



STEPHANIE KIYAK  
COUNCILWOMEN-AT LARGE

**CITY OF DUNKIRK**  
**COMMON COUNCIL**  
CITY HALL, DUNKIRK, N.Y. 14048  
PHONE (716) 366-0452  
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MICHAEL MICHALSKI  
COUNCILMEN FIRST WARD  
WILLIAM RIVERA  
COUNCILMEN SECOND WARD  
ANDY GONZALEZ  
COUNCILMEN THIRD WARD  
STACY SZUKALA  
COUNCILWOMEN FOURTH WARD

January 31, 2013

Mr. Robert Meller, Chief Examiner  
Office of the State Comptroller  
295 Main Street  
Suite 1032  
Buffalo, New York 14203-2510

**RE: City of Dunkirk Report of Examination  
Community Development Block Grant Management  
Corrective Action Plan / 2012M-146**

Dear Mr. Meller:

Dunkirk City officials have received and reviewed the Community Development Block Grant Management (CDBG) *Report of Examination* (the "Report"). Certainly, the findings contained therein are very disconcerting. The Mayor, Common Council and other City officials accept the findings and are undertaking corrective action for the deficiencies that were cited.

Our mission is to implement policies and procedures which would protect the integrity and purpose of the CDBG program, and also to prevent such deficiencies from occurring in the future.

Below please find our Action Plan which has been adopted regarding the Report's findings:

- 1. Council should establish formal procedures to monitor the performance and administration of the CDBG program, including a review of periodic status reports on grant activity.**

The CDBG Administrator will provide monthly Integrated Disbursement & Information System (IDIS) reports, and the Fiscal Affairs Officer will provide a quarterly financial report (which will be tied into the draw downs of the CDBG program), to the Common Council's Economic Development Committee for review and discussion with the CDBG Administrator and Director of Development on a monthly basis.

Minutes of the Economic Development Committee meetings, in addition to the above reports, will be presented to the entire Common Council as an agenda item during its regular meetings, ensuring the entire Common Council and the Mayor are aware of status reports involving CDBG activity on a timely basis. The above-described procedure will be used for all reports being generated in this audit response.

- 2. Council should enter into a written agreement with the DLDC that clearly establishes the responsibilities of both parties including the work to be performed, a schedule for completion, and a budget. These documents should be in sufficient detail to allow the Council to monitor performance. Further, the agreement should specify the records the DLDC must maintain and the reports that must be submitted to the Council, including dates for submission.**

Sub-recipient agreements (see attached *Exhibit A* for an example) will detail the requisite responsibilities of all involved parties. The City has contracted the services of Harry Sicherman & Associates, an independent consultant specializing in CDBG administration, to draft new Sub-recipient agreements and to further address this issue.

In conjunction with the Sub-recipient agreement, the progress of each program will be monitored with a Progress Report (*Exhibit E*).

- 3. The Council should authorize all transfers of CDBG funds to the DLDC only after ensuring they comply with the Council approved Plans. Funds should not be distributed in excess of the Council's express authorized limit.**

A detailed list of all approved budgetary line items will be integrated into the City's main accounting and financial software program (KVS). The itemized CDBG fund allocations will remain separate from the City's Department of Development/DLDC budgetary allocations.

Any transfer of CDBG funds to the DLDC will be initiated by the submission of a Purchase Order to the City's Fiscal Affairs Officer. The Purchase Order will detail the request for the particular line item. The draw-down amount will match the progress for the particular time period. All documentation will be attached to the Purchase Order with the proper Fund Account and Purchase Order identification number (see attached *Exhibit B*).

The Fiscal Affairs Officer will review the system for the remaining balance, including all prior encumbrances. Once approved by the Fiscal Affairs Officer, the Purchase Order, along with the supporting documentation, will be submitted to the Mayor for secondary review and approval. The Purchase Order will then be returned to the Fiscal Affairs Office and attached to the check voucher. The check voucher will also be signed-off by the Fiscal Affairs Officer prior to any check being issued.

A summary of all transfers and/or encumbrances will be submitted to the Mayor, Common Council and the DLDC via e-mail by the Fiscal Affairs office each month. This list will be used as an independent check of the submittals produced by the DLDC.

**4. The Council should ensure that the DLDC has effective control procedures in place to adequately safeguard grant moneys.**

The financial management system of the DLDC will be monitored by a City representative, who will be independent of the DLDC, and who will monitor all Sub-recipients on an annual basis. Upon project completion, a checklist will be presented to the Economic Development Committee, Common Council and Mayor copied for review (see response #1 above).

In addition, the DLDC will maintain an Audit sub-committee to review procedures and make sure controls are in place and enforced.

The Common Council will also be provided with the following information utilizing attached forms *Exhibits B, C, D, E and F*. These forms will provide detail on the following information:

- Each transaction's dollar amount;
- A brief description of the individual transactions; and,
- The corresponding IDIS and Purchase Order identification number.

