



Thursday, January 7, 2010
4:00 p.m. – GCEDC Conference Room

MINUTES

ATTENDANCE

Agency Members: H. Upson, W. Hinchey, *J. Fulmer, L. Benton, C. Cook
Staff: S. Hyde, S. Cook, P. Kennett, C. Suozzi, L. Farrell, C. Zambito
Guests: Paul Mrozek (Batavia Daily News)
Absent: J. Andrews, J. Vincent,

CALL TO ORDER / ENTER PUBLIC SESSION

H. Upson called the meeting to order at 4:10 p.m. in the Conference Room of the Genesee County Economic Development Center.

OPERATIONS

2a. November 2009 Financial Statements – S. Cook reviewed the November 2009 financial statements, the following was discussed:

- \$145,905 was received from the Department of Labor Workforce Development grant.
- \$15,000 in project fees is anticipated within the next 30 days.
- Continuing to work with the County to restructure the loan fund and de-federalize funds to make cash available for additional economic development activities.

Steve Hyde made the following comments:

- 2009 has been a solid year financially
- The GCEDC is still strategically investing

The November 2009 financial statements were approved under 10a of the consent items.

2b. 2010 Genesee County Contract – S. Cook asked the board to approve the 2010 contract with Genesee County for \$266,271. This was a 5% reduction from last year, as the County reduced its contribution to everyone across the board by 5%.

The Genesee County Contract for 2010 was approved under 10b of the consent items.

P. Mrozek joined the meeting at 4:15.

J. Fulmer joined the meeting at 4:20.

AGENDA ALTERATIONS (Additions)

Upon S. Cook's request, L. Benton made a motion to add Professional Services Expenditure Approval: James V. Mungillo / Tronconi Segarra & Associates to the agenda for discussion by S. Cook and as a consent item. The motion was seconded by W. Hinchey and approved by all.

Professional Services Expenditure Approval: James V. Mungillo / Tronconi Segarra & Associates – As a public authority, the GCEDC is legally required to annually collect and submit certain information to the Office of the State Comptroller (OSC) and the Authority Budget Office (ABO) for individual active projects. The state uses the information collected from Industrial Development Agencies across the State to create a performance report designed to show the success or failure of IDA's. In March of 2009, the Board recommended that the task of gathering and certifying the information shown below should be outsourced to an independent accounting firm which would keep a level of independence and would help deal with staffing challenges at one of the busiest times of the year. For those reasons and for the purpose of improving the GCEDC's credibility, transparency and accountability, an accounting firm, Tronconi Segarra & Associates, LLP, was asked to submit a professional services proposal to undertake the data collection process as well as to perform an internal analysis of the data collected.

Data to be collected:

- Amount of County, Local, and School Real Property Tax Exemptions
- Amount of Mortgage Recording Tax Exemption
- Amount of Sales Tax Exemptions
- Total Exemptions Net of RPTL Section 485-b Exemptions
- Amount of County, Local, and School PILOT payments
- Average estimated annual salary of jobs to be created (at current market rate).
- Estimated average annual salary of jobs to be retained (at current market rate).
- Current # of full time employees.
- Number of construction jobs during the fiscal year.

S. Cook recommended James V. Mungillo, CPA with Tronconi Segarra & Associates, LLP to provide these services to the GCEDC at a cost not

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585-343-4866 Fax: 585-343-0848 Toll Free: 1-877-343-4866

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to exceed \$7,000.

Note: Pursuant to the GCEDC's Procurement Policy, Professional Services may be procured without soliciting competitive quotations.

The Professional Services Expenditure Approval: James V. Mungillo / Tronconi Segarra & Associates not to exceed \$7,000 was approved under 10h of the consent items.

2c. 2010 Board Officer Recommendations – L. Benton, Chair of the nominating committee for the GCEDC made the following recommendations for 2010 Board Officers:

J. Andrews, Chairman
J. Vincent, Vice Chairman
H. Upson, Secretary
L. Farrell, Treasurer

The 2010 Board Officers were approved as presented under 10c of the consent items.

2d. Resolution Appointing C. Cook to the GGLDC Board - C. Zambito presented resolution #01/2010-01 to appoint Charlie Cook to the GGLDC Board:

WHEREAS, a vacancy does exist on the Genesee Gateway Local Development Corporation Board due to the resignation of Michael Gerber, WHEREAS, it is the Genesee County Economic Development Center's opinion that Charles Cook, being a member of the GCEDC's board, has the knowledge and commitment to serve on the GGLDC board.

RESOLVED, that Charles Cook is hereby appointed to the Genesee Gateway Local Development Corporation Board effective January 7, 2010.

The Resolution appointing Charlie Cook to the GGLDC Board was approved under 10d of the consent items.

