

WHEATFIELD LOCAL DEVELOPMENT CORPORATION

Regular Meeting Minutes
Oct 10, 2016 7:00 pm
Held at Wheatfield Town Hall

Call to order time: 7:04 pm

Attendance listing: Vic Montalbo, Larry Witul, Larry Helwig, Bill Wagner, Richard Muscatello, Bob Cliffe, Dawn Gilliam, Attorney Bobbi O'Toole and Consultant Chuck Bell

1. Minutes from 9/19/16 Meeting

Motion: Bill Wagner, 2nd: Larry Witul Carried: 6/0

2. Finance Committee

Vic offered a bank statement as his financial report.

Motion to approve by Larry H, 2nd Larry W Carried: 6/0

3. Presentation of Attorney fees by Bobbi O'Toole

Attorney O'Toole agrees to await payment until funds have been received and payment approved by Board

4. For the record, Chaiman Wagner acknowledged the revised grant agreement between Town and WLDC, that it had been approved by WLDC on 9/19/16 and Wheatfield Town Board on 10/3/16

5. Jacobs Ladder project – Chuck Bell discussed changes which had been made to the potential agreement between WLDC and Jacobs Ladder, pursuant to discussion from last meeting.

This led to discussion regarding the Agreement.

a. If there is a problem, can the Town look to the LDC for financial recourse? Chuck says that this is answered in the agreement between the Town and the LDC.

b. Chuck noted that the agreement now contains the provision for \$15,000 of deferred loan per new, full time employee, and that Jacobs looks to already have three employed. Also, Jacobs has already paid out more than the amount required to submit the \$35,000 term loan to OCR.

c. Sichermann would review submission by Jacobs Ladder and recommend them to LDC for approval. These would then go to the Town for approval, and on to OCR. Payment comes back through the Town to the LDC and on to Jacobs Ladder.

d. Question regarding monitoring of employment levels? Chuck says that OCR monitors twice per year, that we could also have a team review a report from Jacobs as desired. He also noted that, if employees were hired in good faith, but the market changed and employees had to be laid off, OCR generally accepts this as acceptable without going after prior paid funding.

e. How does LDC get assurance that hiring decisions followed low income classification requirements? Chuck says that there is a family income formed for each employee which is reviewed by Jacobs prior to hiring. That Sichermann keeps a simple spread sheet of employment by category. "Should we ask for W2s?" Chuck suggests only if we have cause to question the report.

f. "Are we indemnified in the agreement?" There is a Section 4.08 which discusses insurance. The Board is seeking to add a Section 4.08 (c) which specifically notes indemnification of the LDC.

g. Chuck noted that the percentage of interest had been changed to 2%. The Board asked to make the change back to 5%, the amount which had been agreed upon by Jacobs Ladder.

h. Chuck then discussed that the Term Loan had a 7 year payback, but the deferred loan (grant?) is five years. Perhaps it should be the same time frame? This led to discussion about possibility of selling Jacobs to another person or company. Larry suggested to not allow them to close out the loan too early even if sold as we have to monitor for the deferred loan.

The Board asked Chuck to install a time frame for early payback, words to the effect: "...until and unless OCR has closed out their interest in this project."

Motion by Larry W, 2nd by Larry H, to approve the contract between LDC and Jacobs Ladder pending the noted changes and, if changes are approved by both Attorney O'Toole and Chairman Wagner, Chairman Wagner can sign the agreement and give to Jacobs Ladder for review and approval. Carried: 5 / 0 / 1 abstain.

Old Business:

Where are we with insurance? Bob says that both D&O and General Liability have been paid and policies are received. Given to Vic for his review; then available to anyone else. D&O is by Travelers, Liability is by Selective.

New Business:

Bill suggested that members keep their ears open for any possible new projects where the LDC can help. He noted that he would be seeing Cynthia Potts from the Summitt Mall to discuss possibilities there.

Question about whether we should be doing publicity? Possibly when we have the first payment from OCR? Brought up concern that we may be crossing into Niagara County IDA territory, to discuss with them before taking action.

Chairman Wagner stated that the next meeting is not yet determined; when needed, members will be notified by e-mail.

6. Motion to Adjourn by Larry H, 2nd by Larry W (give or take): Carrier, 6/0.

Respectfully submitted by Bob Cliffe, October 11, 2016

Minutes Approved, November 30, 2016