

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
April 20, 2021 – 6:40 P.M.
Diamond Hawk Clubhouse
255 Sonwil Drive
Cheektowaga, New York 14225

Board of Directors in Attendance

Kristina Groff	Edward Halady
Timothy Popielski	Denis Serugendo
Paul Gilden	Robert Lowery

Resource Personnel in Attendance

Amy Vigneron, Attorney At Law
Rachel Straker, Director of Community Development
Jerome Gabryszak, Community Development Aide

President Groff called the meeting to order at 6:40 p.m.

Discussion

A discussion ensued regarding the appointment of Directors to the Cheektowaga Economic Development Corporation. The Town Supervisor Diane Benczkowski prefers the Cheektowaga Economic Development Corporation to appoint Directors to its Board of Directors. The Cheektowaga Town Board will approve a resolution next week reappointing Directors and confirming its concurrence with an amendment to the Corporation's bylaws revoking the requirement that the Cheektowaga Town Board appoint Directors to the Corporation Board of Directors and allowing the Corporation Board of Directors to assume that power. Kristina also stated that it was most important to recruit new members for the Board.

Reading of Minutes

Motion by: Paul Gilden
Seconded by: Timothy Popielski
Motion: To approve the minutes of the June 20, 2020 and February 10, 2021 Board of Directors meetings.

Vote: Ayes 6 Nays 0 Abstain 0

Motion by: Edward Halady
Seconded by: Timothy Popielski
Motion: To appoint Richard Cielinski and Timothy Popielski to the Board of Directors of the Cheektowaga Economic Development Corporation for a term of three years said term expiring at the time of reappointment to said Board of Director positions but no later than June 30, 2024.

Vote: Ayes 6 Nays 0 Abstain 0

(At this point, Jerry Gabryszak passed out the Independence Certification, Acknowledgment of Fiduciary Responsibility and Confidential Evaluation of Board Performance forms to the Board).

Election of Officers

Kristina Groff was nominated for the office of President. Following Kristina’s acceptance of the nomination, Timothy Popielski (Vice-President) and Denis Serugendo (Treasurer) agreed to serve another term in their respective offices. The office of Vice-President received no nominations. It was decided to vote on the officer positions individually. The following actions were taken.

Motion by: Paul Gilden
Seconded by: Edward Halady
Motion: To elect Kristina Groff as President of the Cheektowaga Economic Development Corporation for a one-year term.
Vote: Ayes 6 Nays 0 Abstain 0

Motion by: Edward Halady
Seconded by: Kristina Groff
Motion: To elect Denis Serugendo as Treasurer of the Cheektowaga Economic Development Corporation for a one-year term.
Vote: Ayes 6 Nays 0 Abstain 0

Motion by: Denis Serugendo
Seconded by: Paul Gilden
Motion: To elect Edward Halady as Secretary of the Cheektowaga Economic Development Corporation for a one-year term.
Vote: Ayes 6 Nays 0 Abstain 0

Appointment of Executive Committee

Motion by: Robert Lowery
Seconded by: Paul Gilden
Motion: To appoint President Kristina Groff, Treasurer Denis Serugendo and Secretary Edward Halady to the Executive Committee for the 2020-21 fiscal year.
Vote: Ayes 6 Nays 0 Abstain 0

Designation of Committees and Authorization to Appoint Committee Members

There was a brief discussion about combining some of the committees to be designated and occasionally holding virtual meetings on the zoom platform to facilitate greater participation by Directors.

Motion by: Edward Halady
Seconded by: Paul Gilden
Motion: To designate the following committees and authorize the President to appoint Directors to said committees: Budget, Audit, Governance, Loan Review/Finance, Policy and Marketing Committees.
Vote: Ayes 6 Nays 0 Abstain 0

New York State Audit Recommendations

A meeting was held on March 31st with Jason Lin, the New York State auditor to review his recommendations to improve the operations of the Corporation. Overall, their biggest findings point to a lack of regular board involvement and oversight. He highlighted the following recommendations in order to better organize our internal controls and processes.

