

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
July 28, 2021 – 6:00 p.m.
Alexander Community Center Conference Room
275 Alexander Avenue
Cheektowaga, New York 14211

Board of Directors in Attendance

Kristina Groff James Antkowiak
Derek Johnson Robert Lowery
David Tytka

Not in Attendance

Denis Serugendo Paul Gilden
Edward Halady Cheryl Moore

Resource Personnel in Attendance

Harry Sicherman – H. Sicherman & Company
Amy Vigneron, Attorney at Law, Cohen & Lombardo P.C.
Jerome Gabryszak, Community Development Aide

President Kristina Groff called the meeting to order at 6:15 p.m.

Minutes of April 20, 2021 Annual Board Meeting

As the minutes of the April 20, 2021 Board of Directors meeting had been provided to Board members prior to this meeting for their review, Kristina asked if there were any changes, corrections or modifications to the minutes. There being none, the following motion was made.

Motion by: Derek Johnson
Seconded by: Robert Lowery
Motion: To accept the minutes as presented.
Vote: Ayes 5 Nays 0 Abstain 0

Quarterly Financial Report

Jerry Gabryszak presented a quarterly financial report for the period ending June 30, 2021 (attached). A suggestion was made to eliminate the Walden Commerce Exchange loan as an outstanding loan from the report since it was previously written off. After a brief discussion, the following motion was made.

Motion by: James Antkowiak
Seconded by: Robert Lowery
Motion: To approve the report with the recommended change.
Vote: Ayes 5 Nays 0 Abstain 0

Committee Overview and Action Items

Kristina Groff noted that at the last Board meeting, the designation of the following committees was approved by the Board: Budget, Audit, Governance, Loan Review/Finance, Policy, and marketing Committees. She requested that those interested in serving on any of these committees contact her. She highlighted the Governance and Policy committees as being of particular importance since it has been several years since the Corporation bylaws have been reviewed and amended and there are still a number of policies that need to be adopted. She also said that an effort should be made to explore opportunities for outside funding for the Corporation as a 501(c)(3).

At this point in the meeting, Harry Sicherman was asked to review the HUD job creation requirements. He stated that the maximum cost per job cannot exceed \$50,000; however the average of the entire loan portfolio cannot exceed a per job cost of \$35,000. Harry also stated that the new full-time equivalent jobs must either be taken by or made available to low-moderate income persons. Made available means that special or advanced education, training, skills or work experience cannot be a prerequisite for the job. However, unqualified person can be hired if the business agrees to provide the necessary training and education to such person. All things being equal, first consideration must be given to low-moderate income persons when filling such jobs.

Prospects – Harry Sicherman

1. An inquiry was received regarding potential funding for a coffee house at the former Pizza Hut building on Union Road. Harry Sicherman asked the inquiring party for more project information.
2. First Friends Day Care Center: The facility is located on Harlem Road just north of William Street. It is a relatively new facility with an outside fenced play area. Potential project funding would include a loan through the SBA 504 loan program (50%), a CEDC loan (40%) and owner equity (10%). Funding would be used for furnishings. An application has been sent to the business.
3. Gordon Companies: The company has submitted an application, which has been reviewed by the Loan Committee, for \$1 million in CEDC funding. Harry Sicherman and James Antkowiak, Chairman of the Loan Committee, discussed the Loan Committee's review and Sicherman & Company's Loan Review report as outlined below.

Loan Request from Gordon Companies, Inc.

Gordon Companies is primarily an e-commerce business with sales being dominated by Christmas holiday e-commerce and retail sales, merchandise sold has been expanded to include various other products including pool, spa, lawn, garden, and patio goods, other holiday merchandise, electronics, and a wide variety of home goods. The company also wholesales product to customers and provides third-party seller services.

The company is requesting a loan of \$1,000,000 from the Corporation that would be used to purchase and implement a new state-of-the-art software system that will substantially increase the capacity to process and ship orders, while adding efficiencies that will increase the year-around workforce and reduce the need for temporary seasonal labor. It will also improve order accuracy and reduce shipping time. Per the company, the useful life of the software is 9-10 years. Job creation is estimated at 40 new full-time and 24 part-time positions (14 FTEs) for a total of 54 new FTEs by April 2024. All of the new positions would be available to low-moderate income persons based on the requisite skills, education, and experience required.

