

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

January 9, 2020

A regular meeting of the Orange County Industrial Development Agency was convened in public session on January 9, 2020 at 2:04P.M. at the Orange County Business Accelerator in New Windsor, New York.

Chairman Rogulski calls to order the regular meeting of the Orange County IDA, January 9, 2020 (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum. Upon roll call, the following were:

PRESENT: Mary Ellen Rogulski, John Steinberg, Edward Diana, James DiSalvo, Stephen Brescia, Michael Gaydos, Robert Schreibeis

ABSENT: NONE

ALSO PRESENT: Laurie Villasuso – Chief Operating Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Joel Kleiman – Chief Financial Officer
Vincent Cozzolino – Managing Director
Melanie Schouten – Program Director
Cathie Hunter – Compliance Administrator
Christine Cordova – Focus Media
Kaitlynn Perez – Orange County Partnership
Bill Fioravanti – OC Economic Development
Conor Eckert – SUNY Binghamton
William Reid – Danskammer Energy
Thomas Gray – Danskammer Energy
Michelle Hook – Danskammer Energy
Kirk Phillips – OC Veteran

Attorney Client Session

Chairman Rogulski entertains a motion that the committee enter into Attorney Client closed-door session. Motion made by Mr. DiSalvo to enter the closed-door session. Motion seconded by Mr. Schreibeis. All in favor.

Enter Attorney Client Session

The members discuss the legalities of certain matters.

Chairman Rogulski entertains a motion that the committee end the Attorney Client closed door session and reconvene the regular meeting. Motion made by Mr. DiSalvo to end the closed-door session. Motion seconded by Mr. Steinberg. All in favor.

Reorganization Meeting

Chairman Rogulski advises that this is the annual reorganizational meeting. Chairman Rogulski asks the Board to nominate a Chairman. Mr. Diana moves that Chairman Rogulski be reelected as chairman. Motion seconded by Mr. Steinberg. Affirmative votes of all members present results in motion carried.

The officers of the Board are as follows:

Vice Chairman: Mr. Diana

Second Vice Chairman: Mr. DiSalvo

Secretary: Mr. Brescia
Assistant Secretary: Mr. Gaydos

Motion to elect officers as noted is made by Mr. Schreibeis, seconded by Mr. Steinberg. Affirmative votes of all members present results in motion carried.

The Chairman appointments for Committees are as follows:

Audit Committee:	DiSalvo (Chairman); Diana; Gaydos Alternate: Steinberg
Finance Committee:	DiSalvo (Chairman); Diana; Gaydos Alternate: Steinberg
Governance Committee:	Diana (Chairman); Schreibeis; DiSalvo Alternate: Steinberg
Accelerator Committee:	Diana (Chairman); Rogulski; Steinberg Alternate: Brescia
Human Resources Committee:	Rogulski (Chairman); Gaydos

Chief Executive Officer resolution, appointing Ms. Laurie Villasuso, is read aloud. Motion made by Mr. DiSalvo, seconded by Mr. Gaydos. Affirmative votes of all members present results in motion carried.

Managing Director resolution, appointing Galileo Technology Group under the supervision of Mr. Vincent Cozzolino, is read aloud. Motion made by Mr. DiSalvo, seconded by Mr. Steinberg. Affirmative votes of all members present results in motion carried.

Chief Operating Officer resolution, appointing Ms. Melanie Schouten, is read aloud. Motion made by Mr. Gaydos, seconded by Mr. DiSalvo. Affirmative votes of all members present results in motion carried.

Chief Financial Officer resolution, appointing Mr. Kleiman, is read aloud. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

IDA Attorney resolution, appointing Mr. Dowd. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

IDA Contract Officer resolution, appointing Mr. Dowd. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

IDA Freedom of Information Law Officials, appointing Ms. Schouten as FOIL Officer and Mr. Dowd as FOIL Appeals Officer. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Lobbying Designee resolution, appointing Ms. Laurie Villasuso. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Resolution to report IDA-Owned Properties as of 12/31/19, reporting that the IDA owns NO real property as of 12/31/19. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Resolution to approve IDA Depositories for 2020. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Resolution for Annual Review of IDA Procurement Policies & Practices in 2020. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Resolution for Annual Review of IDA Investment Policies in 2020. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Resolution approving \$25,000 Annual Contract with Orange County Foreign Trade Zone. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Resolution to authorize "Agent Status" to Friends of the Orange County Youth Bureau Fund, Hudson Valley Agri-Business, Rockland Economic Development Corporation "PTAC", TSEC, and Women's Enterprise Development Center and allowing the Chief Executive Officer and/or Chairman to sign Agency Agreements, is read aloud. Motion made by Mr. Brescia, seconded by Mr. Schreibeis. Affirmative votes of all members present results in motion carried.

Minutes

Review of the December 12, 2019 board meeting minutes. Motion to approve the minutes is made by Mr. DiSalvo, seconded by Mr. Schreibeis. Motion carries with all in favor.

Review of the December 12, 2019 Audit Committee meeting minutes. Motion to approve the minutes is made by Mr. DiSalvo, seconded by Mr. Diana. Motion carries with all in favor.

Review of the December 12, 2019 Governance Committee meeting minutes. Motion to approve the minutes is made by Mr. Schreibeis, seconded by Mr. Brescia. Motion carries with all in favor.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the summary of IDA bank accounts, certificate of deposits, and money market accounts that reflect a total of \$8,888,218, as of December 31, 2019.

