



Wednesday, January 14, 2009  
8:00 am – GCEDC Offices

MINUTES

ATTENDANCE

Agency Members: J. Vincent, L. Benton, W. Hinchey, H. Upson, Jim Fulmer  
Staff: S. Hyde, S. Lockwood, S. Cook, P. Kennett, C. Zambito, C. Suozzi, J. Macaluso  
Guests: R. Gaenzle (Harris Beach)  
Absent: M. Gerber, J. Andrews (by phone)

CALL TO ORDER / ENTER PUBLIC SESSION

J. Vincent called the meeting to order at 8:07 a.m. in the Conference Room of the Genesee County Economic Development Center.

EXECUTIVE SESSION

J. Fulmer made a motion to enter into executive session under the Public Officers Law, Article 7, Open Meeting Law Section 105, paragraph d, at 8:07 a.m., for the following reasons:

1. To discuss the financial history of particular corporations.
2. The proposed sale / acquisition of property that would otherwise affect the value of the property.
3. To discuss possible litigation.

The motion was seconded by H. Upson and approved by members.

RE-ENTER PUBLIC SESSION

L. Benton made a motion to enter back into public session at 9:33 a.m., seconded by J. Fulmer and approved by all.

OPERATIONS

**4a. Approval of December 10<sup>th</sup> Meeting Minutes** – H. Upson made a motion to approve the December 10<sup>th</sup> meeting minutes seconded by L. Benton and approved by all.

**4b. 2009 GCEDC Board Officers** – L. Benton made a motion to approve the 2009 board officers as follows:

J. Andrews	Chairman
J. Vincent	Vice Chairman
H. Upson	Secretary
S. Cook	Treasurer

The motion was seconded by J. Fulmer and approved by all.

**4c. November Financial Statement** – S. Cook reviewed the November 2008 financial statements with the board noting that after the formation of the joint venture, the Genesee Agri-Business, LLC reimbursed the EDC for services provided by S. Hyde during the formation process. Most everything else was routine transactions.

W. Hinchey made a motion to approve the November 2008 financial statements, seconded by H. Upson and approved by all.

**4d. Audit Service Contract** – A merger between Gray CPA, who performs our audit services currently, and Freed Maxick & Battaglia, CPA's has been announced effective January 1, 2009. The merger means that we will no longer be able to use their services as J. Andrews is a director with Freed Maxick & Battaglia, CPA's, posing a conflict of interest for our agency. S. Cook has been scrambling to get proposals from other accounting firms and received two proposals, one was for over \$40,000, much more than we currently pay for these services. The other was from Gruver, Zweifel & Scott, LLP, their proposal was for three years, and the price was much more in line with what we currently pay for these services. S. Cook recommended the proposal from Gruver, Zweifel & Scott, LLP.

J. Fulmer asked S. Cook to let the board know if she ran into any problems.

Given the short time period that we had to fill this need, the board decided that it would be best to approve the proposal for 2008 subject to the quality of services provided for that year. The board feels that they need more time to consider their options for 2009 and 2010.

L. Benton made a motion to approve the proposal from Gruver, Zweifel & Scott, LLP for 2008 only. The motion was seconded by W. Hinchey and approved by all.

**4e. Proposal for Accounting Support Services from Arnold Gray** – Sue presented a proposal from Arnold Gray for support services. As the

agency grows and becomes more complicated these services are greatly needed. Gray will provide technical assistance (advice), year end transaction assistance, drafting of our financial statements and a review of our accounting and processing systems to see how our processes can be streamlined to improve reporting productivity in addition to preparing all tax returns for the Agency and related LLC's.

J. Fulmer made a motion to approve the accounting support services proposal from Arnold Gray for 2009, the motion was seconded by H. Upson and approved by all.

