

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

May 18, 2021

A regular meeting of the Orange County Industrial Development Agency was convened via Zoom video conference May 18, 2021 at 5:00 p.m.

Chairman Torelli calls to order the regular meeting of the Orange County IDA, May 18, 2021. (Pledge of Allegiance is recited). Board consists of five members. There is a quorum. Upon roll call, the following were:

PRESENT: Paul Ruskiewicz, John Douthit, Michael Torelli, Vincent Odock, Lesley Pierri

ABSENT: NONE

ALSO PRESENT: Bill Fioravanti –
Edward Januskiewicz – Chief Financial Officer
Kevin Dowd – IDA Attorney
Russ Gaenzle – Harris Beach
Karen Edelman Reyes - Senior Assistant County Attorney
Langdon Chapman - County Attorney
Rick Dennett – St. Lukes / Cornwall Hospital
Dean Brady

Chairman Torelli - Welcome everybody to today's Orange County IDA, and then after this the Orange County Funding Corp. meetings on 5/18/21.

Bill Fioravanti calls the roll:

1. Michael Torelli – Present
2. John Douthit - Present
3. Lesley Pierri – Present
4. Vincent Odock – Present
5. Paul Ruskiewicz – Present

Update on OCDA Subpoena and OC Legislature Request for Information

Mr. Torelli - As we reported yesterday at the Orange County Legislature E and E committee, we were in full compliance with all the requests. Legal Counsel, any updates in regard to supplying all the information that is needed.

Ms. Reyes - At this point we are up to date with both the Orange County District Attorney requests by way of Grand Jury subpoena and letter requests. We're also up to date with respect to the legislative requests. We continue to receive letter requests, at this point, by the Orange County District Attorney's Office and they are very limited requests that we are, at this point, able to turn around within a half hour or so. So I think we're seeing the end of the document requests.

Mr. Torelli - Thank you for everything that you've done specifically in regard to these requests and helping out staff and board members understand the entire process. Any other updates? Any other board members have any questions or concerns about subpoena legislative requests or anything else?

Mr. Fioravanti - I think we're totally up to date and we've communicated to the legislature as well and given them a few other answers that come up in E&E meetings that you and I have presented. We appear to be up to date with everything right now.

Approval of Minutes for 4/20/21

Mr. Torelli - Any comments or any discussion. If not, I'd like to entertain a motion.

John Douthit - I'll make a motion to accept the minutes.

Mr. Torelli - I'll second them.

Bill Fioravanti calls the roll:

1. Michael Torelli – Yes
2. John Douthit - Yes
3. Lesley Pierri – Yes
4. Vincent Odock – Yes
5. Paul Ruszkiewicz – Yes

Finance

Mr. Torelli - We started to put together this finance package and we will be looking at some things today. Let's talk about exactly what we were thinking about doing. While this is not final - This is something that's a work in progress. What we are trying to put in place is a system that has not only a check and balance but also has the proper documentation for backup, so that if we have to, or if anyone else ever has to, go back and look at expenditures in regard to finance, that information will be there. One of the first orders of business that we did, and I believe it's been completed, is that for all expenditures, it will take two signatures. Right now that is out of the three people who have signatory authority which is myself, Leslie and Ed. So that has been put in place since our last meeting and I believe is in full effect.

Mr. Torelli - Another thing that we've talked about is moving forward with this purchase order / payment voucher procedure. What we've asked staff to do, and I worked with them a little bit offline on this, is that for each expenditure there is going to be a detailed check and balance list on exactly what that expenditure is not only who the payee is and the dates and the amounts, a description how it was procured, whether it was approved by a board, previously or moving forward. And we were putting this in place in lieu of having an executive director / person had the lead of the organization be able to do this in lieu of that. At this point, all purchase orders, all payment requests are coming in front of the board to be paid. And while this may be a work in progress and may change in the future, depending upon limits and depending upon some reoccurring balances into a reoccurring payments, this is the procedure that we're putting in place now. And today will be the first time we'll be looking at some of this. When we get down to the third sub-bullet of approval to pay some of the April and May payables along with this, we're also putting in there on this purchase order voucher cover Sheet, and backup, we're putting in staff who've reviewed it for accuracy. And then at board meetings, we will be asking Bill, with the assistance of staff, to be presenting them to us in a batch scenario. And what I mean by a batch scenario is that we'll be doing things in the order in regard to their complexity. I would believe some of the reoccurring ones, some of the ones that are like utilities and different things like that will be in the

beginning, and then some of the more variable ones will be later on in presentation - we'll be doing them in groups so that we don't get stuck in the minutiae of trying to look at everything at once. Eventually this will get easier. But in the beginning it's going to have some questions so when we get to that point, I'll ask Bill to do that. So with that Bill, anything you would like to add in regard to the purchase order and payment voucher system that we're beginning to put in place.

Mr. Fioravanti - I know we've had many conversations about this, and I appreciate your patience of working with all of us, Ed, Kelly and myself, want to get it right. Obviously, we understand that the intention here is really to have control and oversight, which clearly has been necessary - so we're going to keep tweaking until we have it exactly the way that the board feels that it's most appropriate. We did revamp the voucher, the cover sheet I should say, for this evening, we got it to the board earlier today. We didn't have time after we last met to really get it in the order you wanted to get it out with the board package last week. So we did send a revision that does show the batching that you talked about. There's what you receive today shows three sets of three groupings of invoices. The first is recurring building services. That's really the first batch that we'll go over monthly - is really about these bills that we get every month - utility bills, internet, things like that that are kind of low hanging fruit in that regard and we'll want to be able to approve those together. So that's the first group you see with the heading at the top says recurring building services. The second batch we'll typically do each month. It says here monthly contracts and it's just that we're in contract obviously for various services and those bills are going to continue to come. They're not quite the low hanging fruit that smaller utility bills may be. They're more substantial, but they're still contracts that we've researched, we know that the board approved them. All that documentation is all backed up, and we're asking the Board to review those as well. The third batch that you'll get each month, it tends to be ones that require more attention, perhaps more discussion by the board and then we will most likely go item by item. Mr. Chairman, would you agree with everything the way I laid it out.

Mr. Torelli - What we would ask each one of those batches, Bill, for you to give your variance report in regards to - if we have 20 transactions, we're looking at, if you could identify the ones that you're working on - in particular, if there's something that you know that would catch your eye, whether it's something that's a various that's a little bit higher than normal or seasonal in nature, just so you can describe it and see how you and staff are working on a remedy and or rectify moving forward and I think there's a couple of them that we talked about that are pretty easy to discuss. What I'd like to be able to switch to April financial reports to the approval to pay the April May payables since we're already on this, we'll come back to the financial reports after this, someone can pull that up on the screen so that we can see that. Is that a possibility.

Mr. Fioravanti - Sure, you want to pull up the vouchers that we sent earlier today.

Mr. Torelli - Yes, the batches so that you could describe them and then we can look at them, you can give your variance, your quick overview of them, we'll look at them and then if we have any questions of particular - we'd like to be able to try to pay some of them today.

Mr. Fioravanti - I'm going to ask Ed Januszkiewicz (CFO) to chime in as well because we have been discussing, as you've mentioned Mr. Chairman, a number of items over the last several weeks that just seem to stick out either utility bills that seem high, others that we think we're able to finally negotiate or otherwise to lower. There's a power bill that we looked into at Highland Falls. Ed did research that. Ed also looked to lower the internet bill that we have here at 4 Crotty Lane. We're also looking to reduce the cleaning bill / cleaning service at the Middletown Accelerator pod, because of COVID, we have stepped up to cleaning five days a week and that doesn't seem necessary, especially because the facility is far from full. That's something we're looking to trim back down to one day per week. We're also going to seek other quotes so that we always have three quotes that we can look at just to make sure that we're utilizing the most cost effective. Ed,

do you want to talk about any of that detail for example, starting with the Orange and Rockland and Highland Falls just very basically.

Mr. Januszkiewicz - The first set is all the building and maintenance or utilities, cleaning the IT stuff. Again recurring. It covers a lot of territory. We started this process back in April. There's a lot of bills that have yet to be paid from April and because we're not meeting again until late June, items that are usually due the first part of June, namely the rent for June, will be included here. The items that he brought up, he mentioned Orange and Rockland, Highland Falls has a significant bill of \$1,300 for the month. Did a little research and found out the building is on "Time Of Use" contract and the bill includes a substantial portion for demand, and it spiked up in April for some reason. I don't have a reason why yet, but that probably contributed a few \$100 to that particular bill for the month of April. I believe otherwise the smaller research regarding average utility uses for our office building and a vacant one would probably use close to the five kilowatts per square foot that we're currently using. So going to look into seeing about what the billing system we have whether we'd be better off going to a fixed, rather than time of use rate.

