

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
April 26, 2017 - 6:00 p.m.
Millennium Hotel - 2040 Walden Avenue

Board of Directors in Attendance

Timothy Popielski	Denis Serugendo
John Redman	Stephen Bojdak
Jeffrey Mendola	Paul Gilden
Edward Halady	James Antkowiak
Cheryl Moore	Kristina Groff

Not In Attendance: Richard Cielinski

Resource Personnel in Attendance

Richard Willis, Community Development Director
Elizabeth Kraus, H. Sichertman & Associates
Paul Leone, Town Business Consultant
Jerome Gabryszak, Community Development Aide

President Redman called the meeting to order at 7:00 p.m.

Reading of Minutes

Jerome Gabryszak reviewed the minutes from the last meeting, held on March 29, 2017. President Redman asked for any comments, additions or corrections. None being made, he declared the minutes received and filed.

Remarks

Community Development Director Richard Willis made brief welcoming remarks and reinforced the Town's and his continued support for the Corporation's efforts to promote business development in the Town. John Redman reported that he and Jeff Mendola had met with Manzella Marketing regarding creation of a logo for the Corporation. The logo, as well as a business card and letterhead template will be completed in 30 to 60 days. The creation of a new website will be addressed next. John expressed confidence that the Corporation was moving forward with its efforts to increase its exposure to the business community. He noted that Paul Leone is working with the Town to link expanding and new businesses with other forms of assistance through the ECIDA and New York State. He also reminded Board members that the Corporation is always looking for new candidates to be considered for appointment to the Board of Directors. It was noted that David Jaworski, the Corporation's legal counsel since 2010, was not requesting to have his contract renewed. John thanked Dave Jaworski for his 7 years of service to the CEDC and requested him to consider agreeing to a one or two month extension while interviews are conducted and new legal counsel is hired.

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, those being John Redman III - President; Timothy Popielski - Vice-President; Denis Serugendo - Treasurer; and, Edward Halady - Secretary. The following motion was then made:

Motion by: Paul Gilden

Seconded by: Stephen Bojdak

Motion: To close the nominations for Officers of the Corporation and elect the following Directors to their respective positions: President-John Redman III; Vice-President-Timothy Popielski; Treasurer-Denis Serugendo; and, Secretary-Edward Halady.

Vote: Ayes 10 : Nays 0 ; Abstain 0 .

Re-Appointment of Current Directors

Motion by: Edward Halady

Seconded by: Timothy Popielski

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: James Antkowiak, Denis Serugendo and Stephen Bojdak.

Vote: Ayes 10 : Nays 0 ; Abstain 0 .

Appointment of Executive Committee

Motion by: Stephen Bojdak

Seconded by: Jeffrey Mendola

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

Vote: Ayes 10 : Nays 0 ; Abstain 0 .

Appointment of Committees

Motion by: Stephen Bojdak

Seconded by: Edward Halady

Motion: To authorize the President to appoint committees deemed necessary to carry-out the business of the Corporation.

Vote: Ayes 10 : 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 for continued utilization of Community Development Block Grant program income funds received by the Corporation. The following motion was proposed:

Motion by: Stephen Bojdak

Seconded by: Timothy Popielski

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 2017 Program year.

Vote: Ayes 10 : Nays 0 ; Abstain 0 .

Professional Services

President Redman requested Jerome Gabryszak to present a summary of professional service proposals received for Auditor and Loan Analyst.

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

Proposed Hourly Rates

- \$ 175.00 per hour - Harry Sicherman
- \$ 155.00 per hour - R. Charles Bell
- \$ 144.00 per hour - Elizabeth Kraus
- \$ 135.00 per hour - Diane Church
- \$ 119.00 per hour - Greg Merriam II
- \$ 106.00 per hour - Richard Lipold
- \$ 100.00 per hour - Robert Zabel
- \$ 71.00 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: Jeffrey Mendola

Seconded by: Stephen Bojdak

Motion: To renew the current contract with H. Sicherman & Company, Inc. for a one-year period at the rates of reimbursement stated above at the terms and conditions of the existing agreement dated May 1, 2016 with a cap of \$10,000.

