

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
("IDA")
MINUTES OF SPECIAL MEETING
AUGUST 16, 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. **Approval of Minutes of August 3 Special Meeting**
4. **Request for Bills and Communications:** Mr. Lynch presented a letter from the Authority Budget Office, addressed to the Chairman and Mr. Lynch which must be signed and returned to the ABO by August 17. The response letter requires amending to reflect that the audit is not yet approved. Mr. Whyatt requested a correction to second to last paragraph to reflect that the IDA is fully functional except that the ability to grant tax exemptions has been suspended. It was suggested that accomplishments, such as the adopted Governance Policies, be uploaded to the website to show actions completed from the ABO checklist of requirements for a fully-functioning IDA. Ms. Kain requested policy reviews before uploading to the website.

The Board discussed the status of PARIS filings and how to confirm that entries have been received. Mr. Whyatt noted that the 2009 Audit needs to be submitted soon. .

Mr. Curry requested that signed Forms 10-1 (Fiduciary Responsibility) and Form ABO10-02 (Mission Statement) be noted as "completed" in the response letter to the ABO.

5. Reports of Committees

Audit Committee: Adoption of the 2008 Audit. The current auditors (Sedore & Co.) and Stanley Marks (auditors from 2006) agreed to meet to review the 2006 files. There will be restatements to the earlier audits. Mr. Smith noted that this is the first independent Audit of the IDA. Ms. Tucker from Sedore will prepare language by September, if not sooner. Mr. Curry advised the Board that two letters must accompany the 2008 Audit; a Cover Letter, and a Response to Representations Letter. He asked members to review and submit recommendations on final wording.

Directors and Officers Insurance. D&O Insurance is necessary before signing off on the Audit Report. Mr. Lynch suggested that the board take immediate action to approve an insurance carrier.

Mr. Curry: Motion to accept the policy presented by Philadelphia Insurance Company

Mr. Penney: Motion Seconded

Discussion: In response to Mr. O'Shea's question, Philadelphia Insurance Company was the only one with a positive response. The annual cost is \$1704, with a \$100 deductible per member per event, with a maximum of \$1000. Mr. Maldonado will review the governance policies to see if there are other indemnifications to cover that. He Governance Committee will have an indemnification proposal if necessary for the Board to vote on at next board meeting. This is a primary policy, not a secondary policy for the city. Ms. Nelson explained the City's indemnification requirements. Mr. Whyatt advises that the IDA should have its own policy, although technically they are deemed "employees" and are already covered. Ms. Nelson will review the definitions before the next meeting. Mr. Bedrosian said there should be no delay in accepting the policy. Mr. Whyatt said that this policy commences on August 16, 2010 and the IDA Board is covered as of today.

VOTE: Unanimously accepted.

Ms. Kain was thanked for doing the solicitations and finalizing acceptance.

Governance Committee: There is no report from the Committee.

Treasurer's Report: Mr. Curry noted that the report is limited to the operating account. The starting balance was \$368,510.51. He recommends paying the following invoices: \$250 to K. Boyle for secretarial services, \$8,662.52 to Oxman Tulis, \$94.56 to the City of Newburgh for copying expenses for 6 months, \$3,115 to Sedore for additional audit services, \$75 to the Title Company for another Title Search on Murphy's Ditch, \$1704 to Philadelphia Insurance Co. Receipts were: Nextel \$2317.89, T-Mobile 1443.96, \$1250 from Newburgh Associates for a deposit total of \$5,011.04.

Mr. Curry: Motion to approve 6 invoices totaling \$13,920.00

Mr. Bedrosian: Motion seconded.

VOTE: Motion approved unanimously.

Fiscal 2011. The ABO notified the Board that it is 90 days from having to submit 2011 Budget. Mr. Curry said that the IDA has some substantial resources, and in order for the Audit Committee to make some estimates, members should submit their ideas and comments. The Audit Committee will meet in two weeks. Mr. Bedrosian requested that the 2010 budget accompany the information on the 2011 budget. Mr. Curry asked the Board to contact the Comptroller and other administrative services if they require assistance regarding budget items. Mr. Whyatt noted that PARIS budget needs to be submitted October 1. The City needs IDA's budget by September 1, 2010 in order to complete its proposed budget.

6. Old Business.

RFQ for Scobie Drive Environmental Clean-Up. There was a discussion of the extent of contamination on the City Site and the DuPont Site and whether a Phase I analysis has been done. Ms. Nelson said the City has environmental counsel and is currently working on the barrel issue. There is also a Newburgh landfill issue and Mr. Lynch asked if an investigation has been done. Mr. Smith reviewed the history of the Dupont Site issues, which included attempts by the IDA in 2009 to meet with City Council to discuss during Work Session. The IDA also met with former City Manager Dwight Douglas about the BOA study being done by NCAC. The City and the IDA even asked to submit their own BOA, viewing the area in a comprehensive manner.

