

## **DLDC BOARD OF DIRECTORS MEETING – February 27, 2013**

**Present:** Mayor Anthony J. Dolce, Tim Gornikiewicz, Steve Neratko, Nicole Waite, Joe Becerra, Stephanie Kiyak, Andy Gonzalez, James Muscato, Robert Fritzinger, Rosemary Banach, Margie Dye, Judy Presutti, and Steve Sek. Also present was Ron Szot, City Attorney, Councilman William Rivera, and Gib Snyder.

**Absent:** Judy Lockett, and Mark Woods.

Meeting was called to order by Steve Neratko at 11:02 AM, located in the Mayor's Conference Room.

### **Consent Agenda:**

Stephanie Kiyak asked what the current situation is with Chris Surma. Steve Neratko said that is something that will be discussed later on in the agenda. She also wanted to know the situation with Brian Burke. Steve said there is not much to update with him. He has been in contact with him and Burke is still interested in the project. He is just continuing to look for funding. Steve will be forwarding the reports that were filed with DEC to the board.

Stephanie asked Tim if he had taken pictures of the interior of Demetri's yet. He had not but said that would be completed prior to the next meeting. She also questioned why some of the boxes on the 'Loan Breakdown' sheet were blank. Steve explained that the three Incubator loans had been deferred and were not payable at this time. The situations with the Clarion and Enviroteknix also made it hard to fill those boxes in since no payments have been made.

While discussing the Festival Report Stephanie mentioned that she had discussed the Fireworks with AJ Dolce and that if the Festival Committee did not raise enough money to cover the \$30,000 for fireworks that the money they were short would come from one of the other festivals.

There were no further questions or comments. Robert Fritzinger made a motion to accept the Consent Agenda, seconded by Stephanie Kiyak. Carried, all voting aye.

### **Old/Unfinished Business:**

Pre-filed Resolution #5-2013 – Tim said he had talked to Todd about the "mobile ready" question that Robert had and he is going to give him Todd's email address so he can ask him directly.

Rosemary Banach questioned whether or not there were local businesses who could put the website together for us as opposed to choosing a business from Rochester. Steve said that the DLDC had a contract with a local business who built the current "VisitDunkirk" website, but they would have charged a total of \$30,000. Tim agreed that Todd put his proposal very low and is instead hoping to make money off of selling the business slots. Tim, Steve, and Nicole would be responsible for updating the other sections of the website.

Judy Presutti made a motion to pass the resolution. Seconded by Joe Becerra. There was one nay, Rosemary Banach. Robert Fritzinger abstained from voting. The motion carried.

Pre-filed Resolution #6-2013 – No board members had come forward and volunteered to serve as Treasurer so Tim Gornikiewicz will be serving in that position for another term. Tim would like someone to be assigned "Assistant Treasurer" so that there are more checks and balances of the

finances. He is asking for an hour a week commitment. Members who are interested were asked to email Steve prior to the next meeting.

Joe Becerra made a motion to pass the resolution. Seconded by Robert Fritzing. Carried, all voting aye.

Pre-filed Resolution #7-2013 – As with the treasurer position, no one volunteered to serve as Secretary so Nicole Waite will be serving a year long term. Steve mentioned that he also hopes to have someone volunteer to be “Assistant Secretary” to help Nicole with the minutes and to take minutes in the event that Nicole is unable to attend a meeting.

Joe Becerra made a motion to pass the resolution. Seconded by Andy Gonzalez. Carried, all voting aye.

Pre-filed Resolution #8-2013 – Due to change over of board members Mayor Dolce reorganized the membership of the DLDC’s several committees. Serving on the Executive Committee will be Chair Steve Neratko, Anthony J. Dolce, Stephanie Kiyak, and Robert Fritzing.

Joe Becerra made a motion to pass the resolution. Seconded by Margie Dye. Carried, all voting aye.

Pre-filed Resolution #9-2013 –Serving on the Policy Committee will be Chair Joseph Becerra, Andy Gonzalez, and Rosemary Banach.

James Muscato made a motion to pass the resolution. Seconded by Robert Fritzing. Carried, all voting aye.

Pre-filed Resolution #10-2013 –Serving on the Finance & Audit Committee will be Chair Anthony J Dolce, Margie Dye, Judy Lockett, and James Muscato.

Joe Becerra made a motion to pass the resolution. Seconded by Robert Fritzing. Carried, all voting aye.

Pre-filed Resolution #11-2013 –Serving on the Governance Committee will be Chair Stephanie Kiyak, Steve Sek, and Judy Presutti.

Rosemary Banach made a motion to pass the resolution. Seconded by Joe Becerra. Carried, all voting aye.

