


CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Annual Board of Directors Meeting
May 18, 2022 - 6:00 p.m.
Millennium Hotel - 2040 Walden Avenue
Cheektowaga, New York 14225

Board of Directors in Attendance

Kristina Groff, President
Edward Halady, Secretary
Denis Serugendo, Treasurer
David Tytko
James Antkowiak
Derek Johnson
Richard Willis

Excused: Robert Lowery, Paul Gilden

Resource Personnel and Guests in Attendance

Rachel Straker, Cheektowaga Director of Community Development
Michael Thomas, H. Sicherman & Company
Jerome Gabryszak, CEDC Community Development Aide
Lynn Rybak, Assistant to the Town Supervisor

President Kristina Groff called the meeting to order at 6:14 p.m. It was noted that a quorum was present. Kristina pointed out that Ed Halady who has served on the Board of Directors for the past 16 years has decided not to renew his term. Kristina thanked Ed for his service and contributions to the Corporation. Kristina also handed out binders that contain information about the Corporation.

Minutes of February 23, 2022 Board Meeting

As the minutes of the February 23, 2022 Board of Directors meeting were provided to Board members for their review prior to this meeting, Kristina asked if there were any questions, changes, corrections or additions to the minutes. There being none, the following motion was made.

Motion by: Edward Halady
Seconded by: Derek Johnson
Motion: To approve the minutes as presented.
Vote: Ayes 7 Nays 0 Abstain 0

Appointment of Directors

The Directors eligible for appointment are Kristina Groff, Edward Halady, Paul Gilden and Cheryl Moore. Edward Halady stated that, after served on the Board of Directors for the past sixteen years, he is retiring from the Board of Directors. Regarding the reappointments, Kristina said that given the fact that Cheryl Moore has not attended meetings for at least two years and she has been difficult to communicate with, she felt it would not be appropriate to reappoint Cheryl to the Board at the present time. There will be future discussions about the need for more Directors. She also stated that Paul Gilden, who is excused from attending tonight's meeting is willing to serve another three-year term on the Board of Directors. Kristina asked for a motion to appoint herself and Paul Gilden to another term on the Board.

Motion by: Richard Willis
Seconded by: Kristina Groff
Motion: To appoint Kristina Groff and Paul Gilden to another three-year term on the Board of Directors
Vote: Ayes 7 Nays 0 Abstain 0

Election of Officers

Kristina stated that, although Robert Lowery was unable to attend tonight’s meeting, he stated he is willing to serve another term as Vice-President. Following a brief discussion, the following motions were made.

Motion by: Edward Halady
Seconded by: Richard Willis
Motion: To elect Kristina Groff as President of the Cheektowaga Economic Development Corporation for a one-year term.
Vote: Ayes 7 Nays 0 Abstain 0

Motion by: Edward Halady
Seconded by: Derek Johnson
Motion: To elect Robert Lowery as Vice-President of the Cheektowaga Economic Development Corporation for a one-year term.
Vote: Ayes 7 Nays 0 Abstain 0

Motion by: James Antkowiak
Seconded by: Richard Willis
Motion: To elect Denis Serugendo as Treasurer of the Cheektowaga Economic Development Corporation for a one-year term.
Vote: Ayes 7 Nays 0 Abstain 0

Motion by: Edward Halady
Seconded by: James Antkowiak
Motion: To elect Richard Willis as Secretary of the Cheektowaga Economic Development Corporation for a one-year term.
Vote: Ayes 7 Nays 0 Abstain 0

Appointment of Executive Committee

Motion by: Edward Halady
Seconded by: James Antkowiak
Motion: To appoint the Officers of the Corporation to the Executive Committee.
Vote: Ayes 7 Nays 0 Abstain 0

Designation of Committees and Authorization to Appoint Committee Members

Motion by: Edward Halady
Seconded by: James Antkowiak
Motion: To designate the following committees and authorize the President to appoint Directors to said committees: Budget, Governance, Loan Review, Marketing and Audit, and to appoint the following Chairmen.
Governance Committee - Richard Willis
Audit Committee – Paul Gilden
Vote: Ayes 7 Nays 0 Abstain 0

Organizational Reports

Financial Report

Denis Serugendo presented a financial report, which was provided to the Board prior to the meeting, for the 1st quarter of 2022.

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

Job Creation Status Report - Michael Thomas of H. Sicherman & Company

Hanzlian Sausage Co. - Michael reported that Hanzlian Sausage Company has 1.5 full-time equivalent new positions to date.

Gordon Companies – Michael reported that the company has been unresponsive to requests for job creation reports. Following a brief discussion, Amy Vigneron was asked to prepare a letter to send to the company reminding them of their obligation to provide periodic job creation reports and that failure to do so would constitute a default on their loan with the CEDC.