- encourage more participation of Directors in committees and the management of the Corporation
- issuance of a Treasurer's report on a monthly or quarterly basis to keep directors abreast of the financial status of the Corporation. These reports can then be reviewed by the Treasurer and/or Executive Committee and a report presented to the Board at each quarterly Board meeting;
- work with the depositories to eliminate monthly bank fees;
- have bank statement reconciliation done by staff or a board member instead of the bookkeeper for additional oversight.
- all CD renewals and investment accounts should be reviewed by the Board. The board should be directly involved and make decisions about which banks to use for depositories of CEDC funds. This will also avoid any appearance of a conflict of interest. The board should review and approve certificates of deposit renewals.
- timely deposits of monthly loan payments.
- Development of written processes and standard operating procedures. A committee should be appointed to review existing policies and procedures and help to create a manual for handling of receipts, deposits, fee assessment, etc...
- development of a loan committee charter;
- establish a written policy and that incorporates standards for evaluating loan applications based on specific guidelines/criteria.
- establish a policy to better quantify the level of risk for each prospective loan and that we monitor the risk involved with our portfolio of loans as a whole.
- written minutes from loan committee meetings to show discussions and outline factors that impacted the committee's recommendation for approval/denial to the full board.
- develop a more standardized job creation report that can be shared regularly with all board members and with all necessary agencies we must report to (Town, HUD, PARIS).
- the auditor questioned how late fees are assessed and applied and recommended a review and amendment of that policy. (Note, pursuant to the loan agreement, "all payments made hereunder shall be applied first to the payment of any late charges or additions, then to the payment of accrued interest, and then to the reduction of principal.") The auditor preferred that late charges be accumulated over the course of the amortization period and added to the final payment amount. Or send a late fee invoice to the loan recipient.
- the application/commitment fee (1% of loan amount) was questioned. Typically, these funds go into a separate account – that for the past several years has been called a "special" account – name has to change, obviously! But, the funds were kept separate, because it was understood before that those funds were not deemed "program income" and subject to HUD regulations. The auditors said that the subrecipient agreement should be reviewed again and it was thought on their end that all income we receive is deemed program income and subject to HUD rules and regulations. Jerry has previously consulted with Harry Sichernman on this.

President Groff discussed the auditors' questions regarding the Walden Commerce Exchange. Even though the actual agreement and transactions were from the 90's and outside their audit period, because the loan was written off in the last couple of years during the annual audit, at the recommendation of our internal auditors, it was opened up for scrutiny. Because of the nature of the project, there were no job creation reports and the auditors questioned which HUD National Objective it fell under. A concern to the auditors was that there didn't seem to be a documented discussion or authorization from the board to officially write off the loan, and it was questioned what due diligence was done over the years to collect on any of the outstanding funds. They said that typically large write-offs are what they flag as potential misappropriation of funds – and is likely what prompted the subpoena of records. (Note: HUD national objective for this activity were low/moderate area benefit and project feasibility planning in relation to the development of the commercial park.) The auditor was given the opportunity to examine extensive documentation from this project.

President Groff stated that the next step for the audit team will be to submit a written report to our attention indicating each of the findings. The CEDC will have an opportunity to respond in writing to the findings and outline any corrective action we have already taken or plan to take.

Subrecipient Agreement with Town of Cheektowaga

Jerry Gabryszak advised the Board that the Corporation is required to execute an agreement with the Town of Cheektowaga for continued utilization of Community Development Block Grant revolving program income funds for the 2021-22 fiscal year.

Motion by: Paul Gilden
Seconded by: Timothy Popielski
Motion: To authorized the President to execute a Subrecipient Agreement with the Town of Cheektowaga for continued use of Community Development Block Grant Revolving program income for the 2021-22 fiscal year.
Vote: Ayes 6 Nays 0 Abstain 0

Review and Adoption of 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 a brief discussion, the following motion was presented:

Motion by: Robert Lowery
Seconded by: Paul Gilden
Motion: To approve the Corporation's Mission Statement as presented.
Vote: Ayes 6 Nays 0 Abstain 0

Review and Approval of Investment Policy

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

Motion by: Robert Lowery
Seconded by: Paul Gilden
Motion: To approve the Investment Policy as currently adopted.
Vote: Ayes 6 Nays 0 Abstain 0

Professional Services

The following professional service proposals were presented to the Board of Directors. At this point Amy Vigneron left the room.

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

Proposed Hourly Rates

- \$ 185.00 per hour - Harry Sicherman
- \$ 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: Edward Halady
Seconded by: Paul Gilden
Motion: To renew the current contract with H. Sicherman & Company, Inc. for a one-year period for the 2010-22 fiscal year at the rates of reimbursement stated in the consultant’s renewal proposal dated June 23, 2020 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 6 Nays 0 Abstain 0

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

Motion by: Edward Halady
Seconded by: Timothy Popielski
Motion: To extend the current contract with Cohen & Lombardo, P.C. for a one-year period for the 2021-22 fiscal year pursuant to the proposal of Cohen & Lombardo, P.C. at the terms and conditions of the existing agreement dated September 20, 2017 and at the partners' rate of \$250.00 an hour with a cap of \$10,000.00.
Vote: Ayes 6 Nays 0 Abstain 0

Auditor: EFPR Group, CPAs
6390 Main Street, Suite 200
Williamsville, New York 14221
Fee: \$ 4,650.00
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 2020-21 fiscal year.

