

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT COMMITTEE MINUTES

December 12, 2019

Orange County Business Accelerator in New Windsor, New York.
1:18pm- 1:41pm

PRESENT: John Steinberg, Michael Gaydos, James DiSalvo

ALSO PRESENT: Laurie Villasuso - Chief Executive Officer (Acting), Vincent Cozzolino, Kevin Dowd - Attorney, Joel Kleiman – CFO, Melanie Schouten – Chief Operating Officer (Acting), Kelly Reilly, Michael Sweeton, Sarah Wilson, Cathy Hunter

IBM

Ms. Villasuso stated the meeting will start with a discussion concerning the \$570K over payment from IBM. She called Wayne Spinelli and he stated that it was over his head. He told her that he has to get his tax people together, but it will not be forgotten. Ms. Villasuso suggested that we wait until IBM and the IDA can have a conversation about the overpayment. She said that Mr. Spinelli thought that IBM would be open to spreading out the payback but maybe not over 5 years. Mr. DiSalvo suggested that maybe we can give a lump sum up front and spread the rest out or Ms. Villasuso suggested maybe they would be open to crediting payments over the next five years. Ms. Villasuso stated that they will not take this into the IDA meeting until they have more information.

Insurance

Ms. Villasuso stated that William A. Smith and & Sons Insurance Company is looking into D & O Insurance for the IDA and OCFC that is greater than 5 Million dollars coverage. As of now they are having a hard time trying to bind anything greater than the 5 Million. She assured the Committee that we will secure at least the 5 Million coverage until we hear back from the underwriter. Mr. DiSalvo suggested an umbrella policy, but Ms. Villasuso suggested he work with Ms. Schouten to look into it.

WVLDC (Warwick Valley) Project Funding

Ms. Villasuso reminded the Committee that we have a 1.5 million agreement with WVLDC. It is for expenditures related to the Urban Extract Facility. Also on the same parcel of property is EVO Labs. EVO Labs is one of the integral pieces of the hemp cluster due to them being able to test not only hemp and narcotics but also food testing and other various testing which is a huge attraction point for the WVLDC. Mr. Sweeton is seeking an additional \$500K from the IDA to be added to the \$1.5M which will be recouped from the state. Mr. Sweeton stated the project is progressing and is on schedule and on budget. The projected date for the extraction facility to open is the first week of February. EVO Labs has a building that has been retrofitted and is up and running but in need of an additional 5000 square feet for offices, labs, and conference room that was not anticipated. Now there is a shortfall due to this expansion that Mr. Sweeton hopes the IDA can help with. Mr. Sweeton stated that there are bids out already for the excavation and foundation in anticipation of getting started. He said that he needs help to get the EVO Lab addition done. Ms. Villasuso stated that there is about \$330K left of the \$1.5M and if the board approves the additional \$500K the IDA attorneys will work with the WVLDC attorneys to get everything in place so they can immediately start accessing the \$500K. All parameters will stay the same and the IDA will extend Loewke Brill's contract until the additional \$500K is used.

Motion is made by Mr. Gaydos, seconded by Mr. Steinberg to approve the additional \$500K. Mr. DiSalvo abstained. Affirmative votes of all committee members result in 2 ayes, so motion carried.

Ms. Villasuso asked Mr. Sweeton about the final shovel ready payment if the IDA could expect it this year. He stated that the IDA was told they would be able to make the payment by the end of 2019. He told the Committee that they would be a little short of the \$175K so he wanted to know if the IDA would want a part of it. Ms. Villasuso stated yes it would look good to the board, Mr. Sweeton stated that they would be able to pay \$100K.

Mr. Sweeton gave an update on the Manor House. The projected completion date will be the end of 1st quarter and it will consist of 6 pods. The Accelerator will manage the pods.

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Labor Policy – Signage

Ms. Reilly showed the Committee the new sign that has the IDA in larger print. The Committee is ok with this sign to be posted at the job sites.

Audit Committee Meeting ended at 1:41pm.