: Ayes 8 Nays 0 Abstain 0

Appointment of Executive Committee

Motion by: Denis Serugendo

Seconded by: James Antkowiak

Motion: To appoint President John Redman, III, Vice-President Timothy Popielski; Treasurer Denis Serugendo and Secretary Edward Halady to the Executive Committee for the 2019-20 fiscal year.

Vote: Ayes 7 Nays 0 Abstain 1 (Tim Popielski)

Appointment of Committees

Motion by: James Antkowiak

Seconded by: Edward Halady

Motion: To authorize the President to appoint committees deemed necessary to carryout the business of the Corporation.

Vote: Ayes 8 Nays 0 Abstain 0

Subrecipient Agreement with Town of Cheektowaga

Jerome Gabryszak advised the Directors that the Corporation is required to execute an agreement with the Town of Cheektowaga for continued utilization of Community Development Block Grant program income funds received by the Corporation for the 2019-20 fiscal year.

Motion by: Stephen Bojdak

Seconded by: Edward Halady

Motion: The President is hereby authorized to execute a Subrecipient Agreement with the Town of Cheektowaga for continued use of Community Development Block Grant Revolving program income funds for the 2019-20 program year.

Vote: Ayes 8 Nays 0 Abstain 0

Professional Services

President Redman asked Jerome Gabryszak to present a summary of professional service proposals received for Auditor, Loan Analyst, Bookkeeper and Legal Counsel. At this point, Elizabeth Kraus and Amy Vigneroa left the room.

Auditor: EFPR Group, CPAs
6390 Main Street, Suite 200
Williamsville, New York 14221

Fee: \$ 4,500.00
Audit & Preparation of US Form 990, NYS Form CHAR-500,
Preparation of Financial Report for Component Units and other services
Pursuant to the Corporation's Request for Proposals and the Proposal
Submitted by the Auditor for the 2018-19 fiscal year.

Motion by: Stephen Bojdak

Seconded by: Edward Halady

Motion: To retain the services of the EFPR Group, CPAs for the fee of \$4,500.00 at the terms and conditions stated in the CEDC's Scope of Services and the proposal submitted by EFPR Group, CPAs for the 2019-20 fiscal year.

Vote: Ayes 8 Nays 0 Abstain 0

Loan Analyst: H. Sicherman & Company, Inc.
5852 Forest Creek Drive
East Amherst, New York 14051

Proposed Hourly Rates

- \$ 185.00 per hour - Harry Sicherman
- \$ 165.00 per hour - R. Charles Bell
- \$ 145.00 per hour - Elizabeth Kraus
- \$ 145.00 per hour - Diane Church
- \$ 130.00 per hour - Greg Merriam II
- \$ 115.00 per hour - Richard Lipold
- \$ 105.00 per hour - Robert Zabel
- \$ 80.00 per hour - Rate in Travel Status (all personnel)
- Mileage reimbursement at the current maximum federal rate.
- Reimbursement for other expenses incurred with prior authorization.
- Cap of \$10,000 on payment for services.

Motion by: James Antkowiak

Seconded by: Stephen Bojdak

Motion: To renew the current contract with H. Sicherman & Company, Inc. for a one-year period for the 2019-20 fiscal year at the rates of reimbursement stated in the consultant's renewal proposal dated April 30, 2019 and as stated above at the same terms and conditions of the existing agreement dated May 1, 2017 with a cap of \$10,000 and with the stipulation requiring said consultant to notify the President of the Cheektowaga Economic Development Corporation when the company's invoices reach ninety percent (90%) of the maximum contract amount.

Vote: Ayes 8 Nays 0 Abstain 0

Bookkeeper: Allen Street Consulting
394 Franklin Street
Buffalo, New York 14202

Fee: \$475 per quarter/\$1,800 Maximum for FY 2019-20
Bookkeeping Services as stated in the Bookkeeper's Proposal dated May 8, 2018

Motion by: Stephen Bojdak

Seconded by: Kristina Groff

Motion: To retain the services of Allen Street Consulting for the 2019-20 fiscal year for a fee of \$475.00 per quarter / \$1,900 annual fee pursuant to the Bookkeeper's Proposal dated May 8, 2018.

