

THESE MINUTES HAVE NOT YET BEEN APPROVED

BOARD OF DIRECTORS MEETING

County of Chautauqua Industrial Development Agency

Annual Meeting

**Center for Innovation & Economic Development
214 Central Avenue, Dunkirk NY
1st Floor Conference Room
&
Electronically via Live Stream on YouTube & Zoom**

March 25, 2025
10:30 a.m.

PRESENT:

Gary Henry	Chairman
Sagan Sheffield-Smith	Treasurer
Amy Harding	Secretary
Tom Harmon	Member
John Healy	Member

Also in attendance:

Mark Geise	Administrative Director/CEO
Richard E. Dixon	Chief Financial Officer
Shelby Bilskie	Successor CFO
Milan K. Tyler, Esq.	Counsel
Gregory L. Peterson, Esq.	Counsel
Lisa Cole	Counsel
Elizabeth Hughes	Counsel – Harris Beach
Kristine Morabito	IDA Staff
Rosie Strandburg	IDA Staff
Kayla Strandburg	IDA Staff
Nate Aldrich	IDA Staff
Jeanette Lo Bello	IDA Staff
Jason Sample	IDA Staff
Crystal Erhard	IDA Staff
PJ Wendel	County Executive
Ellen Ditonto	BPU
Greg Bacon	Observer/Jamestown Post Journal

Absent Board Member(s):

Daniel Heitzenrater	Vice Chairman
Kevin Muldowney	Member
Daniel DeMarte	Member

Meeting was called to order by Gary Henry, Chairman, at 10:30 a.m.

Gary Henry

Good Morning. I would like to welcome everybody to the County of Chautauqua Industrial Development Agency Board of Director's Meeting. This is our Annual Meeting. We're at the Center for Innovation & Economic Development at 214 Central Avenue, Dunkirk NY. We're also streaming Live via YouTube and Zoom. It's March 25th, 2025 at 1030 a.m. We'll go ahead and start with Roll Call.

Board

Aye – Unanimous. (5 Members Present)

Gary Henry

You should have all received the minutes from the February 25, 2025 meeting and had a chance to review those. Do we have a motion to accept the minutes?

Sagan Sheffield-Smith

So moved.

Gary Henry

Thank you Sagan. Do we have a second?

Tom Harmon

I can second it.

Gary Henry

Thank you Tom. All those in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? The minutes have been approved. We have many distinguished guests with us here this morning, so it's you know, it's like the all-star team. So we're certainly glad to have Dave and Justin here with BWB. We have Elizabeth Hughes with Harris Beach, who's joined us this morning, and of course we have PJ Wendell, the County Executive with us as well. PJ did you have anything you wanted to share with us this morning?

County Executive Wendel

I'd like to welcome John to the Board. That's another position we'll be filling in the future, so excited. We'll go ahead and move right into New Business. A - The 2024 Audit presented by Dave and Justin from BWB.

David DiTanna

Wonderful. Thank you for the introduction. Never been called an all-star but appreciate it. Thanks Gary. What we'd like to do - Justin Isaman would like to - He's going to walk us through some of the highlights of the financial statements. Just

for the Board's information you know, there's a real nice process that you have. You have an Audit Committee that Segan and Gary are part of and so, prior to the audit commencing we have a nice meeting where we talk through a little bit about, you know what's been happening at the IDA as far as transactions and business and it's a really productive meeting to really plan the audit. So that's conducted. He takes some of the information that's discussed during the course of that meeting, and that helps us like form our audit and then, ultimately, you know, we're here to present the financial statements which are your financial statements. This is your document. Boy, there's a lot of great information in here, and it kind of talks a lot about some of the great things that you're doing within the County, and our job is to, you know, basically assemble information and support that looks at that information and ultimately provides you an opinion, and that's what we're here today to kind of go over those reports and again give you a little bit of highlight for the 2024 year.

