

# ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## MINUTES

August 18, 2010

A regular meeting of the Orange County Industrial Development Agency was convened in public session on August 18, 2010 at 3:00 P.M. at the Business Accelerator, New Windsor, New York

The meeting was called to order by the Chairman, James Petro, and upon roll being called, the following were

PRESENT: James Petro, Stephen Brescia, Robert Armistead,  
Mary Ellen Rogulski

ABSENT: Henry Van Leeuwen, Robert Schreiber, Sr., John Steinberg

ALSO PRESENT: James O'Donnell – Executive Director  
Edda Eller – Recording Secretary/Bookkeeper  
Joel Kleiman – Chief Financial Officer  
Phil Crotty – Attorney  
Melanie Tanner – Acting Administrative Assistant  
Michael DiTullo – Orange County Business Accelerator  
Bill Lahey, Orange County Legislator  
Steven J. Spiegel, Spiegel Legal/Ondamed  
James L. Johnson – e-guardian Systems  
Christian Livermore – Times Herald-Record  
Jeff Goulding – Times Herald-Record

Chairman, James Petro asked for a motion to approve July 21, 2010 minutes. Steve Brescia then made a motion seconded by Mary Ellen Rogulski. Affirmative votes of all members present resulted in motion carried.

Chief Financial Officer Joel Kleiman presented the July 2010 financials. He pointed out on the Revenues and Expenses sheet that year to date, the IDA has received exactly 20% of the revenues and expended 41% of the expenditure budget. He explained revenues exceeded expenditures by \$237,000.00 and the reason why we just went into the black was due to receipt of the IBM check in August. Chairman Petro at this time addressed the need to have the funds that come into the Business Accelerator paid back to the IDA since the IDA is funding the OCBA, it was discussed that this could be done on a quarterly basis. Joel Kleiman informed the members a check was received from IBM for \$349,251.67 which covered the period of 1/1/10 – 5/31/10. He reviewed the two checks previously and saw that they were for \$750,000 each. He asked if a further check would be received. Attorney Crotty said no, the new agreement reached was for payment through the end of May, to be paid in July. Further discussion was had concerning the agreement with IBM and future payments. The Audit Committee will be meeting before the September board meeting to review a draft of the proposed budget which will be submitted to the Board for review and approval. Discussion had concerning the tax ID number for the Orange County Funding Corp. Received in August from IBM \$349,251.67 covering Jan. 1, 2010 – May 31, 2010. Also presented were the following vouchers and payments: Philip Crotty \$6,947.50 legal fees for June 2010, Burke, Miele & Golden \$11,925 legal fees, Frances Roth \$250 minutes for Deerpark Exchange, Frances Roth \$250 minutes for Continental Organics, Orange County Partnership \$52,500.00 second quarter voucher and Spiegel Legal \$660 for legal fees. Mary Ellen Rogulski made a motion seconded by Robert Armistead to approve vouchers for payment.

Affirmative votes of all members present resulted in motion carried. Mary Ellen Rogulski made a motion seconded by Robert Armistead to approve financial report as presented. Affirmative votes of all members present resulted in motion carried.

Joel Kleiman brought to the attention of the members the large balance currently in the checking account. He asked the Board for permission to seek out bids for a 1 year CD for the funds in both the checking and savings accounts, which is just over a million dollars. Chairman Petro asked him to keep in mind that one more payment is due to the OCBA and asked that a couple hundred thousand dollars be kept in the account. Permission was given to Joel to seek out bids for a 1 year CD.

Chairman Petro asked for clarification on Melanie Tanner's current position with the IDA. Chairman Petro requested that the IDA letterhead be changed to reflect Melanie Tanner, Acting Administrative Assistant.

Chairman Petro gave the members an update of Robert Schreibeis' condition and stated he is doing well and plans on being in attendance at the next meeting.

Attorney Steven Spiegel updated the committee on the Breonics Agreement. Mr. O'Donnell stated he feels the IDA should continue to pursue Breonics for the money owed. Attorney Spiegel was asked to pursue the matter and put pressure on Ernie Green, at this time the IDA is not converting to common stock. Attorney Spiegel was asked to send a letter to Breonics requesting audited financials.

Attorney Spiegel updated the committee on Ondamed, he advised the members that he made the requested changes to the Investment Memorandum. Some concerns that \$50,000.00 might not be enough to go through an evaluation process. Mr. Petro stated this matter has been dragging on for too long, he would like to move it along. Attorney Crotty read the Resolution for an investment of \$50,000 by the Orange County IDA in Ondamed, Inc. Robert Armistead made a motion for said Resolution, seconded by Mary Ellen Rogulski. Affirmative votes of all members present resulted in motion carried.

The Governance Committee met prior to the meeting today to discuss the GET Grant. Dave McFarland represented GET. The County Executive has questions regarding this grant and is asking for some more information. Attorney Crotty has questions about the legality of giving out funds in the form of a grant. The IDA will take its time to look into this.

The board was asked to look over a draft copy of the Orange County Business Accelerator budget. Mr. Petro noted that the budget showed a \$10,000 increase to Mike DiTullo's salary and he suggested that Mr. DiTullo receive an increase of 3.75% which is the going percentage rate at this time. Mr. O'Donnell informed the members the IDA will match 401K funds for Mike DiTullo and Kelly, up to 5%. Mr. O'Donnell informed the members there is an opening for Lorrie Dana's position and his recommendation is to fill the position part-time and transfer \$17,000.00 from the \$25,000.00 funded for the Empire Zone to cover funding of this part-time position. Stephen Brescia made a motion seconded by Robert Armistead to fill the vacant position part-time for a yearly salary of \$17,000.00. Affirmative votes of all members present resulted in motion carried.

Mr. O'Donnell gave the members an update on Kolmar advising that 350 jobs stayed in Port Jervis and they did not transfer any jobs from New Jersey. He also informed the members that Kevin O'Reilly of Satin Fine Foods will be at the September meeting to request financial assistance for his company which is currently in Chester, NY and is looking to move to a new location in Chester. He already has Empire Zone approval and is looking to expand his business, will have over 100 employees.

Michael DiTullo, Managing Director of the OCBA, presented the July financials. He advised the board will be reviewing his proposed budget. Moving along pretty well with clients transactions, now have 12 clients in the Accelerator, 6 of them are residents and 6 are associate clients. About 25 people now work at the Business Accelerator.

Recognized was James L Johnson of e-Guradian Systems. He advised the members that it is because of the IDA Board that he decided to move his company here. He thanked the IDA for being so caring and stated he was very impressed with the area. He went on to briefly explain what his business does and stated he was going to be meeting with Congressman Hinchey in October. Mike DiTullo suggested bringing speakers in each month to talk about their experience with the IDA and OCBA.

Attorney Crotty gave an update on the Monti v. IDA Litigation (Greenwood Gardens) settlement.

Presented was a Resolution authorizing the execution and delivery of a certain second lien mortgage, assignment of leases and rents, security agreement and financing statement, by and from the Orange County Industrial Development Agency and Amscan Inc. to and for the benefit of Wells Fargo Retail Finance, LLC, as collateral agent (the "2010 Mortgage") with respect to a certain project undertaken for the benefit of Amscan Inc. and authorizing the execution and delivery of any related documents. Stephen Brescia made a motion seconded by Mary Ellen Rogulski to approve Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Mary Ellen Rogulski made a motion seconded by Robert Armistead that this meeting be duly adjourned, the time being 4:38 pm.

Melanie Tanner  
IDA Acting Administrative Assistant