Vote: Ayes 8 Nays 0 Abstain 0

Legal Counsel: Cohen & Lombardo P.C.
Attorneys at Law
4140 Sheridan Drive
Amherst, New York 14221

Motion by: Kristina Groff

Seconded by: Edward Halady

Motion: To extend the current contract with Cohen & Lombardo, P.C. for a one-year period for the 2019-20 fiscal year at the terms and conditions of the existing agreement dated September 20, 2017 and at the partners' rate of \$250.00 an hour, an hourly increase of \$25.00 an hour, with a cap of \$10,000.00

Vote: Ayes 8 Nays 0 Abstain 0

Mission Statement

The Corporation's Mission Statement, as stated below, was read and reviewed.

The mission of the CEDC is to foster and promote economic development and the creation and preservation of employment opportunities within the Town of Cheektowaga in order to strengthen and expand the Town's tax base, provide economic opportunity for all persons and improve the quality of life in the Town.

Following discussion, the following motion was presented:

Motion by: Stephen Bojdak

Seconded by: James Antkowiak

Motion: To approve the Corporation's Mission Statement as presented.

Vote: Ayes 8 Nays 0 Abstain 0

Investment Policy

Jerome Gabryszak explained that New York State requires that the Corporation's Investment Policy to be reviewed and approved annually. A copy of the investment policy was distributed to the Board of Directors for review. Following discussion, the following motion was made:

Motion by: Stephen Bojdak

Seconded by: Timothy Popielski

Motion: To approve the Investment Policy as currently adopted.

Vote: Ayes 8 Nays 0 Abstain 0

Status Report – New and Existing Loans and Loan Prospects

Elizabeth Kraus of H. Sicherman & Associates reported the following to the Board:

- **California Closets:** The company may need financing in 2019 and is interested in a CEDC loan for machinery and equipment.
- **Gordon Companies:** Paul Leone spoke with David Gordon who indicated that the Company is no longer Interested in submitted an application for CEDC funding.
- **Buffalo Bread Company:** a judgement has been filed in Florida against Buffalo Bread Company and two co-signors

New Business

Jerry Gabryszak asked the Board to review and complete the following three items before leaving tonight: the Independence Certification, Acknowledgment of Fiduciary Responsibility and Confidential Evaluation form. The New York State Authorities Budget Office requires that these forms be completed.

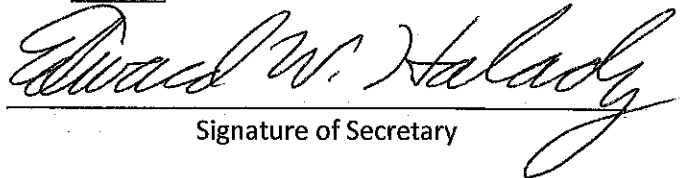
Adjourn

Motion by: Stephen Bojdak

Seconded by: Kristina Groff

Motion: To adjourn the Annual Board of Directors Meeting. (8:12 p.m.)

Vote: Ayes 8 Nays 0 Abstain 0


Signature of Secretary



Cheektowaga Economic Development Corporation
Board of Directors Meeting
May 1, 2019 – 6:00 p.m.
Millennium Hotel
2040 Walden Avenue, Cheektowaga NY, 14225

