

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

September 10, 2020

A regular meeting of the Orange County Industrial Development Agency was convened via Zoom video conference September 10, 2020 at 2:02P.M.

Chairman Rogulski calls to order the regular meeting of the Orange County IDA, September 10, 2020. Board consists of six members. There is a quorum. Upon roll call, the following were:

PRESENT: Mary Ellen Rogulski, Edward Diana, James DiSalvo, Stephen Brescia,
Michael Gaydos, John McCarey

ABSENT: NONE

ALSO PRESENT: Laurie Villasuso – Chief Executive Officer
Vincent Cozzolino – Managing Director
Melanie Schouten – Chief Operating Officer
Edward Januszkiewicz – Chief Financial Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Dean Brady – Tech Management
Christine Kecman - Svasthya

Minutes

Review of the August 13, 2020 Board meeting minutes. Motion to approve the minutes is made by Mr. McCarey, seconded by Mr. DiSalvo. Motion carries with all in favor.

Review of the August 13, 2020 Governance Committee meeting minutes. Motion to approve the minutes is made by Mr. McCarey, seconded by Mr. Diana. Motion carries with all in favor.

Review of the August 13, 2020 Audit Committee meeting minutes. Motion to approve the minutes is made by Mr. DiSalvo, seconded by Mr. Gaydos. Motion carries with all in favor.

Review of the August 18, 2020 Special meeting minutes. Motion to approve the minutes is made by Mr. DiSalvo, seconded by Mr. Brescia. Motion carries with all in favor.

Financial Reports and/or Requests for Payment

Mr. Januszkiewicz reviews the financial reports and requests for payments.

The summary of IDA bank accounts, certificate of deposits, and money market accounts reflect a total of \$7,284,160 as of August 31, 2020. A treasury bill and CD have matured.

On the income and expense summary, YTD income is \$543,408 and YTD expenses are \$238,694, with revenues exceeding expenses by \$304,714.

On the income and expense summary for the Business Accelerator, revenues YTD are \$90,109, and expenses are \$1,747,505. Expenses, as anticipated, exceed revenues by \$1,657,315.

The Statement of Net Assets is reviewed. There has been a reduction in the Certificates of Deposit, which now become cash equivalents. Accounts receivables have been reduced. The payment from Legoland has been received. IBM overpaid the IDA in the recent past.

Ms. Villasuso states that IBM had been credited approximately \$500,000. IBM provided documentation that they owed less than that amount for 2020. A \$172,000 credit remains for the company, as the recent bill was \$400,000.

Chairman Rogulski asks for a motion to approve the vouchers and payments in the amount of \$1,217,987.30 for September. Motion made by Mr. Gaydos, seconded by Mr. McCarey, that the board accept the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present results in motion carried.

2021 Budget

Ms. Villasuso states that the 2021 Budget has been reduced for both the OCIDA and The Accelerator. The Accelerator budget is more than \$200,000 lower, and that is with the addition of the Highland Falls location. The Highland Falls facility will cost approximately \$300,000 a year to run. Management was conservative with its approach to the 2021 budget. Contracts were eliminated with certain consultants, and staffing reductions were made. She is proud to say that the 2021 Budget came in lower than previous years.

Mr. Januszkiewicz reviews the 2021 budget. There is an anticipated reduction in the closing fees. The recovered line item shows the \$2,000,000 repayment expected from the Warwick Valley LDC.

Ms. Villasuso states that Warwick Valley LDC is awaiting payment from Empire State development for their grant. This will assist with the repayment from them.

Mr. Januszkiewicz continues with the 2021 Budget review. As mentioned by Ms. Villasuso, staffing has been reduced which will also lower payroll taxes. Management expenses cover the fees for Galileo Technology Group. Significant reductions were seen in Professional Fees due to the elimination of consultant contracts.

Ms. Villasuso reminds the Board that in 2020 additional funds were appropriated to assist all County-based businesses in need. Half of the additional appropriation was carried over, so that assistance can continue in 2021. Therefore, the line item saw a reduction from \$500,000 to \$400,000.