SALES MANAGEMENT (Projects Overview)

3a. Year End Activity Summary – C. Suozzi presented a 2009 Year In Review for the board, he started with an overview of the different types of projects and what is deemed a project "win". J. Fulmer suggested a review of the definition and C. Cook suggested a two tier system that would highlight completed projects and projects still moving towards completion.

S. Hyde and C. Suozzi agreed to take another look at the definitions and the trigger points of a project win and bring it back to the board for further discussion.

C. Suozzi presented the year end results consisting of 25 project wins in 2009, \$47.8 million of investment, 89 jobs created, and 821 retained. The project wins were then broke down by the offering type which showed 11 core tax saving projects, 8 grant awards, 4 loans, and no empire zone projects.

2009 Economic Development Highlights include:

- Official sale of 1 Mill St Incubator returns property to private sector and to tax rolls in future
- Ground Breaking on 43k sq ft Dr. Bruce A. Holm MedTech Centre
- Ground Breaking on 202 acre Genesee Valley Agri-Business Park
- 8 Grants totaling \$1.4M Secured (Nat Grid, Nat Fuel, Town of Pembroke, Town of Batavia, NYS Dept Of Labor, NYS Office Community Renewal)
- Secured \$1M NYS Funding for Phase II STAMP (Planning and Design)
 - Without serious effort, funding would have disappeared
 - GCEDC/GGLDC continued major commitment and investments in strategic shovel-ready infrastructure sites (5 projects) and life sciences workforce development – to ensure competitive positioning once economy recovery begins
 - 2nd Place Finish on 2 major High Tech/Advanced Manufacturing Attraction Projects despite a global recession
- Sales funnel of Core Economic Development projects, except targeted attraction projects, largely frozen in 2009
- Economic Development landscape in NY remains highly uncertain for 2010 – IDA Reform / Empire Zone sunset

Conclusion: Doing the right things - Stay the strategic course – continue target investments now - prepare for economic recovery tomorrow

Steve Hyde discussed Genesee County's employment as follows:

While the Unemployment Rate in Genesee County & The Batavia Micropolitan Area has increased over the last five years, it is currently the lowest when compared to the GLOW region as well as the Buffalo and Rochester Regional averages. It is well below the 2009 state and national averages as well.

Over the last five years, the Unemployment Rate in Genesee County & The Batavia Micropolitan Area has consistently been at or below the state average, while consistently remaining the lowest in the GLOW region as well as the Buffalo & Rochester regional averages.

The total Genesee Labor Force has increased by 700 in the last five years, the total number of Employed persons has decreased 300 during that same time. The total unemployed has increased 800 in the last 5 years, suggesting that there is population growth and/or retirees re-entering the workforce. S. Hyde is very interested to see the 2010 census information when available.

During the worst recession since the Great Depression Genesee County has experienced net job growth over the last year! (100 Private Sector and 100 Non-Farm) The total number of jobs in Genesee County has increased considerably since 2005 year end

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A net increase of 500 Jobs in the Private Sector

A net increase of 700 Total Non-Farm Jobs

This is the net job growth, after the effect of job losses in the local economy.

The increase in unemployment numbers in Genesee County is due to residents working outside of Genesee County resulting in Labor Force Growth.

GCEDC/GGLDC's efforts are most closely align with the Job statistics in Genesee County verses the Unemployment Rates.

Job creation growth validates GCEDC's 7 year commitment to building a growth oriented & long term sustainable economy!

REAL ESTATE DEVELOPMENT / MANAGEMENT/ INDUSTRY SOLUTIONS

4a. Med Tech Centre Budget Update – L. Farrell reviewed the Med Tech Centre Project phase I building cost tracking and budget outlook with the board. The project is progressing nicely and on budget.

EXECUTIVE SESSION

H. Upson made a motion to re-enter the meeting of the GCEDC and enter into the executive session under the Public Officers Law, Article 7, Open Meeting Law Section 105, paragraph d, at 5:25 p.m., for the following reasons:

1. To discuss the financial history of particular corporations
2. To discuss proposed acquisition, sale or lease of real property.
3. To discuss possible litigation

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

RE-ENTER PUBLIC SESSION

J. Fulmer made a motion to enter back into public session at 6:30p.m., seconded by L. Benton and approved by all.

EMPIRE ZONE / FINANCING GRANTS

7a. Genesee Earth Movers - RLF – Genesee Earth Movers, Inc. is a fabrication company that produces specialized mobile bulk fuel storage containment systems for the US military overseas and also provides fleet maintenance and heavy equipment maintenance. The company is 100% owned by Nash Dsylva, who is also the owner of Batavia's Driving Academy, Inc.

Genesee Earth Movers, Inc. has been producing above ground bulk fuel storage systems over the past two years. They start with a bare fuel tank and connect a fuel management system to it for use, currently by the US military in Afghanistan. In order to make the connections, they must fabricate the mechanicals, explosion proof control panels, and other components. The electronics are also assembled in the process.

