

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
May 14, 2018 - 6:00 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	Cheryl Moore
Jeffrey Mendola	Paul Gildea

Not In Attendance: Stephen Bojda

Resource Personnel in Attendance

Elizabeth Kraus, H. Sichertman & Associates
Amy Vigneron, Attorney At Law
Paul Leone, Town Business Consultant
Jerome Gabryszak, Community Development Aide

Elected Officials

Diane Benczkowski, Town Supervisor
Linda Hammer, Town Councilmember

President Redman called the meeting to order at 6:50 p.m.

Remarks

Supervisor Diane Benczkowski made brief welcoming remarks and reinforced and thanked the Board of Directors for their efforts to assist businesses create job opportunities and remain a Viable member of the Cheektowaga business community. The Supervisor also introduced Councilmember Linda Hammer with whom she works closely on economic development and Various challenges facing the Town.

President John Redman reported that the Town Economic Development Task Force, composed of Town and Cheektowaga Chamber Commerce Officials has been meeting to discuss strategies for Promoting business growth and development in the Town. He also mentioned the Corporation Has decided on a new logo and is working on developing a new website.

Reading of Minutes

Jerome Gabryszak reviewed the minutes from the last meeting, held on April 26, 2017. President Redman asked for any comments, additions or corrections. None being made, the Following motion was made:

Motion by: James Antkowiak
Seconded by: Timothy Popielski
Motion: To accept the minutes as read.
Vote: Ayes 10 Nays 0 Abstain 0

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 slate is: John Redman III-President; Timothy Popielski-Vice-President; Denis Serugendo-Treasurer; and Edward Halady-Secretary.

The following motion was then made:

Motion by: Richard Cielinski

Seconded by: Paul Gilden

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: James Antkowiak

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: Timothy Popielski, Richard Cielinski and John Redman III.

Vote: Ayes 10 Nays 0 Abstain 0

Appointment of Executive Committee

Motion by: Jeffrey Mendola

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.

Vote: Ayes 10 Nays 0 Abstain 0

Appointment of Committees

Motion by: Richard Cielinski

Seconded by: Timothy Popielski

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: Edward Halady
Seconded by: Paul Gilden
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 2018 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. 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: \$ 4,350
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: James Antkowiak
Seconded by: Edward Halady
Motion: To retain the services of the EFPR Group, CPAs for the fee of \$4,350.00 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

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

Proposed Hourly Rates

- \$ 181.00 per hour - Harry Sicherman
- \$ 160.00 per hour - R. Charles Bell
- \$ 149.00 per hour - Elizabeth Kraus
- \$ 140.00 per hour - Diane Church
- \$ 123.00 per hour - Greg Merriam II
- \$ 110.00 per hour - Richard Lipold
- \$ 103.00 per hour - Robert Zabel
- \$ 74.00 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: Cheryl Moore

Seconded by: Paul Gilden

Motion: To renew the current contract with H. Sicherman & Company, Inc. for a one-year Period at the rates of reimbursement stated in the consultant's renewal proposal And as stated above at the same terms and conditions of the existing agreement Dated May 1, 2017 with a cap of \$15,000.

Before a vote was taken, further discussion and deliberation ensued and, the following motion Was made.

Motion by: Cheryl Moore

Seconded by: Denis Serugendo

Motion: To amend the previous motion to add the stipulation to the contract with H. Sicherman & Company 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 10 Nays 0 Abstain 0

The original motion was restated as follows:

Motion by: Cheryl Moore

Seconded by: Paul Gilden

Motion: To renew the current contract with H. Sicherman & Company, Inc. for a one-year Period at the rates of reimbursement stated in the consultant's renewal proposal And as stated above at the same terms and conditions of the existing agreement Dated May 1, 2017 with a cap of \$15,000 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.

A discussion ensued regarding the need for H. Sicherman & Company services that exceeded the contract cap during the 2017-18 fiscal year under the contract dated May 1, 2017. Work involving Buffalo Bread Company, John & Sue of Western New York, Gordon Companies and Latina Boulevard Foods resulted in costs in excess of the \$10,000 contract cap. President Redman specifically mentioned an invoice for \$14,333.38 dated December 2, 2017. After discussion and deliberation, the President stated other invoices will be reviewed and the Board will be requested to approve any additional payments under said contract as may be required. The following motion was also presented.

