

BOARD OF DIRECTORS MEETING

County of Chautauqua Industrial Development Agency

**BWB Building**

**Fredonia Technology Incubator  
214 Central Avenue, Dunkirk NY  
1<sup>st</sup> Floor Conference Room**

**&**

**Electronically via Live Stream on YouTube & Zoom**

September 26, 2023

10:04 a.m.

PRESENT:

Gary Henry	Chairman
Brad Walters	Vice Chairman
Sagan Sheffield-Smith	Treasurer
Dan Heitzenrater	Secretary
Steven Thorpe	Member
Kevin Muldowney	Member
Daniel DeMarte	Member

Also in attendance:

Mark Geise	Administrative Director/CEO
Richard E. Dixon	Chief Financial Officer
Milan K. Tyler, Esq.	Counsel
Greg Peterson	Counsel
Lisa Cole	Counsel
Bob Murray	Harris Beach
Rosie Strandburg	IDA Staff
Carol Rasmussen	IDA Staff
Kayla Strandburg	IDA Staff
Nate Aldrich	IDA Staff
Jeanette Lo Bello	IDA Staff
Crystal Erhard	IDA Staff
Monica Simpson	IDA Staff
Jason Sample	IDA Staff
Paul Wendel	County Executive
Justin Gould	Chautauqua County Government
Greg Bacon	Jamestown Post Journal

Absent Board Member(s):

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Meeting was called to order by Gary Henry, Chairman, at 10:04 a.m.

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Gary Henry

Good Morning. I would like to call to order the Board of Directors Meeting of the Chautauqua County Industrial Development Agency. We are meeting at the Fredonia Technology Incubator, 214 Central Avenue, Dunkirk NY and also streaming live on YouTube and Zoom. It's September 26, 2023 at 10:04 in the morning. We will start with a call to order.

Board

Aye – Unanimous. (7 Members Present)

Gary Henry

Thank you for attending this morning. You should have already received the July 25<sup>th</sup> minutes and had a chance to review those. Do we have a motion to accept those minutes?

Jeanette Lo Bello

Excuse me Gary. We just had two people enter the waiting room. Could you let us know who you are – number ending in 8359?

Lisa Cole

Lisa Cole from Phillips Lytle.

Jeanette Lo Bello

Thank you Lisa. Welcome.

Jeanette Lo Bello

We also have someone joining us with the initials RM – could you let us know who you are? I'm sorry we could you repeat that we had a difficult time hearing you. (Call was dropped) Thank you Gary.

Gary Henry

The board members should have already received the minutes of the August 22, 2023 meeting and had a chance to review them. Do we have a motion?

Sagan Sheffield-Smith

So moved.

Gary Henry

Thank you Sagan. Do we have a second?

Brad Walters

Second.

Gary Henry

All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? The minutes have been approved. Before we start in with the listed of New Business, Mark you wanted to have an introduction.

Mark Geise

We are really excited to announce – you may have read it in the newspaper. We hired Jason Sample as our new Communications and Marketing Coordinator. Jason is here. I will ask him to say a couple of words in a minute. I just wanted to give an introduction for him – he will be splitting his time between marketing for IDA and CREDC. He will also spend time working with Justin in the County Executive’s Office working on county wide marketing efforts as well. He joins us from – he worked as a General Manager at WRFA in Jamestown. He was responsible for management programming. It was at Reg Lenna Center for the Arts. He also served as the stations Public Affairs Director from 2011 to 2021. He covered a lot of issues that were county-wide issues so he knows a lot of the people and the players. He served as Editor at the Chautauqua Star Newspaper- a county wide publication showcasing people and businesses of Chautauqua County. He also worked as a News Reporter and Sports Anchor for WJTN radio in Jamestown. In the past he served as Trustee with the Chautauqua County Historical Society Westfield. He was the Chair of the organizations programming. He is also a Board Member of the Infinity Visual and Performing Arts in Jamestown 2010-2018. (Difficulty with audio) He has already been here a week and two days – seven days he has been in this seat and he is already got his head wrapped around things – writing press releases – I can’t tell you how excited I am -we are -to have you on board. Do you want to say anything?

Jason Sample

No. I am just happy to be here and happy to share the good news of the County with residents in the area as well as across the region. Looking forward to putting my best foot forward and helping out both with the IDA and the Partnership hopefully for many months and years to come.

Mark Geise

Thanks Jason.

Gary Henry

I would also like to thank the County Executive who is able to join us this morning. We appreciate it. We will go ahead and move into New Business and we will start with New Business A. We received a letter of resignation from Rhonda Johnson from the Board. Is that something we need to vote on or just acknowledge?

Mark Geise

No. Just acknowledge – she regretfully resigned her position and said how much she enjoyed serving on the Board and really proud of the work that we do. (Difficulty with audio) Sorry to see her leave but we now have a vacancy.