Because of the increase in demand, the company is seeking to purchase additional equipment. The company plans to purchase a teleloader, industrial ban saw and CNC milling equipment to aid in building components for the bulk mobile fuel storage systems.

Genesee Earth Movers, Inc. currently has three employees and plans to hire one additional employee. The additional employee will be a full-time CNC Operator/Machinist

Genesee Earth Movers, Inc. is requesting a loan of \$90,000 from the GCEDC revolving loan fund. The loan would have a term of 5 years and would carry a personal guarantee of Nash Dsylva. The loan would be for a fixed rate of interest at 80% of New York Prime [presently NYP @ 3.25% x 80% = 2.60%]. Our loan will be used to purchase the equipment noted. Collateral will consist of a lien on machinery/equipment being purchased, guarantee of Batavia's Driving Academy, Inc. (related company), and personal guarantee of Nash Dsylva.

Genesee Earth Mover's Revolving Loan request can be approved under 10e of the consent items.

POLICY ISSUES / HUMAN RESOURCES / OTHER BUSINESS

9a. The next board meeting is scheduled for Tuesday, January 26th at 8:00am.

CONSENT ITEMS

10a. November 2009 Financial Statements (discussed above 2a)

10b. 2010 Genesee County Contract (discussed above 2b) – S. Cook asked the board to approve the 2010 contract with Genesee County for \$266,271.

10c. 2010 Board Officer Recommendations (discussed above 2c) – L. Benton, Chair of the nominating committee for the GCEDC made the following recommendations for 2010 Board Officers:

J. Andrews, Chairman

J. Vincent, Vice Chairman

H. Upson, Secretary

L. Farrell, Treasurer

W. Hinchey made a motion to approve the Consent Items 10a through 10c as presented, the motion was seconded by L. Benton Roll call resulted as

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follows:

J. Andrews -	Absent	J. Vincent -	Absent
L. Benton -	Yes	H. Upson -	Yes
W. Hinchey -	Yes	C. Cook -	Yes
J. Fulmer -	Yes		

The Consent Items were approved as presented.

10d. Resolution Appointing C. Cook to the GGLDC Board (discussed above 2c)

W. Hinchey made a motion to approve the Resolution # 01/2010-01 appointing C. Cook to the GGLDC Board, the motion was seconded by L. Benton Roll call resulted as follows:

J. Andrews -	Absent	J. Vincent -	Absent
L. Benton -	Yes	H. Upson -	Yes
W. Hinchey -	Yes	C. Cook -	Abstain
J. Fulmer -	Yes		

The resolution was approved as presented.

10e. Genesee Earth Movers – RLF (discussed above 7a) – Genesee Earth Movers, Inc. is requesting a loan of \$90,000 from the GCEDC revolving loan fund. The loan would have a term of 5 years and would carry a personal guarantee of Nash Dsylva. The loan would be for a fixed rate of interest at 80% of New York Prime [presently NYP @ 3.25% x 80% = 2.60%]. Our loan will be used to purchase the equipment noted. Collateral will consist of a lien on machinery/equipment being purchased, guarantee of Batavia’s Driving Academy, Inc. (related company), and personal guarantee of Nash Dsylva.

W. Hinchey made a motion to approve the RLF request from Genesee Earth Movers for \$90,000, the motion was seconded by L. Benton Roll call resulted as follows:

J. Andrews -	Absent	J. Vincent -	Absent
L. Benton -	Yes	H. Upson -	Abstain
W. Hinchey -	Yes	C. Cook -	Yes
J. Fulmer -	Yes		

The resolution was approved as presented.

H. Upson abstained due to his involvement with the company at his place of employment.

10f. S. Lockwood Consulting Agreement Extension through 1/31/10

10g. Approval of Board Meeting minutes for 12/3/09 and 12/18/09

10h. Professional Services Expenditure Approval: James V. Mungillo / Tronconi Segarra & Associates not to exceed \$7,000.

W. Hinchey made a motion to approve consent items 10f through 10h, the motion was seconded by L. Benton Roll call resulted as follows:

J. Andrews -	Absent	J. Vincent -	Absent
L. Benton -	Yes	H. Upson -	Yes
W. Hinchey -	Yes	C. Cook -	Yes
J. Fulmer -	Yes		

The resolution was approved as presented.

J. Fulmer made a motion to suspend the meeting of the GCEDC to enter the GGLDC Board Meeting at 6:42, the motion was seconded by L. Benton and approved by all.

W. Hinchey made a motion to re-enter the GCEDC board meeting at 6:50 seconded by L. Benton and approved by all.

2nd EXECUTIVE SESSION

W. Hinchey made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meeting Law Section 105, paragraph d, at 6:50 p.m., for the following reasons:

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

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

ADJOURNMENT

As there was no further business, J. Fulmer made a motion to adjourn at 8:00p.m., seconded by W. Hinchey and passed unanimously.

Future Meetings:

Tuesday, January 26th

- 8:00 am, GCEDC Conference Room