

BOARD OF DIRECTORS MEETING

County of Chautauqua Industrial Development Agency  
Via Zoom Meeting  
March 22, 2022  
10:02 a.m.

Michael Metzger	Chairman
Hans Auer	Treasurer
Gary Henry	Secretary
Steven Thorpe	Member
Dennis Rak	Vice Chairman
Brad Walters	Member
Kevin Muldowney	Member

Also in attendance:

Mark Geise	Administrative Director/CEO
Richard E. Dixon	Chief Financial Officer
Milan K. Tyler, Esq.	Counsel
Greg Peterson	Counsel
Crystal Almeter	Counsel
Carol Rasmussen	CCIDA Staff
Kristine Morabito	CCIDA Staff
Jeanette Lo Bello	CCIDA Staff
Rosie Strandburg	CCIDA Staff
Kayla Strandburg	CCIDA Staff
Nate Aldrich	CCPEG Staff
Monica Simpson	CCPEG Staff
Rebecca Wurster	CREDC Staff
Jason Toczydlowski	CCIDA Staff
Crystal Erhard	
Dave TiTanna	Auditor
Justin Isaman	Auditor
Nathan Rodgers	New Cinema

Absent Board Member(s):

Jay Churchill & Kelly Farrell –Dubois

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Meeting was called to order by Michael Metzger, Chairman, at 10:00 a.m.

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Mike Metzger

Welcome to the County of Chautauqua Industrial Development Agency Board of Director’s Meeting. We are via Zoom. It is March 22, 2022. It is 10:00 a.m. Roll call. Let the record show that there are seven members present and we do have quorum.

Mike Metzger

First, I would like to recognize we have a new member, Kevin Muldowney. Mark do you have a few words to introduce Kevin?

Mark Geise

I do. Welcome Kevin. Kevin lives in Dunkirk with his wife and two sons. He graduated from JCC and St. John Fisher College. He was in the NYS Senate for thirty-two years. He worked for Present, McGee, Young & Borrello. He was the Town of Pomfort Assessor for seventeen years. This is his seventh year in the County Legislature. He serves as the Chairman as the Planning & Economic Development Committee. He is an ex officio a member of the IDA Board. He served in the Dunkirk City Council for ten years and he was the Economic Chair for eight of that. Discussed various projects he was involved in. He currently owns Muldowney Development Inc. in Dunkirk, a big warehouse in Dunkirk- he as 28 tenants there and owns the UPS building and some residential buildings. He has a great resume. We welcome you Kevin aboard.

Mike Metzger

Welcome Kevin. Would you like to say something?

Kevin Muldowney

I appreciate being a member of the Board and look forward to participating as much as I can. Thank you very much.

Mike Metzger

Welcome Kevin. You will be a great asset to this Board. Thank you for serving. We have our Audit Review today but first let's go through our traditional agenda. I would like to accept a motion to approve the January 25, 2022 Board Minutes which you previously received.

Steven Thorpe

So moved

Mike Metzger

Do I have a second?

Gary Henry

Second

Mike Metzger

Motion made by Steven and seconded by Gary. Any further discussion, comments, corrections or changes. Hearing none, all those in favor?

Board

Aye – Unanimous.

Mike Metzger

Opposed, abstained, motion carried unanimously.

Mike Metzger

Let's move onto New Business. We have the fourth round of the EDA CARES Act Loans presented by Rich Dixon and Greg Peterson.

Rich Dixon

We opened up a round four after a discussion with Mark and Kayla about the cash flow situations with some loans possibly not closing, so we did open it up to a fourth round. We have to spend the \$10 million dollars by June 30<sup>th</sup>. Mark, do you want to say anything else about that?

Mark Geise

No. We use it or we lose it. We're making good loans here. We opened it back up and advertised heavily. We have some good loans in the Que.

Rich Dixon

We were also able to use the principle and interest that was returned from the loans that we made in 2021 and also lend that out at the same terms. Once June 30<sup>th</sup> hits, all those loans will revert to the same rules that the AL Tech Trust Fund. We will then adopt that as the rules for the loan fund going forward unless we hear different. I haven't heard anything different from EDA so we are just assuming that. We are going to make sure that we lend that \$10 million so we can start the revolving phase of that.

Mike Metzger

Excellent. Rich and your team and Mark have done an excellent job at getting these monies out to businesses that can really use them. Tremendous job. Also, it basically doubles our loan portfolio. Great job. Super.

