

BATAVIA DEVELOPMENT CORPORATION (BDC)
Zoom Meeting (recorded) @ 8:30: ID 592 401 749
Meeting Minutes April 23rd, 2020

Attendance

BDC Attendees: Pier Cipollone, Wesley Bedford, Rebecca Cohen, Andrew Maguire, Marty Moore, Jake Whiting, Lori Aratari, Nathan Varland, Chris Fix.

Excused: Steve Pies, Derek Geib.

Media/Guests: Brian Quinn – The Daily News

Call to Order

At 8:34 a.m. L. Aratari, President of the BDC, called the meeting to order via Zoom Meeting ID: 592 401 749, which will be recorded and transcribed for posting on the BDC website. The BDC will not enter executive session.

Presentations: None.

Executive Session

No Motion made to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, for the following reasons:

1. The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion discipline, suspension, dismissal or removal of a particular person or corporation.
2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

Enter Public Session

Chairman's Report

No agenda additions to be proposed.

President L. Aratari presented the meeting minutes from the February 27th, 2020 meeting. W. Bedford made a motion to approve the meeting minutes as presented; seconded by C. Fix and approved by all members present.

L. Aratari announced the next scheduled meeting for the BDC will be held on May 28th, 2020 at City Hall at 8:30 a.m. If the ban on social gatherings pertinent to the BDC meeting is still in effect, the meeting will be held Via Zoom and the Meeting ID will be posted on the agenda and the website.

L. Aratari addressed the Board Member Confidential Evaluations for the first 4 questions which had scored well. The BDC website has a lot of information and many of the regulatory documents for reading. Each meeting the Board will address a set number of the responses to strengthen the Boards knowledge on the topics at hand. N. Varland wants to ensure we are compliant with NYS – ABO, their trainings, and our board members participation.

Committee Reports

Governance and Nomination Committee:

2020-2021 BDC/City of Batavia Agreement- The Board reviewed the BDC agreement with the City of Batavia and found it to be compliant.

C. Fix made a motion to approve the 2020-2021 BDC and City of Batavia Agreement as presented and authorize Board President, Lori Aratari, to execute said agreement; seconded by N. Varland and approved by all members present.

Audit and Finance:

Financial Statements- The February and March 2020 financial statements were reviewed with the board, and a brief overview was given.

J. Whiting made a motion to approve the February and March 2020 financial statements; seconded by M. Moore and approved by all members present.

Review of 2019-2020 Financials: Budget vs. Actual – The Board reviewed the FYE 19-20 budget vs. actual. The BDC was able to under expend and generate excess revenue. N. Varland inquired about a revenue of \$4000 from earlier in 2019. A. Maguire will confirm what it was for as it was prior to his appointment. A. Maguire states that the BDC made sound fiscal decisions last year and under expended from what was budgeted and realized some more revenue than was budgeted. The Board reviewed and found no issues with the 19-20 budget versus actual.

Freed Maxick Engagement for Audit Services FYE 2019-2020- The Board reviewed the proposed audit services from Freed Maxick in the amount of \$2100 total.

C. Fix made a motion to approve Freed Maxick's Engagement for Audit Services FYE 19-20; seconded by R. Cohen and approved by all members present.

General Liability Insurance: Selective- the Board reviewed the proposed General Liability Insurance through Selective and found no issues. L. Aratari asked if both policies were held with Tompkins. P. Cipollone states he executed documents from Tompkins last year. A. Maguire states he does see the Selective policy states Lawley as the agent. He will report back to the Board whom holds each policy, whether Tompkins or Lawley after clarification.

Director and Officer Liability Insurance: Philadelphia- - the Board reviewed the proposed Director and Officer Liability Insurance through Philadelphia and found no issues.

Family Medical Leave Insurance: Hartford - - the Board reviewed the proposed Family Medical Leave Insurance through Hartford and found no issues.

J. Whiting made a motion to approve the proposed Director and Officer Liability Insurance through Philadelphia, the proposed General Liability Insurance through Selective, Family Medical Leave Insurance through Hartford, seconded by N. Varland and approved by all members present.

