

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY ("IDA")
MINUTES OF MEETING
MAY 16, 2012**

Present

Board Members: Joshua Smith, Chair
Richard Bedrosian, Vice Chair
John Penney
Sean O'Shea
Michael Curry
Jerry Maldonado

Counsel: Thomas Whyatt, Esq.
In Attendance: Craig Skelly, Chief Financial Officer
Ian MacDougall, City Planner
Theresa Waivada, CEO

Roll Call Mr. Smith called the meeting to order at 7:15pm. A quorum was present.

1. **Proof of Notice of Meeting.** Accepted.

2. **Approval of Minutes of April 30 Monthly Meeting**

Mr. Penney: Motion to Approve the April 30 Minutes.
Mr. Bedrosian: Motion Seconded
Vote: **Unanimously approved.**

3. **The order of the Agenda was changed to accommodate Mr. MacDougall who had another meeting at 7:30.**

- Mr. MacDougall discussed initiatives to focus on Newburgh "Open For Business". They will build on the activities of TSEC, the federally funded program to attract alternative energy manufacturers to the City and to also provide funding to Orange County Community College for training workers in these fields. The focus will be electronic for marketing properties, showcasing properties, and offering success stories. TSEC will have a summer intern to create a database of available properties. The city is applying for a Smart Growth grant to create interactive mapping on the website. An economic development benchmark to watch is how many plans are presented to the Planning board in a quarter.
- **The PACE University project:** He reported on its goals to streamline applications to reinforce that Newburgh is Open for Business. Zoning Revisions are a high priority; funding will be needed. He provided a sample "Marketable Properties" map developed with a database and Mr. Fleischer in the GIS Department. The goal is to upload such a map with information to the Economic Development webpage, link with IDA and make it easily accessible for potential developers and the general public.
- **Business update:** Atlas East, a woodworking company from Brooklyn, is closing on a Liberty Street property. Touch Bionics is seeking space to expand. Following two city referral, the Agency responded to the firms requesting information on benefits for 1. rehabilitation of two senior affordable housing projects and also for potential development of a new office building adjacent to the former Bank of New York building.
- **NYS Department of State** advised that 15% of the Phase II grant for NCAC is allowable for administrative costs. If the state awarded \$100,000 each for NCAC, the City and IDA, \$45,000 would be allowed for administration. The current MOU draft states

that each entity would contribute an additional \$15,000. Before signing the MOU, administrative costs and conditions will be discussed again.

- EPA Meeting on the Drum Cache Area: see Mr. Whyatt's report under "Old Business". The representative of Dupont-Stauffer was unfamiliar with NCAC's BOA efforts. Mr. Maldonado suggested that the IDA and City should be part of the discussion when NCAC and the Dupont Stauffer representative are introduced.

4. **Bills, Communications and Treasurer's Report** Mr. Curry will request a meeting with the Governance Committee to revise the By-Laws so that "Communications" will be a function of the Executive Director. He presented the Treasurer's report (ending balance of \$760,835.81 and requested a motion to accept payment of six invoices as presented.

Mr. Penney: Motion to approve payment of six invoices as presented.

Mr. O'Shea: Motion Seconded.

VOTE: **Unanimously approved.**

The IDA received tax bills from various agencies. Our tax-exempt status should be reported formally to all agencies. He presented a 2012 Actual versus Adopted Budget and a Quarterly Budget review (see Schedule A attached, "Expended to date means Expended to 3/31/2012).

PARIS: 2010 is certified and 2011 is near completion. BST will deliver the final audit by Friday so that it can be uploaded to the website to fulfill the 2011 PARIS submission. (The Board then requested the Audit Committee Report).

5. **Audit Committee**: The Audit Committee completed its final review of the 2011 Draft Audit. The Committee voted unanimously to present the 2011 Audit to the full board for adoption. Mr. Penney: Motion to adopt the 2011 Audit as presented.

Mr. Bedrosian: Motion seconded.

VOTE: **Unanimously Approved.**

Mr. Smith noted that the process took 3 ½ years, and all are to be commended for staying the course and accomplishing this daunting task. It has been done by staying transparent, with no infighting, and completely volunteer efforts. This is really an accomplishment for the City of Newburgh. Mr. O'Shea thanked Mr. Curry for his "above and beyond" commitment to finish the job.