**5. The Director of Development should inspect the DLDC's loan files to ensure adequate documentation is on file prior to providing the DLDC with grant funds for this purpose.**

A loan documentation checklist (see attached *Exhibits C and D*) (which mirrors HUD underwriting standards pertaining to financial, proper use, cost and collateral documentation) will be maintained by the Director of Development for each DLDC originated loan file.

**6. The Council and Mayor should require documentation sufficient to support all claims against the City's CDBG funds to demonstrate how moneys are being used to meet the program's objectives.**

The CDBG Administrator, Director of Development and Mayor will authorize and request CDBG draw-downs by submitting a "CDBG purchase order" (see attached *Exhibit F*) to the City Treasurer and Fiscal Affairs Officer for fund issuance. This procedure will provide a system of checks-and-balances and a more accurate "paper trail" between the Department of Development and Mayor, and City officials before any disbursements are made.

A brief statement regarding each CDBG allocated program will be submitted and reviewed by the CDBG Administrator to the Officials. These reports will be distributed, at a minimum, on a quarterly basis.

This document will summarize the progress toward the objectives, the year-to-date dollar allocations, and the anticipated conclusion of the project(s). The summary reports will also be posted on the City's web site for public viewing.

- 7. The Council should discuss with the City Attorney Office whether the City could require the DLDC to recover unauthorized payments made to the DLDC Chairman and DLDC Treasurer.**

This is an ongoing investigation involving the City Attorney's Office, the Department of Development, other City officials, and the Sicherman consultants.

- 8. Council and Mayor should establish formal procedures for selecting grant recipients through an open, competitive process that helps ensure all local businesses have an equal opportunity to apply and be considered for grants.**

Appropriate guidelines will be established based on each program. Public announcements and advertisements will be published in order to provide a fair and open competition for grant monies to the public (see attached *Exhibit G*).

- 9. The Director of Development should ensure all façade grant projects and recipients comply with the City's program guidelines.**

While the current façade program has been terminated, future programs will comply with program guidelines under the supervision of the Director of Development with funding opportunities being made available to the general public in a fair and open manner.

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The findings and recommendations contained in the Report highlighted certain deficiencies and inefficiencies in the manner and method by which the City had operated the Community Development Block Grant program that the City has been fortunate to have been a part of for several years.

We respectfully submit that the information set forth above outlines the positive corrective action that the City has taken, and will take, in order to properly address the findings in the Report and details the policies and procedures that are in place, or will be implemented, to benefit the Report's recommendations.

We trust that the responses being provided will exhibit our commitment to adequately monitoring the CDBG program according to HUD guidelines, now and in the future. If you should have any further comments or questions, please feel free to contact the undersigned at your convenience.

Thank you.

Sincerely,



Stephanie Kiyak, Council Member-At-Large  
City of Dunkirk

CC: Common Council Members:

Adelino Gonzalez

William Rivera

Stacy Szukala

Michael Michalski

Mayor Anthony J. Dolce

Director of Development Steven Neratko

CDBG Administrator Tim Gornikiewicz

City Treasurer Mark Woods

Fiscal Affairs Officer Richard Halas

City Attorney Ronald A. Szot

## SUBRECIPIENT AGREEMENT

Made this \_\_\_\_\_ day of \_\_\_\_\_, 2013 by and between the City of Dunkirk, New York, a municipal corporation organized and existing under and by virtue of the laws of the State of New York and having offices at 342 Central Ave Dunkirk, NY 14048, and hereinafter called "City", and the Dunkirk Local Development Corporation, a not-for-profit corporation of the State of New York and having offices at 342 Central Ave Dunkirk, NY 14048, and hereinafter called "DLDC",

### WITNESSETH THAT:

WHEREAS, DLDC maintains certain assets in the form of Community Development Block Grant (hereinafter "CDBG") program income funds, loans receivable, real property, and personal property; and

WHEREAS, such CDBG assets were derived from grants received by City from the United States Department of Housing and Urban Development (hereinafter "HUD") and are subject to certain rules and regulations promulgated by HUD regarding their use, and

WHEREAS, such CDBG assets may be used to implement community and economic development activities within or benefiting the City of Dunkirk, New York, and

WHEREAS, DLDC currently uses such CDBG assets to implement an economic development loan program and other CDBG-eligible activities to assist businesses that will provide economic benefits to the City of Dunkirk and its residents, and

WHEREAS, DLDC has the capacity to implement such a loan program and CDBG-eligible activities in the best interests of City, and

WHEREAS, City, by a Resolution of the City Council dated \_\_\_\_\_, has authorized the provision of such CDBG assets to DLDC under the terms as conditions as herein provided,

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto do mutually agree as follows:

### Section 1. Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement:

"CDBG" means Community Development Block Grant, a program of the United States Department of Housing and Urban Development.

"CDBG Funds" means Community Development Block Funds, including funds in the form of grants and program income as defined at 24 CFR Part 570.