Mr. Torelli - So what we would ask here is to do some analysis presented to the next board. Obviously, we want to be able to reduce that, if at all possible. Obviously, reduce the demand and the usage on a building that we're not currently occupying and stuff like that, so you know if you have to reach out to Orange and Rockland and/or go down there and turn some lights off and/or make sure that stuffs programmed correctly, please do. As these things come due, we're going to rely upon staff to potentially go out and get some quotes - so that we make sure we're competitive, (there's only so much you can do with utilities, there's only usually one utility provider), but you'll also see that we have trash, and we have oil deliveries and those types of things. We've asked staff to move forward to do that analysis, and then on a periodic basis, double check those rates to make sure that we're utilizing and getting the best bang for our buck in regard to some of these things. Some of them are going to be fixed in nature. The idea is that some of the ones that are really fixed in nature like lease payments or something like that in regards to the copier or something like that, and future board meetings, we may ask to backstep in a sub batch in this category so that they could be approved for the remainder of the year and you would put it on there with a checkmark next to it that it's already been approved and will do that on a reoccurring basis so the last staff for those ones that are really reoccurring and static to potentially put them together so that we can do them as a batch itself or a batch within this batch. Any questions in regard or any more updates or info on opened up the board members to ask any questions they may have.

Mr. Fioravanti - Also we have fiber optic internet service into 4 Crotty Lane. It was far more than we needed. Ed switched that to a regular coaxial service. We're going to get a one-time charge (I think it's around \$325).

Mr. Januszkiewicz - We had to hire an IT technician to change the system over. Actually this month we got a double billing because the fiber was still active, while the other one was being installed.

Mr. Torelli - That will come down in the future probably – right?

Mr. Januszkiewicz - I've seen the bill - we're going to actually get a credit - so I should expect a check from them.

Mr. Douthit – Function of usage - Is there any way employee is using this facilities. Anything they can do to reduce usage (turning lights off) - Anything they can do to reduce the cost?

Mr. Januszkiewicz – Most of the Central Hudson you see is - those are the Accelerators and those are being driven by equipment, I believe. That's on the usage of the equipment. We can work with the tenants to determine if they can do stuff with that.

Mr. Torelli - I would think a good spot check would be to make sure that any best practices that are out there with making sure that equipment is turned off at night, lights, etc. Let's make sure that our sub tenants at these Accelerators are doing the same. So, a spot check with that periodically would be warranted on each facility.

Mr. Fioravanti - These are conversations I've had with every tenant that I've met with (I've met with all of them except one that's out of the country in Japan right now). And we've asked to help us keep costs down. It's a team effort here. Shut lights off, turn off some of your equipment as needed. And as Ed said, really the bulk of the usage tends to be from our manufacturer's candles, other scented products. A lot of them use heaters and high power equipment like that that seems to be where most of is coming from. We have asked them to limit them to be as efficient as possible but some of it is hard to avoid given the nature of their businesses.

Mr. Torelli – Any other questions from board members?

Mr. Januszkiewicz - We leased the phone system here for Friday.

Mr. Fioravanti - This is all the first batch though.

Mr. Torelli - This is where the cleaning was that you talked about for Middletown. While this is stuff that we've already used, you're looking at an already put in place mechanism to reduce that due to the lack of need for that.

Mr. Fioravanti – Yes. The quote they gave us for one day a week was just over \$1,000. We're going to see two other quotes from other companies to see how that matches up, but already we're going to see a big decrease there.

Mr. Torelli - Any other questions from board members. We're looking to potentially talk about the grand total on that first batch roughly \$45,679.06. I don't have any questions on any line items in this batch.

Mr. Fioravanti - I know this is pretty much everyone's first time through this so no rush, ask as many questions you may have.

Mr. Torelli – If there's no further questions, I'd like to entertain a motion to pay this first batch \$45,679.06.

Ms. Pierri - I'll make a motion.

Mr. Douthit - I'll second.

Mr. Torelli - Bill, can you call the roll on this first batch.

Bill Fioravanti calls the roll:

1. Michael Torelli – Yes
2. John Douthit - Yes
3. Lesley Pierri – Yes
4. Vincent Odock – Yes
5. Paul Ruskiewicz – Yes

Mr. Torelli - Congratulations everyone. We just paid our first amount of bills. That's an achievement for a new board that hasn't been in front of this and I'm glad that what staff has put together on that first batch. Bill, go ahead and talk about the second batch and any of the variances and/or discussions on any of the topics here.

Mr. Fioravanti – Second batch as you see at the top monthly contracts, again we'll typically go into the second batch of contracts that we have so these bills are expected to be coming in. You see from our finance here, Dean is ADH studio handles IT and things like that, meaning that we're on right now, Focused Media does our website, Loewke Brill is our local labor consultant. We talked about Brown & Weinraub and, of course, Kevin is on there. I don't believe there's anything unusual to talk about any variances, to speak of. Ed, do you want to comment for this list?

Mr. Januszkiewicz – It's pretty straight forward. First quarter is going to be a little bit higher than usual, but that's expected from the activity going on.

Mr. Torelli – Bill, obviously you and staff have reviewed the specific details of some of the variable bills and match that up and you know that type of work was done, and those types of things, not that it's questionable or anything, but every time we have that we would ask you to obviously review those bills with staff to make sure that they're accurate, both in calculation, and in description.

Ms. Pierri – Did we get a detailed services billing from the attorneys that are supposed to be paid?

Mr. Januszkiewicz - Yes. On this list here Kevin Zeoli is an hourly and I have details for that. And that's the only legal on this page. The other one has the deck set, which is more exceptional, there's a couple on there.

Mr. Torelli - We'll do that when we get to the third batch and this batch the only one that had variableness to it was Kevin's invoices for March and April, and those are directly by line item. None of ours were and what he worked upon. Correct? Right. Everything else is basically hourly.

Mr. Januszkiewicz - Loewke Brill they basically repeat the same recordings. We got his or their report is our retainer basically and the site visits is basically felt like three or four visits and, depending on that and times the rate that they charge. Everyone else is pretty much retainers.

Mr. Fioravanti - With Loewke Brill the projects, and obviously the companies behind those projects, pay for Loewke Brill's local.

Mr. Januszkiewicz - I think right now probably only two of the four that are active.

Mr. Fioravanti - Was that a policy change that went going forward?

Mr. Januszkiewicz – They made the change when they created the agreements. Some set we have set up, escrow account, which we draw from to pay for the fees only ones come right from the IDA.

Mr. Dowd - Basically there's only a few that are out there that predated the board's decision to put Loewke Brill and ask each applicant for an escrow amount. I think Amy's kitchen and like one other one. So we continue to pay that. For Loewke Brill to do our inspection because it predated the actual institution of the escrow accounts. Does that make sense?

Mr. Torelli - Makes sense to me. Board members, any other questions on this second batch in relation to the \$54,150.40?

Ms. Reyes - Was any of the billing for the attorneys and for Loewke Brill submitted to Langdon and/or I for review? I don't remember getting it to look at it to any purpose.

Mr. Chapman - I'm not aware of any submittal for those. I know I've had a couple conversations with Loewke Brill and a couple conversations with Kevin over the course of the month, but I'm not aware of any submission or review on any of those. So I'm happy to review them. It's up to the board. If you want to pay pending my review, if you want me to review it, if you want to pay it on your own, I don't really care.

Mr. Torelli - Bill, could you take a while to go into the Loewke Brill consulting stuff for February, March and April? These are direct bills with calculations for the site visits and the reporting that they did, based upon the hours that they worked correctly.

Mr. Januszkiewicz - It's per visit.

Mr. Torelli - Staff proofed that. You proofed the hours times the amount worked and everything, compared to the contract?

Mr. Januszkiewicz – Correct.

Mr. Torelli – Okay. In this instance, since counsel did not review them, I'd like to have that \$14,735 held at this point, for them to review and then pending their approval to be added. So that would be one difference, or I'll say variant that I would like to entertain.

Ms. Reyes – The Brown & Weinraub total of \$5,500 for two separate months for their retainer. Is that correct Ed?

Mr. Januszkiewicz – Correct. One's for April one's for May.

Ms. Reyes - Okay, and then Mr. Dowd actually submitted a detailed billing. Is that correct?

Mr. Dowd – Correct.

Ms. Reyes - I'd like to see the detailed billing from Mr. Dowd and the Loewke Brill. If you want to vote to pay it pending that review, that's fine. If you want to hold just those two bills (Loewke Brill) very briefly and Mr. Dowd very briefly just for review - That's fine to. Langdon, is that your take as well?

