

MINUTES

Dutchess County  Industrial Development Agency

*3 Neptune Road, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100*

BOARD OF DIRECTORS REGULAR MEETING

Wednesday, September 11, 2019

Present: Mark Doyle, Vice Chairman
Stacey Langenthal, Secretary/Treasurer
Kathleen Bauer
Jamie Piccone II
Don Sagliano
Al Torreggiani

Unable to Attend: Tim Dean, Chairman

Also Present: Sarah Lee, Executive Director
Marilyn Yerks, CFO
Jasmin Haylett, Office Administrator
Donald Cappillino & Elizabeth Cappillino, Counsel
Mike Arnoff, Lisa Arnoff, Brian Arnoff, Joe Kirchhoff, John Hettinger & Gene Sneeringer (Eastdale Project)

On Wednesday, September 11, 2019, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Vice Chairman Doyle at 8:02 a.m. Present was: Mark Doyle, Kathleen Bauer, Stacey Langenthal, Jamie Piccone II, Don Sagliano and Al Torreggiani. Unable to attend was: Tim Dean. Quorum was established.

CONFLICT OF INTEREST DISCLOSURES

Vice Chairman Doyle asked board members if they had any potential conflicts with any items on the agenda. Mr. Sagliano stated he will recuse himself from the Eastdale Village/MHTC Project discussion and vote because he is employed by one of the applicants for the project.

PROOF OF MEETING NOTICE

Meeting notice was published on September 4, 2019

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

July 17, 2019

Vice Chairman Doyle asked for a motion to approve the July 17, 2019 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Sagliano, duly seconded by Mr. Piccone to approve the DCIDA Board of Directors Meeting Minutes for July 17, 2019. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the 8/31/2019 Balance Sheet and Profit & Loss Budget

Balance Sheet

- Cash balance was \$2,709,310.72
- Received escrow deposit of \$1,674,558.19 from Cricket Valley. This will remain on the balance sheet and additional deposits will be made by Cricket Valley into this account yearly.

Profit & Loss

- Revenue was \$2,846,707.67
- Ms. Lee will discuss budget modification due to the \$1.4 million the IDA will likely not receive from IBM

A motion was made by Ms. Langenthal, duly seconded by Ms. Bauer to accept the 8/31/2019 financial report as presented. All voted in favor. Motion carried.

B. Budget Update

Ms. Lee noted that this is a proposal to amend the 2019 budget because IBM has decided not to execute the sales tax project and as a result IDA will not receive the \$1.4 million administrative fee from IBM. The following changes were made to the budget:

- Administrative fees was reduced to reflect non-executed IBM project
- Compliance fees was reduced to reflect projects that were projected to closed in 2018 but did not
- Interest income was updated to reflect the short-term investment income collected in 2019

A motion was made by Mr. Piccone, duly seconded by Ms. Langenthal to amend and approve the amended budget as presented. All voted in favor. Motion carried.

REPORTS OF COMMITTEES

None

UNFINISHED BUSINESS

Mr. Sagliano recused himself due to a potential conflict and left the room for this portion of the meeting.

- A. For Consideration and Approval of a Final Resolution concerning Phase II-A Facility of the Eastdale Village Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption previously granted to MHTC Development, LLC to 20 Eastdale Ave. N., LLC and providing the PILOT Schedule for Phase II-A of the Project.

Ms. Lee noted that MHTC Development is creating a LLC known as 20 Eastdale Avenue where the benefits already given to MHTC Development will be allocated to 20 Eastdale Avenue in order to create a 2-story building in the Eastdale Project.

Representatives for the project proceeded to introduce themselves, comment, give a brief overview of the project, and answer questions.

Mr. Cappillino noted that no additional benefits will be granted. Benefits already approved by the board will be allocated to a portion of the project.

Ms. Lee noted that a public hearing for this project was held on Tuesday, September 10, 2019. No one from the public was in attendance.

A motion was made by Mr. Torreggiani, duly seconded by Ms. Langenthal to approve the Final Resolution concerning Phase II-A Facility of the Eastdale Village Project (Town of Poughkeepsie) Authorizing a Lease and Project Agreement providing for the allocation of a portion of the Mortgage Tax Exemption and Sales Tax Exemption previously granted to MHTC Development, LLC to 20 Eastdale Ave. N., LLC and providing the PILOT Schedule for Phase II-A of the Project. All voted in favor. Motion carried.

NEW BUSINESS

- A. Regulatory Update

Ms. Lee made the following announcements:

- The Governor signed into law video requirements for IDAs. IDAs will be required to record its meetings and public hearings and post them on the website for at least five years and if possible to live-stream. Currently she is looking into costs for video, posting it on the website, and changes that might need to be made to the website in order to adhere to the new requirement. This will be effective January 1, 2020. The new regulation currently applies to IDA only.
- Received a FOIL request from the New England Council of Carpenter requesting a list of all IDA projects from 2017 to present that receive funding or tax exemptions
- The ABO now has the authority to remove IDA Executive Directors and board members for not reporting PARIS reports on time for three consecutive years.
- Received a letter in August from the ABO in regards to the Whistle-Blower policy. This letter was sent to IDAs mistakenly however, the Agency replied to the letter by submitting a copy of the IDA Whistle-Blower policy with a link to the website.
- The Asahishuzo project closed on August 8, 2019. Construction is scheduled to start on September 10, 2019.

- The Business Excellence Awards (BEA) will be held on Thursday, October 24, 2019. Invitations were sent out. Five businesses will be honored: Accessadoor (*Innovator of the Year*), Dutchess SCORE (*Nonprofit of the Year*), Earth, Wind & Fuego (*Small Business of the Year*), S&O Construction Services, Inc. (*Large Business of the Year*), iPark 84 (*The Grand Award*), and Special Recognition Award to Charles Daniels III. Received 60 nominations. Typically, every year, the IDA purchases a table for the board.