"HUD" means the United States Department of Housing and Urban Development.

"Loan Program" means the Dunkirk Local Development Corporation Loan Program and the administrative guidelines for its operation attached hereto as Exhibit A.

"Program Income" means gross income received by DLDC from its use of CDBG Funds and shall further have the meaning defined at 24 CFR 570.500(a).

Section 2. Statement of Work

2.1 DLDC shall make its best efforts to use CDBG Grant Funds to accomplish the following:

(a) Implement the Loan Program by using CDBG Grant Funds to make loans consistent with the goals and objectives of the Loan Program as set forth in the Loan Program guidelines; and

(b) Complete such other CDBG-eligible projects and activities that have been commenced by DLDC pursuant to prior City authorizations.

2.2 In implementing the Loan Program, DLDC shall be responsible for the following activities as appropriate:

(a) Marketing of the Loan Program to existing and prospective businesses;

(b) Development of appropriate forms and systems for commercial loan processing;

(c) Procurement of appropriate loan application materials;

(d) Performance of a written credit analysis and the presentation of loans to the DLDC Board;

(e) Documentation of the CDBG underwriting process consistent with the regulations at 24 CFR 570.209 and Appendix A to 24 CFR Part 570 "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements";

(f) Maintenance of all relevant information regarding the loan review process;

(g) All actions necessary to effect Loan Program loan closings including, but not limited to the preparation of loan agreements, security agreements, promissory notes, guarantees, and other legal documents as appropriate and in a form consistent with standard commercial lending practices and with applicable rules, regulations, and policies of the CDBG program;

(h) Assurance that all requisite HUD approvals are received prior to funding CDBG activities;

(i) Disbursement of loan proceeds in a manner consistent with the rules, regulations, and policies of the CDBG program and standard commercial lending practices, and procurement of appropriate documentation to evidence and support such disbursements;

(j) Performance of all administrative activities required pursuant to the use of CDBG Funds including, but not limited to environmental review requirements, maintenance of

books of account, procurement and maintenance of requisite statistical information, citizen participation, and periodic reporting. With respect to CDBG environmental review requirements, the parties hereto acknowledge that City shall retain the ultimate responsibility for compliance, but that DLDC shall cooperate with City in procuring requisite information and performing requisite reviews.

(k) Development of appropriate forms and systems for the reporting and documentation of Loan Program costs, employment, and all other information required to be maintained pursuant to the rules, regulations, and policies of the CDBG program;

(l) For each loan made by DLDC with CDBG Funds pursuant to this Agreement, procurement of appropriate documentation to evidence the borrower's compliance with the loan conditions respecting employment, the borrower's Loan Program expenditures and financing, and such other information as may be required pursuant to the rules, regulations, and policies of the CDBG program; and

(m) Performance of all appropriate loan management activities including, but not be limited to loan collections, periodic monitoring of borrower financial statements, maintenance of loan and loan portfolio accounting information, monitoring and enforcement of borrower compliance with loan terms and conditions, periodic evaluation of loan collateral and security, and such other actions as may be necessary to appropriately service all loans. Such activities shall be accomplished in a manner consistent with standard commercial loan management policies and procedures and with the laws, regulations, and policies of the CDBG program.

(n) All other actions as may be necessary to effect the Loan Program in a manner consistent with the laws, regulations, and policies of the CDBG program.

2.3 All activities undertaken by DLDC with CDBG Funds pursuant to this Agreement shall be eligible activities pursuant to the regulations at 24 CFR Part 570.

2.4 DLDC shall make its best efforts to accomplish the Statement of Work as described in this Section 2 in an expeditious manner.

### Section 3. CDBG Assets

3.1 City and DLDC acknowledge and agree that the following CDBG assets were in the possession of DLDC as of \_\_\_\_\_, 2013 and shall be used by DLDC in implementing the Statement of Work as set forth at Section 2 of this Agreement:

(a) CDBG Funds in the form of Program Income cash-on-hand in the amount of \$ \_\_\_\_\_;

(b) CDBG Funds in the form of certain notes receivable as more particularly described at Exhibit \_\_\_ to this Agreement, such notes being payable to and in the possession of DLDC as of \_\_\_\_\_, 2013;

(c) The CDBG portion of the value of certain real property owned by DLDC and detailed in Exhibit \_\_\_ to this Agreement, such value to be determined by the rules and regulations governing the CDBG program; and

(d) The CDBG portion of the value of certain personal property owned by DLDC and detailed in Exhibit \_\_\_ to this Agreement, such value to be determined by the rules and regulations governing the CDBG program.

