

## ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### AUDIT COMMITTEE MINUTES

August 08, 2019

Orange County Business Accelerator in New Windsor, New York.  
12:15pm- 2:15pm

PRESENT: James DiSalvo, John Steinberg, Edward Diana

ALSO PRESENT: Laurie Villasuso - Chief Executive Officer (Acting), Vincent Cozzolino, Joel Kleiman, Kelly Reilly, Kevin Dowd- Attorney, Heather Rieker

#### Goshen Plaza Associates, LLC

Ms. Villasuso started the meeting stating that Goshen Plaza has withdrawn their request for assistance but feels the project will not stop. The reason Goshen Plaza Associates gave for the project withdrawal was that the IDA was uncooperative on the labor policy. Ms. Villasuso stated that they did not want to abide by our labor policy. She stated that they will not get their \$5,000.00 application fee back, and providing that the \$30,000 labor audit check does not bounce they will only get back what is left over after the IDA takes out for what Loewke Brill charged for visiting the site several times. Harris Beach was asked to expedite the closing by Goshen Plaza which they did, Harris Beach sent their bill to Goshen Plaza and they have not heard from them. Ms. Villasuso states that with the board's approval they hold onto the \$30,000 labor audit check for the amount that is owed to Harris Beach until Harris Beach is paid and then refund them what is left over. The board agreed but suggested they change the wording in the labor policy to read something like the funds can be used to pay for different purposes if needed. Mr. DiSalvo would like to also add to the policy that we need to deposit checks within a certain amount of days. Ms. Villasuso stated that a line can be added to the application about the fees collected.

#### Kraftify

Ms. Villasuso stated Loewke Brill is available by phone if needed. As of now Kraftify is in full compliance, all contractors are in good standing and well above the 85% local labor requirement. Loweke Brill has suggested we approve a waiver for the glycol system that pertains to the brewery as both a specialty and warranty exemption. The sign is properly posted, and weekly labor reports and insurance documentation has been submitted. Ms. Villasuso stated that the board has to act on the waiver. Mr. Diana motions to approve the exemption, seconded by Mr. DiSalvo. Motion carries with all in favor.

Ms. Villasuso stated that the town reached out to the IDA requesting that the Kraftify PILOT start date to be delayed until the construction phase is complete. The Audit Committee tabled the resolution to be sure that Kraftify would continue to be compliant. Last month the board thought that it may be difficult to move the PILOT out due to the school district tax becoming a lien as of July 1. Mr. Dowd confirmed that the PILOT cannot be changed. With that being said the board recommends that this resolution be tabled without a date.

#### Satin Fine Foods

Ms. Villasuso stated that Satin Fine Foods is the first project we recaptured benefits on for their lack of compliance with their audit for 2019, Mr. Dowd had several conversations with their attorney, and he contacted their attorney and said we would not reconsider recapture the final year of their PILOT. Ms. Villasuso received a call from their COO, she explained the scenario, and the biggest issue they had was the IDA mailed the letter to the incorrect address. Ms. Villasuso explained under the PILOT they had to let us know about any changes. She feels that they may be poised to take legal action. Satin was supposed to forward her a copy of a letter in which Satin claims it had sent to then Executive Director, Jimmy O'Donnell, about the change of address. However, as of today, we have not received any such letter.

Mr. Kleiman went over the IDA, BA, and OCFC budget line by line. He first started with IDA fees, with a total projected revenue of over 2.3 million dollars for 2020. Next, he went over the expenses and then the agency support projects. Ms. Villasuso went over each agency. Mr. Diana asked what does Foreign Trade Zone do with the money? Ms. Villasuso stated they will find and get back to the committee or invite Mr. Porr in to explain. All agencies that the IDA supports provide a service to us. Next Mr. Kleiman went over Project Expenditures. Mr. Diana brought up the Heritage Trail money for \$1 million; he thought that was off the table. Ms. Villasuso stated that they may apply for benefits through the application process. Mr. Kleiman asked how much the Committee would like to keep in the Project Expenditures, and the Committee came up with a total of \$1 million. Mr. Kleiman then went on to the BA budget and explained all the line items on this draft budget. He stated that the Special Initiatives line is basically a contingency line.

Mr. Steinberg brought up the question of personnel. He would like to see the percentage of time each employee spends on IDA, OCFC, and location. Mr. Kleiman showed him a schedule of expenses and what location they are spent on. It does not include salary personnel. Mr. Steinberg would like to see percentage of personnel separated by each agency (IDA, OCFC, BA) and Mr. Kleiman said that he could do that.

OCFC – Basically the same as 2019 except \$250,000.00 was taken out of revenues from CPV which we no longer receive payments for.

Mr. Kleiman summarized the Draft Budget. The items are to find out about the Directors and Officers Insurance, Foreign Trade Zone fund, and to take out the reference for Heritage Trail on the Project Expenditures. He will finalize the budget for next month's Audit Committee Meeting for approval.

Ms. Villasuso brought up the Heritage Trail and asked the Audit Committee to think about if the Heritage Trail should be charged an application fee, labor audit fee, and closing fees if they apply.

Audit Committee Meeting ended at 2:15pm.