

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY
ANNUAL BOARD MEETING
Tuesday, April 2, 2024
5:00 PM

PRESENT: A. Emmi, J.A. Delaney, J. Berenguer, T. Bonoffski, A. Carvell, P. Heider, G. Palmer, A. McKnabb-Coleman, R. Daratt

ZOOM: M. Mahar (Maria left at 6:30 PM)

ABSENT: M. Broccoli, J. Musumeci

OTHER IN PERSON: A. Vitale

The meeting was called to order at 5:13 PM by Board President, Anthony Emmi.

APPROVAL OF AGENDA

Resolved: a motion was made by J.A. Delaney and seconded by P. Heider to approve the agenda. All in favor; no one opposed; no abstentions.

APPROVAL OF PRIOR MINUTES 2/6/24

Resolved: a motion was made by J.A. Delaney and seconded by P. Heider to approve minutes from the 2/6/24 Regular Meeting with the removal of travel cost breakdowns of the Board of Directors as presented. All in favor; no one opposed; no abstentions.

NOMINATING COMMITTEE PRESENTATION

There are currently not enough remaining members on the Nominating Committee to hold a legal meeting. As a result, Board President, A. Emmi, presented the following slate of members to be appointed to the Nominating Committee.

John Musumeci - Chair
Jose Berenguer
Adam Carvell
Maria Mahar

Resolved: a motion was made by J.A. Delaney and seconded by J. Berenguer to approve the Nominating Committee slate as presented. All in favor; no one opposed; no abstentions.

The new Nominating Committee will meet in the next month and present a proposed slate of 2024 - 2025 officers at the next meeting of the Board of Directors.

2024 ANNUAL APPROVALS

After a short discussion of the annual approvals, it was discussed that through the board members elected not to go out for proposals this year – in order to save on legal expenses – that this would be tabled. Am. Vitale was asked to come back to the next meeting with the rates that the Authority was paying for each of the services in 2019 (when each was last put out to bid) as well as the rates that the Authority will be paying in the 2024 - 2025 fiscal year.

YEAR TO DATE FINANCIAL REPORT

Am. Vitale presented the year-to-date financial report as presented in the board packet. Some notable items from the year to date report are as follows:

In the presented report, there are two columns highlighted in yellow. The first is the fiscal year 2023 - 2024 adopted budget, and the second notes the year-end projections made by Am. Vitale back in November of 2023. Following those columns is the final column in white that lists the current standings as of March 27th, 2024. As the fiscal year-end date is March 31, 2024, these totals will be very close (many of them the same) to the totals that will be found on the year-end fourth quarter report. Overall, the majority of the November projections are right on target with the actual year-to-date current standings. In November, it was projected that the tenant looking to develop a gas station in Retail Unit B would have executed their lease and would have paid a couple months worth of rent would have been paid by year-end. However, this did not play out as anticipated, so the projected revenues for the commercial lease income account and the land lease income account were estimated slightly higher than what was seen. The original budget for the commercial lease account was projected over-optimistically in 2022, with high hopes that funding was going to be received much sooner, allowing the Authority to regain full occupancy. As discussed, this was a poor projection, and has been projected much more realistically for the coming fiscal year(s). Looking at the income accounts for retail market stall rentals, sales have been trending slightly away from license sales and toward daily sales. This was apparent in the Farmer Category, which can be highly attributed to vendors facing challenges with staffing, and having enough employees to manage both their farm operations and their booths on the market. We are also seeing the trend of

decreasing commercial vendors continuing as other events are all back into full swing, following the spikes experienced during the duration of COVID-19 shutdowns. The Flea Market, again, is continuing to trend in the downward direction. However, we are seeing upward trends in dealer stall sales, and there was an increase from the predicted Flea Market sales as a result of moving the Winter Flea Market to Saturdays. It was feared, when the change was made, that there would be a significant loss of license revenue from vendors who were licensed for both days, food sheds, and from vendors who did not want to vend on Saturday rather than Sunday. However, the minimal loss was fully outweighed by additional sales as a result of the change. Another notable income line is that of interest earned. The Authority earned \$75,616.07, much of which can be attributed to the Farm Credit annual member dividend. This year's dividend was significantly greater than anticipated. (This is something that is variable, based on the company's success throughout the year, so this is very challenging to predict year to year.) There was also a big spike in gas usage by one of the Authority's tenants that did result in a spike in gas sales. One notable edit is that the Operating Contingency Previous FYE was \$31,000.00, but was accidentally not included in the YTD standings. Overall, the majority of the accounts were on target with November projections, and overall revenues roughly \$26,000.00 more than the November Projections.

