

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

Board of Directors Meeting
June 24, 2020 - 5:13 p.m.
Alexander Community Center - Multipurpose Room
275 Alexander Avenue
Cheektowaga, New York 14211

Board of Directors in Attendance

Timothy Popielski Richard Cielinski
James Antkowiak Denis Serugendo
Kristina Groff Paul Gildea

Not In Attendance: Cheryl Moore, Edward Halady (Vacation)
Resigned from Board: Stephen Bojdak, John Redman
Not Present-Newly Appointed Directors: Derek M. Johnson, Robert F. Lowery

Resource Personnel in Attendance

Elizabeth Kraus, H. Sicherman & Associates
Amy Vigneron, Attorney At Law, Cohen & Lombardo P.C.
Jerome Gabryszak, Community Development Aide

Acting President Timothy Popielski called the meeting to order at 5:40 p.m.

Reading of Minutes

Motion by: Richard Cielinski
Seconded by: James Antkowiak
Motion: To suspend the reading minutes of the minutes.
Vote: Ayes 6 Nays 0 Abstain 0

Election of Officers

Timothy Popielski nominated Kristina Groff for the office of President. Following Kristina's acceptance, Timothy Popielski (Vice-President) and Denis Serugendo (Treasurer) agreed to serve another term in their respective offices. Jerry Gabryszak reported that although Edward Halady was not able to be present at the meeting, he requested that the Board be advised he was willing to serve another term as Secretary.

Motion by: Timothy Popielski
Seconded by: James Antkowiak
Motion: To elect Kristina Groff as President, Timothy Popielski as Vice-President, Denis Serugendo as Treasurer and Edward Halady as Secretary of Officers of the Cheektowaga Economic Development Corporation.

Vote: Ayes 6 Nays 0 Abstain 0

Re-Appointment of Current Directors

Jerry Gabryszak read a letter from Stephen Bojdak advising the Board that he was not seeking re-appointment as Director to the Board of the Cheektowaga Economic Development Corporation.

Motion by: Richard Cielinski
Seconded by: Timothy Popielski
Motion: To appoint James Antkowiak and Denis Serugendo to the Board of Directors of the Cheektowaga Economic Development Corporation for a term of three years effective as of June 24, 2020, said term expiring at the time of reappointment to said Board of Director positions but no later than June 30, 2023 and further, to acknowledge the retirement of Stephen Bojdak from the Board of Directors and express the Board's gratitude for his contributions to the Corporation.
Vote: Ayes 6 Nays 0 Abstain 0

Appointment of New Directors

The following individuals were recommended for appointment to the Cheektowaga Economic Development Corporation Board of Directors: Derek M. Johnson, recommended by Timothy Popielski and Robert F. Lowery, recommended by Kristina Groff. Following discussion and deliberation, the following motion was made.

Motion by: James Antkowiak
Seconded by: Paul Gilden
Motion: To appoint Derek M. Johnson and Robert F. Lowery to the Board of Directors of the Cheektowaga Economic Development Corporation for a term of three years effective as of June 24, 2020, said term expiring at the time of reappointment to said Board of Director positions but no later than June 30, 2023.
Vote: Ayes 6 Nays 0 Abstain 0

Appointment of Executive Committee

Motion by: James Antkowiak
Seconded by: Richard Cielinski
Motion: To appoint President Kristina Groff, Vice-President Timothy Popielski; Treasurer Denis Serugendo and Secretary Edward Halady to the Executive Committee for the 2020-21 fiscal year.
Vote: Ayes 6 Nays 0 Abstain 0

Appointment of Committees

Motion by: Paul Gilden
Seconded by: Richard Cielinski
Motion: To authorize the President to appoint committees deemed necessary to carryout the business of the Corporation.
Vote: Ayes 6 Nays 0 Abstain 0

Subrecipient Agreement with Town of Cheektowaga

Jerry Gabryszak advised the Board that the Corporation is required to execute an agreement with the Town of Cheektowaga for continued utilization of Community Development Block Grant program income funds received by the Corporation for the 2020-21 fiscal year.

Motion by: James Antkowiak

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 2019-20 program year.

Vote: Ayes 6 Nays 0 Abstain 0

Professional Services

The following professional service proposals were presented to the Board of Directors. 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: \$ 4,500.00

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 for the 2019-20 fiscal year.

Motion by: Richard Cielinski

Seconded by: Timothy Popielski

Motion: To retain the services of the EFPR Group, CPAs for the fee of \$4,500.00 at the terms and conditions stated in the CEDC's Scope of Services and the proposal submitted by EFPR Group, CPAs for the 2019-20 fiscal year.

Vote: Ayes 6 Nays 0 Abstain 0

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

Proposed Hourly Rates

- \$ 185.00 per hour - Harry Sicherman
- \$ 165.00 per hour - R. Charles Bell
- \$ 145.00 per hour - Elizabeth Kraus
- \$ 145.00 per hour - Diane Church
- \$ 130.00 per hour - Greg Merriam II
- \$ 115.00 per hour - Richard Lipold
- \$ 105.00 per hour - Robert Zabel
- \$ 80.00 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: Paul Gilden

Seconded by: Timothy Popielski

Motion: To renew the current contract with H. Sicherman & Company, Inc. for a one-year period for the 2020-21 fiscal year at the rates of reimbursement stated in the consultant's renewal proposal dated June 23, 2020 and as stated above at the same terms and conditions of the existing 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 6 Nays 0 Abstain 0

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

Motion by: Timothy Popielski

Seconded by: Paul Gilden

Motion: To extend the current contract with Cohen & Lombardo, P.C. for a one-year period for the 2020-21 fiscal year pursuant to the proposal of Cohen & Lombardo, P.C. at the terms and conditions of the existing agreement dated September 20, 2017 and at the partners' rate of \$250.00 an hour with a cap of \$10,000.00.