Justin Isaman

So I'm going to start if you want to look at the binding report and go to Page one of that report. So, the really the whole point of us coming out and doing this is to provide our audit opinion. This is a clean, unmodified letter, so it's a you know, the highest level of assurance you can get from us in terms of an audit opinion. So it's a overall, you know, a great year in terms of the audit and the processes and what we saw. You know, we're able to provide a clean letter, and that's really a testament to Kayla, Rich & Shelby - like the whole team putting together a good report for us.

The next couple of pages - I won't go over them, but its pages three through seven, are what's called the Management, Discussion and Analysis. I think that's probably where you'd direct somebody to go if they wanted to read through the financials - get a narrative picture of how things went. You know, it kind of discusses each of the funds - (difficulty hearing audio) at a high level but I'm going to jump to page eight and we'll talk a little bit about the bottom line and numbers that happened this year. So page eight is the Financial Statement - the Balance Sheet for the IDA combined. There's three big things to talk about here. One, you got a healthy cash balance about \$7 million so you're doing pretty well cash balance wise. The middle of the page - there's the other asset section. That's where your notes are so obviously the biggest number on your balance sheet are those notes you have \$19 million outstanding actually over \$20 million, if you factor in the current. So \$20 million dollars loaned out to local businesses. So you're collecting interest on and you currently have really good experience with those loans, you know, over the years we've had some loans that didn't do so well, maybe had to write off at times - right now, I think there's one loan that is kind of in question, and other than that, out of all those loans which every single one is detailed in the notes if you wanted to go and look. There's one note out there that's you know, not paying right now. So, I think really, really good experience this year.

On the bottom half of the page, the other thing to talk about on the Balance Sheet that's kind of a big number is that unearned revenue. So, it's \$5 million in total for the IDA. \$3.7 of it's on CREDC or on the IDA itself - \$3 million of it's the North County so building Industrial Park - the work being done there that was supplied to, you know, start-up that project, and then there's a little bit left in the Broadband Project that's sitting on that line as well.

On the CREDC side there's \$1.2 million. It's mostly community block grants actually at this point. So, I think over \$700,000 of it is, it's the deferred loans, the loans that these are given if they meet their requirements. That's the majority of what's sitting in that balance but then you do have some like Ralph Wilson grants things like that that have balances left to be spent. But you know, those two areas, the Notes and the Unearned and the Grants are where we spend the crux of our time. You know we do a risk-based audit approach. So, we look at your numbers beforehand. We figure out what we want to focus our attention on. And that's really where we focus our attention, your Notes, and the Unearned Revenue and the Grants you receive.

You want to go to the next page we'll talk about, you know, how the year turned out bottom line. So, you can see there the IDA \$400,000 of Revenue. You're currently at a net position of \$6 million dollars. So you know, healthy net position. The revolving Loan Fund not a whole lot of activity really break-even \$87 of income. AL Tech and EDA, the two loan funds, those actually lost forty-four and \$93,000 but we did, because you loaned out extra funds. What we do is we reserve against 20% of those loans. So, we up a reserve. So, how we do that is, we recognize a bad debt expense on your books. So, it's a kind of a paper transaction to reserve against those future loans in case they were to default 20%. Without those entries those two funds would have made \$237,122. So, really the in actuality, they performed well this year. They had net income before those entries but they're sitting at, you know, \$9 and \$8 million dollars of equity at the end of the year.

Then you're CREDC fund has got \$640,000 of equity. You made ninety-three this year. It's mostly on the CREDC itself side. The grants really are pass through almost in a way that you have. You have revenue coming in. You have grant expense that matches it. So really, where that derives income is ninety-three from the CREDC. Any questions on those?

I just thought I'd stop on the next page - page ten to talk about one line, and I thought, you know, we talked about a little bit at the Audit Committee Meeting, and I thought it was, you know, a pretty interesting thought, and I hadn't really put it together before, but middle of the page, the net change in cash. You know that's \$4 million dollars that is spent from the IDA. One million and a half of it was returned on the Broadband Project to the County. So really, there's about \$2.5 million dollars that you put in the community this year. I think that's just a really high level like way to look at what you guys do and I think that's a big number, and that's, you know, should be pretty proud of what you've accomplished.