Mr. Chapman - That is. Loewke Brill is heavily involved in an audit matter. I have not been given copies of the details of Kevin's work at all. It's an attorney billing so I have to have faith in it, but honestly, if I'm being asked to "coordinate Legal Services", I'm perfectly happy and reasonable for me to take a look at attorney billing before it goes as well.

Mr. Dowd - My watch Bill is really out of the ordinary because of something like, I think we had six special meetings of the IDA Board through the month of March, and that's one reason why you see a higher number. I am a solo practitioner and I really rely upon my monthly income to pay my bills and pay my taxes and the like. And so, I understood why you held back the March. I really would ask you to consider the fact that staff has looked at, I know that the attorneys might not have looked at it, but the staff has looked at it and my bills are very, very detailed, and I was accused of putting too much detail in my bills over the years. But nevertheless, the work was done, and I would really appreciate some consideration for that.

Mr. Torelli – Sure. Langdon and Karen, would you be able to review these before the end of the week?

Mr. Chapman - Yes.

Mr. Torelli – Ok. So I would like to amend what I previously asked for, and my variant is, I'd like to be able to consider all of them minus Loewke Brill and Kevin for our legal counsel can take a look at them before close of business Friday. Any other questions or concerns by Board members or anyone else. The motion that I would like to entertain from someone is to pay the \$54,150.40 withholding \$19,002 for Kevin Dowd and the 14,735 from Loewke Brill pending review by legal counsel.

Mr. Douthit - I'll make that motion Mike.

Ms. Pierri - I'll second.

Mr. Torelli - Bill, can you call the roll?

Bill Fioravanti calls the roll:

1. Michael Torelli – Yes
2. John Douthit - Yes
3. Lesley Pierri – Yes
4. Vincent Odock – Yes
5. Paul Ruskiewicz – Yes

Mr. Torelli - That's our second batch. We'll go into our third batch now. Bill, can you present the third batch in your very varied description.

Mr. Fioravanti - Here's the third batch which you see it's just very simply called all others, individual charges, we did in our meeting with the chairman we talked about some payments (WB Mason, for example) that could be made via the credit card. So some of these we may handle that way. You see the fiber to coax change at the top that we talked about for Crotty Lane, the credit card payment includes GoDaddy, which is the hosting for our websites, Google G Suite, which is our email. There's also an invoice on there for zoom, which is pretty considerable because there were quite a few needs so we're looking into that actually to see if we can reduce that, that's really one item that needed to be looked at was zoom.

Mr. Torelli - I would think we're going to be coming back with live meetings and not having to do as much web based meetings very soon if not as early as next month.

Mr. Fioravanti - So we think we could downsize that and reduce that cost as well. A legal services you see Hinkley Allen, that's something that came in, I believe that was the crisis. Attorney, that was brought on board, by the last board.

Mr. Torelli – We subsequently released that. Correct?

Mr. Fioravanti – Yes.

Mr. Torelli - We previously voted on ceasing that service, but in that instance has our Council reviewed those fees, or those bills.

Mr. Fioravanti – I'm quite certain they received.

Ms. Reyes – I actually saw that one.

Mr. Fioravanti - For Russ' work I assume that those two I believe those are sharing application fees for those two projects walk it alone or and Fiorella pharmaceuticals \$5,000 again application fee that we split with Harris Beach. So we collect the \$5,000 and a half goes back to Harris Beach. Am I correct on that?

Mr. Januszkiewicz - Right.

Mr. Torelli - Thank you for putting the project names with it so we know which ones. That's a good practice.

Mr. Fioravanti - For the next one we did not do so, but Francis Roth is our stenographer. So that's March 16. I believe at the Walkill owner hearing that she was provided this transcript.

Ms. Reyes – Bill, can I go back just for a second to the Hinkley Allen. My understanding is that the criminal defense attorney that was brought in to advise the prior executive staff with respect to the first Grand Jury subpoena that was served on the idea. is that correct?

Mr. Fioravanti - That's my understanding, yes. So stenographer. And then the last is JGS for the audit and the associated work do you see listed.

Mr. Torelli - In this instance, I'll ask counsel to opine about the Hinkley Allen is there anything in relation to the work that they did for the previous board as compared to representation and such is this something that we could potentially, if we have to or if legal matters pertain. I don't want to go into details, legally, but is this something that could be recoverable in the future?

Mr. Chapman – My perspective you pay the attorney until you terminate them, and they were terminated. So, I think we'd probably pay them. Later on, do we seek to recover. Let's see what the future brings is my respectable suggestion.

Mr. Torelli – OK. Board members, any questions specifically about any one of these or any bunch of these. In the third batch it's \$30,215.51. Without any questions or concerns, I'd like to get a motion to pay the third batch \$30,215.51.

Mr. Ruszkiewicz – I'll make that motion.

Ms. Pierri – I'll second.

Bill Fioravanti calls the roll:

1. Michael Torelli – Yes
2. John Douthit - Yes
3. Lesley Pierri – Yes
4. Vincent Odock – Yes
5. Paul Ruszkiewicz – Yes

Mr. Torelli - Thank you everyone for going through this exercise. Hopefully it'll be getting easier. And we obviously have backup in relation to each one of those. Bill, I'd like to jump back to sub bullet point number two. The financials of you and Ed - would like to present the financials for the month. Ed, why don't you describe what we've shared.

Mr. Januszkiewicz - This is still being working with Mike. He wanted to merge the Business Accelerator with the IDA, which was separate previously. So some of the charts still need to be updated.

Mr. Torelli - The reasoning behind that is because we don't have separate accounts. The only separate accounts that we have, and correct me if I'm wrong guys and gals, is that we have accounts for the IDA, and we have accounts for the OCFC. We don't have separate accounts. So we're asking that, when it's presented to us what is the money that the IDA has in their accounts, and what is the money that the OCFC has in their accounts, obviously when we get into detail on each one of those accounts, there's going to be sub accounts like the revenue and stuff coming in, and the expenses and the financials for the Accelerator, even down to the level of eventually like we'd like to get to each accelerator in showing their cost benefit analysis, but more importantly the rest of the stuff so. While I ask them to present it that way it's so that we can look at it in an easier way it's either IDA stuff when we're in the IDA meeting, or the OCFC when we're in the OCFC meeting.

Mr. Torelli - While Bill's doing that one of the things that's going to be on my Chairman's report is obviously each month we're going to be getting financial statements like this. After we get our June financial statement. Part of what we're going to look for the board to do is do a half year look, comparing our current financials, compared to the budget that was previously done and we'll look at a variance report to that. So in case we need to make any decisions and/or move forward. So we understand where we're going to be looking at for the remainder of the year. We'll do that, probably at a committee level meeting. I'm not sure if we'll do it an audit committee or governance committee or something like that, probably on the audit side of things, audit/financial, but that's something to look forward to and as early as then sometime in July. We'll be looking to compare the half year financials compared to the budget. So please, staff go ahead and describe the financials that you're presenting.

Mr. Fioravanti - First document is cash.

Mr. Januszkiewicz - This is what was shown previously, this is just the IDA's account. Does not include the business accelerator was handled again differently. It was basically Accelerator was funded by the IDA and that was treated separately. Next month I will add that line into the bank account, which I believe is around \$700,000 right now. But in the IDA alone right now is \$5.1 million. And you see that currently have no CD setup, but everything else is in checking or money market.

Mr. Torelli – Bill, we look to you and staff to make recommendations and working with county support to identify any funding that we could potentially use for operating but more importantly what can be invested obviously we want to be able to maximize our investments like that has done in the past so that's a takeaway on from today's meeting is to move forward with a recommendation to move forward with that.

Mr. Fioravanti - Yes, we certainly plan to do so for example a conversation Ed and I had earlier, was about the change in cash flow right now that without Galileo without some other contracts that we were able to eliminate. We have more cash on hand that we would be able to invest in, we want to do so. So we are going to use the feedback that we got from the commissioner of finance from Orange County, and some other feedback as to where the best rates are and we're going to shop those around for sure, I will warn you in advance that there was an approved list of banks that we could do such business with that was approved by the board. There are some local banks that were identified by the finance commissioner of Orange County that had very attractive rates that were not on that list. So what we're going to do is we're going to seek the rates from all banks in the area, and we're going to bring it to you, and if there are some that we think that are not on

the list, some banks that aren't on the list but to be advantageous, we bring that to the board to ask for you to add such banks to the list. So that's how we will approach that if that's okay.

Mr. Torelli - That sounds great.