Vote: Ayes 10 : Nays 0 ; Abstain 0 .

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

Fee: \$ 4,200
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.

Motion by: Timothy Popielski
Seconded by: Edward Halady
Motion: To retain the services of the EFPR Group, CPAs for the fee of \$4,200.00 at the
terms and conditions stated in the CEDC's Scope of Services and the proposal
submitted by EFPR Group, CPAs.

Vote: Ayes 10 : 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: Paul Gilden
Seconded by: Edward Halady
Motion: To approve the Corporation's Mission Statement as presented.

Vote: Ayes 10 : Nays 0 ; Abstain 0 .

Investment Policy

Jerome Gabryszak explained that New York State requires that the Corporation's Investment Policy be reviewed and approved. A copy of the investment policy was distributed to the Board 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: 10; Nays: 0; Abstain: 0.

Budget

Jerome Gabryszak stated that a draft budget for the 2017 program year would be forwarded to the Budget Committee within the next two weeks and upon approval of a proposed budget by the Committee, it will be e-mailed to the full Board for a vote. A brief discussion was held regarding the budget.

Treasurer's Report

John Redman reported that the Corporation has approximately \$900,000 available for loans.

Status Report - New and Existing Loans and Loan Prospects

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

- **Latina Boulevard Foods:** A closing for the \$500,000 loan to Latina Boulevard Foods, LLC will probably take place at the end of June.
- **Buffalo Bread Company:** Meridian Capital removed their collateral from the premises of BBC on April 14th. The owner of the property, Benderson, wants the remaining equipment to be removed by April 30th. Key Bank is working to have their collateral removed by that date.
- **Evolution Dental:** The Company, which previously applied for assistance from the CEDC, is again requesting loan funding. Ms. Kraus stated that she has not yet received all the information she requested from the company.
- **John & Sue of Western New York:** The owners have requested release of the Corporation's liens on their residences. Ms. Kraus will review the company's financial statements and make a recommendation to the Board.
- **Chudy Paper Company:** John Redman has spoken with the company's controller, Dennis Potozniak, regarding the outstanding amount of \$8,390.59 still owed. The company is reviewing the information sent to them documenting their payment history. Chudy also is interested in discussing a new loan request.
- **H. Sichertman & Company:** Harry Sichertman announced that his company has added Diane Church to its staff. She was an attorney with Hurwitz & Fine for over twenty years, and acted as general counsel to industrial development agencies and local development corporations. Harry said she will be a valuable asset the CEDC.

Buffalo Bread Company

David Jaworski reported that he had spoken with the attorney for Key Bank regarding what action, if any, the CEDC should take at this time. Following discussion, the following motion was made.

Motion by: Stephen Bojdak

Seconded by: Timothy Popielski

Motion: To declare Buffalo Bread Company, Inc. in default and pursue all legal rights remedies.

Vote: Ayes 9 : Nays 0 ; Abstain 1 (Edward Halady).

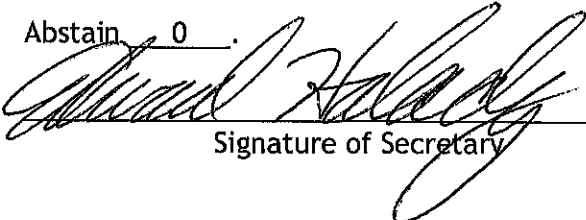
Adjourn

Motion by: Stephen Bojdak

Seconded by: Edward Halady

Motion: To adjourn the Annual Board of Directors Meeting. (7:45 p.m.)

Vote: Ayes 10 : Nays 0 ; Abstain 0 .