Mike Metzger

Dennis if you could please move New Business A1

Dennis Rak

RESOLUTION 03-22-22-01 OF THE MEMBERS OF COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN EDA RLF LOAN TO NEW CINEMA RELATIONS, LLC D/B/A DUNKIRK MOVIEPLEX, OR AN NEW ENTITY TO BE FORMED

Mike Metzger

Thank you. I have a motion. Do I have a second?

Brad Walters

Second

Mike Metzger

Motion made by Dennis and seconded by Brad. Any discussion?

Rich Dixon

Kristine will be presenting this loan today.

Mike Metzger

Thank you Kristine.

Kristine Morabito

As a result of the Covid-19 Pandemic, the Movie Plex 59 Cinema in Dunkirk was shut down for eighteen months causing a significant loss in revenue like many other companies affected by the pandemic. They reopened in June 2021 as a weekend's only operation expanding back to seven days a week in August 2021. Discussed sales. The current ownership is an out of state entity selling their various Cinema locations. Nathan Rogers, the current manager would like to purchase the assets of the operating entity with the objective of operating and growing the business locally. Nathan has eighteen years' experience in the theater industry, twelve at this location. He is also an air force veteran and currently serving in the Air Force Reserves. Additionally, Nathan is a volunteer Fire Fighter and Emergency Responder with the Forestville Fire Department. If Nathan purchases the business it will be the first time it is locally owned and operated. It would continue to operate as a movie theater leasing space from the plaza owner with plans to reinvest in improvements in coming years. Listed improvements. He is also developing plans to try to expand revenue sources beyond traditional tickets and concessions with ideas that have not been announced publicly yet. This is a \$350,000 project including acquisition and working capital. The loan request being presented today is for working capital in the amount of \$100,000. The loan term proposed is seven years at 2.44% APR and CCIDA would partner with CCB for additional financing. The owner would inject 10% cash equity against the banks financing. Collateral listed. This request is being recommended by the Loan Committee to the IDA Board of Director's as presented to loan committee for approval here. This is one of the key entertainment attractions in the Dunkirk Fredonia area and Northern Chautauqua County. Our family attended movies here and had great experiences. This Cinema currently has seven jobs that would be retained plus their plans in the future to add three to four new positons. Details are still being finalized in order for this project and investment to move forward. Are there any questions?

Mike Metzger – Thank you Kristine. As you all know, all three of these were approved by the Loan Committee. I don't see any questions. I'll take a roll call vote please.

Board

Aye – Unanimous.

Mike Metzger

Opposed or abstained? Let the record show there are 7 votes in the affirmative. Motion carried unanimously. Gary if you could move New Business A2.

Gary Henry

RESOLUTION 03-22-22-02 OF THE MEMBERS OF COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN EDA RLF LOAN TO COLECRAFT COMMERCIAL FURNISHINGS

Mike Metzger

Thank you Gary. I have a motion. Do I have a second?

Dennis Rak

Second.

Mike Metzger

Motion made by Gary and seconded by Dennis. Discussion. Who would like to introduce this loan please?

Carol Rasmussen

I will Mike. Colecraft Commercial Furnishings, a manufacturer of custom commercial furniture. They serve a lot of markets, education, business, institutional, healthcare and hospitality. The Loan Review Committee did recommend this on 3-10-22. It's a working capital loan for \$100,000, seven years at 2.44% under the CARES Act Loan. Justification for this loan explained – negative impact over Covid related issues, during 2020 and 2021 Colecraft adhered to the mandatory eight week shutdown. This resulted in impacting their business and the two year impact on orders has been over

\$1Million. They did lose two contracts because of the supply chain and being able to manufacture product for two companies. This was pretty devastating for them, however, Colecraft has a very impressive business plan going forward. I think that was part of the package that was sent. They are dealing in an implementation of a new marketing plan, established a new engineering process to reduce waste and improve the efficiency overall. There is new equipment involved, payroll and this \$100,000 cash flow will definitely get them a jump start. Besides the terms being seven years at 2.44% the loan is secured by subordinate lien position on all accounts receivable, furniture, fixtures, inventory and equipment and all assets of the company. Corporate guarantee discussed. Any questions? His business plan going forward is very impressive. David is a very ethical man and adhered to that eight week shutdown.

Mike Metzger

Thank you Carol.