Mr. Lynch noted that NCAC received a \$400,000 BOA grant and has selected its consultant to plan that area with citizen participation. The firm is Wallace Robbins and Todd from Philadelphia. He

suggested it might be appropriate for the Board to participate in those sessions. Mr. Penney asked if the NCAC can study property they don't own. The state doesn't always give it to the cities; the concept is only to do planning. Mr. Lynch said the group orchestrates but does not execute the plan, and it is hoped that through consensus-building, the agencies owning the properties will go along with the plan. Ms. Kain apologized for not alerting the Board because she thought it was going to be discussed in the City/IDA Working Group.

Mr. Penney asked if the property can be purchased during the study. Mr. Lynch said the sale can continue, and the state's expectation is that consensus-building will achieve that goal. Mr. Lynch said the planning firms are competent. Mr. Lynch said the eco-industrial park idea does not have enough land. Mr. Whyatt said the City and IDA were on record as not supporting the application, but this grant allows someone else to do planning without encumbering them. Neither the IDA nor Dupont are prevented by the planning process.

Mr. Lynch questioned whether the agencies that control property in that area will be part of process in order to keep information flowing, not necessary to participate actively. Mr. Whyatt said the process needs to identify suitable uses. A list of interested parties – economists, engineers and others have done a good job in other communities, according to Mr. Lynch. Mr. Curry said that the IDA property should clearly be marked so that no studies are conducted on it without a right of entry agreement, insurance and other protections.

Mr., Lynch reiterated the need to clarify what the RFQ should include. Mr. Whyatt said if there is no information at this time, the first step is the traditional Phase I Environmental Report. The Board members will research past studies. There was a consensus that it is important to position projects so that they are 'ready to go' when the economy turns around, and when the Land Use plans are being finalized. Depending on the research results, an RFP will be presented at the next meeting.

M&T Bank GEMMA Bond To be discussed in Executive Session, as attorney/client privilege.

Signage: There were three quotes made for fencing the lower West Street lot with chain-link fencing, 6-foot fencing per code. A wide gate is required. Mr. Curry said the Land Use committee's maps incorrectly showed this lot as 'residential' and they agreed to conform it to the Medtech mixed use. For permitting purposes, Mr. Whyatt asked that the 5-foot line be reviewed. Mr. O'Shea asked if the bids are considering City of Newburgh fencing companies.

150 Ann St. Mr. Sanchez is out of the country, and he will need to produce documentation about the sale when he returns. Mr. Curry requests that a formal letter be sent to him. Mr. Bedrosian asked if there was a file on his properties, but Ms. Kain said there is none.

7. **IDA/City Council Working Committee:** There have been no meetings since the proposed 'Littman deal' proved unsuccessful. There are other properties which could be mutually discussed, such as the Verizon Building. The Board gave Mr. Lynch a brief update on the history of the property and its potential. Mr. Lynch will check with Verizon to confirm the status of the building and sale.
8. **Open Items List Page Two** – Mr. Smith reviewed the open items list of IDA involvements in order to update Mr. Lynch. Mr. Curry suggested that Transportation Issues could be part of the 2011 Budget.
9. **EDA Award.** Ms., Kain said the check reimbursement is on its way. Mr. Curry asked if IDA funds had been spent in that project but no reimbursements asked for. Ms. Kain said the information is available to research this issue.

10. New Business. Bookkeeper. Mr. Curry proposed forming a subcommittee to prepare the job description and set the rate.

Mr. Curry: Motion to form a subcommittee

Mr. Penney: Motion Seconded

VOTE: Unanimously Passed.

Volunteers for the subcommittee will include Mr. Bedrosian and Mr. O'Shea. Members discussed the general duties of a 'bookkeeper' being differentiated from a Junior Accountant. Entries are minimal and the time should be approximately 10-12 hours a month.

11. Administrative Director. Mr. Lynch will take on the responsibilities. Ms. Nelson confirmed that a formal vote is required by the City Charter.

Mr. Curry: Motion to name Edward Lynch as the IDA's Administrative Director.

Mr. O'Shea: Motion Seconded.

Discussion: None

VOTE: Unanimously Passed.

Mr. Penney: Motion to enter into Executive Session

Mr. O'Shea: Motion Seconded.

Discussion: Mr. Whyatt explained that the First executive session will be to discuss the GEMMA Bond. The second executive session will be for legal advice.

VOTE: Unanimously passed.

The Public Meeting was adjourned by Mr. Smith.