Mr. Januszkiewicz - Alright next chart, I believe, this is going to merge them together later. This is the IDA. This is the Accelerator spending for the month of April, year to date and against the budget. Since we didn't process any checks in April, there's no expenses there. We only had the interest earnings of the \$3,632. We had that CD, closed that we had the interest, and then it added on, for the end of month. Off-hand - mostly things are spread out over our base or are towards one day, one-time event like the auditor's insurance is one time during the year. Towards the end so you won't see that for a while there. And also, I think that the agencies, are usually number of them, are at the end of the year, so those will be under plan until then.

Mr. Torelli - One point here that I'd like for everyone to obviously take notice of is our first income line. Obviously, that's a grave concern. All our budget was made prior to us for \$777,000 in fees. Basically we only had one fee so far. Correct me if I'm wrong, but that was on the Warwick project.

Mr. Januszkiewicz - It was over there. The \$700,000 that you were going to expect money coming in from Legoland payments.

Mr. Torelli - When it comes down to this, Bill and Ed, we'd like for you to be able to identify variances that are significant like that being one of them. So when you make your report, we'd like for you to be able to see that, so we don't have to ask the question every time. In a perfect scenario, maybe even a little side description on the line, that talks about the plus or minus and the reason doesn't need to be on everyone, but it would be on significant ones. Like on the income on the recovered. I imagine that's the Warwick LDC that we've given. Correct?

Mr. Januszkiewicz - Right.

Mr. Torelli - We'll dive into this more after the June financials when we do our half year analysis compared to the budget, but this will at least compare it. And next month, I would imagine we would see the May line showing some of the bills that we just paid, and then the year to date numbers being reflective of that so, obviously, it's something to look at. As we go from page to page, I would ask that Bill, if you'd ask if there's any board members have any questions about any of the line items.

Mr. Fioravanti - Yes.

Mr. Torelli - Just so I don't have to.

Mr. Fioravanti - Do you want to go item by item here.

Mr. Januszkiewicz - This is pretty straightforward as far as the IDA. You have administrative, the auditors, your insurance, professional fees are mostly accounting, you have the agencies, and then legal, and then the project expenditures, some have been identified in the budget or somewhere as placeholders. I can get back to you on that.

Mr. Torelli - We don't have that detail because we didn't pass that previous budget. So, I don't know if \$500,000 in project expenditures. Any expenditure is going to come in front of the board now so whether it was budgeted or not it's still going to have to justify itself. I don't have any further questions on this page.

Mr. Fioravanti - Anyone else have any further questions?

Mr. Douthit - Our fiscal year. What is it one calendar year Jan one?

Mr. Januszkiewicz - Calendar year. Correct. This is for the business accelerator similar data. We had some check for process in April's in salary so that you see the expenses there so that's sort of partial just gone. We have client ran in, is the monthly rent we get from the tenant's salaries and benefits are the basically right now. The staff here, payroll is the matching for it. Management expense was the Galileo fixed contracts. Accelerator walls was the primarily Galileo's contract. Special initiatives we had some contractors and capital expenses in the budget for that. See the building expenses, again it's the building insurance bills, the rent for the all the facilities, utilities speak for itself, repairs and maintenance. Those are basically bringing in contractors that do a repair or to fix something. Operations I believe is the cleaning type of items, and then renovations that was primarily money that was going to get spent in the Highland Falls. So that's the basic one identifies building expenses, we need a little bit of money to maintain equipment, information technology, is the phones and copiers. Such marketing, PR website that includes the people like the Dean Brady, Focus Media, the Zoom, GoDaddy, straight Office Cleaning, the 310s is going back to the operations I think is more the trash pickup, office supplies, postage straight forward we had travel and lodging which we have nothing there. Same with education, professional fees (I'll have to double check what was on the year to date), we're going to have budgeted for conferences, which there is none so far today.

Mr. Torelli - Bill, what we would ask here, and I think the board would concur, is that we want to make sure that say for next month. The May expenses are going to match the May expenses that we just approved during that last batch. So there's a monthly proof that we're going to ask management to do. just to make sure that these financials are as accurate as possible. When we say budget that's the year budget, correct? That's the annual budget numbers.

Mr. Januszkiewicz – Right. There's not one broken out by month,

Mr. Torelli - By monthly or our budget to date, or anything like that. Correct?

Mr. Januszkiewicz - right.

Mr. Torelli - That's just a year to date. Okay. Bill, so that's one asked as a takeaway is that we'll ask that, what is presented in the financials match what is presented on the payables, that we agree to.

Mr. Fioravanti - Yes. Understood.

Mr. Torelli - Anything else?

Mr. Douthit - Anywhere on this budget is any green light, yellow light red light, are there any red lights on here, as you guys look at this budget? Ed, you might be the one to kind of project that having all of us new here to this, is there any red lights on there that we should be aware of?

Mr. Januszkiewicz – Maybe some of these for marketing. You're already closing up and I think it was activity that was going to get taken in the budget, and has not happened. I think that's probably the largest one. Worried about I think everything, and utilities may be the case too, just because I may be wrong. I think Highland Falls and Warwick may be on the low side of the budget. I think the chance to be in the budget underestimated both Highland and Warwick.

Mr. Torelli - John, you make a great point because you're absolutely right. There's going to be line items that are worth through April right so that's January, February, March, April, so that's four months out of the year, and in the utility section we've spent just shy of half of that year's budget.

Mr. Douthit - We do our budgets, having gone through stuff here, you know it takes 24 months 36 months to really get to a cycle where you're looking at seasonal expenses or variance, is there a variant expense here that, you know, as new eyes on this that we should be aware of were in July or August, September, October, later in the year that you have any experience where there's something we should watch for?

Mr. Januszkiewicz- I personally have limited experience, you know, just being here since the beginning of last year, or the idea basically not even a year ago, and how bills are coming in suddenly he's got to watch for especially with we're dependent on some of these contracts we're dependent on somebody else. Reimbursing the landlord, sometimes they don't get the request into us fast enough.

Mr. Douthit - So we'll just keep an eye on it. Okay, got it thanks.

Mr. Torelli - I don't have any further questions on this. Anyone else?

Mr. Fioravanti - Any other questions anyone?

Mr. Torelli - Do we formally adopt these monthly Bill? Have we done that in the past. I don't remember.

Mr. Januszkiewicz - Basically at the end of the financial there's a motion to accept the report and the payments.

Mr. Torelli - We've broken up the payments. It's just the financial. Any further on the financials?

Mr. Fioravanti - No, except for OCFC.

Mr. Januszkiewicz - Except for the revenue coming in. That was on the next chart. This is basically the IDA alone, without the business Accelerator. This is how it was with the previous board. So vouchers and payments you've already talked about as far as receipts, we got the closing fee from the origin \$33,000 And we got \$5,002 from origin to set up the waiver audit escrow account.

Mr. Torelli - Anything further to present.

Mr. Januszkiewicz – No - That's it.

Mr. Torelli - Any questions from the board in regard to the financials that were presented? I would like to entertain a motion to accept the financials.

Ms. Pierri - I'll make a motion.

Mr. Douthit - I'll second.

Bill Fioravanti calls the roll:

