

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT COMMITTEE MINUTES

January 14, 2021

Via Zoom / Conference 1:30pm- 1:48pm

PRESENT: James DiSalvo, Michael Gaydos, Edward Diana

ALSO PRESENT: Laurie Villasuso - Chief Executive Officer, Ed Januszkiewicz – CFO,
Melanie Schouten – Chief Operating Officer, Vincent Cozzolino – Managing
Director, Kevin Dowd – Attorney, Kelly Reilly, Dean Brady, Kevin Loewke

IDA

Labor Policy Status Updates and Waiver

Ms. Villasuso started the meeting by stating that the Committee will be hearing from Mr. Kevin Loewke from Loewke Brill about a waiver, status updates, and Amy's Kitchen which came to us prior to the Labor Policy updates and it was determined that we could not have them comply with a labor policy that did not exist. She stated that the IDA at any time could do a spot check on the site, but we don't have the same claw back provisions. Due to questions about how much work has been completed on Amy's site, we engaged Loewke Brill to visit the site and give us a report. Ms. Villasuso stated that this will be done periodically at the IDA's expense due to the insurance aspects and to verify New York State requirement are being met.

Mr. Loewke started with the 360 Middletown Holdings project waiver review which they are recommending approval. The project wants to use a company called Titan Rack and Shelving, LLC from New Jersey. The applicant has used this company in their other facility in Brooklyn and wanted to use a company they were familiar with. Mr. Loewke stated that he spoke with Steve Petercsak from Titan Rack and Shelving to see if there was a local company to perform the install for this work. Titan wanted to fabricate the racking and shelving for install but didn't have a problem if there was a local installer. Mr. Loewke contacted Mr. Gaydos and he was able to provide Mr. Loewke with Mr. John Montgomery from Mill Rights. Mr. Loewke reached out to Mr. Montgomery to see if he would be able to provide a list of local companies that could perform this work. Mr. Loewke received the names of two companies OCS Industries and Adirondack Mechanical who both responded that they are unable to perform the work. The second option was to use a local employee to help assist the installation and both Titan Rack and Shelving and the applicant were on board with that. They have committed to use at least one worker from East Gate Management. Mr. Loewke stated that he feels they have done their due diligence and feel the waiver is valid.

Motion is made by Mr. Gaydos seconded by Mr. Diana to approve this waiver. All voted in favor. Motion is carried.

Ms. Villasuso stated next on the agenda is the Project Labor Audit Review. She stated that we have good compliance with our projects except Legoland which is low at 55%. She reminded the Committee that Legoland has a PLA, and some State requirements which will make it hard to be in compliance for example. The state has a 30% MWBE requirement that will be hard due to not having enough MWBE businesses in NY. She stated that Mr. Loewke has a good working relationship with Legoland and that they are very responsive. Mr. Loewke stated that he does not agree with that statement as he has been requesting many insurance documents that are expired and requested several updates. He did not get any responses except for one. Mr. Loewke stated that another email was sent out last week to let them know that they have not responded to him and he has not received any response. Ms. Villasuso stated that she will work with Mr. Gaydos to contact the project about the lack of response and the expired insurance documents. Mr. Loewke feels that they are more focused on getting the job done. Mr. Loewke stated that when he performs his onsite visits and meet with the representatives, they have been more than helpful, but there is no urgency in getting the updated documents. Mr. Gaydos stated that he and Ms. Villasuso will make some phone calls to try and get the documents. Mr. Loewke stated that he will send Mr. Gaydos and Ms. Villasuso a list of the expired documents.

Mr. Loewke stated he went out to the site of Amy's Kitchen on December 15th. During his visit there was no construction or any type of labor on site related to Amy's Kitchen. He stated that work is being done on Science of the Soul which is not related to Amy's Kitchen. Mr. Loewke stated that about 90% of the site work is done, they completed the main roadway, the intersection had recently opened and the bridge that crosses the Wallkill River is complete. They are expected to begin construction in the second quarter of 2021 and move in their equipment second quarter of 2022. Ms. Villasuso stated that the IDA has no interest in the Science of the Soul portion and asked for confirmation if the road work was completed on Route 17M. Mr. Loewke stated yes, the intersection is open, and the bridge is complete that goes to Amy's portion of the property. He stated that one of the bigger things holding up the construction is getting water from the Town of Middletown which will take 1 to 1 ½ years. Ms. Villasuso stated that she asked the question due to the IDA approving a \$500,000.00 grant, she stated the contract is expired and the way it is written is in order to utilize the funds, you have to utilize during the construction period, and we have to pay direct to the vendors it is not a reimbursement. Ms. Villasuso asked Mr. Dowd if he spoke to their attorney he stated yes. Mr. Dowd stated he reached out to Mr. Larry Wolinski and told him the agreements had expired and Mr. Wolinski would

reach out to Mr. Mike Chang and someone would get back to us. This was early December and Mr. Dowd heard nothing from them. Mr. Diana stated that he does not want Mr. Dowd to call them back. Ms. Villasuso stated that the agreement is expired, and we could not justify changing the terms of agreement. Mr. Cozzolino asked if the money can be returned back to the budget and the answer was yes.

Audit Committee Meeting ended at 1:48pm