Signature of Secretary

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

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, an 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

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.

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

MISSION STATEMENT

Adopted July 11, 2012

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.

*CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION
OUTSTANDING BUSINESS LOANS
Principal Balance - March 31, 2017*

GLOBAL ASSET MANAGEMENT SOLUTIONS, INC. (d/b/a/ ChemStation of New York)

Balance - \$63,875

Original Loan Amount - \$200,000 in June, 2013

COLVIN OAKDALE LLC AND GORDON COMPANIES, INC. AS JOINT OBLIGORS

Balance - \$242,456

Original Loan Amount - \$300,000 in February, 2013

JOHN & SUE OF WESTERN NEW YORK (THE UPS STORE)

Balance - \$ 41,423

Original Loan Amount - \$79,600 in May, 2012

930 BAILEY AVENUE (Chudy Paper Company)

Balance - \$8,390.59

Original Loan Amount - \$500,000 in April 2012

Total - \$356,144.59

WALDEN COMMERCE EXCHANGE

\$ 130,535.19

Portfolio Balance Including Walden Commerce Exchange Loan - \$ 486,679.78

BUFFALO BREAD COMPANY

Balance - \$200,000

Portfolio Balance Including WCE and Buffalo Bread Company Loan - \$686,679.78

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION
BUSINESS LOANS
As of March 31, 2016

930 BAILEY AVENUE, LLC
CHUDY PAPER COMPANY
Norman H. Chudy, Vice-President
2615 Walden Avenue
Cheektowaga, New York 14225
825-1935

(Distributor of Foodservice Disposables, Janitorial
Cleaning Products, Maintenance Equipment and
Protective Packaging)
\$ 500,000 – April 4, 2012

B & K COMPONENTS LTD.
(Electronic Audio Equipment)
\$ 137,706 - January 1993

BOGDAN'S UPHOLSTERY
(Upholstery-Furniture Sales)
\$ 207,072 - March 1992

BUFFALO BREAD COMPANY, LLC
Beverly Costanzo, President
375 Nagel Drive
Cheektowaga, New York 14225
(Start-up Bakery and Retail Store)
\$200,000 – September 30, 2016

BUFFALO CROWN VENDING, INC.
Tom Straus, President
4367 Broadway Avenue
Depew, New York 14043
(Driving Range & Miniature Golf)
\$ 74,242 - April 10, 2006

CCS CERAMIC TECHNOLOGIES
(Industrial Ceramics)
\$ 120,000 - January 1994

CELLO-PACK CORPORATION
Richard Gioia, President
55 Innsbruck Drive
Cheektowaga, New York 14227
668-3111
(Plastics - Packaging)
\$ 125,000 - February 1988

CHARM GRAPHICS
(Printing)
\$ 50,000 - September 1984

COMTEC OF WNY, INC.
Gregory W. Soemann, President
6310 S. Transit Road
Lockport, NY 14094
888-625-8807
www.comtecwny.com
(Fiber Optics)
\$ 172,317.59 - April, 2009

CULINARY ARTS SPECIALTIES, INC.
Arthur L. Keller, President
2268 Union Road
Cheektowaga, New York 14227
684-3825
(Frozen Cheesecakes & Deserts)
\$ 400,000 - October 2005

DAY SPRING ENTERPRISES, INC.
Roe Baran, President
45 Benbro Drive
Cheektowaga, New York 14225
362-0920
(Rainbow Pops)
\$ 99,235 - June 1992

DINAIRE CORP
(Manufacturer - Kitchen/Dinette Furniture)
\$ 60,000 - August 1984
\$ 100,000 - May 1986

DUAL PRINTING, INC.
James Sabio, President
340 Nagel Drive
Cheektowaga, New York 14225
684-3825
(Commercial Printing)
\$ 140,000 - March 1987
\$ 100,000 - December 1993

GERARD MANUFACTURING
(Vinyl Windows)
\$ 100,000 - April 1990
\$ 47,500 - March 1993
\$ 260,000 - April 1994

GLOBAL ASSET MANAGEMENT SOLUTIONS, INC.
D/B/A ChemStation Of New York
Kevin F. Garvey, Jr, President and CEO
145 Grunner Road
Cheektowaga, New York 14225
259-8513
(Blending & Distribution of industrial detergents)
\$ 200,000 – June 5, 2013

GORDON COMPANIES, INC.