So then, the next couple of pages, Supplemental Schedules and Notes. We're not going to go into detail on them but if you were to look through here, as I said earlier, all of your - every single note you have loaned out is described in here - what the payment plan is when it'll be paid off - all of the unearned revenue buckets are described in there. So what's what you have left to spend - but nothing that we're going to stop and go over but there's a lot of good information in here if you ever want to (difficulty hearing audio).

More supplemental schedules - if we get to, I believe its page thirty-two is the next couple letters we have to provide you. So the first letter here is the Government Auditing Standards Letter, because you're technically a government entity we have to provide what's called a yellow book audit, or a governmental audit. This is a clean letter this year. No, nothing to report on. Yellow Book Audit is a little more focused on internal controls and compliance with laws and regulations, so no issues there in terms of internal controls from what we saw or any (difficulty hearing audio) issues.

On page thirty-four is the Uniform Guidance, or what used to be called a Single Audit Letter and this is because you receive Federal funding. So, at this point your EDA Cares Loan Fund is the only fund that is federally funded. The AL Tech was a defederalized a couple of years ago. So, we're going to have to always do a Single Audit for you as long as that EDA Cares fund is Federal monies and that's what we tested. Sometimes you get community block grants if they reach a certain threshold you do have to test that as well, but didn't get enough this year that we had to. So, we only tested the EDA Cares funds and this is also a clean letter. So you know, really good job. And we're going to go to the page thirty-seven or thirty-eight - I want to kind of you know - it is a clean letter this year, but last year we did have a compliance finding (difficulty hearing audio) - it was related to loans related to buying equity. So you know, if you were to do that, you have to discuss and kind of prove that there's a likelihood, or very like most likelihood, that that entity would be closed or moved without your involvement. So we noticed a loan last year that you know you guys had approved that was for equity, an equity purchase but you hadn't really discussed that in the Board Resolution for it. Well, you took care of it at last year's Board meeting that we were at and then what we notice is, there's another loan this year that had equity, and you did it the right way in May. So, you enacted that audit proposal or audit recommendation, and it was, you know, worded the same way that we would have recommended you specifically spelled out that you know that entity would be likely to be moved or closed if you didn't get involved. So we thought, you know, really good job, you know, that's kind of the point of us coming here is to provide some recommendations, and so we really enjoy when we see it enacted by the Board. So thank you. Great job.

Gary Henry

Thank you.

Justin Isaman

So then there's two other letters. I'll talk about the first one - It's titled - We have Audited the Financial Statements is the first sentence - that's the Governance Letter. It's a little bit thicker. So, this is a letter to you as the Board that we're required to provide to just let you know that there are no issues in the audit. You know, there's no issues in terms of withholding of information. We had access to everything we needed. It's just a normal communication letting you know the audit went smoothly. Now, there is one kind of thing to talk about on here, and it's at the back of it. It's the Audit Difference.

There is one audit difference. We report on this audit difference every year. So in accrual accounting, when you have accrued payroll at the end of the year, technically, it hasn't been paid yet, but it's, you know, related to the prior period. It

should be recorded as a liability. It's been the position of the IDA to never report that as a liability. We don't think it changes the reader's opinion of the statement. It's not a largest enough number. It was a \$5,000 change to the bottom line, so we're fine with it being left out. We just do have to communicate it – that it, you know, that is something that happens. Then the final letter we provide is called the management letter. So this is where we, you know, find items that maybe don't rise to the level of finding but maybe our best practices. There are two comments on here. The first one is the same comment from last year. Actually, it's on the service contracts with the County. So last year we talked a lot about the ARPA money that came through, and whether or not you were a pass through entity or a contractor and you know the County kind of takes a stance that you're a contractor, which means you don't have to follow a lot of the rules required for the Single Audit on those grants which you know makes a - provides you a lot of ease in terms of your reporting on your money on your side, things like that, but we just want to keep it out there that you know there is some risk there. If somebody ever came in and audited the County and said, we don't agree with that stance, you know it would flow to you that you know you are now a pass through entity, and you would have to follow the Single Audit rules. So, there is some risk there, just letting you know. I think you typically follow all the rules anyways, even if they you're not you know, under the Federal Single Audit bucket but you know, there is some risk there that maybe at some point in time somebody might ask you to do some more reporting on those funds.