1. Michael Torelli – Yes
2. John Douthit - Yes
3. Lesley Pierri – Yes
4. Vincent Odock – Yes
5. Paul Ruszkiewicz – Yes

New & Unfinished Business

Mr. Torelli - Going over some of the stuff that we've talked about in the past. We're still putting together and looking for a date for our retreat/reorganization meeting so that we can come to terms of exactly what we want to do when we want to do it. That's going to be some time before summer. The idea with having five board members right now is that we're going to supplement our monthly meetings which are the third Tuesday of each month, with having at least one committee meeting. And when I say committee meeting, we're going to do it, since there's only five of us - no sense only three of us meeting or two of us meeting all five of us will invite everybody. It'll be a quicker type format, it'll be fully transparent, and we'll be going over different things. Certain committees are required by New York State, which we have to do twice a year, so we'll be taking them off, but more importantly we'll go into them, and we'll schedule them when it's convenient, probably for an end of day type scenario where everyone's convenient, but they will be shorter in nature. It will be just a discussion. We'll ask staff to make a presentation about it, about different topics in regard to that committee, and then moving forward with it. We may or may not have consultants on it because there might not be anything that we need to discuss with them, and that will be determined. We're also proud to announce that we're going to be meeting with our partners in Economic Development. The Orange County Partnership, the Orange County Chamber of Commerce, in the very near future, to come up with a game plan for economic development for the county. It's something that we're working with the county executive on. I don't have anything to report on that specifically yet but I'm hoping by either the next committee meeting, and/or the next monthly meeting. We'll have a game plan in place that I'd like to be able to report on to all the board members and our consultants about what we're looking to do, as our vision going for the remainder of the year and into next. And as I say our vision, the county's economic vision, with all these agencies and their boards and their staff so it's something that's been much needed and I'm looking forward to helping along with that and spearheading that effort. I would like to go ahead and talk about projects. In the future, I'd like to be able to, if we have a project that needs to make a presentation, bring them up a little bit higher in the agenda. This is at the end of a business day; we'd like to do that. We'd like to move them up so that they're not having to wait through all of our normal day to day or monthly stuff that we have to go through. But I want everyone to be able to feel comfortable and I'll ask staff to be able to maybe put a quick little cheat sheet together so that board members when you're talking whether if it's in the commercial real estate realm out there if you're talking to anybody, you'll be able to ideally articulate what the idea has to offer. And then obviously, giving staffs contact information so they could follow up and directly talk with staff. I know I feel very comfortable in helping sell the IDA benefits and the economic development assistance, but I'm not sure everyone else does. And with that I'd like staff to put together a one page or cheat sheet that people could feel comfortable with. So that they'll be able to, if they see somebody or if during the course of business, or if they meet somebody, or if someone approaches them because obviously, I think we're being the most transparent that we can ever be. I mean, the stuff we've gone through in the last hour or so is probably the most transparency I've ever seen in relation to an IDA whether it's ours or anybody else's. So I think people are going to be asking us different questions, so I'd asked staff to put together a cheat sheet. So that others feel comfortable when they use it, we can actually give out of, if we want to. So we asked maybe to have it put together with a low expense to it, then we can print it ourselves or something like that but something almost like a, like a take one or a giveaway or something that we can just pull out of a folder. I'm on the idea this is what we have to give, and you know we have maybe some examples we did the Orange Inn and we've helped with Legoland and we've helped with the project in Warwick and on and on and on because there's a lot of positivity that is out there and the jobs that we're creating. And the commercial rateables we're creating.

Mr. Fioravanti – You and I have the benefit of being business attraction directors in the past. We've “sold these benefits”. So don't expect everyone to have the same handle we did.

Mr. Torelli - So I hope that makes everyone feel a little more comfortable and they can be able to speak to it, whether you're selling it or whether you're just trying to speak to the people that you know who they're questioning. You're on the idea, what does that mean, those types of things. I want to make sure everyone feels comfortable that way. We want you to be able to be subject matter experts and with the IDA offers what we do, and all the positive things that come from it. So with that, I'm going to wrap up my report. I'll ask Bill to give his management report, and then we'll go into a couple of the other unfinished businesses. Anything else we need to go into.

Management Report

Mr. Fioravanti - I don't have much more to add that I haven't shared with you already. Every week I'm trying to give you a written update. So you have a sense of what's going on and there's been a lot even through what seems to be a slow period here where we don't have a pipeline chock full of projects. There's still a lot going on, there's transactions that are being requested of us, other things that are in front of us so we're staying busy with that. Obviously subpoenas, illegal requests, a legislative request Mr. Charlie covered that we're up to date with that to the best of our ability of what we know as far as the Accelerators. I have shared this with many of you, but I've met with virtually every tenant of ours, except one that's on the kind of holiday in Japan right now, but he and I've spoken live. I really feel that we have stabilized everything at our accelerator locations, there's obviously some uncertainty given the news, etc. and the change in leadership, but I think we've really given people calm and some confidence that they've got us as a resource and answer any questions they have any concerns and try and troubleshoot any problems. We've provided technical assistance. We've resolved some conflicts between tenants. We've also privately tried to provide some of the services that I think a lot of these tenants came up with which was help review their business plans or financials, helping make connections, business development, whatever it might be. There was one of our clients in the Middletown Accelerator it's a tech based company and they're at the point where they're looking to fund to build equity and they're looking to do some pitches, so to speak, so we set them up with a couple local investors and they did a pitch session right here in the IDA headquarters that was pretty interesting I think for all of us involved. So that's just some examples of what we've been doing. I think you know that I've been to West Point met with the folks in campfire and many faculty members from West Point talking about the concept of the Highland Falls artificial intelligence Accelerator certainly has a lot of interest from West Point. A lot that we could build on, but obviously around the location, there's plenty other questions and concerns. We talked about finance revamping the payment voucher system. As you see, we continue to try and tweak that we're going to make sure we have that right hopefully for June we have 100%, and we're looking for other opportunities to reduce costs, including some of the variances that we talked about, Compliance, I just want to thank everyone for continuing to work with me and Kelly to get all the documents we need from you. We still have a few other pieces that are out there and Karen Reyes, has been kind of pointing out a couple of little discrepancies. Things that we could make even better. So I'll be reaching out over the next week or so to make sure that we have everything from you. And then what I also provided to you are summaries of recent projects, some that have come back into the picture for whatever reasons they may have. I do try and provide all this information to you in a way that was easy to follow one document one email, but it looked like that email was too big and didn't go through so I apologize. I had to send some of these individual emails but did try and keep it as simple and easy to follow as possible. So you have those updates on different projects. There's just one other, actually two, that are on the agenda today for us to talk about. One is Walkkill owner, which is the Walkkill Living Center, the other is St. Luke's Cornwall Hospital. The St. Luke's one, we do have an attorney representing St. Luke's with us this evening. Richard Dennett, and he is available to speak to us about what St. Luke's reached out to us about regarding a forbearance agreement that they're going to be entering into with our commercial lenders that does impact their bonds, the revenue bonds, the tax free revenue bonds that they have to the Orange County IDA. So that's the end of my report, Mr. Chairman and when the time is right, we can bring Mr. Dennett on and discuss that issue.

Mr. Torelli - Is there someone also from Walkill owners LLC on or no?

Mr. Fioravanti - There's not.

Mr. Dennett - I'm going to give it from a little bit of a historical perspective and if you need me to accelerate you just let me know. There are, there were, Orange County IDA bonds that were issued in 2001, there were two series of bonds, one was for St. Luke's, and one was for Cornwall hospital, and then the hospital later merged to form St. Luke's Cornwall. The outstanding amount of the first set of bonds is about \$7.4 million. And the second set is about \$2.6 million. In 2006 there was another issue through the Orange County IDA, and that has a current balance of about \$10 million. All of this was done for capital improvements, maybe a little refinancing but capital improvements at the hospital. Hospital has other debt as well. There, it has one bond issue through the City of Newburgh IDA, and it also has some commercial loans through HSBC bank. In 2014, I'd say 2014 through 2017, the hospital had a bit of a rough patch, and was unable to satisfy some of the financial covenants that had under its loan agreements. So the financial covenants that I'm talking about are a debt service coverage test, which is basically looking at the amount of income that you have compared to the amount that you have to pay out on your debt, and also a liquidity test, which is looking at, sometimes referred to as, the days cash on hand task. So, in the loan documents, there were certain levels that were established, and the hospital did not meet those covenants. That prompted it to fall under the agreements. However, the hospital did not default on any payment obligations. In 2017, the hospital entered into a forbearance agreement. This is the first forbearance agreement, and what we're here to talk to you about is actually the second forbearance agreement, but this is the first forbearance agreement that was in 2017, and the gist of the forbearance agreement is that the lenders were not going to waive or eliminate any of the defaults that had taken place. They wanted to hold on to those defaults and have the ability to exercise their remedies, but they said that so long as you continue to be a good citizen, and, and not default anymore on your obligations, we will not exercise any of those remedies that we have. So that provides a little bit of protection to the hospital and the concept was that by the end of the forbearance period, forbearance agreement which was ended up being in May of 2020 that the hospital would end up refinancing that debt, new lender, or new lenders and all the existing lenders would be out. We tried to refinance that debt, but unfortunately, in part because of the stress of COVID, we were not able to do that in May. So we're in this limbo period from May until December, as we're negotiating with the existing lenders, trying to come up with, in essence, another forbearance agreement. And in December we were able to reach an agreement with the lenders for an additional forbearance so again during that period of time, St. Luke's is still paying its debts, paying the lenders, but it's just that the lenders were, we were asking lenders not to exercise their remedies. So the terms of the forbearance agreement, that is being proposed and that St. Luke's wants to enter into - It has a number of components. First, it's as a first phase, that is good until the end of 2022, and there's an option to extend it to the end of 2023. Those dates and these provisions were done with careful consideration of what the hospital's projections were. The forbearance agreement also adjusts the covenants, so that it's again something that was consistent with the projections that the hospital had or what its financial performance would be. There was a little bit of tweaking of financial reporting requirements. There was a 2% increase in interest, which the lenders wanted in essence justifying it saying that there's a change in the hospital's credit. And so because of that they wanted to have greater return on the monies that they lent. Some of the loans were done on a variable rate basis. And because the benchmark or determining the rate that the hospital would pay was the London Interbank overnight rate or labor. And as some of you may know, the Libor rate is essentially being phased out. And so one of the things that the lender said was - we really need to have the documents modified in order to be able to address what happens when labor goes away. And this does not affect your 2001 bonds, but it does affect the 2006 bonds issued on the Orange County IDA. As far as other things in the proposed forbearance agreement - we're also asking that we establish an additional debt service reserve fund in the amount of a proxy essentially equal to one year's debt service which is about \$5 million for the hospital. There's also a forbearance fee of about \$150,000 that would go to the

