

**CITY OF NEWBURGH  
INDUSTRIAL DEVELOPMENT AGENCY  
("IDA")  
MINUTES OF SPECIAL MEETING  
AUGUST 3, 2010**

**Present**

Board Members: Josh Smith  
Richard Bedrosian  
Michael Curry  
John Penney  
Sean O'Shea  
Jerry Maldonado  
Excused Absences: Spencer Gulliver  
Administrative Director: Courtney Kain  
Counsel: Thomas Whyatt, Esq.

City of Newburgh Bernis Nelson, Esq.  
Corporation Counsel:

Guest: Edward Lynch, Director of Planning & Development

1. **Roll Call.** Mr. Smith called the roll; a quorum was present.
2. **Proof of Notice of Meeting.** Accepted.
3. **Directors and Officers Insurance**

The Board reviewed the history of the subject of their D&O, which was first addressed in September of 2008. Mr. Smith remarked that two years is too long, and representative of other problems impeding resolutions and progress, and had the IDA received more cooperation, the Board would now be certified. Mr. Bedrosian said it was never clear what support the IDA had from the City, or whether the Board was even covered under the City's insurance. A lack of information made it difficult for the IDA to be able to act. The former comptroller had removed the IDA board member names from the City's policy in 2009.

Ms. Kain reported that one quote for Director and Officers insurance has been received; she anticipates two more, so that the Board will be able to vote on an insurance carrier at the August 16 meeting. Mr. Whyatt asked for clarification that all three agencies received the same responses to their questionnaires. Each respondent received a copy of the 2008 audit.

Mr. Smith asked about property liability, and the status of Fencing and No Trespassing signage. Ms. Kain reported that George Garrison will make on-site inspections with Board members. Mr. Penney requested that the City Planner also attend with plans and tax maps. Ms. Kain has identified three companies to receive RFP's. Mr. Penney suggested that fencing for 150 Ann St. should be postponed until the Board has decided about the property. In the meantime, it should still have signage, and the West Street property should be fenced as soon as possible due to liability issues.

Mr. Whyatt asked what the City's policy is regarding signage and distance between trespassing information. Mr. Kain will check the code.

4. **Adoption of the 2008 Audit.**

Mr. Curry reported that the Auditors have requested a letter from the IDA, attesting to twenty-seven representations and responding to six negative findings. He noted the Committee made some changes (i.e., regarding the Savoy lawsuit, it provided documentation to show that the IDA has no liability). Mr. Curry said that certain Board representations should be qualified, because it has not identified the universe of its records. Mr. Penney asked if Sedore will provide a 'released audit' without the Board's letter. Mr. Curry said the letter is an integral part of the 'released audit', and he advised that it should not be signed until D&O insurance is in place. Ms. Kain said the letter is an opportunity to give a history of the IDA, its challenges, and the current control of its finances. The Board discussed whether the letter could be drafted by August 16. In order to facilitate recertification, it would be helpful if the D&O Insurance, Letter to Auditor, and answers to six negative findings were all simultaneously completed. Mr. Curry said that the 2009 Audit could then be completed within 60 days.

Mr. Lynch asked if the auditor's recommendations, such as FDIC limits on bank accounts, will be addressed. Mr. Curry said they will be, followed by a letter to the ABO showing the Board's progress. The ABO letter will reflect much of the language in the Auditor's response letter.

Mr. Whyatt stated that if there are any changes to the numbers, such as on the balance of receivables, the Board's letter might have to change. Regarding the EDA Grant for West St. Project: all monies were booked as borrowed by the IDA from the City. Mr. Curry explained that since the entire amount is not being reimbursed by the EDA, this leaves the unreimbursed amount on the Agency's books. Ms. Kain said the auditors recommended a joint meeting with the City and the IDA to resolve this issue and others. Mr. Whyatt noted the auditor's notes did not reflect that. Mr. Whyatt advised the Board that the D&O policy must be in effect on the date the Audit is approved, in order for the Board to be covered.

The Board unanimously agreed to defer action on approving the final numbers on the 2008 Audit until the August 16, 2010 meeting.

## **5. Approval of June 21 Minutes**

Mr. Bedrosian: Motion to approve the minutes of the June 21, 2010 meeting.

Mr. Curry: Motion seconded.

**VOTE:: Minutes were Unanimously Adopted**

**6. Treasurer's Report:** Mr. Curry presented four invoices for payment: \$3,630.00, dated July 19 from Oxman, Tulis for legal services; \$125.00, dated July 17 from Kippy Boyle for meeting record-keeping; \$1300 voucher #331 from Sedore & Co. for the 2008 Audit. \$34,119.00 by July 19 signed agreement (in lieu of invoice) with the City of Newburgh for six months of services from January through July 31, 2010.

Mr. Curry noted a \$3,115.00 invoice from Sedore for the 2008 Audit additional services. He is requesting more detailed itemization before requesting Board approval.

Mr. Penney: Motion to approve the invoices present for payment.

Mr. Bedrosian: Motion Seconded

**VOTE: Unanimously approved.**

## **7. 2010 Adoption of Governance Policies**

Mr. Curry: Motion to adopt the Investment Policy, subject to the following changes:

“Paragraph 3 typo; P6 – removing “deposit”, replacing with “Receipt”. Change “Transfer” to “Forward”; P7: pursuant to Collateralization Agreement with Key Bank, change to “unlimited, subject to adequate collateralization”; P8 – insert \$250,000; P9: policy will match the Collateralization Agreement.”

Mr. Penney: Motion Seconded.

DISCUSSION: The document was modeled from the Westchester IDA. Mr. Whyatt asked if there will be further written Investment Policy procedures; if not, that language should be removed. Mr. Whyatt: “employee of the government” should read ‘employee of the agency’.

Mr. Smith asked for a vote on the motion, which is to include the additional changes made during ‘discussion’.

**VOTE: Unanimously Adopted.**

Mr. Maldonado said that amendments to the Procurement Policy did not transfer electronically for the Board to vote on tonight. The Procurement Policy should be voted on at the next meeting.

The next scheduled IDA Board Meeting is August 16, 2010.

Ms. Kain asked that the position of bookkeeper be added to the Agenda. She will research civil service descriptions.

Mr. Penney: Motion to Adjourn

Mr. Bedrosian: Seconded

**VOTE: Unanimously approved.**