Then the second comment is on Cash Balances. So you had what \$7 million dollars as I said earlier in cash, we noticed you're only earning about 1% interest on that cash. Which right now, if you went to the bank you could get about three or four on money market, or Certificates of Deposit, which you are eligible, for. You can't get into riskier investments, but the more safe investments you're allowed to be a part of, and you could or earn a significant amount more interest on that. You know, 1% to 4%. It could be significant difference in the amount of earning just you have on your cash balances

Mark Geise

You guys working on that?

Justin Isaman

You might just have to call the bank. They're not going to offer it up until you call the bank and say hey, why are we only earning point 7% on this? Any questions?

Kayla Strandburg

Great job.

Mark Geise

Yeah, great job.

Rich Dixon

Yeah. I would just like to thank Dave and Justin. Been a long time, Dave, I won't be here for the next one, so thank you for all the help, professionally and personally and you guys have done a great job for us. Thanks.

Dave DiTanna

Thank you. Rich was mentioning, you know, I don't know when the 1st year that you took over Rich, but what was the total equity?

Rich Dixon

The fund balance was \$700,000.

Dave DiTanna

For all the different entities \$700,000. So you know, you look at this where you are currently, and all the loans and the projects I mean Incredible. So well done, and congratulations to Rich a job well done, too!

Gary Henry

Could I have a motion to accept the Audit that's presented by Dave and Justin?

Sagan Sheffield-Smith

So moved.

Gary Henry

Thank you Sagan. Do we have a second?

John Healy

Second.

Gary Henry

Thank you John. All those in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? Ok. The Audit has been accepted and we certainly appreciate all your hard work. It's excellent, as always. Just very thorough.

Dave DiTanna

Thank you. Now the fun begins. So, we actually have to get this uploaded to the Federal website and Shelby will certify it and submit it. Then also you have a big PARIS report. It's a New York State report that's also a fun document with a lot - even more information than this. So that's the next step that that'll be submitted as well. So great.

Gary Henry

Thank you.

Dave DiTanna

All right, thank you.

Mark Geise

Thank you.

Gary Henry

Next, we'll move into New Business B – Housekeeping Resolution presented by Elizabeth Hughes from Harris Beach.

Elizabeth Hughes

Hi everyone. Good to be here. You'll see in this Housekeeping Resolution is pretty similar in form to the one that was adopted last year. It will go over several changes to the Resolution from last year. So attachment A is just going to be the adoption of your annual PARIS report, as was just mentioned. I know Shelby and Kayla working very diligently on that. Attachment B is going to be Appointment of Different Officers of the Board, Officers of the Agency and Appointment of Depository Institutes, Council, Adoption of Mission Statements, and all that. This is largely unchanged. I believe there is one change to Officers of the Board. There are two changes to Officers of the Agency and Authority which I will speak on once we go into policies just policies that required us to appoint two new members and then first we have Shelby now as our CEO, and rich as our past CEO. Then moving into Attachment C is just the Meeting Schedule which was approved at the January Board meeting but is it here just for good measure. You could find it at the back of the book, laminated? Mr. Chairman or Mark, do you have anything to add to that overview?

Mark Geise

Just to remind - like I did in the Governance Committee - so we had a Governance Committee before this meeting. The Governance Committee approved the Housekeeping Resolution, and I spoke to the fact that the only changes really on the Board Committee Appointments was that when Brad Walters retired and resigned his position, Dan Heitzenrater who was the Secretary moved into the Vice Chair Person position and so that left a vacancy for the Secretary and the Governance Committee that Amy took and then the only other thing was like Elizabeth said, Shelby is now the CFO.

Gary Henry

Any questions from the Board on the Housekeeping Resolutions? Hearing none, Sagan can you move Resolution B1 for us?

Sagan Sheffield-Smith

Absolutely. Resolution 03-25-25-01 Housekeeping Resolution

Gary Henry

Do we have a second?

Tom Harmon

I can second it.