On the expense end of the financials, spending was able to be kept very close to the November projections, and even achieve savings in some areas. The first notable account is that of payroll expenses. We were able to end the year with a lower payroll expense than that of fiscal year 2022 - 2023, and nearly \$15,000.00 under the fiscal year 2023 - 2024 budget. This was a result of significant cuts made to staff size, allowances for overtime, and switching two high overtime earning employees to salary. However, while this was a great savings, there are some great concerns with the capacity of the reduced staff and overtime allowances to be able to keep up with the increased workloads of the Spring, Summer, and Fall seasons. Significant savings – in relation to the original budget – were maintained in the expense accounts for repairs to buildings and grounds, as the scale of work that required at this time all falls into the realm of capital improvements rather than simple repairs. A light snow season has given us the ability to keep expenses low for repairs to equipment and fuel and oil expenses as well. Overall, the majority of the expense accounts fell on target with the November projections, and came in at \$130.00 less than the overall spending projection from November.

Year to date, as of March 27th, 2024, there was a \$702,655.38 deficit between income and expenses, and as a result, that amount of money was utilized out of the funds held for construction for the purpose of operations.

Resolved: a motion was made by J.A. Delaney and seconded by A. McKnabb Coleman to accept the year to date financials as presented with the addition of the \$31,00.00 to the current standings line for income account for operating contingency reserve FYE. All in favor; no one opposed; no abstentions.

Resolved: a motion was made by A. Carvell and seconded by P. Heider to accept the year to date balance sheet as presented. All in favor; no one opposed; no abstentions.

EXTENDED BUDGET REPORT DISCUSSION

This is the same as when it was presented at the prior meeting. Calculations and justifications for each budget line for both income and expenses are included in the packet following the proposed extended budget. As board members have had at least a month to review the document, Am. Vitale asked if there were any questions. There was much discussion to be had addressing concerns with meeting some of the budget goals. Members were asked to share recommendations for edits to be made to the document in order to create a document that everyone would be comfortable with. J. Berenguer recommended a greater reduction to the payroll budget, but few other recommendations were made. R. Daratt and J.A. Delaney recommended that the budget be passed with the understanding that it is a living document that should be regularly reviewed and amended as needed. After much discussion;

Resolved: a motion was made by R. Daratt and seconded by A. Carvell to adopt the extended 5 year budget as presented with the understanding that it is a living document that will be regularly revisited and evaluated. G. Palmer, P. Heider opposed; J. Berenguer abstained; **Resolution failed**

GOVERNANCE COMMITTEE PRESENTATION - JoAnn Delaney

J.A. Delaney presented that the Governance Committee had spent a great deal of time working on updating the Authority's By-Laws, and they have now come to an agreement on the final updated By-Laws to present to the Board of Directors for approval. By the Authority's existing By-Laws, changes to the By-Laws must be presented to the Board of Directors at least thirty (30) days prior to a vote to adopt them. The updated By-Laws are thus being formally presented at this time.

Additionally, J.A. Delaney presented that this annual meeting marks the time for updating documents and training for ABO compliance. The following items must be completed by each board member:

ABO Training
Sexual Harassment Training
2024 Fiduciary Responsibility Acknowledgement Form
2024 Financial Disclosure Form
Updated Board Member Bio
2024 Board Self Evaluation Form

J.A. Delaney urged the importance of keeping all compliance measures up-to-date for Authority compliance.

2024 VENDOR HANDBOOK - PROPOSED CHANGES

Am. Vitale presented that there were some proposed changes to the 2024 Vendor Handbook that were contained in the packet for this meeting. All of the changes are to reflect the corrected hours of operation and other information pertaining to the recent change made to close Sundays in the Winter months, and hold the Winter Flea Market on Saturdays, as well as to update board member and staff information.

Resolved: a motion was made by J.A. Delaney and seconded by J.Berenguer to accept the 2024 Vendor Handbook changes as presented. All in favor; no one opposed; no abstentions.

BOARD DISCUSSION

a. Discussion of Employee Situation

Resolved: a motion was made by J.A. Delaney and seconded by G. Palmer to go out of Regular Session and into Executive Session per section 105 of public officers law in order to discuss lease negotiations. All in favor; no one opposed; no abstentions.

Resolved: a motion was made by J.A. Delaney and seconded by P. Heider to go out of Executive Session and back into Regular Session. All in favor; no one opposed; no abstentions.

b. Discussion of Retail Unit B

Resolved: a motion was made by J.Berenguer and seconded by P. Heider to approve the Executive Director and Board President to enter into a lease agreement with the perspective tenant with the following terms:

- 7,800 +/- square feet
- \$8,500.00 per month with annual CPI increases
- 10 year lease with 2 - 5 year options for extension
- 60 day rent abatement for buildout
- Tenant is responsible for full buildout
- Landlord is responsible for HVAC installation
- Tenant pays utilities
- Use: Mixed Grocery and Household Items

All in favor; no one opposed; no abstentions.