3.2 Program Income derived from any of the CDBG assets described at Section 3.1 of this Agreement shall be used by DLDC in implementing the Statement of Work as set forth at Section 2 of this Agreement and shall be subject to all of the provisions of this Agreement. Such Program Income includes, but is not limited to revenues derived from notes receivable, net proceeds from the sale or lease of real or personal property,

#### Section 4. Disbursements and Management of CDBG Funds

CDBG Funds shall be disbursed and managed by DLDC in the following manner:

4.1 DLDC may use CDBG Funds to make loans consistent with the goals and objectives of the Loan Program as set forth in the Loan Program Policy and Operating Guidelines.

4.2 DLDC may use CDBG Funds to complete such other CDBG-eligible projects and activities that have been commenced by DLDC pursuant to prior City authorizations.

4.3 DLDC may use CDBG Funds to pay the following costs that are otherwise eligible pursuant to this Agreement:

(a) All third party costs incurred by DLDC in accomplishing the Statement of Work;

(b) General administrative, program delivery, and Loan Program implementation costs for which the following shall apply:

(i) Direct costs of DLDC must be documented by timesheets, invoices, or other appropriate information to evidence the nature of the cost. Such costs may include, but are not limited to employee salaries, benefits, and other compensation at rates not to exceed those paid by DLDC for work not provided pursuant to his Agreement; and actual costs of materials, equipment, bonding, insurance, and services incurred by DLDC;

(ii) Indirect costs of DLDC may be reimbursed only where a written plan for the charging of such costs has been approved by HUD. Such costs are those which are charged as a percentage of direct costs and may include occupancy and equipment costs (including depreciation), maintenance, repair, and similar costs which are to be charged on a prorated basis; and

(iii) All costs charged by DLDC pursuant to this Section 3.3(b) shall be consistent with the provisions of OMB Circular A-122, "Cost Principles for Nonprofit Organizations".

4.4 All cash balances of CDBG Funds shall be maintained by DLDC in interest bearing accounts pursuant to the provisions of 24 CFR 570.500(b). Consistent with the provisions of 24 CFR 85.21(i), any bank interest earned on such account during the period from

July 1 through June 30 that exceeds the sum of \$100.00 shall be paid to City by DLDC no later than fifteen (15) days following the accounting period. All such payments by DLDC to City are for the purpose of facilitating City's compliance with CDBG rules regarding the payment of bank interest earned on CDBG deposits to HUD.

**Section 5. Financial Management and Administrative Requirements**

5.1 DLDC shall comply with OMB Circular A-110 "Standards for Financial Management Systems", Attachment F, subparagraphs 2a. through 2d., 2f., and 2g.

5.2 DLDC shall comply with the audit requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

5.3 Where costs incurred by DLDC are to be paid with CDBG Funds, such costs shall be charged in conformance to OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments".

5.4 DLDC shall comply with the administrative requirements of 24 CFR Part 85 that are set forth at 24 CFR 570.502(a). Such compliance shall be effected in a manner consistent with the requirements of 24 CFR Part 84 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations".

**Section 6. Reports and Information**

6.1 At such time and in such forms as HUD or City directs, DLDC shall submit to City or its agent any statements, records, reports, data and information required by HUD or City pertaining to matters covered by this Agreement.

6.2 DLDC shall provide to City an annual report of its use of CDBG Funds covering the period July 1 through June 30, such report to be delivered to City no later than July 15 of each year and to include the following:

(a) An accounting of CDBG Funds that includes, at a minimum, the cash balance as of the beginning and end of the reporting period;

(b) An accounting of Program Income received from DLDC's use of CDBG Funds and a detailed listing of expenses incurred and paid with CDBG Funds during the reporting period;

(c) An estimate of the amount of Program Income derived from DLDC's use of CDBG Funds that is expected to be received by DLDC during the subsequent reporting period;

(d) Detail of all activities funded in whole or in part with CDBG Funds during the reporting period that includes identification of the borrower, grantee, or other program beneficiary, the amount of the CDBG assistance, any applicable repayment terms, any anticipated employment impact, and a brief narrative description of each activities;

(e) Financial information for all outstanding Loan Program loans that includes, at a minimum, a listing of all loan recipients and loan amounts receivable;

(f) For each activity for which CDBG eligibility is established by the creation or retention of employment opportunities for low- and moderate-income persons, detail regarding job applicants and employment for each recipient of a loan or grant of CDBG Funds in the manner prescribed at 24 CFR 570.208(a)(4);

(g) For each loan or grant of CDBG Funds made to a microenterprise, as such term is defined at 24 CFR 570.201(o), documentation regarding the low- and moderate-income status of the business owner as required at 24 CFR 570.208(a)(2)(iii); and

(h) For each activity for which CDBG eligibility is established by other than employment opportunities for low- and moderate-income persons, documentation of the applicable CDBG National Objective compliance in a manner consistent with the requirements of 24 CFR 570.208.