lenders. Hospital has to cover the legal costs. There is a prepayment that the hospital has to make on the outstanding debt, which is in the amount of about \$7 million. And that means that of the Orange County IDA funds that are outstanding and I'm using a March 15 principal balance. In March 15 it was about \$20 million. It would drop to about \$16.2 million once the \$7 million dollars is applied. Noting also if we extend for another year, then we have to pay another \$4 million as a prepayment, and that would also be pro rata, by the outstanding issues. One other thing is that while the hospital has not failed to pay on the Orange County IDA debt, or its Newburgh IDA debt., the debt that it has with HSBC, those are the commercial loans, they actually matured back in April of 2020. And so provisions had to be made for amortization of that loan and HSBC agreed then to extend out their loan, and to provide for amortization of their loan over this extended forbearance period. So with that as a complicated but brief summary of the forbearance agreement, because of the fact that certain aspects of the forbearance agreement, it's expected that we need to modify some of the outstanding bond documents. And that's really the gist of the request is whether we would be permitted to modify the bond documents to conform to the forbearance agreement. We're not asking for any waiver of any obligation to pay on the IDA debt. We're still paying and will continue to pay. But there are conforming changes that are needed in order to make sure that all the documentation properly reflects the deal. I know that was a lot, but I'm going to pause for a second just to see if anyone has any questions,

Mr. Fioravanti - Let me just clarify because this is really a selling point I think here is that if the IDA agrees to these terms, they won't result in any delay of future Bond prepayments, is what's included there just to be clear about that. How it will impact any payments or revenue coming into the IDA.

Mr. Dennett - So the forbearance agreement actually accelerates, if you will, the repayment of the bonds because of these two prepayment provisions. The \$7 million that would be happening in 2021 and the \$4 million that, you know, there's a piece of the \$7 million and a piece of the \$4 million that would go towards the IDA debt. As far as all the other payments, that's all proceeding in accordance with the existing documents. There are no changes that are going to prevent the IDA debt from being repaid. There's one thing I want to add, which is, I mentioned the 2% interest which is a provision that of course the hospital objected to strenuously, we tried to get the lenders to back off of that 2% because of the stress that it would place on the hospital. What they agreed to do was to say that well, if you end up paying off this debt on time and you abide by the forbearance agreement, then we will waive the payment of that interest. So, for the time being it accrues, but if we follow the provisions and are able to pay everything off by the end of the forbearance period, then that interest would be waived. That's a summary of it the process that we're going through involves unfortunately there's a tax analysis that has to be done to make sure that the bonds continue to be tax exempt. Russ' tax partner has been, you know slaving over lots of diligence documents to make sure that there is no adverse impact on the tax exempt status of the bonds, and hopefully he'll be able to confirm that shortly, and then as soon as we get our approvals, then we will be able to move forward.

Mr. Torelli - Quick question or two. Could be for you, it could be for council, it could be for staff. This is more of a different type of transaction. We haven't had too many as part of this, but in regard to this, this is more of a transactional transaction and I hate using those terms back to back, so it's hard to say. We want to make sure that on any of these transactional type transactions, whether it is an assignment, or a forbearance or any of these things are not like the normal course of business, then we have a checklist that that staff does for us so that we can feel comfortable that everything is good and what I mean by that is we want to make sure that anything that is due or owed and/or required from any of our reporting requirements and such that the applicant is in full compliance so we would ask for staff to opine about that. We'd also ask if there is any transactional cost to the IDA for this, and then figuring out how that would be paid for. So those are two items that I think on these different types of transactions we already have our fee schedule for our normal stuff. But for these types of things that are assignments or forbearances or for stuff that

is needed - I'll ask Bill to opine - maybe counsel to opine. And then if we can get a quick write up on that because, while this is a little bit new to us, this one is just really recent in the last couple of days, it's something that we want to be able to feel comfortable with.

Mr. Fioravanti - I was going to defer to Russ Gaenzle and ask him about on our side of what needs to be done and really answer to your questions. Russ, can you add some color to this?

Mr. Gaenzle - Remember when the IDA or the funding Corp issues bonds on behalf of a not for profit borrower, the federal tax rules require that we have what's called a time to an issuer to issue the bonds on a tax exempt basis for qualifying borrowers, of course, St. Luke's is one of those borrowers. To cut to the chase - essentially any and all costs that are incurred on behalf of the IDA are required to be paid for by St. Luke's. That's always been the case, any kind of a borrower enters into these transactions knowing that so there will be no cost whatsoever the IDA. And again, the IDA is a conduit issuer for federal tax purposes. And at the end of the day, it is a complex change what Rick alluded to, but in no way shape or form impacts the IDA and its role in the transaction as again as Rick noted, I have my tax partner reviewing the tax diligence to make sure that the bonds remain tax exempt. So, again the short of it is there's no cost whatsoever to the IDA and in fact the only reason the IDA is involved is because they acted as a conduit issuer in our party to certain of the documents which will be meant amended, and we'll have to approve those amendments.

Mr. Torelli - Second part of that was compliance with any of our requirements whether it fits documentation audit wise reporting requirements, payment requirements. Is there anything on the local level that we have to make sure that they're in compliance with so that there is nothing that is outstanding to like to say, our partners whether it fits taxing jurisdictions any pilot type of stuff. Any type of fees or anything like that?

Mr. Gaenzle - To answer your question - simply no. St. Luke's is exempt, as a matter of right so there's no pilot. And as far as Paris reporting you know which is the most burdensome reporting that the IDA has to go through this would not impact that any way, shape or form.

Mr. Torelli - We would ask, and Bill, maybe you put together like a checklist maybe working with Russ and others that we have a checklist for these type of transactions, so that we can say yes you know we have everything and we understand that with a quick little description.

Mr. Gaenzle - Our firm acts as Bond Counsel to IDA's and LDC's across the state. These types of restructurings as a result of COVID are certainly not A typical we've done literally dozens of them over the course of the last 18 months. And Rick and I have been working on this one since May, over a year now, and we thought we had a bank, or they thought they had a bank through TD to refinance the debt and take out the existing borrowers and it just didn't work out from an underwriting standpoint. So, this is work, A typical times, but what's going on with St. Luke's is not A typical to these types of debt obligations.

Mr. Torelli - How typical is this and, specifically, in this industry and obviously we know that the times that we're in, so I thank you for adding that color to it because that was a definite question that we had kind of obvious. In these times and ages but not obvious maybe to everybody.

Mr. Gaenzle - We're happy to put together through Rick, Bill and I and Langdon and Karen, you know, a checklist of documents of what needs to be amended and what the approvals are. I know that speaking with Rick that both the borrower and the bondholders are anxious to get this wrapped up. So, we can do that in short order.

Mr. Torelli - Board members, any questions that you may have in relation to the presentation or discussion with council and/or staff? OK. Without any questions. Russ, if you could put that

together, I think we would definitely be able to move forward with this, either a special meeting or next meeting. But I want everybody to ingest this and understand it. I'm not sure if everyone has all the questions, but I think 99% of them have been answered. Can you go over what the timeline is of when you can get that to us so we know what we're opening upon, and then maybe even if there's a resolution that needs to be drafted that can be done as well?

Mr. Gaenzle – Absolutely. I know that Rick had written correspondence on behalf of St. Luke's which we can share with the board which kind of lays out when she talked about the 10,000 foot level. And then, of course, we will prepare a Resolution memorializing what needs to be done for consideration by the board.

Mr. Fioravanti - I believe the board has those individually email I sent it's SLCH (St. Luke's Cornwall), those documents are attached. If you don't have them or any questions around that, ask me please.

Mr. Gaenzle - Just to clarify there is not a resolution that Harris Beach has drafted as of yet, which we will do based upon today's discussions.

Mr. Torelli - Counsel, Langdon, Karen, anything that you need from this transaction? Or would want to review prior to us putting this on a schedule and/or reviewing it for?

Mr. Chapman - Not on my end. I think Russ has highlighted everything that is necessary and on this matter and really it's his call and bond counseling, more than mine.