c. 513 Hiawatha Blvd. Update

Am. Vitale presented that she had begun working with the realtor on a plan to advertise and lease space in the warehouse at 513 Hiawatha Blvd. This past week, Am. Vitale and the realtor met with some potential contractors who are willing to do some bare minimum repairs to the roof and building interior to get the space rental ready. At this time, the goal is to patch the roof, repair doors, windows, drop ceiling tiles, and carpets in the 20,000 +/- square foot unit that the school district was in prior, and then market that space for rental. Income from that space can then be set aside for roof repairs for the larger warehouse space, so that can then be repaired and rented as well. The timeline for this project is: ASAP, and is something that will be brought up for potential discussion in an upcoming meeting with the County Executive. It was requested that Am. Vitale send the photos of the roof contained in the VIP evaluation of the warehouse to each of the board members.

d. Discussion of Tenant Request (Guinta)

Am. Vitale presented that a tenant in the commission houses, Guinta Produce, recently installed upgraded lighting on the back of their building. They did not request prior approval for the work, but have requested a rent credit for the price of the investment. The board decided to take no action on this matter.

e. Discussion of Special Events

In conjunction with the updated goal tracking sheets that the staff has created and will be working with in order to meet sales and spending goals in the new fiscal year, management and staff have been brainstorming ways that additional revenue can be generated in order to offset remaining budget deficits. One of the ideas is holding monthly themed evening farmers markets on Thursday nights. The report included in the packet for the meeting contains information about the possible events and potential revenues. In addition to these extra evening markets, staff are also working to hold themed markets throughout the year that occur during the Saturday Farmers Markets. These themed markets generate additional revenue through increased daily rates for special market vendors, and sales of themed market extras – such as professional photos with baby chicks that was offered two (2) weeks ago on the Easter Market. A photographer volunteered his time, and a vendor provided the baby chicks in turn for a booth for the day to advertise their business. Photos packages were \$10 and included edited digital copies of the photos taken. Unfortunately, the weather was poor that day, so turn-out was not the best, but the photos were a hit with those that turned out.

f. Discussion of Overnight Storage

Another idea staff thought of for additional revenue is an option for Friday overnight storage past the last Friday in June. Overnight storage is currently offered for the months of May and June, for the purpose of decreasing traffic issues on Saturday mornings when vendors are trying to load in several truck loads of plants and flowers. However, we could offer this throughout the duration of the Growers Season with paid options to renew on a bi-monthly basis, for increased revenue. (non-perishable items only)

Resolved: a motion was made by J. Berenguer and seconded by R. Daratt to approve offering extended terms for overnight storage as presented. All in favor; no one opposed; no abstentions.

g. Discussion of Enacting Legislation

Am. Vitale said that it was recently brought to her attention that Assemblyman Magnarelli has presented new legislation for the Authority, and it is already on the floor of both the Senate and Assembly. The legislation is currently sitting in the Corporations, Authorities, and Commissions committee in both houses. It is being presented that the changes to the legislation are “modeled after recent amendments to the enabling law for the Genesee Valley Regional Market Authority.” However, there are only three provisions that were ever changes in the enabling law for the GVRMA, while the proposed changes to the CNYRMA legislation consist of more than 20 added provisions, many of which seem to be of significant concern.

The issue we have faced in the past year, with prior versions of the legislation that he has presented, is that we have not been able to find an attorney willing to formulate a response letter to the assemblyman that outlines our concerns – having had 3 attorneys from different firms all back out. However, at this time, I have found an attorney willing to assist and actively assisting with creating a response letter. At this point, I have outlined all of my comments, concerns, and questions with the legislation, and the attorney is reviewing, answering my questions and adding additional comments. From there, we will put the final comments and concerns together to formulate the response letter that will likely need to go out to all members of the Senate and Assembly.

Am. Vitale handed out copies of the proposed legislation to the board members to be able to refer to for the purpose of the discussion, and some discussion was had about the terms within the legislation and possible concerns and opposing information contained within the document. Board members agreed that Am. Vitale would continue working with the attorney on a response letter and that A. Emmi, Board President, would be able to meeting with involved legislators in order to share the concerns about the proposed legislation.

h. 2023 State Comptroller's Office Audit Update

Am. Vitale presented that the closing meeting for the 2023 Audit by the New York State Comptroller's Office was held last week, and that herself and Board President, A. Emmi, are currently working on the response letter that is due by April 15th, and will be sent next week. Once that is received, the response letter will be added as an appendix to the audit report and the report will be posted. Once notification is received that the Audit is live and posted, the Board of Directors will then have ninety (90) days to create a corrective action plan based on the recommendations outlined in the audit, pass the plan as a resolution, and present it to the State Comptroller's Office.

After some discussion, it was decided that the response letter would be brief and serve as notice that the board agrees with the factual financial findings of the report. The board will then begin working on a collaborative corrective action plan at the next meeting.

NEXT MEETING

The next meeting of the Board of Directors will be on Monday, April 15, 2024 at 6:00 PM in the conference room on the second floor of the Administration Building at 2100 Park Street. This meeting will be a continuation of the 2024 Annual Meeting.

ADJOURNMENT

Resolved: a motion was made by J.A. Delaney and seconded by R. Daratt to adjourn at 9:48 PM. All in favor; no one opposed; no abstentions.