Seconded by: Paul Gilden
Motion: To retain the services of the EFPR Group, CPAs for the fee of \$4,650.00 at the terms and conditions stated in the CEDC's Scope of Services and the proposal submitted by EFPR Group, CPAs for the 2020-21 fiscal year.
Vote: Ayes 6 Nays 0 Abstain 0

Bookkeeper

After a brief discussion, the following motion was made:

Motion by: Edward Halady
Seconded by: Robert Lowery
Motion: To approve the issuance of a Request for Proposals for bookkeeping services for the 2021- 22 fiscal year.
Vote: Ayes 6 Nays 0 Abstain 0

Status Reports

Elizabeth Kraus-H. Sicherman & Company

Information is based on Elizabeth Kraus' latest report of February 21, 2021.

First Friends Day Care Center: Elizabeth's latest report (February 21, 2021) indicates the owner of the business will provide more details about his project.

Big Ditch Brewing Co., Inc.: The owners are interested in applying for a \$500,000 loan but are holding off on applying for a loan until COVID environment restrictions let up. Prospective property is on Transit Road in Cheektowaga. The total project exceeds \$40 million; of that amount \$15 million will be for new equipment & related items.

Gordon Companies, Inc.: Has expressed interest in a \$500,000 loan-awaiting additional information.

Elizabeth Kraus Resignation

It was announced that Elizabeth Kraus is resigning from H. Sicherman & Company to pursue a job offer in banking. The CEDC is appreciative of the work that Elizabeth has done on behalf of the CEDC and wishes her success in her new endeavor.

Amy Vigneron

Amy had discussed the coverage of CEDC Directors under the Town's insurance. The Town is self-insured. Amy will provide an update after she looks into the matter further.

Buffalo Bread Company: The loan has been written off on recommendation of the auditor. No further action will be pursued at this time.

Review and Adoption of FY 2021-22 Budget

The FY 2021-22 budget, which was forwarded to the Board of Directors prior to the meeting, was reviewed and following a brief discussion, the following motion was presented.

Motion by: Edward Halady
Seconded by: Paul Gilden
Motion: To approve the FY 2021-22 budget as presented.
Vote: Ayes 6 Nays 0 Abstain 0

New Board Member

Kristina Groff presented a candidate for appointment to the CEDC Board of Directors. David Tytka is the Senior Market Research Manager of Uniland Development Company. Following a brief presentation by Kristina, the following motion was made:

Motion by: Edward Halady

Seconded by: Timothy Popielski

Motion: To approve David Tytka to serve on the Board of Directors of the Cheektowaga Economic Development Corporation for a three-year term.

Vote: Ayes 6 Nays 0 Abstain 0

Website & Policies

Kristina has obtained two preliminary estimates for the revision and update the Corporation's website. A meeting is also planned with the current host of the website to review ideas for improvement. Jerry is working on policies for procurement and internal controls. He will also check on the status of the New York State PARIS reports.

Adjourn

Motion by: Kristina Groff

Seconded by: Edward Halady

Motion: To approve adjourn the meeting.

Vote: Ayes 6 Nays 0 Abstain 0

The meeting was adjourned at 8:15 p.m.



Secretary Signature



MEMORANDUM

Date: April 15, 2021
To: Cheektowaga Economic Development Corporation
Board of Directors
From: Kristina Groff, President
Re: FY 2021-2022 Budget

Attached is a proposed budget I prepared for FY 2021-2022 budget as required by New York State for consideration of the Budget Committee. 2018-2019 amounts represent actual updated revenues and expenditures pursuant to the FY 2018-19 Financial Statement; the FYE 3/31/2020 budget amounts are those previously approved by the Board of Directors; and, the FYE 3/31/2021 budget is the one proposed to be adopted for the 2020-21 fiscal years. Approval of this budget will allow the CEDC to be current with its New York State PARIS reporting requirements. Once the budget is approved by the Board of Directors, I will enter the budget information into PARIS, after which it is the President's responsibility to submit the budget report electronically to the New York State Authorities Budget Office.

For FY 2021-2022 following is an explanation of the budget categories and amounts.

Rental & Financing Income	2,700	Estimated business loan interest from existing loans;
Investment Earnings	500	Bank/CD interest; estimate based on current balances & rates;
Salaries and Wages	18,000	Administrative charges; estimated wages for the fiscal year;
Other Employee Benefits	1,382	FICA
Professional Service Contracts	26,000	Estimated costs for Legal, Audit, Bookkeeping, Website and Loan Review/Portfolio Management services.
Supplies and Materials	500	Paper, Letterhead, Business Cards, etc.
Other Operating Expenditures	9,000	Estimates costs such as marketing, ads, filing fees, website development and service fees, business meetings and other miscellaneous expenses.