ADJOURNMENT

There being no further business to discuss, a motion was made by Mr. Torreggiani, duly seconded by Mr. Sagliano to adjourn the meeting. All voted in favor. Motion carried. Meeting adjourned at 8:38 a.m.

Respectfully submitted,



Stacey Langenthal, Secretary/Treasurer



Date

Meeting	<u>09-11-19</u>
Approved	<u>10-09-19</u>
Certified	<u>10-09-19</u>

Dutchess County Industrial Development Agency
Balance Sheet
 As of August 31, 2019

	Aug 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	699,048.46
1155 · CD1- Riverside	251,379.98
1156 · CD2 - Riverside	1,758,882.28
Total 1010 · Cash	2,709,310.72
Total Checking/Savings	2,709,310.72
Total Current Assets	2,709,310.72
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	-3,115.81
Total 1390 · Furniture & Equipment	0.00
Total Fixed Assets	0.00
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	2,133.01
Total 1175 · Other Assets	2,133.01
1600 · Escrow Deposits	
1601 · Cricket Valley Escrow Deposit	1,674,558.19
Total 1600 · Escrow Deposits	1,674,558.19
Total Other Assets	1,676,691.20
TOTAL ASSETS	4,386,001.92
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	337.86
Total Accounts Payable	337.86
Total Current Liabilities	337.86
Long Term Liabilities	
2300 · Escrow Deposit Liability	
2301 · Cricket Valley Escrow Deposit	1,674,558.19
Total 2300 · Escrow Deposit Liability	1,674,558.19
Total Long Term Liabilities	1,674,558.19
Total Liabilities	1,674,896.05
Equity	
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	2,953,592.54
Net Income	-1,689,914.14
Total Equity	2,711,105.87
TOTAL LIABILITIES & EQUITY	4,386,001.92

Dutchess County Industrial Development Agency Profit & Loss Budget vs. Actual January through August 2019

	Jan - Aug 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Cash Revenues				
4020 · Administrative Fees	389,245.09	1,495,500.00	-1,106,254.91	26.0%
4030 · Application Fees	250.00	750.00	-500.00	33.3%
4035 · Compliance Fees	2,505.00	3,500.00	-995.00	71.6%
4150 · PILOT Payments	2,415,533.07			
4910 · Interest	39,174.51	1,500.00	37,674.51	2,611.6%
Total 4000 · Cash Revenues	2,846,707.67	1,501,250.00	1,345,457.67	189.6%
Total Income	2,846,707.67	1,501,250.00	1,345,457.67	189.6%
Expense				
6000 · Expenditures				
6240 · Audit	0.00			
6260 · Dues, Publications, Subs	2,772.50	14,500.00	-14,500.00	0.0%
6280 · Insurance	2,628.61	2,500.00	272.50	110.9%
6350 · Misc	1,036.60	3,750.00	-1,121.39	70.1%
6450 · PILOT Payments	2,415,533.07	2,500.00	-1,463.40	41.5%
6500 · Professional Service Contracts	2,102,500.00	2,102,500.00	0.00	100.0%
6510 · Professional Services	10,415.00	10,000.00	415.00	104.2%
6520 · Rent	996.00	1,000.00	-4.00	99.6%
6530 · Supplies	284.13	1,000.00	-715.87	28.4%
6550 · Travel & Meetings	455.90	2,500.00	-2,044.10	18.2%
Total 6000 · Expenditures	4,536,621.81	2,140,250.00	2,396,371.81	212.0%
Total Expense	4,536,621.81	2,140,250.00	2,396,371.81	212.0%
Net Ordinary Income	-1,689,914.14	-639,000.00	-1,050,914.14	264.5%
Net Income	-1,689,914.14	-639,000.00	-1,050,914.14	264.5%

Dutchess County Industrial Development Agency

IDA	2018 Audit	2019 Budget	2019 Amended Budget
Revenues:			
Administration Fees	508,393	1,495,500	388,933 (1)
Application Fees	2,000	750	750
Compliance Fees	2,000	3,500	2,505 (2)
Interest	74,865	1,500	30,000 (3)
Total Revenue	587,258	1,501,250	422,188
Expenditures:			
Audit	0	14,500	14,500
Dues, pub, sub	0	2,500	2,500
Insurance	1,220	3,750	3,750
Misc/Other	0	2,500	2,500
Professional Service Contracts	590,000	2,102,500	2,102,500
Professional Services	10,006	10,000	10,000
Rent	950	1,000	1,000
Supplies	1,325	1,000	1,000
Travel & Meeting	948	2,500	2,500
Total Expense	604,449	2,140,250	2,140,250
Excess Income /Expense	(17,191)	(639,000)	(1,718,062)

(1) Administrative fee is reduced to reflect non-executed IBM project

(2) Compliance fees is reduced to reflect projects that were projected to close in 2018 but did not

(3) Interest income is updated to reflect the short term investment income collected in 2019

	2018 Actual	2019 Proposed Budget	2019 Actual Budget
Professional Service Contracts			
LDC	150,000	601,500	601,500
DTI	415,000	1,476,000	1,476,000
HV Agri	25,000	25,000	25,000
	<u>590,000</u>	<u>2,102,500</u>	<u>2,102,500</u>
DTI	300,000	1,361,000	1,361,000
MidHudson Arts	100,000	100,000	100,000
HV Film	15,000	15,000	15,000
	<u>415,000</u>	<u>1,476,000</u>	<u>1,476,000</u>
Professional Services			
Local Workforce Policy enforcement services / Cappillino, Rothchild & Egan, LLP		10,000	10,000