

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT COMMITTEE MINUTES

September 12, 2019

Orange County Business Accelerator in New Windsor, New York.  
12:35pm- 1:55pm

PRESENT: John Steinberg, Michael Gaydos, Edward Diana

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

**Med Parc Penalty**

Ms. Villasuso started the meeting stating that Med Parc was not Labor Audit compliant on their IDA project which is almost complete. She presented a Labor Policy Penalty Spreadsheet and explained how the penalty will be calculated. Ms. Villasuso said that after talking with Mr. Dowd and Mr. Gaenzle the fee collected from this project will go to the IDA and not a sales tax recapture since it was not a sales tax violation but a violation of the IDA policy. Mr. Steinberg asked Ms. Villasuso to explain the penalty scores which she did.

12:45 pm Mr. Diana walked into the meeting.

Ms. Villasuso stated if the Audit Committee was good with the Labor Policy Spreadsheet, she recommends the board to adopt the Formula only.

Motion is made by Mr. Steinberg, seconded by Mr. Gaydos to approve the Labor Policy Spreadsheet formula. Affirmative votes of all board members result in 3 ayes, so motion carried.

**2020 Draft Budget**

Mr. Kleiman stated that last month the 2020 IDA, OCFC and Business Accelerator Budgets were reviewed line by line. One question that came out of the meeting in August was the Directors & Officers insurance coverage. Mr. Kleiman inquired and was not able to come up with a cost since the policy is still in effect until December. He stated that when the coverage needs to be reviewed in December, they will be able to give a price. Mr. Cozzolino asked how much coverage is there now per Director and/or Officer. Ms. Villasuso stated \$5 Million each. Mr. Cozzolino asked if it included both him and Ms. Villasuso; Mr. Kleiman responded and said he was not sure and would have to verify. He will also be looking into increasing coverage from \$5 Million to \$10 Million. Mr. Cozzolino asked what the Fiduciary liability \$1 Million amount is for the CEO. Mr. Dowd stated he would look into the insurance policy.

Mr. Kleiman stated that the other follow up was the Agents of the IDA. He put in a short description of what each of the Agencies do on the 2020 proposed budget line.

Mr. Kleiman stated the proposed budget is the same as what was reviewed last month. There were a few questions, one was Foreign Trade Zone and the other was under Projects and Expenditures Heritage Trail and Amy's Kitchen. Mr. Steinberg stated that he looked into the Foreign Trade Zone (FTZ) and as of now they don't know what the amount of money is used for. Mr. Steinberg will call Mr. Porr and have a conversation about FTZ. After Mr. Steinberg speaks to Mr. Porr, they will revisit this and decide whether they should keep the \$25,000.00 in the budget. Mr. Kleiman suggested we leave the FTZ money in the budget, approve the budget but the IDA is not obligated to spend the money. The Heritage Trail is another one that Mr. Kleiman suggest we leave the \$1 Million in the budget, approve it and are not obligated to spend the money. Ms. Villasuso stated that the County is going to submit an application for the Heritage Trail and that we will work with the ABO to see if this project is a valid project for the IDA. She suggests we leave the \$1 Million budget line for Heritage Trail.

Mr. Kleinman proposes he submit the 2020 Budgets to the IDA Board.

Motion is made by Mr. Diana, seconded by Mr. Gaydos to approve the 2020 IDA, OCFC, and Business Accelerator Budgets. Affirmative votes of all board members result in 3 ayes, so motion carried.

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Mr. Kleiman stated that one open line item on the OCFC 2020 Budget is the Loan Program. Mr. Cozzolino stated that he feels we should leave the line item in the budget.

Motion is made by Mr. Steinberg, seconded by Mr. Gaydos to keep the Loan Program in the 2020 OCFC Budget. Affirmative

votes of all board members result in 3 ayes, so motion carried.

Mr. Steinberg stated that he would like to see how much money is being spent at the different Accelerator locations. Mr. Kleiman stated that last month he distributed a report with each Accelerator broken down by location and expense line. Mr. Steinberg likes the way the report is and wants it to continue monthly.

Mr. Steinberg stated that he would like Mr. Kleiman to present the Proposed 2020 IDA, OCFC & BA Budgets at the IDA Meeting.

Audit Committee Meeting ended at 1:55pm.