

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
May 17, 2023 - 6:00 p.m.
Buffalo Airport Hotel
Xxx Genesee Street
Cheektowaga, New York 14225

Board of Directors

Attending

Kristina Groff, President
Robert Lowery, Vice-President
Denis Serugendo, Treasurer
Richard Willis, Secretary
Paul Gilden
Jason Mackiewicz
Ethan Ruot

Excused: James Antkowiak, Derek Johnson, David Tytka

Resource Personnel and Guests in Attendance

Rachel Straker, Cheektowaga Director of Community Development
Michael Thomas, The Harrison Studio, H. Sicherman & Company
Amy Vigneron, Cohen & Lombardo (via zoom video)
Jerome Gabryszak, CEDC Community Development Aide

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 7 ; Nays 0 ; Abstentions 0 .

Appointment of Directors

Moved by: Richard Willis
Seconded by: Paul Gilden
Motion: To appoint the following Directors to a new three-year term:
James Antkowiak, Denis Serugendo, Derek Johnson and David Tytka
Vote: Ayes 7 ; Nays 0 ; Abstentions 0 .

Election of Officers

President

Richard Willis nominated Kristina Groff for the office President.
Motion: Richard Willis
Second: Paul Gilden
Motion: To elect Kristina Groff as President for the ensuing term
Vote: Ayes 7; Nays 0; Abstentions 0.

Vice-President

Richard Willis nominated Robert Lowery for the office of Vice-President.

Motion: Richard Wills

Second: Jason Mackiewicz

Motion: To elect Robert Lowery as Vice-President, pending his acceptance, for the ensuing term.

Vote: Ayes 7; Nays 0; Abstentions 0.

Treasurer

Richard Willis nominated Denis Serugendo for the office of Treasurer.

Motion: Richard Wills

Second: Paul Gilden

Motion: To elect Denis Serugendo as Vice-President.

Vote: Ayes 7; Nays 0; Abstentions 0.

Secretary

Kristina Groff nominated Richard Willis or the office of Secretary.

Motion: Kristina Groff

Second: Ethan Ruot

Motion: To elect Richard Willis as Vice-President.

Vote: Ayes 7; Nays 0; Abstentions 0.

Appointment of Executive Committee

Motion by: Richard Willis

Seconded by: Paul Gilden

Motion: To appoint the Officers of the Corporation to the Executive Committee.

Vote: Ayes 7 Nays 0 Abstain 0

Agenda item

Agenda item number 10 was moved up to allow Michael Thomas from The Harrison Studio to present his report earlier than scheduled due to time constraints.

Status Report-Existing Loans and Loan Prospects

Standard Property Management

The company's deal to purchase property in Cheektowaga to relocate their business and expand operations fell through due to environmental concerns with the property. A \$250,000 loan to the company had been approved in December 2022. The owner indicated that he will continue to look for a suitable location in Cheektowaga.

Day Care Center

Contact was made with the owner of a day care center who had approached the CEDC approximately two years ago for funding. The owner has located a lender who deals with day care projects. He is still interested in discussing possible funding from the CEDC and will remain in contact with Mike Thomas.

Gordon Companies

Gordon Companies has not made the balloon payment due in December 2022 on a loan that was given a five year extension in 2017. The owner has requested an extension to December 2023 to make the balloon payment. The loan balance in December 2022 was approximately \$156,000. After discussion, it was decided to require Gordon Companies to submit 2022 financial reports as a condition for considering another extension. It was also suggested the interest rate, currently at 0.5% be increased if an extension is granted. Kristina suggested holding a virtual meeting of the loan committee within the next week to further discuss the extension request. Gordon Companies should also be required to bring their loan payments current as a condition for considering an extension. It was noted that Gordon Companies has fulfilled its job creation requirements.

Hanzlian Sausage Company

Although the company did make the interest only payment due since the principal payment deferral was approve, Hanzlian has not made its April and May principal and interest payments that were to begin in April nor have they submitted quarterly financial reports as required. It was noted that the company has created jobs and needs to create one additional job to meet their projected employment goal. Mike Thomas will contact Kim Hanzlian.

Designation of Committees and Authorization to Appoint Committee Members

Motion by: Richard Willis
Seconded by: Paul Gilden
Motion: To designate the following committees and authorize the President to appoint Directors to said committees: Budge/Finance, Governance, Loan Review, Marketing and Audit.
Vote: Ayes 7 Nays 0 Abstain 0

Subrecipient Agreement with Town of Cheektowaga

Kristina stated the Corporation is required to execute a subrecipient agreement with the Town of Cheektowaga for continued utilization of Community Development Block Grant program income funds received by the Corporation.