The company currently has an active loan with the CEDC which required a balloon payment in December, 2022. As part of a loan agreement, the company will agree to pay of the note at that time.

Bookkeeping

Kristina reported that she solicited proposals for bookkeeping services from seven businesses and received only two proposals. The proposals were from Jennifer Schulefand Consulting, LLC and Brien’s Business Umbrella. Schulefand Consulting proposed providing the required services at the cost of \$125.00 an hour; Brien’s Business Umbrella proposed a one-time Quick Books setup fee of \$749.00 and a monthly fee of \$329.00. After discussion, The following motion was made.

Motion by: James Antkowiak
Seconded by: Robert Lowery
Motion: To accept the proposal from Jennifer Schulefand Consulting, LLC barring the receipt of additional proposals within the next two weeks. If additional competitive proposals are received, they are all to be reviewed and the proposal most advantageous for the CEDC accepted.
Vote: Ayes 5; Nays 0; Abstentions -0-.

New Business & General Communicatons

1. **Town of Cheektowaga Comprehensive Plan**

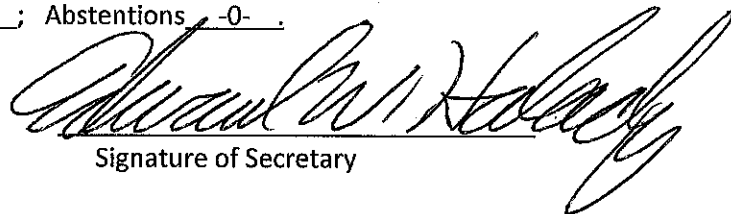
Kristina reported that there will be a Comprehensive Plan Public Information Meeting on Wednesday, August 4, at 5:30pm **in the Council Chambers**. This meeting will give the public an opportunity to see a presentation and ask questions. A copy of the Comprehensive Plan will be available at the Town Clerk’s office for further review or on the town website.

2. **Town of Cheektowaga Back to Business Grant Assistance Program**

Kristina reported that this program provides grants up to \$20,000 to businesses in the Town that have been negatively impacted by COVID-19. More information is available on the Town website.

Adjourn

Motion by: Derek Johnson
Seconded by: James Antkowiak
Motion: To adjourn the meeting of the Board of Directors (8:00 p.m.)
Vote: Ayes 5; Nays 0; Abstentions -0-.



Signature of Secretary



Financial Report – April 1 - June 30, 2021

Payments Received

Colvin-Oakdale/Gordon Companies	\$ 4,027.08
Hanzlian Sausage	7,595.70
Latina Boulevard Foods	25,319.01
Speed Motor Express	<u>8,839.62</u>
Total	\$ 45,781.41

Deposits

April	\$ 0.00
May	0.00
June	<u>44,501.55</u>
Total	44,501.55

Bank Interest Earned

\$ 7.73	Key Bank Checking
1.18	Key Bank Savings
0.00	Key Bank Special
3.13	M&T Money Market
0.00	M&T Checking
<u>16.57</u>	M&T Certificate of Deposit
\$ 28.61	Total

Loan Balance as of March 31, 2021

Gordon Companies	\$ 179,216.44
Latina Boulevard Foods	135,412.94
Speed Motor Express	46,232.76
Hanzlian Sausage Company	<u>142,390.91</u>
SUBTOTAL-LOANS	503,253.05
Walden Commerce Exchange	<u>130,535.19</u>
TOTAL	\$ 638,788.24

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 March 31, 2021

\$ 346,942.23	Key Bank Checking
47,085.01	Key Bank Savings
22,350.43	Key Bank Special
125,736.33	M&T Money Market
2,196.61	M&T Checking
<u>135,903.73</u>	M&T Certificate of Deposit
\$ 680,214.34	Total