

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT COMMITTEE MINUTES

November 14, 2019

Orange County Business Accelerator in New Windsor, New York.  
12:37pm- 1:44pm

PRESENT: John Steinberg, Michael Gaydos, James DiSalvo  
ALSO PRESENT: Laurie Villasuso - Chief Executive Officer (Acting), Vincent Cozzolino, Joel Kleiman, Kelly Reilly, Kevin Dowd- Attorney, RJ Martucci (JGS)

**IBM**

Ms. Villasuso stated the meeting will start with IBM. Mr. Martucci stated that the report in front of the committee members covers 4 years which are 2014, 2015, 2016 and 2017. He went over the report with the committee members and in summary he stated that for the first 3 years the IDA owed IBM a small amount. In 2017 IBM overpaid the fee in the amount of \$571K and has requested a refund. Mr. Martucci and Mr. Unger (JGS) and Mr. Kleiman recommends that the IDA pay IBM back over 3 years and allocate it as a credit. They recommend we get the amount in writing and also the terms. Ms. Villasuso stated that she will call Mr. Spinelli to work out the details of the overpayment of \$571K as long as the board agrees to it. She will also bring up that there will be no more audits by the IDA. Mr. Kleiman suggests that we accept these audits as presented but hold off until the IDA's December meeting.

Motion is made by Mr. Gaydos, seconded by Mr. DiSalvo to have Ms. Villasuso contact Mr. Spinelli. Affirmative votes of all committee members result in 3 ayes, so motion carried.

**Med Parc - Compliance**

Ms. Villasuso updated the committee on the Med Par compliance. She stated that the project finished up and they did everything they could to get the local labor in compliance. One contractor only had a 49% compliance, so they had to pay a penalty fee of \$19,368.00. This is now closed.

**Goshen Plaza – Status**

Ms. Villasuso stated that Goshen Plaza withdrew their application and the question came up as to how Goshen Plaza was going to pay for the Loewke Brill and also Harris Beach. There was conversation about that with the Audit Committee and Goshen Plaza authorized Mr. Kleiman in writing to pay Loewke Brill and Harris Beach from the Escrow funds and return the remainder of the money. This is closed.

**Satin Fine Foods – Audit Status**

Ms. Villasuso stated that Satin Fine Foods did not respond to the audit confirmation letter in March. The IDA board made a decision to rescind the final year of their PILOT. Satin Fine Foods had claimed that the letter was sent to the incorrect address, therefore that is why they did not return the confirmation letter in a timely manner. Ms. Villasuso is looking to the board to decide if they want further communication with Satin Find Foods or if the IDA should stand by its action to rescind the final year of its PILOT. The committee stated that the decision from March still stands.

**Warwick Accelerator**

Ms. Villasuso stated that there was a \$500k project expenditure for the extraction facility. Now we have the \$1.5M Shovel Ready Program that will be reimbursed to us from New York State. Ms. Villasuso and Mr. Cozzolino went to the facility and spoke to Urban Extract that is concerned about their timeline. The IDA reached out to Loewke Brill to assess this project and get them on track to meeting their deadline for the town and IDA. Ms. Villasuso stated that the State looks at grants very closely at years end. Ms. Villasuso wanted to propose that the IDA hire Loweke Brill to monitor the construction to make sure

Mr. Kleiman handed out a payment schedule for the \$1.5M to the audit committee so they can see what checks have been written. He also stated that there will be some payments outside of the cycle. He will contact the audit committee and get their ok to issue the checks outside the normal cycle. Mr. Kleiman also stated that this \$1.5M will be exhausted quickly and project that we will be receiving the funds back by September 2020.

Motion is made by Mr. Gaydos, seconded by Mr. DiSalvo to approve Loewke Brill to monitor the Warwick Accelerator's weekly calls, review vouchers and step in if there are any issues for \$4,280 a month. Affirmative votes of all board members result in 3 ayes, so motion carried.

### **Labor Policy – Signage**

Ms. Reilly stated that all projects subject to the labor audit policy states that all jobs need to display a sign that they are getting benefits from the IDA. Loewke Brill has come up with a sign that will be displayed at each job site and would like the Audit Committee's input. Mr. DiSalvo asked if the IDA will purchase these signs, Ms. Villasuso stated that each project will purchase their sign and it will be part of the Labor Audit Escrow amount.

### **Legoland**

Ms. Villasuso wanted to let the Audit Committee know that this project is out of compliance now and has been for the last 2 months.

### **Supplemental Appropriation**

Mr. Kleiman stated that there were unexpected expenses that was not budgeted for 2019. He said that there is a budget item for Special Initiatives of \$550K which has been spent due to the expansion of Accelerators. We have a ~ \$2M budget and spent ~\$2.6M. We want to increase the budget by \$600K to account for money that was spent for the year. Mr. Kleiman stated that the \$600K will be put in budget line items for Cleaning \$25K, Marketing, PR, Website, & Membership \$50K, Management Fee \$125K and Special Initiatives \$400K.

Motion is made by Mr. DiSalvo, seconded by Mr. Gaydos for the Audit Committee to recommend to the IDA Board to approve Supplemental Appropriation of \$600K from IDA to BA. Affirmative votes of all board members result in 3 ayes, so motion carried.

### **Heritage Trail**

Ms. Villasuso stated that the County has submitted an application in the form of a project for the Heritage Trail. Ms. Villasuso proposes that the IDA Board accepts the application pass the resolution and immediately loop in the ABO. Once we receive feedback from the ABO, we will either move on with the public hearing or if the ABO states that the application does not qualify, we will rescind the original approval.

Audit Committee Meeting ended at 1:44pm.