Motion by: Richard Willis
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 loan program income funds for the 2023 Program year.
Vote: Ayes 7 Nays 0 Abstain 0

Financial Report

Denis Serugendo presented a financial report, which was provided to the Board prior to the meeting, for the 1st quarter of 2023. He reported that the outstanding balance for all loans as of March 31, 2023 was \$576,726.60. Cash on hand was \$517,837.94. The complete financial report is attached to the minutes.

Motion by: Richard Willis
Seconded by: Jason Mackiewicz
Motion: To accept the quarterly financial report as presented.
Vote: Ayes 7 Nays 0 Abstain 0

Professional Service Contracts

Bookkeeper: **Kloc & Company, Certified Public Accountants**
2560 Walden Avenue
Suite 105
Cheektowaga, New York 14225

Motion by: Richard Willis

Seconded by: Paul Gilden

Motion: To retain the services of Kloc & Company for bookkeeping services for the fee of \$3,000.00 for the period of April 1, 2023 to March 31, 2024, pursuant to the proposal dated April 24, 2023.

Vote: Ayes 7 Nays 0 Abstain 0

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

Motion by: Richard Willis

Seconded by: Paul Gilden

Motion: To extend the current contract with Cohen & Lombardo, P.C., pursuant to a proposal dated May 16, 2023, for the period of June 1, 2023 to May 31, 2024 at the terms and conditions contained in the original agreement dated September 20, 2017 and extended on May 18, 2022, at the following hourly rates: \$250.00 for Amy Vigneron, \$200 for associates, \$100 for paralegals and \$65 for law clerks. The contract fee is capped at \$10,000.00.

Vote: Ayes 7 Nays 0 Abstain 0

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

Motion by: Paul Gilden

Seconded by: Ethan Ruot

Motion: To retain the services of the EFPR Group, CPAs for the fee of \$7,500.00 pursuant to the proposal dated January 25, 2023 submitted by EFPR Group, CPAs for the audit and related services of the 2022-23 fiscal year. Additionally, new proposals will be solicited for audit services for the 2023-24 fiscal year.

Vote: Ayes 7 Nays 0 Abstain 0

The proposal for loan consultant services was received today in late afternoon, so action on the contract for loan consultant services was tabled. Kristina said that she would forward the proposal to Board members and request an electronic vote for loan consultant services.

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.

There being no questions, suggestions or proposed changes, the following motion was presented:

Motion by: Paul Gilden
Seconded by: Denis Serugendo
Motion: To approve the Corporation’s Mission Statement as presented.
Vote: Ayes 7 Nays 0 Abstain 0

Investment Policy

Jerry Gabryszak explained that New York State 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. Jerome Gabryszak advised the Board that the Corporation needs to designate depositories and maximum deposit amounts. It was suggested that the policy be referred to the Governance Committee for review and provide a report to the Board for action at the next Board meeting.

Board Members-NYS Mandated Forms

New York State requires local authority board members to sign both an Independence Certificate and an Acknowledgement of Fiduciary Duties and Responsibilities. Jerry will send these forms to Board members who have not yet signed them. NYS law also requires the board of local public authority to conduct an annual confidential evaluation of the authority’s performance. The evaluation form was distributed to Board members, who were asked to complete and date but not sign the form.

Committee Reports

Kristina stated she had not received any committee reports, but stated the loan committee will be meeting next week and reminded the Board that the revised website is now live and updated. Jerry will be meeting with Mike from Nightowl and Dale from the Community Development office to assist with website updates. Kristina also mentioned that the Chamber is including information about the Corporation in marketing material sent to new and renewing Chamber members and directing members to the new website.

Legal Update – Amy Vigneron

Amy pointed out that the Board has already discussed existing loans. With respect to public notification of meetings, Amy stated that placing a meeting notice on the website would be appropriate. Amy is also contacting other entities regarding steps they take to notify the public of board meetings.

Website Update

Kristina encouraged Board members to look at the website (<https://cheektowagadevelopment.com>) if they have not already done so. A password protected page will be created that would allow Board members to access pre-board meeting information (agenda, reports, etc.).

New Business

Hosting a roundtable with local lenders to familiarize them with the loan program was discussed. Rachel informed the board that the community development office will be moving to Town Hall.

Adjourn

The meeting was adjourned at 7:22 p.m.



Signature of Secretary