Carol Rasmussen

You're welcome. Thank you.

Mike Metzger

Hearing none. Roll call vote please.

Board

Aye – Unanimous.

Mike Metzger

Opposed or abstained? Let the record show there are 7 votes in the affirmative. Motion carried unanimously. Hans if you could please read New Business A3 please.

Hans Auer

RESOLUTION 03-22-22-03 OF THE MEMBERS OF COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN EDA RLF LOAN TO THE BILICKI LAW FIRM, P.C.

Mike Metzger

Thank you. I have a motion. Do I have a second?

Gary Henry

Second

Mike Metzger

Motion made by Hans and seconded by Gary. Discussion. Who will be presenting this one?

Rich Dixon

I will be doing this one Mike.

Mike Metzger

Thank you Rich.

Rich Dixon

Byron Bilicki is the sole proprietor of the Bilicki Law Firm. He has six attorneys working with him. He had an LLC that also owned the beautiful building on North Main Street which has since been sold. While he is keeping his attorneys they will be going remotely. Dave and Justin know what that's going to be like, downsizing the office and going remotely seems to be a trend we are seeing. Worked out quite well for Byron at this point. Due to the pandemic he saw a severe crunch in his cash flow. Clients have reduced their demands for legal services especially on the electrical property side. Additionally, the federal courts were closed for a while and then they reopened at a slower pace. That's really setting him back to the tune of \$20,000 to \$30,000 a month on his cash flow. That's starting to open up, he is starting to see the light at the end of the tunnel. We had cut his cash and working capital by \$87,500 the first time and he is requesting \$80,000. He gets an additional \$80,000 instead of the \$87,500 we gave him the first time, which is a little less than his original request. He is confident that that will get him through and back up and running at full speed. Discussed terms. Discussed collateral. Byron was very thankful for the first loan, helped him get through it. He is very appreciative that we are considering this for him as well.

Mike Metzger

Thank you Rich. Any questions for Rich? Hearing none. Roll call vote.

Board

Aye – Unanimous.

Mike Metzger

Opposed or abstained? Let the record show there are 7 votes in the affirmative. Motion carried unanimously. I apologize I have been very delinquent in not recognizing a new member of the County of Chautauqua Industrial Development Team, Crystal Erhard. Crystal would you like to introduce yourself?

Crystal Erhard

I'm Crystal Erhard. I'm very happy to be a part of this team.

Mike Metzger

Thank you. Welcome aboard.

Crystal Erhard

Thank you.

Rich Dixon

Mike, Crystal comes with an extensive background with legal work, accounting work and we are excited that she is going to be helping Kayla and Nate out as we go through the litany of grants and programs that CREDC will be undertaking. We are excited to have her on board. I think she is going to do great.

Mike Metzger

Let's move to the Executive Directors Report.

Mark Geise

Thank you Mr. Chairman. I am going to be very brief because we are going to have a lot of presentation today. When we were talking last week we were talking about the open meetings law. If the governor should open it back up and say ok you have an option, there are a couple things that could happen, she could make it so we have to have in person meetings or it could be that we have the option to meet in person or by zoom. So we wanted to have a discussion about what the

Board would prefer, whether that be stay zoom or in person. I had another thought, if the option is available to us we could also perhaps could do a hybrid. If people wanted to attend in person we could also do it remotely in the room. I don't know how the Board members feel about that but we thought we should have that discussion.

Mike Metzger

What are the thoughts of the Board? Would you like to get back to face to face meetings if it is an option?

Gary Henry

I enjoy the face to face meetings. I don't know that we have to do it every month, but I think at least a few times a year.

Hans Auer

I agree with Gary. It's important for us to come together, but it sure is convenient, I had a zoom call at 9:00 a.m. and another at 10:00 a.m. and it just wouldn't have been possible if we had to be in person every time.

Mike Metzger

Anyone else? Ok. We will see what our Governor says.

Hans Auer

If anyone asks for input from the Governor's office which I doubt they will you might note that this committee, this Board is a pretty heavy lift for volunteers. Monthly meetings and if you are on any committees – there's a lot of time that I think the Board members dedicate to their work on this Board, so flexibility and virtual meetings would definitely be appreciated and encourage quality candidate participation.

Mike Metzger

Good point. Thank you Hans.

