

Minutes for the October 1st 2008 meeting of the Directors of The Village of Lancaster Community Development Corporation

At 8:03 a.m. on October 1st 2008, President Jeffrey Stribing convened a meeting of the directors in the board room of the Municipal Building, 5423 Broadway, Lancaster, New York. Also present were Secretary Craig McRae, Treasurer John Mikoley, and Directors Dawn Gaczewski, Joseph Maciejewski. Consultants Mark Aquino and Stanley Keysa also attended.

Jeff Stribing reported that the VLCDC had been awarded a NYS Main Street grant, and that the funds should be fairly well protected from the current financial crisis. He has signed the contract and submitted it to the State. He will give a copy of the architectural design services RFP to Mark Aquino, Stan Keysa and Bob Giza. The architect selected would give sample suggestions to the property owners; he has requested responses by October 17th and wants comments by October 3rd.

Linda Mallia, and Cristen Gregory entered the meeting at 8:06 am. Jeff noted that Mayor Cansdale is in Connecticut on NYSEG business.

Mark Aquino suggested that, once the RFP is out, there should be dialogue with the building owners. Jeff said he had spoken with Alan Kurtzman, Rudy Tichy, Sue Schaff and Betty Aquilia has thoughts, but no plans. Dr. Rudewicz has plans ready, including an expansion at the rear of his building. Stan Keysa suggested Jeff speak to Town Assessor Dave Marrano to confirm the understanding that façade work would not increase the assessment.

Joe Maciejewski noted that 485(b) was available for the village, town and county taxes, but that it is not likely the school district would adopt the relief given the current fiscal uncertainties.

Jeff reported that there was another State grant program, and that the Village would investigate applying. There will be a full day workshop on the Main Street grant program next Wednesday which he plans to attend, and asked Stan Keysa to attend also, as well as Mike Meier.

Mark Aquino reported that he had formed the Village of Lancaster Preservation Corporation and will work with Stan to prepare by-laws, and will seek 501(c)(3) status.

Jeff said he had spoken to John Evoy at the Bank of Akron re setting up an account there. He encouraged members to alert him to any grants they might be aware of from foundations.

Jeff introduced Richard Tinsdale, Executive Director of the Cornell Cooperative Extension Service, who has a prior background in economic development and municipal planning. Richard has served with Wyoming County, the City of Buffalo and briefly with Erie County. Tinsdale indicated he could assist with technical assistance thru the Extension Service.

Mark Aquino introduced Tom Malecki of Drescher and Malecki, the auditors selected to review the books of the VLCDC for 2007-08. Malecki distributed a handout noting that the corporation was paying down its debt at about \$40,000 per year. Net assets were declining, mostly because of building depreciation. He said there was a need to watch cash flows, which took a hit in 2008. Expenses didn't decline at the same rate as income, because VLCD lost some key tenants. Operations were neutral. On page 4, he noted that a big note was due August 1st 2009. Cash on

hand is about \$75,000. The corporation cut into that for non-recurring engineering work last year. Cash flow was generally aided in the past by the sale of land, of which there is some left. Malecki noted that the VLCDC paid about \$50,000 in interest last year, but only \$40,000 in principal. He suggested trying to negotiate interest down, or increase rents.

Addressing weaknesses, Malecki noted that VLCDC lacked cross controls, and that it is difficult in a small corporation, but that it could ask Mike Stegmeier to review bank records. He emphasized that the cost of controls should not outweigh the benefits, and that it would not, for example, be prudent to hire another staff member.

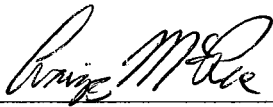
Malecki said the demand note (held by B&EC RDC and LIDA) will be entered in a "going concern" paragraph. Stan Keysa reviewed the history of the note for the newer directors, and suggested that the VLCD initiate a request to write down the note now.

Tom Malecki continued, saying that if revenues don't increase, the cash can only cover 2 more years. Then continuity becomes an issue. He concluded by saying that he will have a formal audit report to Mark within the next week.

After Malecki left, the directors discussed the status of the Konst law suit, and provided direction to Mark Aquino

At 9 am, Craig McRae moved to adjourn; his motion was seconded by Cristen Gregory and unanimously approved.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Craig McRae", written in black ink.

Craig McRae, Secretary

**Amended minutes for the October 1st 2008 meeting of the Executive Committee of
The Village of Lancaster Community Development Corporation**

At 7:35 a.m. on October 1st 2008, President Jeffrey Stribing convened a meeting of the Executive Committee of the VLCDC directors in second floor library of the Municipal Building, 5423 Broadway, Lancaster, New York. Also present were Secretary Craigg McRae and Treasurer John Mikoley. Consultants Mark Aquino and Stanley Keysa also attended.

John Mikoley moved to approve the minutes of the September 3rd meeting; his motion was seconded by Craigg McRae, and unanimously approved.

Treasurer John Mikoley presented the Treasurer's report prepared by Mark Aquino, recommending approval of issuance of checks 1413 through 1418 in amount of \$18,695.81. Craigg McRae moved approval of the report; his motion was seconded by John Mikoley and unanimously approved.

Stan Keysa indicated he had received no further calls regarding the lot on commerce Parkway. Discussion followed as to signage at Central Avenue.

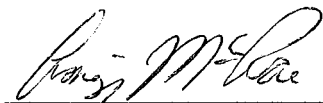
Mark Aquino reported on vacancies at the LVP Complex, indicating that a salon had indicated interest, but were also looking at the Besch building. He also said there might be a collection company interested from the first of the new year, as well as a baker. For the latter, he would offer rent free thru Christmas if the baker would pay utilities. Discussion followed the efficacy of on doing an ad in the newspaper. Mark will place an ad in the Buffalo News, field inquiries and turn prospects over the John to show. The ad would says that brokers are protected.

It was reported that Pat Broderick of Family Dollar had called, suggested a meeting with Mark to discuss interest. Discussion followed, with the observation that stores such as the Family Dollar expect to rent cheap (about \$6/sf) and that a new building would cost about \$150/sf, meaning that the figures won't work.

Regarding the Main Street grant, Mark Aquino reported he had formed a new not-for-profit yesterday, and would be working with Stan to develop by-laws.

As the time for the regular meeting was at hand, Craigg McRae moved to adjourn the Executive Committee meeting, seconded by John Mikoley and unanimously approved.

Respectfully submitted,



Craigg McRae, Secretary