### **New Business:**

Pre-filed Resolution #12-2013 – The DLDC went out to RFP for Auditing Services and received three responses: Johnson & Mackowiak, Toski & Co., and Bahgat & Laurito-Bahgat. In everyone’s packet was a chart outlining the 3 responses: Fees, Services, Current Clients, and Engagement Staff. The full responses had been emailed to the board prior to the meeting for review. The services for all three were the same – Audit Financial Statements, Prepare Management Letter, Prepare US Form 990, and Prepare NYS CHAR-500.

Steve Neratko recommended that the board enter into an agreement with Toski & Co. based on the 25+ years of experience for its entire Engagement Staff, that they have over 1,500 clients across New York State, and that the cost of \$4300 is only slightly more than what the DLDC has been

paying. They also offer other services, for a fee, that could be beneficial to the DLDC if they wanted to pursue them – such as software set up and training.

Steve, Mayor Dolce, Tim Gornikiewicz, and Rich Halas were all involved in the review and recommendation process. Steve and Rich both called some of their contacts as well as some of Toski's current clients and everyone had positive things to say.

Joe Becerra questioned why Steve recommended taking the business away from a local firm when two local firms also responded. Steve responded that one of the reasons for not choosing Johnson Mackowiak was the HUD is concerned with the City and DLDC using the same auditing firm. The City has a contract with Johnson Mackowiak for the next few years. Bahgat's price quote was completely out of range at \$6,900. This contract is only for 3 years at the most and it will be beneficial for the DLDC to have a fresh pair of eyes looking at its books for the time being. After the three years DLDC will go back out to RFP and have the chance to choose a local firm if they respond.

Joe also brought up a concern about getting the proper amount of attention from a firm that is far away. Toski has clients as small as little league's and their clients are spread across the state. According to the ones Steve spoke to they all received good service and recommend Toski.

There was a brief discussion on Steve and AJ's dissatisfaction with Johnson Mackowiak.

Andy Gonzalez made a motion to accept the resolution. Seconded by Robert Fritzinger. Rosemary Banach abstained from voting. The motion passed.

Envirotekknix – In November of 2012, the DLDC Board approved of a refinancing for Envirotekknix. In December Chris Surma came in to sign the loan documents and pay \$5,485. He took the documents with him, did not sign them, and had brought no check with him. He came back on December 19, 2012 and paid \$2,000 towards the \$5,485. He still owes \$3,485 towards his lump payment and did not make his January 1 or February 1 payments. He still has not signed the loan documents. Steve has attempted contacting him several times in the past two months and had heard nothing back.

Rosemary asked if there was a policy in place regarding delinquent loans. Steve said that there was. Nicole informed the Board that there is a mortgage filed with the County on Chris Surma's home residence – 635 S Roberts Road Dunkirk.

Stephanie Kiyak made a motion to begin foreclosure proceedings on Envirotekknix/Chris Surma. Seconded by Andy Gonzalez. Carried, all voting aye.

The board discussed what it should do next about Paradis Fence & Flag as they have been delinquent for many years and the DLDC does hold a mortgage on their business property – 220 Washington Avenue. They agreed that it would be discussed again at the next meeting, but in the meantime Steve, Tim, and Nicole would look into several things: assessed value of the building, any information the DEC has on the environmental remediation needs of the property, potential buyers/projects, if there were back taxes owed, and what the DLDC would be obligated to do before it could sell the property.

Mortgage Documents – Nicole Waite had traveled to the County Clerk's office on February 6 to see what mortgage documents the DLD had on file with the County. She will be going back soon to print out copies of the documents that were there. Here is what she found:

1. Enviroteknix: Mortgage filed 11/10/2004 on 635 S Roberts Road Dunkirk
2. Paradis Fence & Flag: Mortgage filed 1/20/1995 on 220 Washington Avenue Dunkirk and extended on 10/7/2005
3. Chautauqua Woods: Mortgage filed 10/12/2001 on 6 Claudia Street Fredonia
4. G&E Tents: Mortgage filed 3/11/2009 on 427 Lake Shore Drive East Dunkirk
5. Demitri's: Mortgage filed 7/7/2005 on 6-8 Lake Shore Drive West Dunkirk
  - a. UCC-1 filed 7/7/2005 for equipment, inventory, etc. This expired on 7/7/2010
6. Dunkirk Metal Products: UCC-1 filed on 9/28/2001 for equipment, machinery, inventory, etc. This expired on 9/28/2006
7. Lightening Circuits: Mortgage filed 8/05/2005 on 855 Main Street Dunkirk
  - a. UCC-1 filed 8/05/2005

There was no documentation on file for Payin's Deli, Rookie's, Clarion, Lakeshore Grillworks, Henlie or Textivia.

Stephanie Kiyak asked Nicole to provide the board with a spreadsheet of the documents that were found.

James Muscato made a motion to adjourn at 12:35PM. Margie Dye seconded. Carried, all voting aye.