Real Estate/BOA/DRI/BIF/NYMS

Batavia DRI/DRI-BIF Project Updates- A. Maguire states there has not been much movement on these projects since our last meeting as construction and even pieces of environmental testing has been mandated to halt unless deemed essential and affordable housing is about as close as our projects could get, but none are that are ready for construction across the DRI and DRI-BIF projects. C. Fix inquired if the DRI funding has been extended. A. Maguire states he has not heard of any extensions officially and have asked the DRI- NYS DOS representative if there has been any and he stated no. M. Moore also spoke with the DRI – NYS DOS representative and if these projects could be considered essential and get started, he could not answer that either.

The New York Main Street Grant did receive 11 applications so far, and roughly estimated \$2 million dollar worth of proposed projects at face value. For the times and what is going on in the economic world and people not wanting to take on large rehab projects, 11 is acceptable. L. Aratari asked if that program is a matching grant as well. A. Maguire states yes, it is. \$300,000 award to the City, and eligible projects can request up to 75% of the project cost. The Scoring and Selection Committee will need to review how much, or what percentage, we offer to award recipients as often times it is less than the max to try and maximize the number of projects that can be done. The deadline for applications has passed, but we continue to accept applications if funding is still available. There is no deadline on awarding those funds, it is at our pace, but it is a two-year program. R. Cohen asked if they apply to the program, is there a deadline they have to use the funds by? A. Maguire states it is a two-year project from the time of their award so they would need to substantially complete in that time frame.

Small Business – None at this time.

Old Business- None at this time.

New Business –

Resolution #2-2020: :Offering Ninety (90), up to One Hundred Eighty (180) Day Deferrals on Active Loans Collected by the City of Batavia Loan Programs Through Automatic ACH Origination. T A. Maguire states that the BDC would like to offer their small business loan portfolio that is paid through the City's ACH automatic withdrawal. After speaking with the majority of the loan portfolio this program would apply to, they were very pleased we are offering this. Many local banks are doing the same, offering deferments. The Board reviewed the proposed deferment program and application (EXHIBIT A) for all active loans collected the City of Batavia's ACH Origination program. There will be a one-page request/application for reinstatement of payments or extension of the deferment to 180 days (EXHIBIT B). This offer cannot be extended to loans that are in collections or have been sent to legal prior. L. Aratari asked if this would need to go to City Council? A. Maguire states the BDC Attorney did recommend and review the Resolution and stated this can be accomplished this way as the BDC administers these loan portfolios for the City. M. Moore stated he concurs.

W. Bedford made a motion to approve Resolution #2-2020: Offering Ninety (90), up to One Hundred Eighty (180) Day Deferrals on Active Loans Collected by the City of Batavia Loan Programs Through Automatic ACH Origination; seconded by R. Cohen and approved by all members present.

Downtown Revitalization Initiative-Business Improvement Fund: Reallocation of Funds – The Board reviewed the proposed reallocations of funds from the DRI-BIF Scoring Committee, which discussed the options of reallocating awards at great length, and find it in the best interest to reallocate the vacated funds from declined projects to the current projects that are continuing with the program. The reallocation will be 40% with a cap of \$137,600. Reallocated award offers will be sent to the participating projects.

C. Fix made a motion to approve the reallocation of vacated funds in the DRI-BIF grant program to projects that are continuing to move forward, which will be 40% of estimated project costs with a cap of \$137,600. Reallocated award offers will be sent to the participating projects; seconded by N. Varland and approved by all members present.

COVID-19 Update: Director Maguire states that the COVID-19 has had a negative impact on our local, national and even international economy. Direct effects of this pandemic will likely last years, unfortunately. He has been in contact with many of our clients and loan participants to try and spread the word of the relief efforts that are available to both employers and employees. Director Maguire has created a COVID-19 webpage that has certain resources and guides available. He will continue to use social media as a platform of information as well. W. Bedford states that in the banking world, the SBA applications came in very quickly and the funding was expended also very quickly. Round two should

hopefully proceed smoothly. Parameters for round one will be the same as round two and it is specific to payroll and must be used in that manner or it could become a loan. The BDC will also look into amending their By-laws now that they are 501c3 approved to increase the number of Board Directors that can vote. As of now it is set at 9 which would need to increase that to accommodate a larger voting Board of Directors.

