

CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION

MINUTES

Board of Directors Meeting
December 14, 2011 – 8:00 a.m.
Millennium Hotel - Walden Avenue

Attending: **Board of Directors**

Debra Liegl	Timothy Popielski
Joseph Funk	Edward Halady
Denis Serugendo	John Redman
Richard Velez	James Antkowiak
Patricia Cwiklinski	

Resource Personnel

Robert Deemer, H. Sichertman & Company
Paul Leone, Business Development Consultant
Jerome Gabryszak, Director of Community Development

Ex-Officio

Mary F. Holtz, Town Supervisor

President Liegl called the meeting to order at 8:10 a.m.

Reading of Minutes

Jerome Gabryszak read the minutes from the previous meeting after which the following motion was made.

Motion by: James Antkowiak
Seconded by: Donna Luh
Motion: To approve the minutes as read.
Vote: Ayes: 9; Nays: 0; Abstentions: 0.

Loan Activity Update

Robert Deemer presented the loan request from John and Sue of WNY, Inc. doing business as The UPS Store. The Principals are Suzette Lonski and John Kwiecinski. The loan request is for \$80,000 to enable the company to transfer the UPS franchise to John and Sue of WNY, Inc., and to relocate the business from its current location at 3806 Union Road, Cheektowaga to a larger facility in the TOPS Plaza, located at the corner of Union Road and George Urban Boulevard. Funds will more specifically be used for fixtures, furnishings and equipment and working capital for re-opening business expenses, advertising and similar expenses. New employment is projected at four part-time positions, one of which is anticipated to become full-time over the course of one-to-three years. All the jobs created will be available to low-to-moderate income persons.

Loan Request Summary

Borrower: John and Sue of WNY, Inc.
Purpose of Loan: Furnishings, fixtures and equipment, working capital
Loan Amount: \$80,000
Term: 7-10 years
Interest Rate: 80% of Prime Rate to be set at the time of closing and adjusted annually thereafter or 80% of Prime Rate fixed for 5 years at the time of closing. However, if the Corporation amends its Lending Guidelines with respect to interest rates prior to loan closing, the revised rate structure will be applied to this loan.
Repayment: Monthly P&I in order to fully amortize the loan in 7-10 years.
Commitment Fee: \$400
Collateral: First lien on all corporation assets, \$80,000 second mortgage on the residence of Suzette Lonski and husband and, if needed, a 3rd mortgage on the residence of John Kwiecinski.
Personal Guarantors: Suzette Lonski and John Kwiecinski, each individually.

After deliberation and discussion, the following motion was proposed.

Motion by: James Antkowiak
Seconded by: Joseph Funk
Motion: To approve a loan to Sue and John of WNY, Inc., in the amount of \$80,000 pursuant to the recommendations in the Loan Review Report prepared by Robert Deemer of H. Sicherman and Company.
Vote: Ayes: 8; Nays: 1; Abstentions: 0.

Report on Loan Inquiries/Prospects

- Robert Deemer reported that an inquiry was received from a business involved in lawn mowing, snowplowing and concrete work. The party was advised regarding CEDC policies and referred to the CEDC website.
- Diamond Cutters – A discussion ensued regarding federal job creation requirements in relation to the amount of funds loaned. The original request from Diamond Cutters was in the amount of \$250,000, however their projection of 3 new positions does not comply with the requirement of one job per \$35,000. Mr. Deemer was advised to propose a loan of up to \$125,000 to Diamond Cutters with the possibility of creating 3-4 new positions.
- An inquiry was received from AARK, a company located on Union Road involved in fax and copier service, regarding assistance with working capital. The company was advised of CEDC policies and referred to the CEDC website.

Interest Rate Policy

James Antkowiak proposed that the CEDC temporarily amend its business loan interest rate policy to reduce the rate from the current 80% of prime to a fixed rate of .5% for a loan term of 5 years for all loans made during the thirteen month period from December 1, 2011 through December 31, 2012. This rate adjustment would be for new

loans only and would not apply to refinancing of existing loans. Mr. Antkowiak proposed that the Corporation aggressively market this policy in order to attract new business. Following discussion and deliberation, the following motion was made.

Motion by: James Antkowiak
Seconded by: Timothy Popielski
Motion: To officially notify the full Board of Directors of the proposal to reduce the business loan interest rate from the current 80% of prime to a fixed rate of .5% for a loan term of 5 years for all loans made during the thirteen month period from December 1, 2011 through December 31, 2012, said proposal to be presented for a vote at the next Board of Directors meeting.
Vote: Ayes: 9; Nays: 0; Abstentions: 0.

Treasurer's Report

John Redman presented the Treasurer's Report to the Board of Directors. The report is attached to the minutes.

Governance and Audit Committees

Timothy Popielski reported that he has met with Legal Counsel David Jaworski and are developing a Charter. Mr. Jaworski is currently researching best practices.

CEDC Budget

Jerry Gabryszak updated the Board on the status of reports filed for compliance with the New York State Public Authorities Law. The Board needs to develop and adopt a budget for FY 2012. This matter will be referred to the appropriate committee.

New Business

Paul Leone recommended that the Corporation invite representatives from the Small Business Administration, the Small Business Development Corporation and Cheektowaga Bank Managers to make presentations to the Board of Directors regarding their programs and discuss how the Corporation can dovetail its resources with those of these entities to better serve Cheektowaga businesses.

Debra Liegl announced that the State of the Town address will be held presented by Town Supervisor Mary Holtz on Thursday, January 19th at the Millennium Hotel on Walden Avenue. The Cheektowaga Chamber sponsored Legislative Roundtable will be held on Friday, February 3rd at the Millennium Hotel.

Adjourn

Motion: Timothy Popielski
Second: Edward Halady
Motion: To adjourn the meeting.
Vote: Ayes: 9; Nays: 0; Abstentions: 0.