Gary Henry

Let’s move into New Business B – Weber Knapp Company presented by Carol.

Carol Rasmussen

Thank you Mr. Chairman. On September 14, 2023 the Loan Review Committee met and recommended CCIDA funding to complete a stock purchase of Weber Knapp Company. The application was from Rhonda Johnson President and Wayne Rishell – CFO. They are going to purchase – they will each have 47.5 percent – the project is exciting because it will maintain local ownership. In 2011 it was purchased by Rex McCoy and Don Pangborn and it became local ownership at that point. It was owned by a foreign company. Of course they want to continue this. The Weber Knapp Company has been doing great. They’re net income consolidated statements rise each year. Their cash flow looks good. The company

will go on as is. They are a premier designer and manufacturer of motion control and hardware products in the industry- mainly for luxury appliances, outdoor appliances, industrial, medical and all types of custom designs. They lease an office in Taiwan that has eleven employees and mainly manufacture keyboards. They maintain 110 employees right now at Weber Knapp so this is also for retention. The employees are guaranteed to stay in Chautauqua County. The structure: Evans Bank and Cattaraugus County Bank asked the IDA to fund the project. Ours is the IDA EDA funding for one million dollars. Evans Bank, is seven million and CCB at \$1 million. The current owners are going to put in nine million one hundred thousand and only Rex will hold five percent. That's where the other five percent of the stock ownership will be. Don Pangborn does not want to have any stock purchase. Cash equity is one million two hundred and eighty-five. The resolution is a third lien mortgage position collateral on the real-estate behind Cattaraugus County and Evans Bank. They have three facilities –two on Chandler Street and one on Allen Street. Discussed lien positions. There is an unlimited personal guarantee from Rhonda Johnson and Wayne Rishell and there is assignment of key-man life insurance. They have requested – a special request that each of them- have a life insurance assignment of \$250,000 apiece. That's of course less than the amount of the loan but otherwise it's very expensive. Actually CCVB bank asked us if we could split the one million. So, that would be the collateral. Are there any questions at all? The project looks solid. The total project cost is \$21 million four hundred thousand- maintaining 104 jobs – they do have fourteen temporary and right now they have open positions. They will be hiring, and expect about twelve more positions in the next five years. The structure looks good. Are there any other questions?

Gary Henry

Hearing no questions Brad would you move New Business B1 for us?

Brad Walters

Resolution 09-26-23-01 Authorizing an EDA/AL Tech Revolving Fund for Weber Knapp Company

Gary Henry

Do we have a second?

Kevin Muldowney

Second.

Gary Henry

Kevin. We will do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

It's unanimously approved. I'm excited about this. Whenever we can keep long-term business like this locally owned it's good for the County. I've seen too often where a private equity comes in and snatches up one of these businesses and the long-term viability of the business isn't always so good and it's difficult for the County to be involved. So, this is exciting for our County. We will go ahead and take a look at the next item, it is also listed as B, and it's going to be Catalyze Energy presented by Rosie and Milan.

Rosie Strandburg

Thank you Mr. Chairman. Back in May of this year the Board passed final approving resolutions for SL Sherman and SL Sherman II which is a 9.625 megawatt AC solar farm located in the Town and Village of Sherman. The reason why these resolutions are being represented to the Board is there has been a change of ownership as well as a change in project cost (difficulty hearing audio) Solar Liberty sold SL Sherman to Catalyze Holdings LLC. The project cost changed from \$13.7

million to (difficulty hearing audio) No change in property tax abatement – those incentives are staying the same, however there are no longer mortgage recording tax and sales tax increased slightly on both on SL Sherman and SL Sherman II. SL Sherman I increased by \$90,000, less than \$100,000 not requiring us to do a public hearing, and SL Sherman II increased by \$65,500 again less than \$100,000 – not requiring us to do another public hearing. Other than that nothing else has changed. It's still a twenty-five year PILOT, jobs have stayed the same and looking to close this project (difficulty hearing audio) I will let Milan explain the resolutions to the Board but other than that are there any questions regarding SL Sherman and SL Sherman II?

Milan Tyler

Rosie did a good job on explaining it. As is common with these solar projects just before they close the developer that has put everything together often comes in and sells some or almost all of the ownership interest. The Board has previously approved that to be approved at the straight away instead of coming back to the Board each time as long as the actual applicant is the same. That would have been the case here except that when they went back to look at the numbers the project cost had risen dramatically. On one hand that is good but they have also asked for solid increases in both the sales tax for both. Since they are under \$100,000, as Rosie said, you don't need a new public hearing but since the Board approved a specific amount of sales tax back in May we need to come back to the Board and ask for the increase. As Rosie said, everything else is the same. Same project everything. SEQRA doesn't change because the project itself is not changing so this is just an administrative action which is approving the additional sales tax on both.