Please review the attached budgets so we can be prepared to discuss it at the meeting. These budgets will necessarily show a deficit due to the small amount of revenues collected, that being primarily from interest on existing loans. Bank interest earned must be returned to the U.S. Treasury. I look forward to seeing everyone on Tuesday.

Cheektowaga Economic Development Corporation (0916)
Fiscal Year End Date: 03/31/2022
Status: UNSUBMITTED

* This page has been modified successfully.

Budget & Financial Plan

Budgeted Revenues, Expenditures, and Changes in Current Net Assets

You must enter Budget & Financial Plan information prior to submittal.

	Last Year (Actual) 2020	Current Year (Estimated) 2021	Next Year (Adopted) 2022	Proposed 2023	Proposed 2024	Proposed 2025
	Modify Delete	Modify Delete	Modify Delete	Modify Delete	Modify Delete	Modify Delete
Revenue & Financial Sources						
Operating Revenues						
Charges for Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rentals & Financing Income	7,201.00	3,000.00	2,700.00	3,000.00	3,000.00	3,000.00
Other Operating Revenues	0.00	3,000.00	0.00	0.00	0.00	0.00
Non-Operating Revenues						
Investment Earnings	573.00	300.00	500.00	500.00	500.00	500.00
State Subsidies / Grants	0.00	0.00	0.00	0.00	0.00	0.00
Federal Subsidies / Grants	0.00	0.00	0.00	0.00	0.00	0.00
Municipal Subsidies / Grants	0.00	0.00	0.00	0.00	0.00	0.00
Public Authority Subsidies	0.00	0.00	0.00	0.00	0.00	0.00
Other Non-Operating Revenues	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds from the Issuance of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues & Financing Sources	\$7,774.00	\$6,300.00	\$3,200.00	\$3,500.00	\$3,500.00	\$3,500.00
Expenditures						
Operating Expenditures						
Salaries and Wages	16,561.00	16,000.00	18,000.00	15,000.00	15,000.00	15,000.00
Other Employee Benefits	0.00	1,224.00	1,382.00	1,150.00	1,150.00	1,150.00
Professional Services Contracts	24,233.00	24,000.00	26,000.00	26,000.00	26,000.00	26,000.00
Supplies and Materials	0.00	500.00	500.00	500.00	500.00	500.00
Other Operating Expenditures	10,310.00	8,000.00	9,000.00	9,000.00	9,000.00	9,000.00
Non-Operating Expenditures						
Payment of Principal on Bonds and Financing Arrangements	0.00	0.00	0.00	0.00	0.00	0.00
Interest and other Financing Charges	0.00	0.00	0.00	0.00	0.00	0.00
Subsidies to Other Public Authorities	0.00	0.00	0.00	0.00	0.00	0.00
Capital Asset Outlay	0.00	0.00	0.00	0.00	0.00	0.00
Grants and Donations	0.00	0.00	0.00	0.00	0.00	0.00
Other Non-Operating Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures	\$51,104.00	\$49,724.00	\$54,882.00	\$51,650.00	\$51,650.00	\$51,650.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Excess (Deficiency) of Revenues and Capital Contributions Over Expenditures	\$(43,330.00)	\$(43,424.00)	\$(51,682.00)	\$(48,150.00)	\$(48,150.00)	\$(48,150.00)



Financial Report – March 31, 2021

Loan Balance as of June 30, 2017

Gordon Companies	\$	182,936
Latina Boulevard Foods		160,542
Speed Motor Express		63,771
Hanzlian Sausage Company		<u>149,866</u>
SUBTOTAL-LOANS		557,115
Walden Commerce Exchange		<u>130,535</u>
TOTAL	\$	687,650

Monthly Payments

\$ 8,439.67	Latina Boulevard Foods (Assumes Payment Start of October, 2017)
1,342.36	Gordon Companies/Colvin-Oakdale (Balloon Payment of \$227,868 due April, 2018)
2,531.90	Hanzlian Sausage Company
<u>2,946.54</u>	Speed Motor Express
\$ 15,260.47	TOTAL Monthly Payments (\$ 183,125.64 Annually)

Cash Balance as of June 30, 2017

\$ 319,408.67	Key Bank Checking
47,083.83	Key Bank Savings
135,733.20	M&T Money Market
2,196.61	M&T Checking
<u>135,887.16</u>	M&T Certificate of Deposit
\$ 640,309.47	Total



**Cheektowaga Economic
Development Corporation**

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

MISSION STATEMENT

Adopted July 12, 2011

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.

April 20, 2021

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY

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.