#### Section 7. Inspection of Records

7.1 At any time during normal business hours and as often as City may deem necessary, DLDC shall make available to City, HUD, or their respective agents all of its records with respect to matters covered by this Agreement, and DLDC shall permit City, HUD, or their respective agents to audit, examine and make excerpts or transcripts from such records, and to perform audits of all contracts, invoices, materials, reports of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

#### Section 8. Assignment by DLDC

8.1 DLDC represents that its rights, obligations and duties under this Agreement shall not be assigned in whole or in part without the prior written consent of City.

#### Section 9. Additional Provisions of Law to be Complied With

9.1 DLDC agrees to comply with applicable Federal, state, and local laws, rules and regulations, and any future revisions thereto, in the performance of this Agreement.

#### Section 10. Program Income

10.1 Except as otherwise provided by this Agreement or by any other written agreement between the parties, any Program Income received by DLDC shall be retained by DLDC and used to fund activities that are consistent with the eligibility requirements at 24 CFR Part 570, all other applicable provisions at 24 CFR Part 570, and the provisions of Section 2.2 of this Agreement. All provisions of this Agreement shall apply to expenditures and activities undertaken with Program Income funds.

10.2 Income generated by DLDC's use of CDBG Funds pursuant to this Agreement that is not Program Income shall be deemed unrestricted funds and may be retained and used

by DLDC without restriction.

Section 11. Supersedure and Termination of Prior Agreements

11.1 This Agreement shall supersede all prior agreements both written and oral between the parties respecting the use of CDBG Funds.

Section 12. Term of Agreement

12.1 This Agreement shall become effective as of the date first above written.

12.2 This Agreement may be terminated by either party at any time without cause to be effected by written notification. Such termination shall become effective immediately upon the delivery of such notice.

12.3 This Agreement may be terminated by City for cause upon DLDC's failure to comply with any provision of this Agreement. City shall effect such termination in the following manner:

(a) City shall provide written notice to DLDC stating the specific instance(s) of noncompliance. Such notice shall specify a date that is not less than thirty (30) days after the date of delivery of such notice (the "Response Date") by which DLDC may cure, mitigate, or otherwise address the instance(s) of noncompliance.

(b) Upon DLDC's failure to cure, mitigate, or otherwise address the instance(s) of noncompliance to the satisfaction of City by the Response Date, City may, at its option, provide written notice to DLDC effecting termination immediately upon the delivery of such notice.

12.4 Upon a termination of this Agreement for cause pursuant to Section 12.3 of this Agreement, City shall have the right to take the following actions:

(a) Whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any obligations, agreements, or covenants of DLDC under this Agreement; and

(b) Where a finding is made by HUD respecting DLDC's use of CDBG Funds that results in a monetary obligation of City to any program, agency, or party, City shall have the right to demand from DLDC, and DLDC shall have the obligation to immediately provide to City, a cash payment in an amount not to exceed the amount of such monetary obligation.

12.5 This Agreement shall terminate immediately upon the occurrence of either of the following:

(a) In accordance with 24 CFR 85.43, suspension or termination of the award of CDBG Funds to City by HUD occurs due to DLDC's material failure to comply with any of the terms and conditions of said award or this Agreement.

(b) Termination in whole or in part of the award of CDBG Funds to City by

HUD is effected for convenience pursuant to the provisions of 24 CFR 85.44.

12.6 Upon a termination of this Agreement, DLDC shall not henceforth obligate or expend CDBG Funds.

12.7 Upon a termination of this Agreement, City shall be obligated to pay from CDBG Funds unpaid costs resulting from any obligations of CDBG Funds made by DLDC pursuant to this Agreement where such obligations were made prior to the date of termination and in a manner consistent with the terms and conditions of this Agreement.

### Section 13. Reversion of Assets

13.1 Upon termination of this Agreement, and in accordance with the provisions at 24 CFR 570.503(b)(8), DLDC shall transfer to City any CDBG Funds on hand and any notes and accounts receivable attributable to the use of CDBG Funds. Such transfer of CDBG Funds and notes and accounts receivable shall be made no later than thirty (30) days after the termination date. Any real property under DLDC's control that was acquired or improved in whole or in part with CDBG Funds in excess of \$25,000 shall be either:

(a) Used to meet one of the national objectives at 24 CFR 570.208 until at least five years after the expiration of this Agreement; or

(b) If the use of the property ceases to conform to the provisions of Section 13.1(a) of this Agreement prior to the expiration of the five-year period, DLDC shall pay to City an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG Funds for acquisition of, or improvement to, the property. Such payment shall be made in full no later than one hundred eighty (180) calendar days after the date that the use of the property ceases to conform to the provisions of Section 13.1(a) of this Agreement.

13.2 Upon termination of this Agreement, DLDC shall transfer to City any furnishings, fixtures, and equipment purchased in whole with CDBG Funds. Such transfer shall be made no later than five (5) business days after the termination date and shall be made at City's expense in a manner prescribed by City. For furnishings, fixtures, and equipment purchased in part with CDBG funds, DLDC shall either (i) pay to City an amount equal to the fair market value of such furnishings, fixtures, and equipment at the time of termination, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of such assets, such payment to be made by DLDC no later than thirty (30) calendar days after the termination date; or (ii) transfer such furnishings, fixtures, and equipment to City no later than five (5) business days after the termination date.