### **Suspension of the GCEDC Board Meeting**

**H. Upson made a motion to suspend the GCEDC board meeting and enter the meeting of the GGLDC at 9:45 a.m. The motion was seconded by W. Hinchey and approved by all.**

**J. Fulmer had to leave the meeting at 9:49 a.m.**

**L. Benton made a motion to enter back into the public session of the GCEDC at 9:49 a.m., seconded by H. Upson and approved by all.**

### **SALES MANAGEMENT**

**5a. Dominick & Daughters** – The GCEDC approved a Sale Leaseback Agreement in July 2004 for Dominick and Daughters, owned, by Gary Dominick, enabling the business to renovate a barn that was owned by Mr. Dominick at 9877 Simonds Road, Corfu, NY, Town of Darien. The project was approved to enable Dominick and Daughters to establish and operate a wood production facility. The goal was to hire skilled craftsmen to produce wood crafts, to be sold at a retail store owned by Mr. Dominick and his wife in Alexander, as well as in other outlets. The company planned to create 5 jobs and make a \$235,750 capital investment. The company was approved to receive a \$6,541 sales tax exemption and \$41,177 property tax exemption.

Recently the Genesee County Treasurer's Office informed us that Dominick and Daughters is delinquent on its PILOT payment due in September 2007 to Alexander Central School. The amount is \$487.40 and remains unpaid. Shortly after we learned of this delinquency, S. Lockwood visited the facility at 9877 Simonds Road on Friday, October 10, 2007 to determine the level of business activity that was taking place there. There was no activity in the building, which was dark and did not appear to have had any activity. Further, Mr. Dominick, in responding to the year end 2007 annual reporting requirement for all PILOT projects, reported no jobs for the project. Lastly, S. Lockwood had a phone conversation with Mr. Dominick on December 18, 2008. At one point in the conversation, he said that he would understand if we had to terminate his PILOT.

Due to Dominick and Daughters not fulfilling its obligation as part of the sale leaseback agreement, namely, starting the business and employing five employees, and further because of the PILOT delinquency, S. Lockwood recommends that the Board terminate the PILOT agreement for Dominick and Daughters.

**H. Upson made a motion to terminate the PILOT agreement for Dominick and Daughters. The motion was seconded by L. Benton and approved by all.**

### **EMPIRE ZONE / FINANCING**

**7a. Empire Zone Issues** – Within the last week S. Lockwood received a letter regarding the boundary revision that he had sent out to Empire State Development back in July of 2008. The letter requested additional information regarding the reasons why we want to change our current boundaries, including documentation of potential projects along with their related cost to benefit ratios. These types of things have never been required for a boundary revision before, but S. Lockwood gathered the information and sent it in to Empire State Development along with an explanation of why the company does not meet the cost to benefit ratio used for the Empire Zone program. The 20 to 1, cost to benefit ratio preferred by ESD for Empire Zone projects is hard for new attraction type businesses to reach. S. Lockwood presented ESD with our cost to benefit ratio and the formula behind it to show how beneficial this company will be to this area.

### **POLICY ISSUES / HUMAN RESOURCES / OTHER BUSINESS**

**9a. Annual Meeting at GCC Possible Date → Friday, March 13<sup>th</sup>** – Please let P. Kennett know if you are available on Friday, March 13<sup>th</sup> for the Annual Meeting at GCC.

**9b. IDA Reform Status: IDA Conference (January 20<sup>th</sup>) & NYSAC (February 9<sup>th</sup>)** – S. Hyde informed the board that he will be speaking at the IDA Conference on January 20<sup>th</sup> and presenting to the NYS Association of Counties on February 9<sup>th</sup> on the benefits of IDA's in NY State..

### **EXECUTIVE SESSION**

W. Hinchey made a motion to enter back into executive session under the Public Officers Law, Article 7, Open Meeting Law Section 105, paragraph d, at 10:00 a.m., for the following reasons:

4. To discuss the continued employment history of a particular person / person's

The motion was seconded by L. Benton and approved by members.

### **ADJOURNMENT**

As there was no further business, L. Benton made a motion to adjourn at 10:55 a.m., seconded by H. Upson and passed unanimously.

## **Future Meetings:**

Tuesday, January 27th	- 8:00 am @ GCEDC Offices
Wednesday, February 11 <sup>th</sup>	- 8:00 am @ GCEDC Offices
Tuesday, February 24th	- 8:00 am @ GCEDC Offices