Erie County Storefront Revitalization Program-Michael reported that the County program would provide a grant of up to \$40,000 to businesses to make improvements to their storefronts. H. Sicherman is administering the program for the County. Deadline for applying is June 16. \$10 million dollars has been allocated to the program which to date has received numerous applications.

Subrecipient Agreement with Town of Cheektowaga

Kristina stated 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: James Antkowiak
Seconded by: Edward Halady
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 2023 Program year.
Vote: Ayes 7 Nays 0 Abstain 0

FY 2022-23 Budget

Kristina reported that following the recommendation of the Budget Committee, the FY 2022-23 budget was approved by the Board of Directors by way of electronic vote.

Kristina also reported that work is ongoing to launch the CEDC's new website.

Professional Service Contracts

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

Motion by: Derek Johnson

Seconded by: Edward Halady

Motion: To extend the current contract with Cohen & Lombardo, P.C. for a one-year period for the period of June 1, 2022 to May 31, 2023 at the terms and conditions of the existing agreement dated September 20, 2017 at the following hourly rates of \$250.00 for partners, \$200 for associates, \$100 for Paralegals and \$65 for law clerks with a cap of \$10,000.00.

Vote: Ayes 7 Nays 0 Abstain 0

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

Fee: \$ 6,500.00

Audit and related services for fiscal year ending March 31, 2022.

Motion by: Derek Johnson

Seconded by: Edward Halady

Motion: To retain the services of the EFPR Group, CPAs for the fee of \$6,500.00 pursuant to the proposal dated March 31, 2022 submitted by EFPR Group, CPAs for the 2021-22 fiscal year.

Vote: Ayes 7 Nays 0 Abstain 0

Loan Analyst: H. Sicherman and Company, Inc.
160 Washburn Street, Suite 200
P.O. Box 473
Lockport, New York 14095

Proposed Hourly Rates

- \$ 185.00 per hour - Harry Sicherman
- \$ 165.00 per hour - R. Charles Bell
- \$ 145.00 per hour – Michael Zimmerman
- \$ 145.00 per hour – Michael Thomas
- \$ 145.00 per hour – Diane Church
- \$ 135.00 per hour – Greg Merriam II
- \$ 110.00 per hour – Karen Burke
- \$ 80.00 per hour - Rate in Travel Status (all personnel)
- Reimbursement for other expenses incurred with prior authorization.

Motion by: Richard Willis

Seconded by: Edward Halady

Motion: To renew the current contract with H. Sicherman & Company, Inc. for a one-year period for the 2022-23 fiscal year at the rates of reimbursement stated in the consultant's proposal dated April 26, 2022 and as stated above at the same terms and conditions of the agreement dated May 1, 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 7 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.

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

Motion by: James Antkowiak
Seconded by: Derek Johnson
Motion: To approve the Corporation’s Mission Statement as presented.
Vote: Ayes 7 Nays 0 Abstain 0

Investment Policy

Jerome Gabryszak explained that New York State requires that the Corporation’s Investment Policy to be reviewed and approved annually. A copy of the investment policy was distributed to the Board of Directors for review. Following a brief review of the policy, the following motion was made:

Motion by: Edward Halady
Seconded by: Richard Willis
Motion: To approve the Investment Policy as currently adopted.
Vote: Ayes 7 Nays 0 Abstain 0

Legal Update – Amy Vigneron, Cohen & Lombardo

930 Bailey Avenue, LLC (Chudy Paper Company)

Background: In 2016, 930 Bailey Avenue, LLC made a payoff of its loan based on an incorrect principal balance. When the subsequent Corporation audit revealed the bookkeeping error, the company was advised of the error and asked to submit a payment of \$8,390.59, which represented the outstanding principal balance. Several requests for payment and discussions between the Corporation President at the time and company officials did not resolve the issue.

Discussion: Considering the efforts that have been put forth to collect the amount due and the time period that has elapsed since the company was requested to pay the amount due, Corporation legal counsel stated that the Corporation has diligently attempted to obtain payment of the amount due and advised the Corporation to avoid the expense of attempting to collect said debt and write-off the amount due. In assessing the probability of collection, Counsel stated that the statute of limitations to commence a lawsuit should it come to that may have run depending when the breach for nonpayment occurred. The ultimate cost of attempting to obtain the payment due could exceed the amount in question. The Board members indicated agreement with legal counsel’s opinion and believe due diligence has been performed in attempting to collect the amount due. Following discussion, the following motion was presented.

Motion by: James Antkowiak

Seconded by: Derek Johnson

Motion: Whereas the amount of \$8,390.59 owed by 930 Bailey Avenue, LLC has been determined to be uncollectable, the Board of Directors, on the advice of legal counsel, hereby votes to write-off said debt.

Vote: Ayes 7 Nays 0 Abstain 0

Adjourn

Motion by: Richard Willis

Seconded by: Edward Halady

Motion: To adjourn the Board of Directors meeting (7:40 p.m.)

Vote: Ayes 7 Nays 0 Abstain 0



Signature of Secretary