Mr. Januszkiewicz states that the conference line item went up, as it is anticipated that in-person conferences will take place in 2021. Reductions were also made for Repairs and Maintenance, Operations, and Renovations line items. Office cleaning has been increased due to COVID-19 sanitation standards. Information Technology increased as it is foreseen that Highland Falls will require additional tech needs. Funding for PTAC has been removed from Agency Support and relocated to research and development. \$1,000,000, that was previously designated for the Heritage Trail, has been removed from the Project Expenditure line item. This project is now being funded by the OCFC. Marketing has been reduced by removing vendor costs. For the entire organization expenditures are down \$1,239,063. The Net is \$2,004,923.

Ms. Villasuso states that the 2021 Budget was recommended for approval by the Audit Committee.

Motion made by Mr. Gaydos, seconded by Mr. Diana, approving the 2021 Orange County Industrial Development Budget. Open for discussion. Affirmative votes of all members present results in motion carried.

Chairman's Report

Chairman Rogulski passes on giving a Chairman's Report

Chief Executive Officer Report

Ms. Villasuso gives the Chief Executive Officer Report.

She and Mr. Dowd virtually attended the NYS EDC Conference, Sept 1st and 2nd. Economic organizations from around the state discussed difficulties they were experiencing due to the pandemic.

The Executive Order to allow virtual meetings was extended through October 4th. This Executive order gets signed month-to-month, and typically on the day of expiration.

The Prevailing Wage Bill overview from Brown Weinraub was included in the packet for the Board.

A few months ago, the Board approved the extension and amendment of the Hampton Park agreements and Sales and Use Tax exemption due to construction delays resulting from COVID. Those documents have now been executed. No further exemptions have been granted. The entitlements have just been extended a year.

The OCIDA COVID webinar series continues. On September 3rd, a speaker from NY Empire State Development presented on the NY Forward Loan that provides assistance to businesses that did not benefit from the SBA loans.

The Hudson Valley Women's Leadership Conference: Empowered by Change will be held virtually September 22, 23, and 24. The speakers will cover such topics as: Leadership from the Inside Out, The Golden Rules of Goal Setting, Redefining the Power of Community, and Mindful Self-Care as a Leadership Strategy.

A few more bills have been presented to the Senate for IDA reform. Management continues to track their progression via the lobbyist Brown Weinraub and the State EDC. It is currently understood that no action will take place for these bills until early 2021.

Accelerator Report

Mr. Cozzolino gives an update on COVID recovery efforts. All IDA Board members have helped, in one way or another, to provide assistance to County-based companies in need. All companies that reached out for assistance were directly helped with their specific need. A specific example is Mr. Gaydos worked with a local company regarding mask production.

Mr. Cozzolino states that a campaign is being launched in which AWOW companies can feature a sticker at their place of business. It will highlight the assistance provided by the OCIDA and The Accelerator.

Ms. Villasuso states the important messaging with the sticker is to make the connection between the OCIDA and The Accelerator and create a continuity in the branding.

Mr. Cozzolino states, as mentioned by Ms. Villasuso, the OCIDA COVID webinar series continues. On September 3rd, a speaker from NY Empire State Development presented on the NY Forward Loan that provides assistance to businesses that did not benefit from the SBA loans. Future webinar topics will cover significant changes in the workforce and unemployment, and discussion of the best next steps. There will also be webinars targeted at High School students that are experiencing a change in goal or life trajectory due to the pandemic and/or other unexpected life events.

Mr. Cozzolino states that AWOW clients have been attending meetings and highlighting the benefits they have received from the program. This month's featured company is Svasthya - Natural Supplements & Skincare, and Christine Kecman is here to discuss her AWOW experience.

Ms. Kecman states that her business started as a home Etsy business. A good friend that sold Nutraceuticals under the name Svasthya suggested that they partner, and she could manufacture and sell her products under his brand. Initially she was producing product in her basement and her partner was outsourcing but, as the business started to grow, they needed to expand and find a location. Mr. Cozzolino worked with the company to find a facility for manufacturing. Due to equipment needs, they could not produce at any of the Accelerator location. They searched the tri-state area. Once they found their space in Orange County, Mr. Cozzolino informed them of the AWOW program. Mr. Cox, Galileo Technology Group, assisted with getting their equipment set up at their new facility, and ensured that their electrical needs were met. He was able to source the necessary transformer, and trouble-shoot any conversion issues with the new equipment from China. They were also introduced to WDI, and applied for a grant. The next step for Svasthya is organic products. They have also been producing private label goods in the form of liquid vitamins and a natural energy shot. They are up to 5 employees and hope to add another 3 to 5 by the end of the year, with the potential to double staff in 2021.