6. **Report from the Chair**. Mr. Smith asked for an explanation of the Metropolitan Planning Organization letter from the State. Ms. Waivada reported that the MPO is not relevant to the IDA.

7. **Report from Executive Director**

- Assessing 2 potential projects: acquisition and rehabilitation of a Senior housing project, construction of a new building that has planning board approval;
- Ms. Waivada will be attending the NYS Council of Economic Developers meeting in Cooperstown which is focusing on manufacturing.
- The Executive Director is in touch with two companies that provide data on businesses in the city. She will report back in June on what options are available and at what cost. She noted that our stated goal is to reach all businesses in the city advising that the IDA is operational and to further educate businesses on available support from local and state organizations and agencies.
- It was noted that the Council tabled a CDBG grant to the Agency pending the Agency's recertification.

- During the summer the city and agency will create an informational mailing piece for businesses for distribution in September. We will prepare a press release to announce IDA's certification.
- Ms. Waivada recommended holding only one meeting during July/August.

Mr. Penney: Motion to amend the meeting schedule to combine July and August meetings into one meeting, date to be determined.

Mr. Bedrosian: Motion seconded.

VOTE: **Unanimously approved.**

8. Report of Counsel: Mr. Whyatt reported the following:

- Corwin Management litigation. Their attorney requested a payoff letter in order to settle the claim; \$275,000 plus \$6000 in legal and other fees. The Court hasn't ruled yet on IDA's motion for Summary Judgment. Corwin would pay 9% interest from January 1, 2012. Discussion of how future PILOTS should be structured to protect the City and IDA interests. Past structures have been 'unusually beneficial' to the parties, leaving the City and IDA over-exposed.
- Foundry litigation. No change since the April 30th meeting. A follow-up court conference will be scheduled sometime in June. The IDA's position is to not put its own money in to satisfy the Bank. Court held a hearing last week on the IDA's Motion To Intervene, but no decision yet.
- Gemma Mr. Penney asked about elevator repair and liability exposure. Mr. Wyatt said the IDA has no liability. GEMMA has responsibility to IDA and the County has responsibility to GEMMA. Ms. Waivada said that owner of the building does not respond to requests for information and that the County has no responsibility to make reports to the Agency. Further the developer has NOT sent the agency Certificates of Insurance. Mr. Curry: our due diligence requires that we ensure that property insurance. Should our legislature representatives be copied on this situation?

9. Reports of Committees

Audit Committee: (SEE #4 above)

Governance Committee: There was no Governance Committee business.

10. Old Business.

EPA Drum Barrel Cache Schedule: Mr. Wyatt reported on the pre-construction meeting of May 8 with the DEC, EPA, Dupont-Stauffer, O'Brien Engineering, NCAC, and the City. Chuck Elindorf representing DuPont-Stauffer is not familiar with this project. Referred by John Greenthal who represented Dupont in access negotiations. Tree clearing starts in next 2 weeks. Valuable wood will be set aside for possible sale by IDA. Cleanup will start at Pierces Road, 3ft deep and will include additional sampling. Mr. Whyatt asked that Messrs. Marti and McIver be consulted. Excavation will begin in the Fallon the IDA parcel, as needed. Active work to end in October. Restoration of all property would be in early spring 2013. the property will be capped and Mr. McIver asked for the area to be delineated. Mr. Marti also requested a survey. Ms. Waivada: Messrs McIver and Whyatt need to estimate their time on this project. It is expensive and cannot go on forever.

General Discussion on Agency owned property: Ms. Waivada questioned whether the IDA should own residential properties. This will be researched. Mr. Curry: Orchard Street properties might be accessible to West Street. Ms. Waivada: we'll work on cleaning up the parking lot this summer.

NEXT MEETING: The next meeting of the IDA is scheduled for June 18th.

Mr. Penney: Motion to adjourn to Executive Session to ask for legal advice on Pierce's Road. .

Mr. O'Shea: Motion seconded.

VOTE: Unanimously approved.

The public portion of the meeting was adjourned at 8:45 pm. The Board moved to Executive Session.