### Section 14. Amendments

14.1 This Agreement may be amended only by the mutual written consent of City and DLDC.

### Section 15. Notices

**Exhibit A**

15.1 Any action, notice, or request taken, given, or made by the Mayor of the City of Dunkirk (or such other person or persons as City may, by written notice to DLDC, designate for such purpose) to DLDC hereunder shall be deemed to be duly and properly given or made if mailed, postage prepaid, to: Dunkirk Local Development Corporation, 342 Central Ave Dunkirk, NY 14048, or delivered personally to DLDC. Any action, notice, or request taken, given, or made by the Chairperson of the Dunkirk Local Development Corporation (or such other person or persons as DLDC may, by written notice to City, designate for such purpose) to City hereunder shall be deemed to be duly and properly given or made if mailed, postage prepaid, to: Office of the Mayor, City of Dunkirk, 342 Central Ave Dunkirk, NY 14048, or delivered personally to City.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized offices as of the day and year first above written.

CITY OF DUNKIRK, NEW YORK

By: \_\_\_\_\_  
A. J. Dolce, Mayor

DUNKIRK LOCAL DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
, Chairman

ACKNOWLEDGMENT OF SIGNATORY(IES)

State of New York )  
 )ss  
County of Chautauqua )

On the        day of                    in the year 2013 before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, to me known or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Signature of Notary Public

ACKNOWLEDGMENT OF SIGNATORY(IES)

State of New York )  
 )ss  
County of Chautauqua )

On the        day of                    in the year 2013 before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, to me known or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Signature of Notary Public





**City of Dunkirk**  
**Department of Development**  
 City Hall, 342 Central Avenue  
 Dunkirk, New York 14048  
 716-366-9876~ Fax: 716-363-6460

To: Evelyn Woloszyn, Fiscal Affairs Office  
 Xc: Mark Woods, City Treasurer  
 From: Tim Gornikiewicz, CDBG Administrator  
 Re: CDBG Drawdowns  
 Date: **DATE**

The attached vouchers have been reviewed and approved for payment and/or reimbursement.

City Purchase Order # City Account # HUD Project/Activity #	Amount	Subrecipient/Contractor Name of Program/Activity Description of Service
2013-XXXX XXX-XXXX-XXXX-XXXX XXXX-XXXX-XXX	\$XXX.XX	XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX
<b>Total Funds Drawn Down</b>	<b>\$XXX.XX</b>	<b>IDIS Voucher # XXXXXXXX</b>
<b>Voucher Approval</b> (Mark Woods, City Treasurer/Date)		

CITY OF DUNKIRK  
 342 CENTRAL AVENUE  
 DUNKIRK, N. Y. 14048  
 (716) 366-0452

FISCAL AFFAIRS DEPARTMENT

DATE \_\_\_\_\_ 20\_\_

PURCHASE ORDER	
P.O. NUMBER	
VENDOR NUMBER	
DEPARTMENT USE	
DEPARTMENT USE	
OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS AND CORRESPONDENCE.	

TO:

ADDRESS

SEND INVOICE TO	DELIVER ITEMS TO	DELIVERY DATE
		<input type="checkbox"/> ORDER <input type="checkbox"/> CONFIRMATION

SPECIAL INSTRUCTIONS:

PLEASE SUPPLY MSDS--INVOICES WILL NOT BE PAID WITHOUT IT.

ITEM NO.	FUND ACCOUNT NUMBER	QUANTITY	ITEM DESCRIPTION	AMOUNT
	CITY NUMBER		DESCRIPTION OF INVOICE	\$
	PROJECT & ACTIVITY NUMBER			

GRAND TOTAL \$

CDBG ADMINISTRATOR  
 DIRECTOR OF DEVELOPMENT  
 MAYOR  
 DEPARTMENT HEAD



FISCAL AFFAIRS OFFICER

WHITE COPY-- VENDOR  
 PINK COPY-- REQUESTING DEPT.  
 GOLD COPY-- FISCAL AFFAIRS

VOUCHER/CHECK # \_\_\_\_\_

**THE CITY OF DUNKIRK**  
342 CENTRAL AVENUE  
DUNKIRK, NEW YORK 14048

Fiscal Year \_\_\_\_\_

Name of Payee:

Vendor # \_\_\_\_\_

ADDRESS

\$ AMOUNT

Fund \_\_\_\_\_

Account  
Distribution

CITY NUMBER

PROBST - ACTIVITY

NUMBER

APPROVED: CDBG ADMINISTRATOR

DIRECTOR OF DEVELOPMENT

MAYOR

FISCAL AFFAIRS OFFICER

DATE PAID: \_\_\_\_\_

**NOTICE** - All bills presented must have written order attached or give Order Number. They must be fully itemized and properly subscribed before being presented or payment of same will be refused.

