

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
December 6, 2023 - 5:00 p.m.
Cheektowaga Chamber of Commerce Conference Room
4455 Genesee Street, Suite 522
Cheektowaga, New York 14225

Board of Directors

Attending

Kristina Groff, President
Denis Serugendo, Treasurer (5:30)
Richard Willis, Secretary
Paul Gilden
Jason Mackiewicz
Ethan Ruot
David Tytko

Excused: James Antkowiak, Robert Lowery, Vice-President

Resource Personnel and Guests in Attendance

Amy Vigneron, Cohen & Lombardo, Legal Counsel
Michael Thomas, The Harrison Studio, H. Sicherman & Company
Chuck Bell, President, The Harrison Studio, H. Sicherman & Company (6:00)
Richard Coburn, Supervising Code Enforcement Officer, Town of Cheektowaga Building Department
Jerome Gabryszak, CEDC Economic Development Aide

The meeting was called to order at 5:16 p.m. It was noted that a quorum was present.

Approval of Minutes

The minutes were provided to the Board prior to the meeting.

Moved by: Richard Willis
Seconded by: Paul Gilden
Motion: To approve the minutes as presented.
Vote: Ayes 6; Nays 0; Abstentions 0.

Financial Report

Jerry Gabryszak reviewed the periods ending June 30 and September 30, which were provided to the Board prior to the meeting. Jason Mackiewicz noted that an online banking feature will be initiated in the near future.

Motion by: Paul Gilden
Seconded by: Jason Mackiewicz
Motion: To accept the quarterly financial reports as presented.
Vote: Ayes 6 Nays 0 Abstain 0

Job Creation Status Report for Active Loans

Mike Thomas reported that Gordon Companies has submitted documentation for the jobs expected to be created. Jobs created at Hanzlian Sausage Company were previously reported. Creation of one additional job is expected.

FY 2022 – 2023 Annual Audit Review & Discussion

President Groff reviewed the Fiscal Year 2022-23 audit. A copy of the audit was previously provided to the Board of Directors. Other than mention of the untimely filing of the New York State PARIS reports (Public Authorities Reporting Information System), there were no major findings. Board members had no questions or comments.

Gordon Companies Loan Review / Legal Update – A. Vigneron; Cohen & Lombardo, P.C.

Gordon Companies has been delinquent on payments since June of 2023 on the September 2021 loan (\$6,751.74 monthly) for \$400,000 and since August 2023 on the Gordon-Colvin-Oakdale loan (\$1,342.36 monthly). Gordon Companies also failed to make a balloon payment of approximately \$157,800 due December 1, 2023 for the Gordon-Colvin-Oakdale loan. Amy Vigneron reported that David Gordon was asked in May to submit financial reports for 2022 so the CEDC Board could consider granting an extension for the balloon payment until December of 2023. The financials were never submitted. The CEDC was advised that a payment of \$55,517.64 will be made in December to bring the payments for the two loans up to date. The issue of the overdue balloon payment remains. Rich Willis pointed out that receipt of the balloon payment is a double-edged sword for the Community Development Program since HUD requires communities receiving Community Development funds to maintain a balance of unexpended funds no greater than 1.5 times the amount of their annual fund allocation. Receipt of the balloon funds could push the Town's ratio of unspent funds over the 1.5 threshold which could result in the imposition of penalties on the Town. The way to avoid such a situation would be to provide loans to more businesses.

Status Report – Existing Loans & Prospects – M. Thomas; The Harrison Studio

Mike Thomas reported that at this time there is one potential loan applicant; a gentleman who is looking to purchase Kitchens and Bath Unlimited.

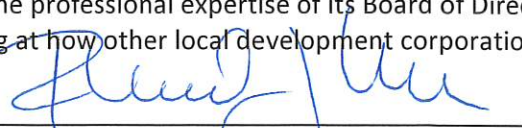
CEDC Organizational Future Discussion

Rick Coburn, Supervising Code Enforcement Officer for the Town of Cheektowaga Building Department, discussed his department's process for working with businesses and developers and reviewing development projects channeled through his department. He suggested that the CEDC provide information about the Corporation's loan program to businesses planning to expand or locate to the Town and have a representative attend Town meetings held with developers during the review process.

Coordinating with the Building Department could provide opportunities to expand the Corporation's loan portfolio. Rick also stresses the importance of workforce development as a way to ensure businesses have an adequate pool of qualified workers on which to draw to fill their needs.

Kristina stated she and Rachel Straker met with Supervisor-elect Brian Nowak to discuss how the CEDC could do more to assist business development in the Town. The idea of expanding the Community Development Department's involvement with the Corporation and taking a more direct role in overseeing the operation of the CEDC loan program was discussed.

Chuck Bell, President of The Harrison Studio, encouraged the CEDC to be more pro-active in assisting businesses and suggested the Corporation expand the professional expertise of its Board of Directors. The Corporation could also be a benefit from looking at how other local development corporations operate.



Secretary's Signature