Gary Henry

Sagan would you move New Business B Catalyze Energy?

Sagan Sheffield-Smith

Resolution 09-26-23-02 SL Sherman, LLC-Approving Resolution & Resolution 09-26-23-03 SL Sherman II, LLC Approving Resolution

Gary Henry

Thank you. Do we have a second?

Brad Walters

Second.

Gary Henry

Thank you. We will do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

It's unanimously approved. We will go ahead and move into New Business C - Professional Service Agreement with TRC Companies presented by Nate.

Nate Aldrich

Thank you Mr. Chairman. This is a pretty straight forward one. As you may recall at last month's board meeting the board authorized us to enter into an agreement for Project Management and Environmental Services with Bryan Hann of Orion Environmental Services and CNS Companies out of Buffalo respectively. After that was approved, within a few days, we were notified that Bryan Hann of Orion is now employed by TRC Group winding down his own company. So,

there is really no change in terms or services with that agreement –working with Milan we are just recognizing that the entity that we are contracting with is TRC Company.

Gary Henry

Thank you. Did we have any questions?

Milan Tyler

The overall cost is exactly the same.

Gary Henry

Dan Heitzenrater would you move New Business C?

Dan Heitzenrater

Resolution 09-26-23-04 Authorizing Entry into Professional Service Agreement with TRC Companies, Inc. in connection with the CCIDA Brownfield Revolving Loan Fund Program

Gary Henry

Thank you. Do we have a second?

Steven Thorpe

Second.

Gary Henry

Steve. We will do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

Thank you. It is unanimously approved. Next, we will move into New Business D - Review of Policies & Resolution. I am currently on my third cup of coffee. We have gone through these policies many of times. I don't want to drift off. You know Bob is a thrilling speaker and we are glad to have him here. At some point it's kind of the same thing over and over again. I know for some of you, you have not had the opportunity to hear about these policies. You have received them and had a chance to review them individually. Bob is just going to explain them to make sure we fully understand.

Bob Murray

Thank you Mr. Chairman. Good morning everybody. I think this is the sixth time I've reviewed the policies and before then myself, Mark and Rich reviewed these policies – new ones and amended ones – a very thorough job. There are certain policies that the Audit & Finance Committee approved and certain policies that the Governance Committee approved. We are going to go over all of those today. The policies that the Audit & Finance Committee recommended for approval prior to this meeting – these are all new policies. Most of these have come out of the response of the Authority Budget Office and some are new for other reasons and I will explain as I go through these. I will go through all of the new policies – almost twenty of them – one at a time- interrupt me if you want. Then, we have a written resolution that we can in one motion (Difficulty hearing audio) All three entities will be approving all the policies – we are not going to have separate policies for each entity –they will be joint policies. The first one is the Audit & Finance Committee Charter. The CCIDA already had a functioning Audit Committee. The statute suggests that there be a Finance Committee as well for the purpose of reviewing debt rather than creating a stand-alone Finance Committee as this entity is not a borrower of

funds for its own purposes we combined the Audit & Finance Committee. Bob reviewed and discussed the following policies at length.

### **Audit & Finance Committee Meeting**

#### NEW

- Audit & Finance Committee Charter
- Board Member Compensation, Reimbursement and Attendance Policy
- Credit Card Policy
- Investment and Deposit Policy
- Accounting Policy
- Internal Controls

#### Bob Murray

Every year you are supposed to adopt or amend and readopt all the policies. It is not uncommon to have some changes in policies. Those are the policies approved by the Audit & Finance Committee. The Governance Committee met earlier today as well and they are recommending several new and amended policies. Reviewed and discussed the following policies at length.

### **Governance Committee Meeting**

#### NEW

- Governance Committee Charter
- Anti-Nepotism Policy
- Defense and Indemnification Policy
- Diversity Policy
- Project Recapture and Termination Policy
- Real Property Acquisition Policy
- Remote Meeting Policy
- Sexual Harassment Prevention Policy
- Supervision Performance Evaluation Policy
- Uniform Project Evaluation Policy

#### REVISED

- Code of Ethics and Conflict of Interest Policy
- Freedom of Information Law Policy
- Procurement Policy
- Real Property Disposition Policy
- Travel, Conferences, Meals and Entertainment Policy
- Whistleblower Policy

#### Bob Murray

That's your list of new and revised policies. You should be in good shape until your next meeting.

#### Gary Henry

Thank you. Does the Board have any questions? Hearing none, Kevin can you move New Business D1 for us?

Kevin Muldowney

Resolution 09-26-23-05 Approving Policies, Charters, and Appointment of Certain Officer Positions

Gary Henry

Thank you. Do we have a second?