Gary Henry

Thank you Tom. We'll go ahead and do a Roll Call Vote.

Board

Aye – Unanimous.

Gary Henry

The Resolution has been unanimously approved. Next we'll move into New Business C – Review of Policies and Resolutions again presented by Elizabeth.

Elizabeth Hughes

Hello again everyone. All right. So, in this Resolution, which I believe is right after tab two in your book - this talks about policies that are either amended, several changes adopted just because statutorily required to and then two new policies. So, I'm going to do a very high level overview. All of the policies mentioned you will find attached after - so there's this blue sheet in tab two - the page right after that provides a chart - an overview of all the policies, changes that were made to several of them, and then policies that were not changed at all, and then you will find red lines of the changed policies immediately behind that (difficulty hearing audio) but as a high level overview, we have seven policies that we updated to (difficulty hearing audio) best policies and recommendations. Those are listed as the first seven here. I will say the two that are to conform with legal requirements is your Foil Policy. There's a new requirement requiring notification of employee disciplinary records in the event that there's a foil for them so we just updated that in the policy, and then the sexual harassment policy was updated by the DOL so your policy now tracks their model policy.

Turning back to what I said earlier is the appointment of two new employees of the agency. Two roles - we have Shelby, who is our Human Resource Officer that was previously mentioned in the Sexual Harassment Policy, and then we now have Kayla as our Records Management Officer. So, turning into that, we have two new policies which we have our Continuity of Operations Policy required - this was an after effect of the Covid pandemic. So, just to have, in the event that we do have another public health emergency to ensure that the agency's operations are (difficulty hearing audio) that we have a plan in place.

Then, we also have a Record Retention Policy which is our Record Management Officer. Every Public Authority is required to have a record retention policy in New York State, and there's one schedule that is referenced in the policy that you retain your records for generally seven years.

Other than that, we just have our Investment and Deposit Policy and our Real Property Disposition Policy. These two policies are completely unchanged but the Public Authorities Law do require us to readopt them and review them every single year so we did just that. No changes but they will need to be readopted today. So, if we want a minute to look through the red lines and the chart and just if anyone has any questions, I'm more than happy to answer

Mark Geise

Just real quick. These were all sent out - any of the ones that changed and the new ones were all sent out to the Board red line version so they could see how they change and just real high level we have seven policies that have been amended, you know, to comply with the ABO policy guidelines - two that are being readopted which we have to do annually. Now, in the past we readopted all of the Resolutions but we don't need to do that each year - just these two - the Investment and Deposit Policy and the Real Property Disposition Policy are the only ones we have to readopt annually. Then the two new ones that Elizabeth talked about. Then there's no change on nine policies.

Elizabeth Hughes

Yeah, that is correct, and you'll see that I should have mentioned that this last box in the chart is the nine policies that are unchanged because (difficulty hearing audio) no new legal requirements and you guys are compliant as is

Mark Geise

So, Harris Beach spent a lot of time going through each and every policy to make sure that we're compliant

Kayla Strandburg

Especially Elizabeth. She had to get up to speed.

Mark Geise

Yeah.

Kayla Strandburg

A whole entity.

Mark Geise

Yeah. Thank you for your deep dive.

Elizabeth Hughes

Of course. Good experience. Does anyone have any questions on any of the policies?

Mark Geise

I love your cheat sheet.

Gary Henry

I appreciate you know the red line -You know, format sending those out to the Board so you know we all received them a week ago, so you have a chance to go through and look at it but you know, to try and figure out what changed. It'd be almost impossible but with the red line you could, you know, pretty clear well, this is what it was, you know this is what we have now, so you know it makes it a little easier to understand. So, very well done. Thank you.

Elizabeth Hughes

Thank you very much.

Gary Henry

Tom would you move New Business C1 for us?

Tom Harmon

Absolutely. Resolution 03-25-25-02 Policy Approvals

Gary Henry

Do we have a second?

Amy Harding

I'll second.

Gary Henry

Thank you Amy. We'll go ahead and do a Roll Call Vote.

Board

Aye – Unanimous.