**PAYEE CERTIFICATION**

The undersigned hereby certifies under the penalties of perjury that he is authorized to execute this certification on behalf of the payee; that the claim herein made is true and correct and that the materials and/or services listed were in fact delivered; that no part thereof has been paid except as stated and taxes from which the city is exempt are excluded.

\_\_\_\_\_  
Signature and Title of Vendor Representative

**CDBG Activity Checklist**

**Exhibit F**

<b><u>Project:</u></b>	<b><u>Explanations</u></b>
<b><u>Project Number:</u></b>	CDBG Project
<b><u>Activity:</u></b>	CDBG Project Number
<b><u>Activity Number:</u></b>	CDBG Activity
<b><u>City Number:</u></b>	CDBG Activity Number
<b><u>Payee:</u></b>	City's designated Number
<b><u>Date of Activity:</u></b>	Who check is cut to
<b><u>Amount:</u></b>	Date of work done...invoice date
<b><u>Balance:</u></b>	Amount check for
<b><u>Reason for requests:</u></b>	Amount left in activity
<b><u>Pictures:</u></b>	Why they are requesting check... i.e. sidewalk repair, admin, loan, etc
<b><u>Invoice:</u></b>	If needed...housing rehab, façade,etc
<b><u>Accomplishments/Data:</u></b>	What kind of invoice...will be attached
<b><u>*Activity Category:</u></b>	What work is going for...part of greater work done. i.e. façade grant to improve entire facade work on building-creating jobs.
<b><u>*National Objective:</u></b>	Project Category...Youth Services, Housing, Economic Development, etc
<b><u>*Accomplishment Type:</u></b>	Who/What is being benefited Low/Mod Clientelle, Low/Mod Jobs, Low/Mod Housing, Low/Mod Area
<b><u>*Performance Objective:</u></b>	What is being done/benefited...Housing Units, Jobs, Businesses, People....
<b><u>*Performance Outcome:</u></b>	Create Suitable Living Environment or Provide Decent Affordable Housing or Create Economic Opportunity
<b><u>*Jobs Created/Retained:</u></b>	Availability/Accessibility or Affordability or Sustainability
<b><u>*People Assisted:</u></b>	Only on Economic Development Projects
<b><u>Organization Carrying Out Activity:</u></b>	How many people assisted (Number of people receiving benefit...Or Geographically given from a census tract.
<b><u>Address of Activity:</u></b>	Who is administering it..City, DLDC, Meals on Wheels, Etc
<b><u>Census Tract:</u></b>	Address of work done, or if service, where is organization...i.e. new roof: 342 Central Ave
	Where work is being done...356-2nd ward, 355-1st ward, 354-4th ward, 357 3rd ward.

*\*HUD Given Terms Per Integrated Disbursement and Information System (IDIS)*

Signed  
Tim Gornikiewicz  
CDBG Administrator

\_\_\_\_\_  
Date

City Designated Number  
Purchase Order Number

\_\_\_\_\_  
Steve Neratko (initials)  
Director of Development

\_\_\_\_\_  
Anthony J Dolce (initials)  
Mayor

# INVOICE(s)

View All Activity

Request Successful.

Enter your inquiry criteria in the form fields below, then choose 'View Results'.

Criteria

Account Number \* 8840010394-CDBG Funds/HUD

Inquiry Type \* All Activity

Posting Date  All available dates

Range: From 01/01/2013 To 01/02/2013

Account Details

Account Number: 8840010394-CDBG Funds/HUD

Balances as of 10:28:46 AM EST on 01/02/2013

Amount of last deposit:	\$1,000.00	Date of last deposit:	01/02/2013
Last earnings paid amount:	\$0.00	Current year earnings -- YTD paid:	\$0.00
Previous year's earnings paid:	\$0.00	Current Balance:	\$2,450.51
Available balance:	\$2,450.51	Day uncollected amount:	\$0.00
Remaining uncollected amount:	\$0.00		

Results 1-1

Date	Status	Description	Serial Number	Withdrawal Amount	Deposit Amount	Balance	Image
01/02/2013		HUD TREASURY MISC PAY ID:168902540880103 NAME :CITY OF DUNKIRK			\$1,000.00	\$2,450.51	

SAMPLE

T.