Mark Geise

Second thing. It's the IDA's 50<sup>th</sup> Anniversary this year and we've been talking about some ideas on how we might celebrate that. One thought is to have Community Day at the Tarp Skunks Ball Park and maybe invite the public and we can have the board members, staff and everyone else have a day at the ball park. I don't know if anyone had any other ideas but that's one we are kicking around. Let me know if you have any other ideas. Two other things – Vittoria Cheese which bought the Castelli Cheese plant in Ashville. The Italians have had a hard time getting over here because of their VISA issues with Covid but Dario has been here for several weeks now and he is really hitting the ground running – making a lot of contacts, he is in the plant, accessing the equipment and what their needs are, what they can get rid of, meeting with the SBDC and the workforce development people, he had to get housing, a car etc.. Rich and I have had dinner with him a couple of times and had many conversations. They are really getting things going and making some good progress over there. Meanwhile the rest of their team is still trying to get their VISA's and we've been helping out a lot with that as well. So that's moving forward. The other thing is and it's become public now is Webb's Lodge at Chautauqua Lake is a no go. I have a statement from Benn Webb. Basically he is saying that it's been a long journey but it's become clear that the climate in Mayville is not conducive to the development of fractional condominiums. The building of the lodge has been cancelled. He wanted to thank everybody. They are also exploring other uses for the property including potential residential development. I just wanted to say I'm really proud of the work that we have done as the IDA. This has been a lot of work between not just the incentives that we're providing – pilot, loan, etc. But we also secured an OCR grant for the project and have assisted in many other ways. Rich and I met with Ben yesterday and he was very apologetic but wanted to thank us for all our hard work. We will see what happens there in the future. That's about all I have Mr. Chairman.

## Mike Metzger

Thank you Mark. Thank you to you and your team for all your hard work and effort. Some projects come to fruition and some do not but we work on them all. We are going to move on to the Treasurer's Report and I will have Rich Dixon introduce the auditors and the audit report, but first I want to thank the Audit Committee which is Hans Auer and myself. We had a very in depth review and I want to thank BWB for their presentation and review with us and it was passed at the Audit Committee so now it comes to the full board for your review and approval.

## Rich Dixon

I know everyone got a copy of the Audit Committee Minutes. Today as Mike said David TaTanna and Justin Isaman from BWB are here to discuss the audit, the management letter, and the governance letter. This is the highlight of my year when we get to go through the financial statements. I will turn it over to Dave and Justin.

## Dave TiTanna

Echo Mike's comments as well -The audit process is a good one for the IDA. We met with your committee prior to the audit and some really good discussions with the Audit Committee and Management on some of the particular events that occurred in 2021 along with the audit plan and what the scope of the audit was going to look like during this audit phase. Once that was completed we went in and did our work to substantiate balances and documentation. Then we got back together with the group to really go over the report in good detail. Always appreciate the input from everyone and the process that we go through with respect to this audit. It's always very very good. Introduced Justin Isaman, Manager with BWB and spoke of his role in the audit. Dave turned the presentation over to Justin. He is going to give you some highpoints as far as the audit is concerned and then we will open it up to any questions that any of the board members might have.

## Justin Isaman

Thanks Dave. Presented reports and audit. Shared screen. Started with the full audit report that was provided. Discussed audit opinions – it's a clean and unmodified audit opinion - changes from last year in format and some of the appearance, auditors responsibilities which has always been there as a narrative but now they have added bullet points – things we always included in the audit and have been part of our standards the entire time but they haven't been spelled out for the reader. Reviewed some of those bullet points. Provided overview of 2021 Audit. Discussed two other letters they are required to provide – Report on Government Auditing Standards – clean letter, nothing to report here, no findings – the second letter - Report Required by Uniform Guidance – this is also a clean letter – Discussed another required letter they need to provide - Management Letter – Discussed journal entries, bank reconciliations and the GASB 87 accounting for leases – discussed final letter required to provide - communication to you as the board – this is a clean letter – nothing to note on here – a clean standard letter to the board – Any questions?

## Rich Dixon

I just have a comment Justin. I wanted Mark and I and Mike to talk about this. We will certainly, particularly today we would like you guys to hang around when we get into Executive Session to see how we do discuss our loans and what policy we were going to suggest to the Governance Committee that we will meet next month and we will run that by them. Kayla is already sticking band recs in front of my nose to review and sign. We will be doing the same thing with the journal entries and the same with the forbearances and interest only. We are going to talk about that in Executive Session. You guys did a great job and I know it was not easy. Dave, you and Justin did a great job and so did Kayla – I want you all to know that they did a great job.

