

Orange County Industrial Development Agency

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New Windsor, NY 12553
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Finance Committee Minutes
Tuesday, September 13, 2022

Due to the declaration of a public health emergency and the social distancing requirements imposed at the Federal, State and local level, this meeting was held in accordance with Executive Order 202.1 by video/telephone conference that was made available to the public.

Committee Members Present: Michael Torelli, Dean Tamburri, James Rinaldi

Board Members Present: Marc Greene

Staff Present: Bill Fioravanti, Kelly Reilly, Dennis Brady (via Zoom), Shannon Mannese (RBT CPAs via Zoom)

I. Call Meeting to Order

Mr. Rinaldi called the meeting to order at 5:45 pm.

II. Roll Call

Mr. Fioravanti acknowledged all Committee members present.

III. Financial Data Migration

Ms. Mannese reported that the data migration to consolidate the IDA and The Accelerator financial information was successful. Mr. Fioravanti reviewed the OCFC and OCIDA Finances for August and confirmed that the migration included additional, outside-of-the-scope, work from RBT which increased the billing and noted the new format.

IV. OCFC August Financials

Mr. Fioravanti reviewed the OCFC Interest earnings and the updated investment matrix, project expenses for the Highland Falls Facade Improvement grant, and interest income on the COVID resiliency loan fund. He reviewed the cash and equivalent balances and noted that the funds earmarked for a project that didn't come to fruition would be used for investments. Mr. Fioravanti reviewed the various checking and investment accounts and the COVID Resiliency Loan and noted that 79% of the principal loan has been repaid with one borrower being credited for overpayment. The Chairman clarified for the new Board member the reason for the separate

OCFC and OCIDA organizations.

V. OCIDA Income Statement

Mr. Fioravanti discussed writing off bad debt and Ms. Mannese reviewed the plan to recapture funds. She stated that the write-off should take place during the year-end close. She reviewed the allowance policy and stated that the Finance Committee should make the decision whether to collect any uncollectable funds. Mr. Fioravanti discussed the application fees for Mack Brothers and explained that the OCIDA and General Counsel divides the fee to cover their portion of their work with the new project. Mr. Fioravanti discussed the closing fees for West Warwick 1, 2, and 3 and noted that other projects would be closing in the coming weeks. He discussed other IDA fees recouped for the Common Area Maintenance (CAM) charges, subtenant rents for remaining tenants in Warwick and Middletown and reminded the Board that the OCIDA does not pay rent for Warwick. Mr. Fioravanti reviewed each line item and expense and noted the reclassification of some of the line items and reviewed cash and equivalents, and the Money Market and CD accounts. He discussed how the formats for the reports would change to state clearly what is being paid for by the credit cards and the payables which included recurring charges. He asked the Chairman for authorization to make 3 months of recurring payments to avoid any late payments of recurring bills. The Chairman suggested that Mr. Fioravanti make a formal recommendation to the Finance Committee to bring to the full board for approval. Mr. Rinaldi and Mr. Greene were in favor of authorizing 3 months of payments for recurring bills. Mr. Fioravanti also reviewed the IDA monthly and all other payable which included the various insurances, payments to our General Counsel, Public Hearing transcript, and funds transferred for the CD investments. With no further discussion, **A MOTION TO PRESENT THE FINANCIALS TO THE FULL BOARD FOR APPROVAL WAS MADE BY CHAIRMAN TORELLI, SECONDED BY MR. TAMBURRI, AND PASSED UNANIMOUSLY.**

A MOTION TO AUTHORIZE AND APPROVE THREE MONTHS OF PAYMENTS OF ALL CONSISTENT, RECURRING BILLS WAS MADE BY MR. RINALDI, SECONDED BY MR. TAMBURRI, AND PASSED UNANIMOUSLY.

VI. OCFC 2023 Annual Budget

Mr. Fioravanti reviewed each line item in the 2022 approved annual budget and what was projected for 2023 which included application fees, and the MSMC bond that is expected to close this year and other the closing fees. He discussed loan interest, interest earnings on investments and reviewed projected expenses for bookkeeping, PARIS reporting, auditing fees, insurance premiums, bond counsel fees, loan program administration fees, project expenditures and referenced the earmarked funds for Highland Falls discussed earlier in the meeting.

VII. OCIDA 2023 Annual Budget

Mr. Fioravanti reviewed revenues, closing fees, and what was projected due to the five projects this year. He estimated that three projects will have closed by the end of 2022: West Warwick Walgreens, and Royal Wine. He stated that CITIVA and Mack Bros. are slated to close in 2023. The Chairman discussed the closing funds from IBM and what the OCIDA has received over the 20 years with the final payments having been received recently. Mr. Fioravanti discussed the closing of the six new applications, the fees, and estimated closing fees. The Chairman discussed the two Local Labor auditing firms and what the estimated local labor monitoring fees would be

considering the number of current projects. Mr. Fioravanti noted additional fees which included fees owed to the OCIDA by the SUNY Orange Center for Business Solutions and Professional Development which will end in 2022. He noted that subtenant rents received were higher than what was anticipated but will decrease once some of the leases end this year. He reviewed interest earnings for CDs and noted that the figure reported will need to be updated and he discussed the funds that were recovered from Warwick. He reviewed expenses and salaries and stated that the number was lower than what was budgeted for because of the lack of a COO to date. He reviewed the fiscal audit and stated that PKF O'Connor Davies will be the firm hired for the 2022 and 2023 audits, insurance fees and noted that the CFO bookkeeping services was higher than what was budgeted for but that that number should decrease as well as other line items that included professional fees, travel, lodging, and meals, office supplies, postage, special initiatives, projects and programs, legal counsel, bond counsel, Local Labor Auditing pass-through fees and monthly reporting and explained the pass-through process cost process. The Chairman requested a clearer method to report pass-through fees annually. Ms. Reilly clarified that the budget is being reviewed for corrections now in preparation for the PARIS reporting which is due on November 1, 2022. He discussed the budgeted Cost Benefit Analysis tool, explained the Shovel Ready RFQ, and explained that the building expenses came in higher than budgeted for but should also decrease in November when the Middletown and New Windsor leases end. Other line items discussed were utilities, building insurance, repairs and renovations, maintenance and cleaning, internet and telephones, equipment maintenance, IT support, audio and visual, and membership and subscriptions. Mr. Fioravanti requested that the budget for Marketing and PR budget be increased and stated that he has asked the responding marketing firms to present to the Board and discuss why the budget should be increased based on the OCIDA's current needs. After additional discussion regarding the timing of future investments and reconfiguring the Finance Committee, **A MOTION TO PRESENT THE 2023 OCFC BUDGET AND THE AMENDED 2023 OCIDA BUDGET TO THE FULL BOARD FOR APPROVAL WAS MADE BY MR. TAMBURRI, SECONDED BY MR. RINALDI, AND PASSED UNANIMOUSLY.**

VIII. Adjournment

A MOTION TO ADJOURN THE MEETING WAS MADE BY MR. RINALDI AND PASSED UNANIMOUSLY.

The meeting closed at 7:50 pm.