

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES: NOVEMBER 17, 2021, BOARD OF DIRECTORS MEETING

A meeting of the Orange County Industrial Development Agency was convened Wednesday, November 17, 2021, at 5:11 p.m.

The meeting was called to order by Chairman Torelli, immediately followed by the Pledge of Allegiance.

A roll call of the Board members showed four present. There is a quorum. The following are all who were in attendance:

PRESENT: Mike Torelli, John Douthit, Paul Ruszkiewicz, Dean Tamburri

ABSENT: Lesley Pierri, Vincent Odock

ALSO PRESENT: Bill Fioravanti – Chief Executive Officer
Langdon Chapman – County Attorney
Russell Gaenzle – Harris Beach (via Zoom)
Kelly Reilly – Project Manager
Dean Brady – Technical Support (via Zoom)

A motion by Chairman Torelli to accept the minutes of the October 20, 2021 meeting was accepted and opened for questions or comments.

Hearing no objections to the minutes, the motion was made by Mr. Tamburri, seconded by Mr. Ruszkiewicz, and passed by a unanimous roll call.

Finance Report

The Board reviewed the October financial report and the \$1MM investment options previously voted upon. With some of the rates having changed, the Board will have to vote again. The Board approved the investment of two CD's at Orange Bank & Trust for \$250,000 for a 6-month term at .20% and a nine-month term at .25%. The checks have been prepared and are awaiting an additional signature. The rates that staff received from Greater Hudson Bank and Empire State Bank have been verified and are currently the

highest. Mr. Fioravanti advised the Board that Greater Hudson Bank has been acquired by Connect One with limited locations, one being in Middletown, which offers drive-up service. He added that the Board can consider two more options if necessary. Chairman Torelli suggested a further discussion during the Open Business portion of the meeting.

Chairman Torelli advised that the procurement of a CFO for Hire is ongoing and added that the candidate will be able to do a more in-depth analysis and be able to make investment recommendations to the Board to be voted upon. The Chairman noted that without a CFO, it is up to the Board to decide which institutions to consider and reminded the Board that the maximum amount for any one investment would be \$250,000. The Chairman further stated that of the \$1MM set aside for investments, \$500,000 would be processed at this meeting with the remaining \$500,000 to be invested as the Board sees fit. Two of the options are a six-month and a nine-month CD which are "short-term" investments with longer term investments being something the Board should consider. Mr. Douthit approved of the staggered approach in which investments mature at different times and points and suggested going into a 12-month and an 18-month term with the options being revisited every six months. Two to consider are Greater Hudson/Connect One Bank for 12-months at .25% and Empire State Bank for 18-months at .4%. Chairman Torelli stated he would like to move forward with CD's with Greater Hudson/Connect One and Empire State Bank for \$250,000 each.

With no further questions or discussion, Chairman Torelli made a motion to approve the investment options, seconded by Mr. Douthit and passed by a unanimous roll call.

Mr. Fioravanti continued with a review of the OCIDA Income Statement and noted that little has changed since October except for a bill from Loewke Brill for \$3,920 for local labor auditing which was approved at the October Board meeting. YTD date total is \$1.2 Million, income over expenses which suggests that we are headed in the right direction. The Accelerator's YTD total is \$1.64 Million with nothing unusual since October. Total cash balance for the OCIDA which includes investments, cash and checking accounts is just over \$8 Million.

Mr. Fioravanti advised the Board that the Warwick LDC reimbursement has not been received because the attorney is awaiting additional documents from the Warwick LDC

attorney, Mr. Fioravanti has asked that they have this resolved in the next couple of weeks.

With no objections, questions or concerns, a motion was made by Mr. Tamburri, seconded by Mr. Ruszkiewicz, and passed by a unanimous roll call.

Payables

Mr. Fioravanti discussed the recurring bills and the contract for Fiber Optic service from Frontier for the Middletown location, which has been costly but is expiring in December 2021. We should begin to see a reduction in expenses. One of our marketing contracts is being reworked and Mr. Fioravanti will have an update by the next Board meeting. A meeting to address reducing the cost for marketing and web-related services is forthcoming.