Adjournment

W. Bedford *made a motion* to adjourn the meeting; seconded by M. Moore and approved by all member present. The meeting stood adjourned at 9:27 a.m.

EXHIBIT A:

BATAVIA DEVELOPMENT CORPORATION

Resolution # 2 – 2020: Offering Ninety (90), up to One Hundred Eighty (180) Day Deferrals on Active Loans Collected by the City of Batavia Loan Programs Through Automatic ACH Origination.

WHEREAS, the Batavia Development Corporation Board of Directors have assessed the implications of COVID-19 on the economy and local businesses, and;

WHEREAS, the Batavia Development Corporation finds it in the best interest of economic development and financial wellbeing of individuals and businesses with active loans in the City of Batavia’s loan programs that are collected by ACH origination, both the Small City’s Loans and Revolving Loan Fund (collectively, the “Loans”) to allow automatic deferment of both interest and principal payments for a period of a minimum of 90 days automatically, and up to 180 days by request, beginning April 1st 2020 and terminating, at the latest, September 30th 2020, consistent with the automatic deferral consent form as attached hereto as Exhibit A, and;

WHEREAS, the Director of Economic Development of the Batavia Development Corporation has spoken to City Management and the City Clerk Treasurer, all of whom have agreed that the proosed deferral, as described herein, is in the best interest of our clients and the growth of our City and economic recovery post COVID-19 mandates, and;

WHEREAS, the Loans that have been sent to collections or legal will not be eligible to participate in the deferment as those are now controlled by the third-party agency, as they had been sent to prior to the COVID-19 pandemic, and;

NOW, THEREFORE BE IT RESOLVED, the Batavia Development Corporation Board of Directors adopt and recommend to the City of Batavia an allowance of the automatic ninety (90) day deferral, and up to maximum of one hundred eighty (180) day deferral of principal and interest Loan payments for active loans with the City of Batavia that are collected by ACH origination from the City of Batavia.

A Motion by W. Bedford to adopt Resolution #2- 2020: Offering Ninety (90) day deferral, and up to One Hundred Eighty (180) day deferral of principal and interest Loan Payments for active loans with the City of Batavia that are collected by ACH origination from the City of Batavia, seconded by C. Fix. All Ayes. Carried.

EXHIBIT B:

Loan Deferment Program for Eligible Loans held with the City of Batavia Small Cities Loan program or Revolving Loan Fund Program

The Batavia Development Corporation (BDC) Board of Directors has approved Resolution #2-2020 which will allow for an automatic ninety (90) day deferment on loan obligations that are collected by the City of Batavia via ACH origination. To clarify, this means that active loans collected directly by the City of Batavia will be automatically deferred the months of April, May and June of 2020 due to the COVID-19 pandemic, unless this application is completed, signed and sent to amaguire@bataviadevelopmentcorp.org stating otherwise. This is not a waiver of obligation to the City of Batavia loan, but a deferment of interest and principal payment, thus extending the due date of the loan by the amount of time the deferment has been requested by the loanee or placed in automatic deferment.

Please complete the information requested below and send to amaguire@bataviadevelopmentcorp.org, or Batavia Development Corp, 1 City Centre, Batavia NY 14020, when completed. Failure to complete and send this request as stated will keep your loan in the automatic ninety (90)-day deferral program through June of 2020, but will resume payments July of 2020. Further deferment, or resuming of payments, can be indicated below.

Please complete the following information, sign and send to the BDC:

Business Name: _____

Owner(s) Name: _____

Explanation of Deferment Request: _____

I request my business loan with the City of Batavia (please select one):

- Immediately resumes the payment schedule, no further deferment requested.
- Continue with the ninety (90) day automatic deferment and resume payments on July 1st, 2020
- Request an extension of deferment of loan payments for one hundred eighty (180) days, resuming October 1st, 2020.

I, _____, understand that the BDC has automatically enrolled
(Owner(s) of Business)
our business loan into a ninety-day (90) deferral program, and request that my selected choice above be granted.

(Signature(s))

(Date)