



# **2018 Annual Report**

**Prepared by:**

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Chairman**

**Wheatfield Local Development Corporation**

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## WLDC History

The Wheatfield Local Development Corporation (WLDC) was officially formed by the Town of Wheatfield Board by unanimous vote at the December 16<sup>th</sup> 2013 Town Board meeting. The following is a list of initial significant dates:

- January 14<sup>th</sup> 2014, the WLDC received its Articles of Incorporation from the State of NY establishing the initial 9 member Board of Directors
- The first official meeting of the Board occurred on January 29<sup>th</sup> 2014
- WLDC By Laws were first generated for discussion on Feb 25<sup>th</sup> 2014
- The organization received its official Certificate of Incorporation from the State on May 2, 2014

The WLDC met a total of 4 times in 2014 and there were no projects identified or attempted. The organization did not have any funding and did not establish a banking relationship. The website [www.wheatfieldbusiness.com](http://www.wheatfieldbusiness.com) was created and maintained for use by the LDC to post the necessary information as required by Public Authority Law.

In 2015, because there were no projects identified or available – the organization only met once on Feb 25<sup>th</sup> 2015 with the primary discussion being about the future of the WLDC. It was decided that even though there was no activity, having the entity available for the future was a positive thing for the community. There was no further activity in 2015. No funding was obtained and no banking relationship was established.

- March 2016, \$100,000 of Community Block Development Grant (CDBG) funding from the Office of Community Renewal initiated for Jacobs Ladder, Inc as our first project
- December 9, 2016, Jacobs Ladder closing
- April 1 2017, Jacobs Ladder repayments begin
- January 23, 2017 Big Thunder Brewing announces project at Town Board meeting
- November 8, 2018 Pellicano's Marketplace \$250,000 CDBG grant approved by OCR

## **Mission Statement**

The Wheatfield Local Development Corporation is committed to fostering new business as well as retaining and expanding existing local businesses to build economic capacity specific to the Town of Wheatfield.

## **Board of Directors**

Currently the 7 member LDC board consists of local business executives of varying backgrounds as well as several elected Wheatfield officials.

Don MacSwan – Town Supervisor, Wheatfield NY (Ex Officio)  
Robert Cliffe – Former Town Supervisor  
Dawn Gilliam – Chief Operating Officer, Calamar Corp.  
Larry Helwig – Town Councilman, Wheatfield NY (Appointed Annually)  
Vic Montalbo – Chief Financial Officer, NF Bridge Commission (ret)  
Richard Muscatello – USAF Colonel (ret), Hospital Vice President (ret)  
William Wagner – President, Wagner Management LLC

Larry Witul resigned from the Board in 2018. We are actively looking for 1-2 replacements at this time.

## **Committees**

### Finance Committee Members:

Larry Helwig  
Vic Montalbo

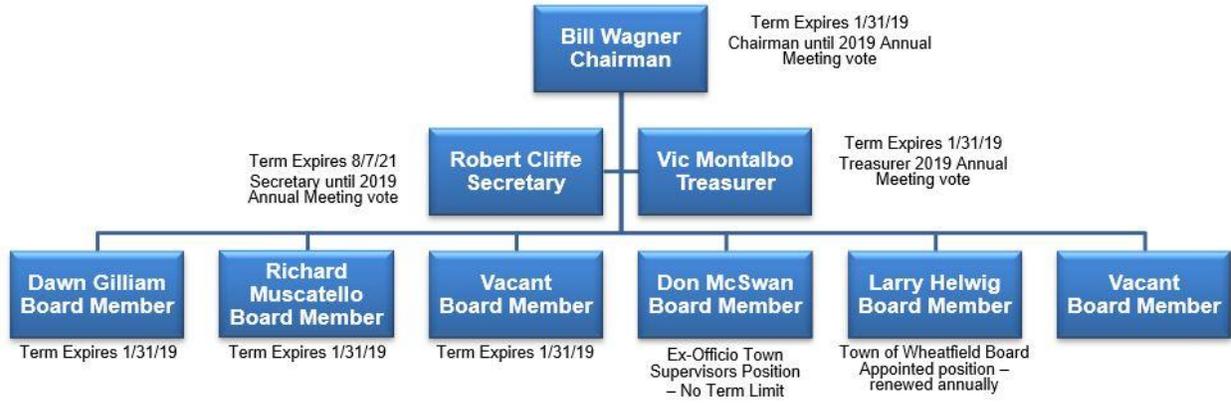
### Audit Committee Members:

Dawn Gilliam  
Bill Wagner

### Governance Committee:

All current Board members participate in Governance decisions

## Organizational Chart



## Annual Meeting

The WLDC Board has established April of each calendar year as our designated Annual Board Meeting. However, due to a lack of activity – the Board designated August 7<sup>th</sup>, 2018 as the Annual Meeting and proceeded with activities as necessary. For 2018, the Chairman, Secretary and Treasurer positions were voted on and stayed the same from the previous year.