REFERENCE	DATE	AMOUNT	
DEC PAYMT	1/08/13	1,000.00	DEC 2012 PAYMT-CITY'S 5 YR PLAN
<b>SAMPLE</b>			
VENDOR NO. 008501	CHECK NO. 070832	CHECK DATE 1/09/13	TOTAL AMOUNT PAID \$****1,000.00

**CITY OF DUNKIRK**  
 Department of Treasury  
 Common Distribution Account  
 Dunkirk, New York 14048

Check Number: 070832  
 Check Date: 1/09/13  
 Pay to the Order of: GORDON DRAVIS  
 97 WATER STREET  
 FREEONIA, NY 14063

City Seal: 

City Treasurer: *Mark A. Woods*  
 CITY TREASURER

Amount: ONE THOUSAND AND 00/100 DOLLARS ONLY  
 \$ 1,000.00

Security Features: RUBBERED IMAGE, DISAPPEARS WITH HEAT, SECURITY FEATURES INCLUDED, DETAILS ON BACK, SEE BACK FOR ARTIFICIAL WATERMARK



Exhibit C

Loan Documents for Active DLDC Loans

Loan Application	Commitment Letter		Promissory Note		Loan Agreement		Personal Guarantee		Mortgage				
	Date Signed	Letter	Date	Note	Date Signed	Agreement	Date Signed	Guarantee	Date Signed	Mortgage	Collateral	Date Signed	Date Filed
Chautauque Woods													
Clarion													
Demetri's On the Lake													
Demetri's On the Lake-2													
Dunkirk Metal Products													
Enviroteknix													
G&E Tents													
Henlie													
Lakeshore Grillworks													
Lightening Circuits													
Paradis Fence & Flag													
Payin's Deli													
Reeble's Sports Bar													
Selling Hive													
Textiva													

Exhibit D

DLDC Loan Information

Original Amount	Closing Date	Balance	Interest	Monthly Payment	Last Payment Received	Last Paid Through	Final Payment Scheduled	Purpose	Jobs Needed	Jobs Created
Chautauqua Woods										
Clarton										
Demitri's On the Lake										
Demitri's On the Lake-2										
Dunkirk Metal Products										
Enviroteknix										
G&E Tents										
Merills										
Lakeshore Grillworks										
Lightening Circuits										
Paradis Fence & Flag										
Pavin's Deli										
Rookie's Sports Bar										
Selling Hive										
Textivia										

CDBG Loans



**CDBG Activity Checklist**

Exhibit F

	<u>Explanations</u>
<b><u>*Project:</u></b>	CDBG Project
<b><u>*Project Number:</u></b>	CDBG Project Number
<b><u>*Activity:</u></b>	CDBG Activity
<b><u>*Activity Number:</u></b>	CDBG Activity Number
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*\*HUD Given Terms Per Integrated Disbursement and Information System (IDIS)*

Signed  
Tim Gornikiewicz  
CDBG Administrator

\_\_\_\_\_  
Date

City Designated Number  
Purchase Order Number

\_\_\_\_\_  
Steve Neratko (initials)  
Director of Development

\_\_\_\_\_  
Anthony J Dolce (initials)  
Mayor

REQUEST FOR PROPOSAL (RFP)

The City of Dunkirk implements a variety of community and economic development activities using multiple funding sources, with the majority of funding being provided through the federal Community Development Block Grant (CDBG) program. The City of Dunkirk is seeking the services of a firm or individual to assist in the planning, administration, management, and implementation of these activities and programs.

For more information, call the Department of Development at 366-9876 or visit their website <http://www.dunkirktoday.com/vital-info/rfps>.

RFPs are due by Friday, August 31 at 12:00.

Dated: August 23, 2012  
Lacy Lawrence  
City Clerk  
Dunkirk, New York 14048  
Phone: 716-366-9876

AFFIDAVIT OF PUBLICATION

State of New York

County of Chautauqua

City of Dunkirk

REQUEST FOR PROPOSAL (RFP)  
The City of Dunkirk implements a variety of community and economic development initiatives using multiple funding sources. With the majority of funding being provided through the Federal Community Development Block Grant (CDBG) program. The City of Dunkirk is seeking the services of a firm to provide all facets of the planning, administration, management, and implementation of these activities and programs.  
For more information, call the Department of Development at 366-0070 or visit their website: <http://www.dunkirk.ny.gov>  
today.com/press/index.cfm  
RFPs are due by Friday, August 31st at 12:00pm.  
Deadline: August 29, 2012  
Lacy Lawrence  
City Clerk  
Dunkirk, New York 14048  
Phone: 716-366-0070

Joyce Y. Klawon, being duly sworn, deposes and says that she is the Principal Clerk for Ogden Newspapers of New York Inc. the publisher of The OBSERVER, a daily newspaper published in the City of Dunkirk, Chautauqua County, State of New York, and that a notice of which the annexed is a printed copy, was inserted and published in said newspaper on the following dates  
Aug 25, 27, 2012

Signed: Joyce Y. Klawon  
Joyce Y. Klawon, Principal Clerk

Signed before me this 27<sup>th</sup> day of Aug 2012

Rosalee J. Owen  
Notary Public

ROSALEE J. OWEN  
Notary Public, State of New York  
Qualified in Chautauqua County  
My Commission Expires 10/30, 2013

RECEIVED  
CLERK'S OFFICE  
DUNKIRK, N.Y.  
2012 AU 29 PM 12:16