AGENDA

- 1) Call to Order and Introductions – John Redman
- 2) Review of Meeting Minutes from February 6, 2019 Board Meeting
- 3) President’s Remarks – John Redman
- 4) Jerry Gabryszak - Remarks
- 5) Richard Willis – Remarks / Discussion
- 6) Election of Officers
- 7) Recommendation for Appointment of Board of Directors
 - Directors whose terms are expiring terms in 2019:
Paul Gilden, Edward Halady, Kristina Groff and Jeffrey Mendola and Cheryl Moore
- 8) Discussion of Appointment of Directors
- 9) Appointment of Executive Committee – John Redman
- 10) Authorization for President to Appoint Committees – John Redman
- 11) Authorization to Execute Subrecipient Agreement with Town of Cheektowaga
- 12) Contracts for Professional Services
 - A) Auditor
 - B) Loan Analysis Consultant
 - C) Legal Counsel
 - D) Bookkeeper
- 13) Review and Adoption of Mission Statement
- 14) Review and Approval of Investment Guidelines
- 15) Status Report – New Loans, Existing Loans and Loan Prospects
 - Elizabeth Kraus, H. Sicherman & Associates
- 16) Status Report–Buffalo Bread Co. & Global Asset Mgt - Amy Vigneron, Cohen & Lombardo
- 17) New Business: Board Member Independence Certification
 - Acknowledgement of Fiduciary Responsibility
 - Confidential Evaluation of Board Performance
- 18) Adjourn Meeting

******* ANNUAL MEMBERSHIP MEETING TO BE HELD IMMEDIATELY *****
FOLLOWING THE BOARD OF DIRECTORS MEETING**



Annual Board of Directors Meeting
May 1, 2019

| Loan Balances | March 31, 2019 | |
|----------------------------|-----------------------|---|
| John & Sue | 34,678 | 0.00 |
| Global Asset Management | 27,686 | Current Balance 27,902.55 + 877.76 Late + 193.33 Interest |
| Colvin Oakdale/Gordon Cos. | 212,685 | = 28,973.64 |
| Latina | 458,809 | |
| TOTAL | 733,858 | |

Monthly Payment

| | |
|-------------------------------|--------------------------------|
| Global Asset Management | 3,376 |
| Latina Boulevard Foods | 8,440 |
| Colvin Oakdale/Gordon Cos. | 1,342 |
| Speed Motor Express | 2,947 |
| TOTAL Monthly Payments | \$ 16,105 x 12 =193,260 |

Bank Account Balances

| | |
|---------------------|----------------|
| M&T Checking | 2,225 |
| M&T Savings | 20,062 |
| Key Bank Checking | 280,781 |
| Key Bank Savings | 46,989 |
| Bank of America CDs | 100,000 |
| M&T CD | 135,650 |
| TOTAL | 585,707 |

| | | |
|-------------------------|----------------|---------------------------|
| Key Bank Special | 21,283 | Non Program Income |
| TOTAL | 606,990 | |

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

INVESTMENT POLICY

Adopted July 12, 2011

Scope

Section 2925 of the Public Authorities Law requires the Cheektowaga Economic Development Corporation (the Corporation) to adopt by resolution comprehensive investment guidelines which detail its operative policy and instructions to officers regarding the investment, monitoring and reporting of funds of the Corporation.

In addition to the requirements set forth in Section 2925 of the Public Authorities law, the Corporation is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal law, which govern the deposit and investment of funds for the Corporation's own use and account.

This investment policy is adopted by the Corporation pursuant to the foregoing provisions of the Public Authorities Law and General Municipal law and shall apply to all moneys and other financial resources available for investment on the Corporation's own behalf or, where applicable, on behalf of any other entity or individual.

Governing Principles

A. Investment Objectives

The primary objectives of the Corporation's Investment Policy are, in order of priority, as follows (i) to conform with all applicable federal, state and local laws and legal requirements; (ii) to adequately safeguard principal; (iii) to provide sufficient liquidity to meet all operating requirements of the Corporation; and (iv) to obtain a reasonable rate of return.

B. Diversification

As the Corporation is subject to the deposit and investment restrictions set forth in Sections 10 and 11 of the General Municipal law, the opportunity to diversify among types of investments is limited. Subject to these legal restraints, however, the policy of the Corporation is to diversity by investment instrument by maturity and where practicable by financial institutions.