Respectfully submitted,

C. K. Boyle
Recording Secretary


_____, 2012

SCHEDULE A

City of Newburgh IDA				
Adopted Budget VS. Actual				
Adopted 2012 Budget				
	Budget	Expended to date	Unexpended	Percentage Expended
Revenues:				
Fees from projects	0.00	0.00	0.00	0.00%
Fees and rent	92,000.00	20,695.32	71,304.68	22.49%
Easement income	0.00	0.00	0.00	0.00%
EDA grant reimbursement from City	0.00	0.00	0.00	0.00%
Settlement of promissory note	0.00	0.00	0.00	0.00%
Interest	6,000.00	211.10	5,788.90	3.52%
Contracts/grants	TBD	0.00	0.00	0.00%
Fund Balance	107,618.00	48,602.05	59,015.95	45.16%
Total Revenues:	205,618.00	69,508.47	136,109.53	33.80%
Expenses				
Personnel				2012 quarterly report
Staff - Contractual	45,000.00	15,272.50	29,727.50	33.94%
Legal services	75,000.00	29,963.00	45,037.00	39.95%
Engineering/Brownfield	25,000.00	0.00	25,000.00	0.00%
Audit	15,000.00	8,000.00	7,000.00	53.33%
Subtotal of Personnel:	160,000.00	53,235.50	106,764.50	33.27%
City of Newburgh Services:				
Personnel: Dir. Of Development, Assessor, GIS, reception	19,318.00	12,497.64	6,820.36	64.69%
Archives	2,500.00	0.00	2,500.00	0.00%
Website Maintenance, server connections, scans, etc	2,500.00	0.00	2,500.00	0.00%
Office and meeting room rental	3,000.00	0.00	3,000.00	0.00%
Telephone/ land line	450.00	0.00	450.00	0.00%
Subtotal of City Contract For Services:	27,768.00	12,497.64	15,270.36	45.01%
Operating Costs:				
Directors insurance	1,800.00	0.00	1,800.00	0.00%
Equipment supplies and repairs	600.00	0.00	600.00	0.00%
Office supplies	500.00	155.76	344.24	31.15%
NYS EDC annual membership	1,250.00	750.00	500.00	60.00%
Wireless telecommunication	1,000.00	0.00	1,000.00	0.00%
Postage	100.00	0.00	100.00	0.00%
Travel and Development	5,000.00	675.34	4,324.66	13.51%
Collateral materials for retention & attraction	2,500.00	0.00	2,500.00	0.00%
Subtotal For Operating Costs:	12,750.00	1,581.10	11,168.90	12.40%
Other Costs:				
Property Management:				
Insurance Property and Office Liability	2,100.00	1,144.23	955.77	54.49%
Title searches	500.00	1,050.00	(550.00)	210.00%
Property maintenance/contractual	2,500.00	0.00	2,500.00	0.00%
Subtotal For Property Management:	5,100.00	2,194.23	2,905.77	43.02%
Contract/Grants (EPA, CDBG):	TBD			
Total Expenses	205,618.00	69,508.47	136,109.53	33.80%
Surplus/(Deficit)	0.00	0.00	0.00	0.00%

Q1 2012 BUDGET V ACTUAL

SCHEDULE A

Newburgh IDA
2011 Budget VS Actual

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Lease income	91,570.00	118,940.00	(27,370.00)
Other revenues	<u>641,528.00</u>	<u>-</u>	<u>641,528.00</u>
Total revenues	<u>733,098.00</u>	<u>118,940.00</u>	<u>614,158.00</u>
Operating Expenses			
Administrative Fees	93,492.00	84,549.00	8,943.00
Equipment & maintenance	398.00	2,005.00	(1,607.00)
Insurance	1,788.00	1,788.00	-
Office expense	1,024.00	604.00	420.00
Professional fees, accounting	26,000.00	4,038.00	21,962.00
Professional fees, legal	95,000.00	90,932.00	4,068.00
Project expenses	619.00	27,093.00	(26,474.00)
Real estate taxes	-	2,329.00	(2,329.00)
Travel expense	-	51.00	(51.00)
Total expenses	<u>218,321.00</u>	<u>213,389.00</u>	<u>4,932.00</u>
Deficiency of revenue over expenses	<u><u>514,777.00</u></u>	<u><u>(94,449.00)</u></u>	<u><u>609,226.00</u></u>

2011 ACTUAL VS BUDGET 16 MAY 2012