Dan Heitzenrater

I'll second. We will do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

These policies have been approved by the Board. I would like thank everybody that was involved. Certainly all the Board Members, everybody on all the Committees, Mark, Rich and Bob. Just hours and hours going into getting these policies right, making sure we were matching what the law said like the ABO recommended. (Difficulty hearing audio) Mark do you have an Executive Report for us?

Mark Geise

Yeah. I'll be really quick Mr. Chairman. A couple of things I wanted to talk about. One is the Partnership for Economic Growth is being recognized –is receiving the Economic Development Award by the Chamber this year and we are really thrilled. A lot of hard work that was put into that by Nate, Monica, Crystal, Kristy, Rich, Kayla and our entire team. That is October 5<sup>th</sup> at 6:00 p.m. at the Williams Center in SUNY Fredonia. The other award that we need to call out here is Greg Peterson. He is getting the Person of the Year Award. We are all there routing you on. Our entire Partnership team will be there as well. Anybody that hasn't been notified – I think Jeanette reached out to everybody or Crystal did and asked if they wanted to attend.

Crystal Erhard

I did.

Mark Geise

If you would like to attend please let us know. Pretty exciting. Took some tours the last couple of weeks –Cummins Engine, Nestle Purina, Crunch Roll – and that was part of the Field to Manufacturing Tour – County Executive was on that and a number of other legislatures and others –other stakeholders – about 30-40 people I want to say-2 buses- we went from a farm in Sheridan where they grow a lot of things, but they grow a hot pepper or Hungarian pepper- then we went to Crunch Roll in Westfield and by the way we helped out Crunch Roll – we provided incentives to them throughout the years and they are doing quite well – they use that pepper for one of their crunch rolls- we had samples there. Then we went to Steelbound Brewery in Dunkirk at the Clarion and they use those same peppers in some of their Asian Cuisine. We got a nice sample there as well. That was pretty cool –to see it go from the field into a manufacturing process to the restaurant. I know there is a YouTube video that Justin put together and the County Executive is narrating that. We can get that out to all the Board Members. Lauren Sharp put all of that together and she is in our Planning Department and she really did a great job- super organized and others helped out. Two other things- Fast NY –we applied for \$5.25 million dollar grant for the Ripley site for infrastructure- Nate and others worked really hard to put together that application. We were invited to attend an interview. We had that interview with Empire State Development Staff on Friday. Milan and others were on the call. We had our entire team – (difficulty with audio)-it went really well so crossing my fingers that we get approved for that funding. That is part of a \$200 million dollar – put into our budget this year –state budget for



this new program. There was already a first round and we are in the second round so we will see how that goes. The other thing I wanted to mention is our website. The ABO flagged our website. Part of it was that our website is very old, it's not user friendly, it's not setup right-we had even recognized before the ABO audit that (difficulty with audio) –so we have been working with Clevermethod and Block Club and we have had a couple of meetings now where we are mapping out – how can it be user friendly and something people want to go on but also have the nuts and bolts of what the ABO requires- all our posting of information and public transparency so we are working hard on that. It is probably going to take a couple more months – 2-3 more months – really a lot of work but we are getting there with that. That is all I have unless anyone has any questions.

Gary Henry

Rich do you have a Treasurers Report for us?

Rich Dixon

I do. Rich reviewed and discussed the Treasurers Report.

Gary Henry

Thank you. At this point I would entertain a Motion to go into Executive Session, for the purposes of discussing the financial or credit history of a particular person or corporation. In particular I would like to discuss the status of our loan portfolio and the financial and credit status of some of our borrowers as well as some CCIDA personnel. I believe that discussing this in open session would substantially affect the value. Do I hear such a motion?

Sagan Sheffield-Smith

I'll motion.

Gary Henry

Thank you. Do I have a second?

Daniel DeMarte

Second.

Gary Henry

Thank you Dan. All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? We will go into Executive Session.

Executive Session  
Start Time: 10:49 a.m.

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Executive Session  
End Time: 11:00 a.m.

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Gary Henry

We are back in open session and I would like to say that no votes were taken or no actions done during the Executive Session. Do we have any Old Business to come before the Board? Hearing none do we have a motion to adjourn the meeting?

Daniel DeMarte

Motion.

Gary Henry

Thank you. Do we have a second?

Kevin Muldowney

Second.

Gary Henry

Thank you Kevin. All in favor say Aye.

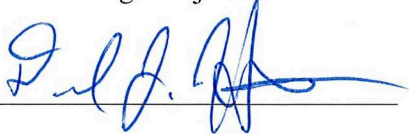
Board

Aye – Unanimous.

Gary Henry

Opposed? The meeting is closed.

The meeting is adjourned at 11:02 a.m.



(Assistant) Secretary



(Vice) Chairman