## Website

All publicly required information regarding the WLDC can be found on [www.wheatfieldbusiness.com](http://www.wheatfieldbusiness.com)

## 2018 Operations

The Town of Wheatfield had a change in Supervisor from Bob Cliffe to Don MacSwan in the past election. Mr. MacSwan was added to the LDC Board in the Ex-Officio position designated for the Town Supervisor as per our By-Laws. Bob Cliffe was asked to stay on and was voted as a Board Member for a 3 year term. Mr. Cliffe also agreed to continue on as our Secretary which was greatly appreciated. We had one other change to the Board and that was the retirement of Larry Witul. Mr. Witul was a great asset to the team and his knowledge will be missed. The Board will likely look for 1-2 replacements in 2019 as our By-Laws allow for a total of 9 Board Members.

During the first half of 2018, we were able to RFP and select the financial audit firm of Lumsden & McCormick, LLP Certified Public Accountants to assess our 2017 books. The overall financial activity of the LDC remains very limited as evidenced in our Financial Statements but an audit is necessary none the less. The full report is available to the public on our website at <http://wheatfieldbusiness.com/reporting/> under 2017 Audit Report.

During the audit, one area that needed to be addressed was our IRS 990 filing. We were unable to file electronically so we submitted a paper form, but it was rejected as well. It has since been determined that the LDC needed to re-apply as a 501c4 rather than a 501c3 and this should clear up the issue. As of the last day of the year, the paperwork has been sent but the IRS has not given us an update, so we are unsure of our standing at this point. Also, due to this problem, we were assessed a \$280 late filing fee plus \$1.35 interest. We hope to have all of this resolved in the first quarter of 2019.

In October of 2018, we went through our first program audit for the Jacob's Ladder grant. In attendance were Kathy Harrington, Chuck Bell, Bill Wagner and Kristi Schwebke from NY State Homes and Community Renewal (NYSHCR). Overall, the audit went very well with NYSHCR providing input on two areas for improvement:

- 1) Disposition of CDBG Funds. NYSHCR needs the Town to disburse funds to the recipient from a non-interest bearing account within 5 business days. This was addressed by Kathy Harrington and all future grants will comply with this requirement.

- 2) Inadequate Response Time for Procurement of Professional Services – this is on the LDC for not allowing enough time from publication of RFP for a consultant. For Jacobs, we only allowed 1 week, and they request 3-4 weeks.

Both of NYSHCR's concerns were addressed by formal written response and deemed acceptable. They will monitor the Town and the LDC with future grants to ensure proper procedures are being followed.

As a final note on the Jacobs project, the LDC has been very happy with the company overall and appreciate their timely repayments.

## **2018 Summary of Accomplishments**

- Start of the year bank balance \$2575.18
- Successful application of Steaks of Buffalo dba Pellicano's Marketplace \$250k CDBG funding
- Completion of Financial Audit with Lumsden & McCormick, LLP
- LDC Officers voted on in August (no changes from 2017)
- Refiling of tax exempt status from 501c3 to 501c4 – waiting on the determination from IRS
- September 10th – presentation of LDC Annual Report and Audit to Wheatfield Town Board by Chairman Wagner
- Completion of Jacob's Ladder program audit by NY State Homes and Community Renewal (NYSHCR)
- November 2018 – Pellicano's project funding approved by OCR
- RFP for Consultant Services published for Pellicano's project (Dec 2018)
- Successful collection of \$5441.59 in payments from Jacobs Ladder
- End of the year bank balance \$6021.55

## **2019 Outlook**

The LDC anticipates loan repayment income from the Jacobs Ladder project to be \$5936.28. This money will be used to pay our annual insurance requirement (approx. \$950) and any additional expenses that are

incurred during the year. Due to our continued thin financial situation, we do not anticipate having the funds to begin offering local small business loans or any investing activities in 2019.

The Big Thunder Brewing project remains in limbo but discussions with ownership continue and we remain optimistic that it will move forward. The CDBG Grant is still in play and we have regular discussions with the Office of Community Renewal to keep them up to date on progress. We anticipate grant funds to be withdrawn from OCR at some point should the project not move forward. There is no specific time line for this at the moment and the Big Thunder management team is aware this can happen.

As we proceed forward with the \$250k CDBG Grant for Steaks of Buffalo dba Pellicano's Marketplace project, we anticipate a formal closing in Q1 of 2019 with funds disbursement to them shortly thereafter. Expectations from the business show them opening their new location in the summer of 2019. Once we finalize the closing documents, we will set a repayment start date on the term loan portion of the agreement (\$75,000). That date is expected to be in the second half of 2019. We want to allow them enough time to open their doors and start generating positive cash flow before asking for payments to begin. Depending on the exact prime rate at closing, we expect payments to be around \$1040 monthly for 7 years.

## **Final Remarks**

The WLDC is now involved in 3 community projects and fulfilling our mission to enhance economic development specific to our Town. As repayments begin for Pellicano's and hopefully Big Thunder, as well as continued payment from Jacob's Ladder – the WLDC should be in a much stronger financial position in 2020. We remain committed to keeping our cost structure very low allowing for maximum community reinvestment potential when that time comes.