*David Gordon, President
85 Innsbruck Drive
Cheektowaga, New York 14227
706-0320 - (Wholesale / Retail Sales-Crafts, Gifts,
Home & Christmas Decor)
\$ 400,000 - April 25, 2008
\$ 200,000 - December 22, 2010
\$ 300,000 - February 6, 2013*

I.C.E. (Industrial Commercial Electronics)

*(Electronics)
\$ 47,930 - September 1993*

**JOHN & SUE OF WNY, INC.
(THE UPS STORE)**

*John Kwiecinski and Suzette Lonski
3843 Union Road, #15
Cheektowaga, New York 14225
686-0257
(Parcel Delivery Service)
\$ 80,000 - May 22, 2012*

**MANZELLA PRODUCTIONS, INC.
(80 SONWIL DRIVE, INC.)**

*Tony Manzella, President
80 Sonwill Drive
Cheektowaga, New York 14225
(Manufacturer-Gloves)
\$300,000 - September 8, 1995*

NIAGARA CANDY, INC.

*Philip Terranova, President
3500 Genesee Street
Cheektowaga, New York 14225
634-0880
(Chocolates, Candy)
\$ 75,000 - June, 1985)
\$340,000 - November, 1986
\$300,000 - January, 1990*

NIAGARA PUNCH & DUE CORP.

*Jay Czerniak, President
176 Grunner Road
Cheektowaga, New York 14227
896-7619
(Precision Machinery Shop)
\$ 15,570 - May 1986*

NOVATECH MACHINING CORP.

*John Popovich, Sr., President
190 Grunner Road
Cheektowaga, New York 14227
892-6682
(Manufacturing-Machine Replacement Parts)
\$ 80,000 - February 8, 1996*

POL-TEK INDUSTRIES, LTD.

*Martin Ostrowski, President
2300 Clinton Street
Cheektowaga, New York 14227
823-1502
(Tool & Dye Maching Shop)
\$214,770 - December 18, 2006*

RAMA GROUP OF COMPANIES

*(Commercial Printinting)
\$ 170,000 - November 25, 1996*

ROBINSON KNIFE MANUFACTURING COMPANY

*Distributor of Kitchen Tools & Gadgets
\$300,000 - January, 1993*

ROSINA FOOD PRODUCTS

*Russell Corrigliano, President
75 Industrial Parkway
Cheektowaga, New York 14227
656-0181
(Meat and Pasta Products)
\$100,000 - January, 1989
\$300,000 - May, 2005*

SMG-TRI ELECTRONICS

SMG-GCI, LLC
*390 Cayuga Road
Cheektowaga, New York 14225
633-6439
(Machine Shop, Milling and Fabrication)
\$200,000 - October 20, 1997
\$60,000 - March 31, 2009*

VOLLAND ELECTRIC EQUIPMENT CORPORATION

*Christopher Graham, President
75 Innsbruck Drive
Cheektowaga, New York 14227
656-9900
(Repair of Electronic Products, Motors,
Electrical Controls; Sale of Cranes &
Hoists)
\$ 200,000 - September 1991
\$ 200,000 - November 7, 1997*

WALDEN COMMERCE EXCHANGE

*(Planning)
\$ 130,535.19 - October 21, 1991*

Open Loans - As of March 31, 2016

Existing Companies - Loan Paid Off

Paid and No Longer in Business

Paid - Unknown if Still in Business

Loan Default, Business Closed