Chairman Rogulski states that it is a great story. The other Board Members agree. Chairman Rogulski congratulates Ms. Kecman and states she is happy AWOW was able to assist her business. To hear success stories like hers is very gratifying. As Chairman, it makes her feel good that they are good stewards of the taxpayer dollars and helping local businesses grow.

Audit Committee Report

Mr. Diana states that the Committee discussed the budget and the Breonics/Drury Lane financial figures that were under review. It is anticipated that these figure will be written off as they have been on the books for an extended period of time, and the Board currently has no ability to collect what is owed.

Resolutions

Leentjes Amusement Corp.

Ms. Villasuso reminds the Board that in 2018 they authorized the amendment of Tax Agreement and pushed back the start date. The documents were never executed by the project and the project is now in its third PILOT year. Since the documents were never signed, and it would be very difficult to interrupt the PILOT, the original PILOT will be left intact. By adopting this resolution, it will close out the open resolution from 2018. This will document the action taken for record-keeping purposes.

Resolution

Mr. Dowd reads aloud the Leentjes Amusement Corporation Resolution. Resolution authorizing termination of the approvals granted under the agency resolution adopted on November 14, 2018 in connection with the Leentjes project. Motion is made by Mr. Gaydos, seconded by Mr. DiSalvo. Roll call is taken. All vote in favor.

Orange County Marketing Ad

Ms. Villasuso states the Board voted last month to support \$25,000 of a \$75,000 marketing ad campaign proposal. The ad would market Camp LaGuardia in the Wall Street Journal. After the approval, Management was notified that it would be a half page and the ad was just over \$25,000. The resolution was going to be revised to reflect the new terms but, upon closer review by Mr. Dowd, the original resolution is vague enough that a revised resolution is not necessary. For the record, Management wants to make sure the Board understands that the parameters of the original proposal have been altered from what was originally presented. Mr. Fioravanti provided some statistics for the ad. There were 388 page views, 202 unique page view, 35 calls, 31 answered call, 4 missed calls, and 26 unique calls. What is being requested today is approval for the \$25,000 check with the understanding that the terms have changed.

Mr. Dowd states the original resolution still covers the action initially take by the Board and their financial commitment to the campaign. Management is looking for confirmation from the Board that they still support their action taken at the August meeting.

Mr. Gaydos states that the Board understands the County's intention.

Chairman Rogulski states that Management can move forward with cutting the check.

Executive Session

Chairman Rogulski entertains a motion that the board enter into executive session pursuant to section 105(1)(f) of the open meetings law to discuss the credit, financial, and employment, history of a client of the IDA. Motion made by Mr. McCarey to enter executive session issued. Motion seconded by Mr. DiSalvo. All in favor.

Enter Executive Session

The members discuss the credit, financial, and employment, history of a client of the IDA.

End Executive Session

Other Board Business

The Sentinel Realty at Port Jervis, LLC

Ms. Villasuso states that via the 2019 annual audit, it was discovered that The Sentinel Realty at Port Jervis, LLC inadvertently used their Sales Tax and Use Exemption after it have been expired. The designation expired December 31, 2018, and they used it in 2019. They saved \$12,286.45 in 2019. Once informed, they were very cooperative and provided all requested information. It was understood that the OCIDA would pursue recapture and return those dollars to the State. This was discussed in Audit Committee, and the Committee was comfortable with that approach.

Chairman Rogulski states that the OCIDA has to send the money to the State, but asks if the State issues those funds back to the municipalities.

Ms. Villasuso says that the State does issues the funds back to the municipalities.

Mr. Gaenzle says that the State is supposed to issue the funds to the municipalities, but there really isn't a way to monitor the process. Perhaps if the municipalities are notified and told to anticipate the funds.

Resolution

Mr. Dowd reads aloud the The Sentinel Realty at Port Jervis, LLC Resolution. Resolution authorizing the recapture of sales tax taken in excess of the exemption granted by the IDA to the Sentinel at Port Jervis, LLC and further authorizing IDA management to submit the recaptured amount to appropriate entities and to file all necessary documents with the state. Motion is made by Mr. McCarey, seconded by Mr. Gaydos. Roll call is taken. All vote in favor.

Adjournment

Meeting called for adjournment, motion made by Mr. Gaydos, seconded by Mr. McCarey, the time being 3:10p.m.