Chairman Torelli addressed the \$742 Water and Sewer bill for the Warwick Accelerator. Mr. Fioravanti noted that the OCIDA is responsible for supporting the Warwick Accelerator clients including paying for their utilities, confirmed that the OCIDA receives these bills quarterly and that these amounts are not recovered from the client. He also noted that we have another bill from the Warwick Accelerator for \$694.60 with a check for that amount awaiting signature but that we would hold onto it until we receive the \$2 Million reimbursement.

Chairman Torelli stated that he will not vote against paying the bill because of the contractual obligation but did encourage another review of the contract. Mr. Ruszkiewicz asked if the town of Warwick would consider bearing the cost and Mr. Fioravanti advised that he has a meeting scheduled with the town Supervisor the week after Thanksgiving and will discuss further. Mr. Chapman stated that it can be argued in court because the lease is void. Mr. Fioravanti concurred and indicated that page 28 of the Comptroller's report states that all contracts are void after the 15th when one of the Board members became an employee of the consulting firm. Chairman Torelli asked that the payment for the Warwick Water/Sewer bill be held as "pending" until Mr. Fioravanti's meeting in the coming weeks. Mr. Fioravanti will confirm with the town whether non-payment would result in an interruption of service.

Chairman Torelli entertained a motion to approve the total bill payments of \$29,773.30 (not including the Warwick Accelerator's water/sewer bill of \$742.96).

With no objections, questions or concerns, a motion was made by Mr. Tamburri, seconded by Mr. Douthit, and passed by a unanimous roll call.

Mr. Fioravanti advised that Loewke Brill closed out the Merlin/Legoland project and stated that all other bills are typical inspection rates that Loewke Brill levies and the OCIDA passes onto the applicant. This month's Loewke Brill bill was for \$4,495.

With no objections, questions or concerns, a motion was made by Mr. Ruszkiewicz, seconded by Mr. Tamburri and passed by a unanimous roll call.

Mr. Fioravanti addressed the bill for \$2,250 for B4 Holdings in Newburgh and stated that the OCIDA has not paid the rent in a couple of months but agreed to pass on any rent that is collected from our 603 Broadway sub-tenants. The 605 Broadway tenants are behind in rent again after having paid for some months.

Since downsizing, the 4 Crotty Lane location continues to face challenges regarding the voice and data network and is currently unable to access the network to set up the new desk telephones. Previous management terminated the IT company's contract, and the company is said to have deleted all of our access information and network credentials. Mr. Fioravanti stated that he's procured several quotes and we should expect to pay just under \$2,400 to take down and rebuild the whole network, remove and re-sell some of the excess network and computer equipment and recoup some of the funds. Mr. Fioravanti stated that would like to terminate the current telephone contract for non-performance. Chairman Torelli suggested a further discussion to be accompanied by a more detailed comparison to move forward with a decision.

Payment to WEDC, an "Agent of the IDA" has not been approved pending further discussion in a work session. Chairman Torelli suggested an Agent of the IDA worksheet with a detailed list of what the IDA is looking for in an "agent" and fulfillment of that list by the agent before getting reimbursed.

Chairman Torelli stated that he would like to add the \$500,000 to this month so that the current rates can be applied as they tend to change with the market. He asked for a deduction of \$30,000 and an increase of \$500,000 bringing the total to \$1,002,700. The Chairman entertains a motion to approve.

With no objections, questions or concerns, a motion was made by Mr. Tamburri, seconded by Mr. Douthit, and passed by a unanimous roll call.