Mr. Kleiman reviews the income and expense summary, noting that YTD is just \$1,776,837, and YTD expenses are \$1,702,253, with revenues exceeding expenses by \$74,583. Mr. Kleiman cautions that these are not final figures as the end of the year expense accruals and revenues will affect these numbers.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$158,475, and expenses are \$2,733,050. Expenses, as anticipated, exceed revenues by \$2,574,575.

Chairman Rogulski asks for a motion to approve the vouchers and payments in the amount of \$453,704.87. Motion made by Mr. Gaydos, seconded by Mr. DiSalvo, that the Board accept the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present results in motion carried.

Chairman's Report

Chairman Rogulski passes on giving the Chairman's Report.

Chief Operating Officer Report

Ms. Villasuso informs the board that the addition of a Finance Committee took place per a new law recently implemented.

Ms. Villasuso informs 2019 PARIS reporting is underway. The project letters have been sent out. The Compliance Administrator, Ms. Hunter, will be handling all the reporting requirements.

Ms. Villasuso reminds the board that recently project NYTT was delinquent paying the 2019 school bill. To date, they have paid this bill along with the accrued late fees.

Ms. Villasuso informs the board that management is currently working on a FOIL received regarding the Heritage Trail project.

Ms. Villasuso states that each board member has received the Committee on Investigations and Government Operations report. It was also emailed to the board earlier this month. This report was commissioned by Senator Skoufis, requiring all IDAs throughout the state share information regarding their standard practices, etc. this report

also includes some case studies. The OCIDA is mentioned in one pertaining to its involvement with the Medline project. The OCIDA was commended on its ability to quickly respond to any requests for information.

Ms. Villasuso stated that two pieces of legislation that were before the Governor are worthy of mentioning. The first would have required that every PILOT document be sent certified mail return receipt. This legislation was not approved because it would cause unnecessary administrative burden. The second legislation was approved and authorizes the Office of the State Comptroller to audit LDCs. The OCFC is an LDC.

Ms. Villasuso reminds the board that Leentjes Amusements came before the board for a Sales and Use Tax Exemption at last months meeting. This project also filed a mortgage. There is no incentive associated with this mortgage, but because the OCIDA is part of the property ownership signatures will be required.

Board Committee Reports

Audit Committee

Mr. DiSalvo gives the Audit Committee report.

The Audit Committee reviewed an exemption request for the Kraftify Project in Warwick. This project continues to have compliance and documentation issues required for the labor audit. A company exemption was being requested even though they were working onsite prior to Committee approval. This company is handling a small percentage of the project work but failing to comply with standard audit procedures continues to be habitual. As a result, the Committee has rejected the exemption. Companies have the option to work with the OCIDA, but to receive incentives all procedures must be followed, and compliance met.

Accelerator Committee

Mr. Cozzolino states out of respect for the board's time, a full Accelerator report will be given at next month's meeting. Management is happy to discuss any progress with board members prior to next month.

Applications/Resolutions

Danskammer Energy, LLC – Initial Resolution

Ms. Villasuso informs the board that this project request is really an extension of the current PILOT. However, this request will be treated like a new project.

Mr. Reid presents on behalf of Danskammer Energy, LLC.

Danskammer has been in business for over 60 years. It is a locally owned and operated business. The company spends over \$5M annually on payroll and over \$10M annually on property taxes. As a result of a financial audit, it was discovered that there was a discrepancy regarding municipality billing. After meeting with the local municipalities, a conclusion was met that there had been an over-payment of approximately \$1M resulting from bills issued by the municipalities. An agreement was met in which the project would overlook the over-payment in exchange for the municipality support of a PILOT extension. This would also present the opportunity to fix the current PILOT payment structure eliminating any billing confusion. The project is therefore requesting the OCIDA board's approval to extend the PILOT for another four years. The community benefit agreements for the Town and School District have been updated amicably.

This PILOT extension will ideally help the project until the new facility is up and running. The current plant was originally a coal plant constructed in the 50s. The modern facility will feature the latest technology, help to eliminate carbon emissions, and save the rate payers in Orange County \$20M a year by creating a competitive market. The new project will be a \$500M construction project creating an estimated 450 union construction jobs for approximately 3 years. The new facility will house 25 – 30 full time employees. An article 10 has been filed. The project will be informed if they can move forward within the next 12 months. Danskammer will come before the OCIDA board requesting incentives for this new facility.

Mr. Dowd reads aloud the Danskammer Energy, LLC Initial Resolution. Motion is made by Mr. Brescia, seconded by Mr. DiSalvo, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Danskammer Energy, LLC. Roll call is taken. Affirmative votes of all members present results in motion carried.

Other Board Business

C&S Wholesale Grocers, Inc.

Ms. Villasuso informs the board that C&S Wholesale Grocers contacted management and informed them that they are selling the facility and the current PILOT is no longer needed. As a result, the board will need to take action to terminate the PILOT.

Mr. Dowd reads aloud the C&S Wholesale Grocers, Inc. Termination Resolution. Motion is made by Mr. Steinberg, seconded by Mr. Schreibeis, accepting resolution to terminate the current agreements and related documents in connection with the C&S Wholesale Grocers, Inc. project. Roll call is taken. Affirmative votes of all members present results in motion carried.

Adjournment

With no further business, meeting called for adjournment by Chairman Rogulski, motion made by Mr. DiSalvo, seconded by Mr. Schreibeis, the time being 3:15 p.m.