Gary Henry

The Resolution has been unanimously approved. Next, we'll move into the Executive Director's Report.

Mark Geise

I have very little. You know again on the Audit what great work - Kayla Shelby, Rich, Justin, Dave - I mean, really, when you look at this and take a look at it really. It's a piece of work. A piece of art really is incredible. It really tells a story about the IDA so I just wanted to, you know, guys, great job and then the staff in general, you know, I watched like for a week before Board Meetings Jeanette especially running around like crazy putting everything together, puts all of this together. Incredible. So you know the staff in general does great work but Jeanette, call out to you, good work.

Jeanette Lo Bello

Thank you.

Mark Geise

Yeah. That's it.

Gary Henry

Really? Next we'll move into Treasure's Report.

Shelby Bilskie

So, I will be quick as well, because we didn't want to throw a whole bunch of numbers at you in different format than would be in the in the in the audited financials. I just want to I mean, reiterate what Mark said. You know, this is a great report. We have a clean report, which is phenomenal. The only finding really, was the approved payroll, which we'll see every year, just because how we do it and it's a 1% change. So it's very nominal in nature.

I also want to reiterate kind of how they said, you know, put \$2 million dollars back into the community, which is amazing and also on the P & L you know where we see the interest income, you know that's just more income than we can replenish all of those loan funds. So, it was a really great year, and it was a nice report with a lot of information.

So, Kayla and I really have the PARIS reports buttoned up. All we have to do is upload the digital copy of this report that we just reviewed. Once we get that, we can submit and move on to the next.

Kayla Strandburg

Next year.

Mark Geise

Preparing for next year.

Shelby Bilskie

Yep, next month we will provide Q1 financials, and we can go through all of that. Like I said last month, you know - well, number one, we don't want to throw a lot of information at you that, you know would just be repeated, and we didn't want to provide. Q1 unless we had the audited financials for 2024, in case there were findings that would change the numbers.

The only real entries that we will be making to 2024 are the bad debt reserve to tie to the financial statements because they put it through their model, and it's very detailed. So, there is a little bit of a change there but that really, is it?

Gary Henry

Thank you.

Shelby Bilskie

Yep.

Gary Henry

You know the Audit Committee, you know already has met with BWB and gone over this audit but we go over in even more detail during the Audit Committee. So you know, we kind of go through every single page, line by line, and so we try to keep a little more high level here for the Board Meeting, but you know awesome job by the IDA and having everything correct, and then also by BWB doing their audit so much appreciated.

Gary Henry

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. Do I hear such a motion?

Tom Harmon

I'll make that motion.

Gary Henry

Thank you Tom. Do I have a second?

Sagan Sheffield-Smith

I'll second.

Gary Henry

Thank you Sagan. All those in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? Ok, we'll go into Executive Session.

Executive Session
Start Time: 10:59 a.m.

Executive Session
End Time: 11:32 a.m.

Gary Henry

We are back in open session. I would like to report that there were no actions or votes were taken during Executive Session and therefore no minutes of the meeting were taken.

Mark Geise

In Executive Session we discussed pending litigation of the Silver Creek School project but there was no action taken.

Kristine Morabito

Silver Creek Apartments. What did I say?

Kristine Morabito

Silver Creek Apartments.

Mark Geise

Silver Creek Apartments.

Gary Henry

So, we'll move right into that Old Business D - Silver Creek Apartments. Mark already spoke about it. Amy, could you move Resolution D1 for us?

Amy Harding

Yes. Resolution 03-25-25-03 Supplemental Resolution - Silver Creek Apartments, LLC

Gary Henry

Do we have a second?

Tom Harmon

Second.

Gary Henry

Thank you Tom. We'll do a Roll Call Vote.

Board

Aye – Unanimous.

Gary Henry

The Resolution has been unanimously approved. Do we have any other Business to come before the Board?

Hearing none we will consider the meeting adjourned. Our next CCIDA Board Meeting will be April 22, 2025 at 10:30 a.m. and we'll be back at the BWB Building in Jamestown.

The meeting is adjourned at 11:35 a.m.

(Assistant) Secretary

(Vice) Chairman