Chairman's Report

Chairman Torelli stated that with Mr. Fioravanti onboarding officially on November 22, 2021, Mr. Fioravanti will be the one presenting before the E & E Committee and attending their upcoming meeting to see what they resolve. The Chairman added that he would like to be able to review their report and provide any information they need from the OCIDA for the purposes of transparency. Chairman Torelli requested that staff draft a memo to Ethan Allen Workforce Solutions from the Board with the Chairman's signature identifying Mr. Bill Fioravanti as an employee of the OCIDA as of Monday, November 22, 2021 to include salary and benefits information and get it on the record with a Resolution.

Management Report

Mr. Fioravanti asked Chairman Torelli whether he should be added as a signatory along with the Chairman and Ms. Pierri at this time. The Chairman stated that it should be kept as is and get the opinion of Counsel to add Mr. Fioravanti as a signatory moving forward and what the best practices are.

OCIDA's bookkeeping has been managed by UHY with some additional duties they have carried out including management of the OCFC Loan Fund. Mr. Fioravanti recommended that the IDA continue working with UHY since they are already working with us. Mr. Fioravanti stated that he has collected quotes from other organizations and that UHY has submitted a revised engagement letter. Other proposals include a prominent local CPA firm that has worked with other IDA's and a CFO for hire who's worked specifically with IDA's. He advised that another option would be the Finance

Commissioner, Karin Hablow, who he stated is a very competent candidate. Ms. Hablow would do everything UHY is currently doing except the bookkeeping at a rate of \$650 per hour. Ms. Hablow would also handle budgeting, investments, and PARIS reporting to be presented to the Board monthly. Mr. Fioravanti notes that Ms. Hablow would work for the OCIDA as a contractor not a full-time employee. Chairman Torelli stated that this will be reviewed further with General Counsel to ensure we are moving forward appropriately.

Mr. Fioravanti stated that he has reached out to other CPA firms but due to the timing of this upcoming audit, some firms are apprehensive because of their limited capability and/or manpower. Mr. Douthit agreed that our current firm, JGS, is a reputable group and understands the apprehension of the other firms beginning an audit so close to the end of the year. Mr. Douthit stated that he is comfortable allowing JGS to complete the 2021 audit and revisiting the topic again in the future. Mr. Fioravanti will get an updated quote from JGS for the 2021 audit.

Mr. Fioravanti re-addressed the phone system and lack of access and Chairman Torelli stated that he did not want to lock into another long-term contract at this time because the 4 Crotty Lane lease ends in 2023 and occupancy in that building is uncertain at this time.

A motion to approve \$5,000 to get the network running is made by Mr. Douthit, seconded by Mr. Tamburri and passed by a unanimous roll call.

Mr. Fioravanti advised that the PARIS report has been submitted and outstanding questions have been answered with the patient and generous assistance of Julie Marshall at Harris Beach and Paul Wiley, Assistant Director at Real Property.

The hiring of an Administrative Assistant is tabled for the time being pending further discussion at a Personnel Committee Meeting.

Mr. Fioravanti will continue to make appearances and radio interviews but the attendance of Board members to annual events will be discussed further.

There are two other leases to be signed and a letter/proposition from the Newburgh landlord is forthcoming. The Newburgh landlord has asked if the IDA could cover other charges. Chairman Torelli suggested tabling this item pending further discussion.

New Business

Chairman Torelli addressed the procurement for General Counsel and the four groups that were interviewed. Sue Katzoff has interviewed with Counsel and comes very highly recommended.

With no objections, questions or concerns, a motion was made by Mr. Douthit, seconded by Mr. Tamburri, and passed by a unanimous roll call. Mr. Fioravanti will schedule a follow up call with Sue.

Chairman Torelli asked the Board for a consent vote for a one-year extension on projects that were previously approved: Leentjes, Southgate Flats and GAM, to be reviewed further, and approved by Mr. Gaenzle and Mr. Chapman.

With no objections, questions or concerns, a motion was made to approve the extensions by Mr. Tamburri, seconded by Mr. Ruszkiewicz, and passed by a unanimous roll call.

A motion to adjourn was made, seconded, and unanimously accepted.

The meeting closed at 6:20 pm.