## Dave DiTanna

Discussed Management Letter, large comment on PILOT payments and what your responsibility is with PILOT payments and insuring that what you collect ultimately goes out – discussed recommendation – to have a process in place to preform reconciliations because there are a lot of moving parts there as far as when the money comes in and when it has to go out



– Kayla and Rich during the current year put in a really nice system where those were being tracked and reconciled and so we wanted to point that out to the Board – that was a real positive – The other item that wasn't in last year's audit but it's an item we've been really honing in on a lot of organizations that we perform audits on, particularly as a result of the pandemic – two big things have happened – a lot of change in personnel turnover they call it the great resignation and also there have been folks that have been ill due to the pandemic – is there processes in place that are written so that if those situations occur somebody could step in and maybe not miss a beat as far as the processes are concerned – Rich and Kayla I'm sure spent a lot of time on it because it was very very detailed on a lot of your cycles, cash receipts, disbursements and how you bring your loan funds into the organization, and how you make payments and payroll – all of those processes are now written in procedural form and I give the group a big kudos for that because that's not easy – a lot of organizations don't have their procedures and their policies in a written format – just wanted to point that out to the group – I think it's really critical in this time that we're in – it can always be tweaked and added to but it was a job well done – great job Kayla and Rich

Rich Dixon

Great job Kayla.

Kayla Strandburg

You can thank my kids. Those are my maternity leave instructions.

Mike Metzger

Yes, we have to thank Rich and Kayla. The business basically doubled over the last two years. We've doubled our size, our loans and probably more than doubled our transactions. Crystal – it's a great addition – we're going to be looking into where we are going to be in the future and what we are going to need – we have grown considerably in size and in scope I would also like to thank Dave and Justin and your team for an excellent audit. This audit is not only a great audit but it's a great resource for our Board members going forward. You have everything you wanted to know about the IDA in this audit report so please take advantage of that. It's an excellent resource. I keep it close. It's amazing how many times I go back and need to refer to it. Job well done. Any other questions of Dave, Justin, Rich or Kayla?

Hans Auer

Just a quick comment. I'm not sure if the audit is part of our onboarding packet for new Board Members but even if we can just direct them to the detail of all the loans – I agree with you Mike – it's a great resource – there are a lot of moving parts to this organization and I think the audit really simplifies things when you get into it.

Mike Metzger

That's a great point. It should be part of our orientation of new Board Members. Kevin, take note of that. That's a great idea Hans.

Kevin Muldowney

I will do that. Thank you.

Mike Metzger

We have to take a formal approval at this meeting to ensure that Rich has plenty of time to submit his many reports that have to go into the state so I would entertain a motion to accept the Audit Report as presented.

Brad Walters

So Moved.

Gary Henry

Second

Mike Metzger

Moved by Brad and seconded by Gary. Any further discussion? Hearing and seeing none. Roll call please.

Board

Aye – Unanimous.

Mike Metzger

Opposed or abstained? Let the record show there are 7 votes in the affirmative. Motion carried unanimously. Congratulations to all the hard work and effort by both the BWB Team and our Finance Team. Well done. I would like to accept a motion to move into Executive Session for potential discussion on personnel or specific business matters or buying or selling of a property. Do I have a motion?

Steven Thorpe

Motion

Mike Metzger

Thank you Steven. Do I have a second?

Dennis Rak

Second

Mike Metzger

Motion by Steven and seconded by Dennis. All those in favor?

Board

Aye – Unanimous

Mike Metzger

Abstained? Motion carried unanimously

Executive Session

Start Time: 10:54 a.m.

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Executive Session

End Time: 11:07 a.m.

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Mike Metzger

There were no actions taken in Executive Session and therefore there are no minutes to be taken.

Mike Metzger

Any other business or old business to come before the Board? Everyone be safe and well during this pandemic. I want to note that our next CCIDA Board Meeting is February 22<sup>nd</sup>, 2022 at 10:00 a.m. unfortunately; it's going to be via zoom again. Thank you all for hard work and efforts. It was a tremendous year last year and we are starting the year out strong so thank you all be safe and well. This meeting is adjourned.

Meeting adjourned at 11:08 a.m.

  
(Assistant) Secretary

 04/26/2022  
(Vice) Chairman