Mr. Torelli - So then what I'd like to be able to do is get that information, get the resolution and then place it first and foremost on our business agenda for next month if that's not too late. If it's something that we need to do quicker, we could potentially entertain that, but I know schedules are tough.

Mr. Gaenzle - I defer to Rick on that, you know, this is, again, we're just a conduit participant, we are being the IDA, it's just a conduit participant, so I defer to Rick as to whether or not they would request a special meeting. And if that is in fact the case, I would imagine. Once we compile and get the board all the information and Karen and Langdon the information, it would be very brief meeting if that's what's needed by the borrower.

Mr. Dennett - The critical path for us is the tax analysis. And that's the business terms are pretty much set, it's just a question of whether there's tweaking that's needed because of the tax analysis. So once that tax analysis is completed, then at that point, I think everyone's going to want to move quickly. So, if you don't mind, I would very much appreciate the opportunity to introduce the topic here at this meeting, and if it can be done at your next scheduled meeting, then that's great, but if we do need to move it faster, then we'll just reach out and we'll ask if you can accommodate that then that's great. The hospital would very much appreciate that.

Mr. Torelli - They're a great partner to this community and we all love them so let's try to get that stuff in as quick as possible. At a minimum, a week before our next scheduled board meeting, which is the third Tuesday in June. I don't know the date in front of me, So, if we can get that as quick as possible or at least, at a minimum, a week before, so that we have chance to review it, and, Russ, if you have a chance to write that resolution and I think it will be. I think more educated on what we're doing, and I don't think there'll be that many more questions or if there is any. But I think it would be something that we'd be able to definitely move forward with hopefully if we get all that information.

Mr. Gaenzle - We can get you the form or draft a resolution, by the end of this week early next week as Bill alluded to. Rick did a great job putting together a letter summarizing what he talked

about. So I think with that letter and the resolution that we prepare, you should have the information that you need.

Mr. Torelli - We have this on video obviously if we need to go back and look at it. Rick, I think your presentation was great. It was a lot easier to understand, you are presenting it that way than trying to read it in a letter in the last day or two so it's definitely something and I thank you for coming, publicly and doing this because it's that's key - I think it makes us understand, it made me understand what is the ask, in relation to this request. So, thank you for doing that.

Mr. Fioravanti - As you know, I'll be reached out at any point if we need any as I've been able to do. Thanks for being so responsive.

Wallkill Owners

Mr. Fioravanti - Next is another item that I did share individually. It gave you the background and the pertinent documents that are attached just to kind of long story short is this company, Wallkill owner LLC. They're led by Lincoln Avenue capital. It's a California based company that works in the sector. They're looking to purchase the Wallkill Living Center on Schutt Road in the town of Wallkill. 136 units, 160,000 Square feet. The purchase price is just over \$15 million. And then they're looking to make renovations to this affordable housing unit of over \$5 million. So they, we have an application from them dated in February, where they were looking for sales tax exemption morning mortgage recording tax exemption, and a new pilots have essentially stabilized the tax payments for the property going forward. And they are looking for revenue tax free revenue bonds as well. The request is in the amount of \$14,673,000. And we did before this request came in, we got a letter from Empire State Development from the mid-Hudson Regional Economic Development Council, that tells us what our private activity Bond allocation is, and that is just under \$12 million. That amount was again they requested over 14 Our volume cap bond cap is just under \$12 million. So we're looking at the actual deal board, wrote a letter to the Regional Council requesting an increase to that limit. That was attached to what I sent you. I can bring that up if you want to see it again now. And basically, the Regional Council received that and knowing that we are going through a leadership transition, called me and said we'd love to have the new board, basically reissue this letter just so we know that the new board has the same request. So we're looking to we have a new letter we provided to you as well that Harris Beach drafted is basically the exact same letter but saying we're looking for an increase to our bond volume cap from \$12 million or so above what we need to satisfy Wallkill owner, which again is their request is \$14,673,000.

Mr. Torelli - So we're asking it to go to that level, or a little bit above that?

Mr. Fioravanti - Let me pull up. Exactly and Ross,

Mr. Gaenzle - In February 2021, with the board's prior action, we submitted a typical what's called the volume cap allocation request letter. It's not a request for cash. It's another federal income tax, requirement for these types of projects that each state is provided what's called the buying cap allocation, which is then allocated to counties based upon their population, and as Bill alluded to, I think, Orange County's \$12 million. So we had to ask for an increase, which is regulated by the mid-Hudson Regional Council. James Kostenblatt reached out to you and asked that we basically resubmit the letter as a real result of some of the changes that have happened in the last couple of months which I prepared, and we will submit that. We still have to come back to the board for final approval. Once they get their business deal put together. So essentially what we're asking for, or what they're asking for is allowing Harris Beach as your bond council to resubmit the volume cap allocation request. And it doesn't have to do anything.

Mr. Torelli - So at this instance, if we got that and we got it approved through ESD, it would bring us above that limit we'd be able to potentially through a resolution and through a positive vote be able to do this. What would it mean, going forward? We would not have any bond allocation left for any remaining projects or through the end of the year?

Mr. Gaenzle - Through the end of the year. That's correct, remainder of the year. The only projects, tax exempt projects that require volume cap allocation are affordable housing, and small manufacturing. Small manufacturing is where we all know doesn't happen. If you're a 501C3 borrower, you don't need volume cap allocation. It's for affordable housing, like this project where the developers come in, acquire a project that is essentially past its economic useful life, they buy it, rehab it, don't increase rents, they get tax credits, and they borrow on a tax exempt basis.

Mr. Torelli - So this would be eligible again in 2022 for somebody else or whatever allocation we have.

Mr. Gaenzle - What happens is if Orange County IDA, or any IDA, doesn't use their cap allocation, we will get a letter from the state saying we want to back to reallocate to other projects that may be happening in the state. So there's really nothing to lose here by submitting this request.

Mr. Fioravanti - Can I ask if they do increase the cap does it go back down to, at or around the level that they had set before or is it stay up at that new level until we were changes?

Mr. Gaenzle - No, it would be its allocated every year, so come 2022 for a first quarter 2022 we would be allocated a new dollar amount. Probably around the same amount as another project comes along and the board would consider that separate and distinct from this, but these projects are few and far between. So there's no reason not to at least consider it in my view.

Mr. Fioravanti – Russ, just to answer the chairman's question earlier, as to what we're requesting. The increase to be the new letter shows \$18 million, which I know was a number and you have more history with this project than I do, but it was a number that was thrown out. It's not in the most recent summary I have from Ryan (from Wallkill Owner), or can you just talk about that number.

Mr. Gaenzle - So the original amount, I'm looking at the letter now from February. I don't have the supplemental letter in front of me. We did up to \$18 million number for cushion purposes. And so, I think we leave that alone. And I don't have any reason to believe we won't get the cap allocation in my conversations and Bill's conversations with the Regional Council, and if the number of comes in lower, essentially we just give that number back to the state for reallocation. It gives a cushion so if for whatever reason the 14 to whatever bill you spoke with the developer about is accurate or is that 18 - that's fine. We'll just give the allocation back to the state. It gives them a cushion versus basically having them going back and wait through the state processes to get the higher number.

Mr. Torelli - So you say this is a Mid-Hudson Regional Economic Development Council. They approve it or they recommended it to the state?

Mr. Gaenzle - They actually approve it.

Mr. Torelli - They actually approve it. That would be a presentation that we would be expected to make as a county.

Mr. Gaenzle - The latter submission is essentially what is submitted, and then it goes before the Regional Council and it gets approved by Empire State Development and then we would get basically a two paragraph letter saying we've been awarded that allocation.

Mr. Torelli - And none of us are on the Mid-Hudson Regional Economic Development Councils and we don't have a conflict I don't believe.

Mr. Fioravanti - I am representing the county executive, but I'm a non-voting member.

Mr. Torelli - I think we have one thing to do here tonight is to reaffirm that letter if we all feel like that, but I also have some questions about the project, knowing that we're hitting up against a timeframe where we're going to potentially lose one board member, I'd like to be able to talk about the request tonight, but I'd also like to ask some questions for staff to follow up on with the applicant. Obviously I don't think we're ready to go forward with a final resolution tonight, even though we did the initial resolution we've done the public hearing. I think it's heading that way, but I think we have a lot to understand in relation to this bond financing and getting the limit increased.

Mr. Fioravanti - I want to make one clarification that we have not authorized issuance of bonds to Wallkill Owner at all. That's down the road, this doesn't impact that if we request this increase and we decide not to give them the bonds that's okay as well. Correct?