Vote: Ayes 6 Nays 0 Abstain 0

Bookkeeper: Allen Street Consulting
394 Franklin Street
Buffalo, New York 14202

Fee: \$550 per quarter/\$2,200 Maximum for FY 2020-2021
Bookkeeping Services as stated in the Bookkeeper's Proposal dated June 23, 2020

Motion by: James Antkowiak

Seconded by: Timothy Popielski

Motion: To retain the services of Allen Street Consulting for the 2020-2021 fiscal year for a fee of \$550.00 per quarter / \$2,200 annual fee pursuant to the Bookkeeper's Proposal dated June 23, 2020.

Vote: Ayes 6 Nays 0 Abstain 0

Presentation of Loan Request from Hanzlian Sausage Incorporated

Elizabeth Kraus reviewed the request for a business loan from Hanzlian Sausage Incorporated, is a family owned and operated meat market founded in 1999 that manufacturers fresh sausage and related products for retail sale. The company is located at located at 2343-2351 Genesee Street in Cheektowaga and proposes to expand its production to increase capacity and allow the company to become USDA certified, enabling it to sell its products for resale to distributors. The company currently makes over 18 different kinds of sausage and 13 kinds of sausage patties. Hanzlian also operates a retail deli market at the Genesee Street location and participates in seasonal and year-round farmer's markets in the region. The adjacent property has been acquired and renovated to accommodate the planned expansion that will meet USDA requirements. The project includes funds for new and used equipment, machinery, inventory and working capital. 3 full-time and 3 part-time jobs (4.5 FTE) are projected to be created within three years, including 1 FT store manager, one FT administrative position, 1 FT production worker, 2 PT production workers and 1 PT sales person over the next three years. At least 51% of the new positions will be made available to low-moderate income persons.

Loan Request Summary

Borrower: Hanzlian Sausage Incorporated
Use of Proceeds: New machinery, equipment, furnishings and fixtures, and working capital
Loan Amount: \$150,000.00
Term: 66 Months
Interest Rate: Half of one percent (0.5%) for the 66 month term of the loan
Repayment: Six months interest only, then monthly principal and interest payments of \$2,531.90 in order to fully amortize the loan in 5 years.
Commitment Fee: \$1,500.00
Collateral: A general security interest in all business assets to be evidenced by UCC-1 filing. The CEDC lien will be subordinated to existing liens filed by Northwest Bank, KeyBank and Citizens Bank. The Citizens' loans is to be paid in full by April, 2020. A purchase money interest in new machinery and equipment is to be obtained as well.
Personal Guarantees: Unlimited personal guaranty of David C. Hanzlian, and Kimberly A. Hanzlian as an abundance of caution in light of her involvement in management and anticipated acquisition of 100% ownership in the business.

After deliberation and discussion, the following motion was proposed.

Motion by: James Antkowiak
Seconded by: Timothy Popielski
Motion: To approve a loan to Hanzlian Sausage Incorporated for \$150,000 as presented and pursuant to the recommendation of the Loan Committee and the Loan Review report prepared by Elizabeth Kraus of H. Sicherman & Associates.
Vote: Ayes 5 ; Nays 0 ; Abstentions 1 (Kristina Groff).

Status Report – Existing Loans and Loan Prospects

Amy Vigneron of Cohen and Lombardo reported the following to the Board:

- **Global Asset Management Solutions:** The CEDC has received a payoff of all principal and interest due. Kevin Garvey is suing his former partner John Harrington and the CEDC may be dragged into the lawsuit. Amy will monitor the situation
- **Buffalo Bread Company:** The CEDC has a 20-year judgement filed in Florida against Buffalo Bread Company and two co-signors and a 10-year lien on the co-signors' property.
- **Speed Motor Express of Western New York:** No jobs have been created to-date. (The loan was closed on August 8, 2019. \$107,424 .72 of the \$140,000 loan has been disbursed to-date).
- For an update regarding other loan prospects, refer to Elizabeth Kraus' latest Pending Loan Inquiries Report (6/2/2020).

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: Timothy Popielski
Seconded by: James Antkowiak
Motion: To approve the Corporation's Mission Statement as presented.
Vote: Ayes 6 Nays 0 Abstain 0

Investment Policy

Jerry 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 review and discussion, the following motion was made:

Motion by: Richard Cielinski
Seconded by: Paul Gilden
Motion: To approve the Investment Policy as currently adopted.
Vote: Ayes 6 Nays 0 Abstain 0

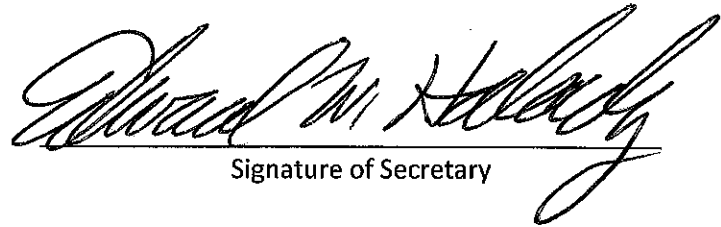
FY 2020-2021 Budget

After review and discussion, the following motion was made:

Motion by: Timothy Popielski
Seconded by: Paul Gilden
Motion: To approve the Fiscal Year 2020-2021 Budget as presented.
Vote: Ayes 6 Nays 0 Abstain 0

Adjourn

Motion by: Richard Cielinski
Seconded by: James Antkowiak
Motion: To adjourn the Annual Board of Directors Meeting. (7:10 pm)
Vote: Ayes 6 Nays 0 Abstain 0



Signature of Secretary