Motion by: James Antkowiak
Seconded by: Richard Cielinski
Motion: To authorize payment to H. Sicherman & Company in the amount of \$14,333.38 as
The amount exceeding the May 1, 2017 contract cap of \$10,000.
Vote: Ayes 10 Nays 0 Abstain 0

Bookkeeper: Allen Street Consulting
394 Franklin Street
Buffalo, New York 14202
Fee: \$450 per quarter/\$1,800 Maximum for FY 2018-19
Bookkeeping Services as stated in the Bookkeeper's Proposal dated May 8, 2018

Motion by: Paul Gilden
Seconded by: Denis Serugendo
Motion: To retain the services of Allen Street Consulting for the 2018-19 fiscal year for a
Fee of \$450.00 per month / \$1,800 annual fee at the pursuant to the
Bookkeeper's Proposal dated May 8, 2018.
Vote: Ayes 10 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 at the
same rates, terms and conditions of the existing agreement dated September 20, 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 9 Nays 0 Abstain 1 (Timothy Popielski)

Committee Updates

A brief update was provided regarding the website and business cards. It was also noted that the design for the new CEDC logo has been selected.

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: Edward Halady
Seconded by: Kristina Groff
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: Cheryl Moore
Seconded by: Paul Gildea
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 2018-19 has been provided to the Budget Committee for their review and vote, and once approved, will be forwarded to the entire Board For a vote.

Treasurer's Report

John Redman reported that the Corporation has approximately \$650,000 available for loans.

Status Report – New and Existing Loans and Loan Prospects

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

- **Evolution Dental:** The Company, is requesting loan funding for a training facility. Elizabeth is waiting for 2016 and 2017 tax returns and company financial reports
- **Gordon Companies:** The Company has expressed an interest in submitting an application for funding to Redo a showroom at the former Rosa's facility on Union Road.

- **John & Sue of Western New York:** The owners have requested release of the Corporation's Liens on their residences. Elizabeth's recommendation is to subordinate to John Kwiecinski's lender to allow him to obtain a home equity loan for his home on the condition that the loan to value ratio is 80%. Upon further discussion, the following motion was presented.

Motion by: James Antkowiak

Seconded by: Richard Cielinski

Motion: The CEDC will allow the guarantors to obtain home equity lines/loans or refinance their first mortgage by adding \$20-25,000, and will agree to subordinate the CEDC mortgages to the new debt. All mortgage liens, including the CEDC lien of \$25,000 should not exceed an 80% LTV for the guarantor.

Vote: Ayes 10 Nays 0 Abstain 0

- **Global Asset Management:** John Harrington, company President, had requested a three month deferral of principal payments while paying monthly interest of \$83.33. A report on this matter was never sent to the Loan Committee for review because Mr. Harrington never provided the financial information requested. According to Mr. Harrington, the delay in providing the requested information was due to damage to his business interests in Florida caused by the hurricane which struck that state. Mr. Harrington has begun to make payments after the proposed three month principal payment deferral period.
- **Buffalo Bread Company:** The Company's owner has not filed for bankruptcy. The CEDC stands in third position. Key Bank commenced foreclosure proceedings in January. M&T's first mortgage must be paid off before Key Bank can recover any of its investments. It is recommended that the CEDC commence action against Mr. Costanzo. A Summons and Complaint has been filed for \$200,000 plus interest and late fees. Consider moving for a summary judgement. It was recommended that the CEDC perform due diligence to protect its interests but not beyond the point of reasonableness.
- **Chudy Paper Company:** Jerry Gabryszak forwarded a spreadsheet to legal counsel Amy Vigneron indicating the payments received and the outstanding balance due.

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. These documents are required by the New York State Authorities Budget Office.

Adjourn

Motion by: Richard Cielinski

Seconded by: Kristina Groff

Motion: To adjourn the Annual Board of Directors Meeting. (8:34 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 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, 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 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.

Cheektowaga Economic Development Corporation

Investment Policy – July 12, 2011

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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.