Mr. Gaenzle - That's correct, or the pilot or the sales and mortgage recording tax exemption and from a practical standpoint, the way these affordable housing projects work. They close on December 31 of every year. There are so many moving parts to them, so we have plenty of time to vet the project, what they're asking for relative to the pilot and seek final approval, they just take a lot of time to put together. It's not unique to Orange County, they're just, there's federal tax credits involved, and they just take a long time to put together from a banking standpoint.

Mr. Torelli - So I'd like to open this up to board members for quick questions in relation to the letter request to the Mid-Hudson Regional Economic Development Council to increase our bond limit to \$18 million or up to \$18 million. And then, I'd like to. After we can potentially vote on that – I have a couple of questions about the project that I'd like to just bounce off, and maybe get some more information or have staff work on getting some more information. So with time of the essence, our board members, any questions or concerns or ideas in relation to the request to Empire State Development / Mid-Hudson Regional Economic Development Council for this request? Hearing no questions or concerns, I'd like to entertain a motion to have staff and council, put together a request to them in the form of up to \$18 million in bond capabilities, and do it as quick as we can because I know they're starting to meet for their next round as soon as possible so I think they're meeting back up again soon, so let's get this, I'd like to be able to get a motion on that if at all possible.

Mr. Douthit - I'll make a motion.

Mr. Torelli - I would second that.

Bill Fioravanti calls the roll:

1. Michael Torelli – Yes
2. John Douthit - Yes
3. Lesley Pierri – Yes
4. Vincent Odock – Yes
5. Paul Ruskiewicz – Yes

Mr. Torelli - John, I know you may need to jump off. Still, there's not anything that I think as we go down from five to four, that would be, we have to you know be cognizant of that if we're going to

vote on anything I don't know of any votes at this point. But John, feel free if you have to jump off at any time. I know you have a prior commitment, coming up but, you know, Thank You for doing what you can tonight. As for this project in particular Bill I'll ask. I don't, I'm not feeling comfortable with the pilot yet. And the reason why I say that is because in a scenario where they're not adding square footage. Okay, there's not a new commercial tax readable being produced. So with that said, I'd like to be able to better understand the history of their either tax situation, their property tax situation, their pilot situation with the town of Wallkill did previously with them. Is it currently still in effect has it expired, those type of things because I don't have all the information to be able to ask questions about it. So if there's anything that you know of today or if we don't know, can we get, so that we feel we have all the information in relation to this request for a pilot. The other ones like a sales and use tax. I definitely understand that because they're going to be rehabbing the facility, which is nice. It's always nice to have rehabilitation of an older asset and producers for longevity of the life of it. And obviously there's this connection to the affordable housing limits and components and requirements that are a part of that as well. And then if there's any mortgage recording tax exemption so I'd like to better understand what the ask is, from the applicant - if you'd have it great, if you don't, we need to get that.

Mr. Fioravanti - I'll get further detail on it. The only comment I do want to make even if it's just for the education of the board for this subject is that not all pilot agreements are put in place in order to reduce or even update fees in property tax increases, sometimes in my understanding for this project, it's in this case, they're looking to stabilize tax payments, because without a pilot, you go to the will of the assessor every year, and those values can change and sometimes that becomes a challenge in terms of cash flow or, you know what anticipating different tax bills every year so oftentimes they're looking just to stabilize those even if it doesn't result in any further savings but I'll absolutely get all those details, but I just want to share that because that seems to be the approach here.

Mr. Torelli - If you get the history of what they have already received. I don't think they received it through us. I think it was through the Wallkill IDA, and because of this bonding that they're looking to do, Wallkill is deferred it to us, so obviously we have a partner in Wallkill, but like to better understand what was the snapshot since it's been built - it's a little history lesson but I think we want to be able to not only use it in this scenario, but we want to stay consistent with what we do moving forward and we don't want to treat one different than another and I think as a board, we need to have more information in regards - the sales value stack is pretty simple if they're going to renovate it and it's going to be \$5 million and half of its materials, that's taxable. We could put a number to that that's pretty simple, I think, and we asked for that calculation as well. And some of this may be in the application. I don't have it up in front of me, but on the pilot side of things, want to be able to better understand it. Are they looking for a reduction or you're saying stabilization - does that mean flat over a period of time and how long is it, and obviously we want to just double check with Wallkill to make sure that they understand what we're going to potentially be voting upon. We don't want to be in a scenario where we do something and then they are yelling and screaming at us. We want to be able to have partners with them because we have a bigger relationship county wide, that we want to be able to profess throughout the entire county and region and to keep it consistent so anything you can do.

Mr. Gaenzle - I'm happy to help with that. I got many of these projects across the state and typically just to further that point. These projects, when a developer comes in acquires and rehabs, they do not displace tenants, they do not increase rentals. And they ask for what's called Shelter rent, which is typically a 30 year pilot based upon percentage of what the rentals are so I can certainly help you with that.

Mr. Fioravanti - And we haven't yet reached out to the town of Wallkill, but I'll do that to get that history.

Mr. Torelli - So we get to history and then if we could say you know what that is today would have been something to be at. Is it the same type of thing with the special districts where they get everything you know they get what's due to them and those type of things and we just need to have a lot of that information, so we understand it better.

Mr. Gaenzle - So I can answer that question very quickly. IDA's can in no way shape or form, whether it's for affordable housing, or for Amazon, impact special district charges so.

Mr. Dowd - I have to drop off I have two public hearings a month.

Mr. Torelli - Anything else further on this Bill or any questions from the board in relation to this applicant. We'll look forward to them coming in front of us again in the future. They did do the public hearing where they made a presentation and that's on our website. So if anybody wants to refresh themselves with that, that's out there, and we have obviously the write ups from Bill in regard to not all the application but the write up that he did, most recently in regard to it.

Mr. Fioravanti - And I included a few pertinent documents, but I did not include a transcript of the hearing - I'm going to respond to that email so that everyone has that. I'll share that right now.

Mr. Torelli - Without any questions or concerns about this one.

Resolutions

Mr. Torelli - Next on the agenda is any resolutions. I don't believe we have any resolutions Bill - tonight in front of us? All right, so let's do that.

Executive Session

Mr. Torelli - Do we have a need for an executive session? Does counsel believe we have to talk about anything that is Executive Session worthy or something that they need assistance with or directing it, or does any staff or board members have any? Board members, anything that you need to discuss in the executive session or any concerns that our Executive Session, eligible that you'd like to talk about or move into?

Mr. Douthit – No Mike.

Other Board Business

Mr. Torelli - Any other board business? Anything else that any board members and/or consultants want to talk about tonight or bring up?

Mr. Odock - Regarding two members of the board is a process. In terms of getting in two more Board Members, we are seven.

Mr. Torelli - I will refer that to Director Paul Ruskiewicz who's on the Orange County Legislature and he heads the E&E Committee. Paul, did you want to give us a quick update on where the legislature's at with that?

Mr. Ruskiewicz – I'll give a quick update. We have received several resumes, which we'll be looking at. We were going to try to do it this month, but you know we're going to have to have some more discussion in terms of, you know who's going to bring those names forward to the legislature and you know what kind of criteria we want to look for, for board members kind of formalize the process a little bit more before we move forward so we'll probably be doing that next month.

Mr. Torelli - So, before we adjourn just a couple quick things. Like I said in my report we're going to probably schedule a committee meeting between now and the next meeting sometime, potentially one of the ones that we have to kick off for our state requirements, so we'll have Bill working on that and scheduling that our board retreat/reorganization/vision plan type stuff. We're looking forward for a date with that. I know he's working on that and that should be coming forthwith. And then we have next month's meeting as well. We'll continue to as requested, both Bill and I will attend the E&E committee's if requested to do so, to make sure that the Orange County Legislature has any information or can ask any questions of us in relation to the IDA, and I want to say there's going to be a lot of positive stuff out there I think coming up. It's not always going to be positive, but we have some great projects that were done in the past. We look forward to the Legoland grand opening, sometime this summer, which was a major thing that the Orange County IDA incentivized the groundbreaking or the real construction start of Amy's kitchen, which is also another project that is great that we already incentivized and those type of things so there's going to be some really good positive things that I think that are going to be out there on stuff that either we did or our predecessors have done that, I think, you know we can hang our hat on, so if there's anything out there or if there's any comments, please let me know and we'll continue to move forward with what we have to do. Any other business before we go? Staff anything? Bill?

Mr. Fioravanti - We're all set.

Mr. Torelli - I'll entertain a motion to adjourn. Anyone like to make that motion?

Mr. Douthit - I'll make it.

Mr. Odock – Second.

Bill Fioravanti calls the roll:

1. Michael Torelli – Yes
2. John Douthit - Yes
3. Lesley Pierri – Yes
4. Vincent Odock – Yes
5. Paul Ruskiewicz – Yes

Mr. Torelli - Thank you everyone.