C. Internal Controls

1. All funds received by an Officer or Member of the Corporation shall be promptly deposited with the depositories designated by the Corporation for the receipt of such funds.
2. Pursuant to Section 11(7) of the General Municipal law, the corporation shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidence of indebtedness held by the Corporation for investment and deposit purposes. Such record shall identify the security, the funds for which it is held, the place where kept, the date of sale or other disposition, and the amount received from such sale or other disposition.
3. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized uses or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

D. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments that may be outstanding with each financial institution or dealer. All financial institutions with which the corporation conducts business must be creditworthy as determined by criteria established by the Corporation. All banks with which the Corporation does business shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation.

E. Purchase of Investments

The Corporation may contract for the purchase of investments directly. All purchased obligations, unless registered or inscribed in the name of the Corporation shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed to the Corporation by the bank or trust company and shall be held pursuant to a written custodial agreement.

Investments

A. General Policy

It is the general policy of the Corporation that funds not required for immediate expenditure shall be invested as described below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

B. Permitted Investments

The President is authorized to invest funds not required for immediate expenditure in the following investments permitted under Section 11 of the General Municipal Law.

1. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is secured in the same manner as provided in Deposits section below of this Investment Policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained.
2. Such other obligations as may be permitted under Section 11 of the General Municipal Law. All investments shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase, and comply with such other requirements as set forth in Section 11 of the General Municipal Law.

Deposits

A. Designation of Depositories

The Corporation, by resolution, designates one or more commercial banks or trust companies for the deposit of Corporation funds received by the Corporation. Such resolution shall specify the maximum amount that may be kept on deposit at any time with each bank or trust company. Such designations and amounts may be changes at any time by further resolution of the Corporation.

B. Collateralization of Deposits

In accordance with Section 10 of the General Municipal Law, all deposits of the Corporation (including certificates of deposit and special time deposits) in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured as defined by Section 10 of the General Municipal Law, at least equal to the aggregate amount of deposits.

C. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository and/or third party bank or trust company subject to security and custodial agreements as described below.

1. Security Agreement Requirements. The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the depository or its custodial bank.
2. Custodial Agreement Requirements. The custodial agreement shall provide the securities held by the bank or trust company, as agent of and custodian for the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The custodial agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities and may include such other terms as the Corporation Board deems necessary.

Monitoring and Reporting Obligations

The following monitoring and reporting procedures shall be applicable in connection with the deposit and investment of funds subject to this Investment Policy:

A. Monthly Monitoring

Each cash and investment account statement will be reviewed and reconciled by the President on a monthly basis. The Board will review each account reconciliation for accuracy and will investigate any unusual items noted.

B. Monitoring and Reporting

Pursuant to Section 2925(5) of the Public Authorities Law, the President shall present a report at each meeting of the Corporation Board of Directors which will include the following information: (i) the cash and investment balances of the Corporation; (ii) identification of any new investments since the last report; (iii) information concerning the selection of investment bankers, brokers, agents, dealers or auditors since the last report; and (iv) the names of the financial institutions holding Corporation deposits.

C. Annual Monitoring and Reporting

1. On an annual basis, the Corporation will obtain an independent audit of its financial statements, which shall include an audit of its cash and investments and the Corporation's compliance with this Investment Policy. The results of the independent audit shall be made available to the Corporation Board at the time of its annual review of this Investment Policy.
2. Pursuant to Section 2926(6) of the Public Authorities Law, the Corporation shall, on an annual basis, prepare and submit for Corporation Board approval an investment report which shall include this Investment Policy, amendments to the Investment Policy since the last investment report, an explanation of the Investment Policy and any amendments, the results of the annual independent audit, the investment income record of the Corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the last investment report. The investment report will be distributed to those individuals identified in Section 2925(7) (b) of the Public Authorities Law. The Corporation shall make available to the public copies of its investment report upon reasonable request.

Annual Review

This investment policy shall be reviewed and approved by the Corporation's Board of Directors on an annual basis.

Savings Clause

Nothing contained in Section 2925 of the Public Authorities law shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into by the Corporation in violation of, or without compliance with the provisions of Section 2925 of the Public Authorities Law.