

# UCIDA

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Ulster County Industrial Development Agency

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## ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES October 9, 2019

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A regular monthly meeting of the Ulster County Industrial Development Agency was held on Wednesday, October 9, 2019, at 9:00 A.M. at SUNY Ulster, 94 Marys Avenue, Room 101, Kingston, NY.

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### **Roll Call:**

The following agency members were present:

Randall Leverette	Chair	
Faye Storms	Vice Chair/Assistant Treasurer	
Richard O. Jones	Treasurer/Assistant Secretary	
Paul Andreassen	Assistant Secretary	Arrived 9:06 A.M.
James Malcolm	Member	
Daniel Savona	Member	

The following agency members were absent (with notice):

Michael Ham	Secretary
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UCIDA Attorneys and Bond Counsel:

A. Joseph Scott, III, Esq.	Agency Counsel
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Additional Attendees:

Rose Woodworth	Agency Staff
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The meeting was called to order at 9:02 A.M. by Chair Randall Leverette.

Rose Woodworth read the roll and noted that a quorum was present.

### **READING OF THE UCIDA MISSION STATEMENT**

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

### MINUTES

**Motion:** James Malcolm, seconded by Richard Jones, moved to approve the minutes of the September 11, 2019 meeting. A copy of said minutes is on file.

**Vote:** The motion was unanimously adopted (5-0).

### FINANCIALS

**Note: Paul Andreassen arrived late with notice at 9:06 A.M. during the financial report.**

Executive Director Rose Woodworth presented the financial report. A copy of the report is on file. Interest income was the only income in September. The only expenses for the month of September were legal fees (which included the administrative work as well as regular legal fees for January through part of July) and other administrative fees (which included the normal administrative staff contract as well as the costs associated with the public hearing for Brooklyn Bottling of Milton New York, Inc.).

The Board discussed the Agency's significant cash position of almost \$500,000. Mr. Jones recommended investing an additional \$150,000 into laddered CDs of six, twelve and fifteen months. Ms. Woodworth noted that the money market interest rate is the same as the checking account interest rate so investing more into the money market would not be as advantageous as investing into CDs. The Board will wait until the budget is finalized to determine how much to invest into CDs.

**Motion:** James Malcolm, seconded by Daniel Savona, moved to accept the monthly financial report, as presented.

**Vote:** The motion was unanimously adopted (6-0).

### CHAIR'S REPORT

Chair Leverette presented his Chair's Report. As part of his report, the Chair reported on the following:

- A. Brooklyn Bottling of Milton New York, Inc. – A public hearing was held Monday, September 30, 2019. The Agency is awaiting the public hearing transcript and background check information. Once received, pre-screen will review and then provide the Board with a recommendation memo and transcript of the hearing. The Applicant was hoping to have the process finished by October, but the Board is still waiting for documents. Chair Leverette suggested holding the next monthly Board Meeting on October 30, 2019 in lieu of a November meeting.

**Motion:** Randall Leverette, seconded by James Malcolm, moved to change the date of the regularly scheduled November Board Meeting to October 30, 2019.

**Vote:** The motion was unanimously adopted (6-0).

- B. Documentation – The Chair reported that at the end of the Board meeting, the Agency will be executing three documents. The first is a conveyance of property back to the owner for Gateway, a past project which has been completed and will be sold. The second is a bank financing document for Hudson Valley Kingston Development for a draw down for the next phase of the project associated with the three boutique hotels. The third is closing documentation for Inness NY, LLC, which is anticipated to close before the end of November. Richard Jones provided questions to be sure the closing documents provide for on-site monitoring. The on-site monitoring is included in the Agency’s policy but may be modified in the closing documents for this applicant.
- C. Proposal – The Agency received a proposal to conduct archeological research from SUNY Binghamton. Staff has filed the proposal to reference should such a need arise.
- D. Ulster Hospitality – The Applicant has requested to meet with the pre-screen group to review their application. Agency staff is working to set this up.
- E. Recent Legislation – Agency Counsel prepared a memo outlining the recently signed legislation to broaden ABO powers and media streaming. A copy of the memo was provided in the meeting materials packet for Board Members to review.

#### **EXECUTIVE DIRECTOR’S REPORT**

Executive Director Rose Woodworth presented her Executive Director’s Report. As part of her report, she reported on the following:

- A. Masiello, Martucci, Calabrese & Associates – The Executive Director received an email from Carl Calabrese, Partner at Masiello, Martucci, Calabrese & Associates. A copy of which is on file. His firm is a registered lobbying firm which represents five local IDAs in Erie County. They were active in the effort to stop the implementation of state Prevailing Wage law in the recently concluded legislative session. Mr. Calabrese wanted to find out if the Agency had any hard data on the negative impacts the law had in Ulster County and if it would be willing to share that data with his group. After discussion, the Board decided that they have no information to share.
- B. Pattison, Koskey, Howe & Bucci, CPAs (“PKHB”) – The Executive Director presented the first draft audit engagement letter from PKHB, a copy of which is on file. The Agency already signed a three-year contract with PKHB so this is just a formality as part of the audit engagement.
- C. Annual Reporting Requirements Letter – The Executive Director presented a draft of the changes that are being made to the packet going out to projects in order to collect the data needed as part of Agency policies and for PARIS. The Executive Director will be working with Counsel on implementing a few more changes from what is seen here so that the packet better complies

with our policies. Ms. Woodworth would like to mail the packets out this month in an effort to aid projects in getting the requested information back to the Agency in a more-timely manner.

D. Miscellaneous Updates:

- a. As requested, Tracey Williams, Director of Real Property, sent copies of the information sent to the various municipalities showing Ulster County IDA PILOT project payment calculation and billing county/tax bills that went out earlier this year.
- b. After reading about a local municipality getting grant money from New York State for digitizing their old files, the Executive Director called NYS Archives to discuss the Agency's options. The Agency is eligible for grant money so Ms. Woodworth would like to apply to help offset the costs that the Agency will incur. First, the Agency needs to establish a records management program. This program is not just needed for the grant, but it is also recommended in ABO's guidance laid out this past June. Ms. Woodworth will work with the Chair and Counsel to develop the program.
- c. Upon reviewing Agency costs with the Chair, they felt it would be more cost-effective and efficient to have Counsel review a staff-prepared Welcome Packet for new projects instead of having Counsel draft the packet.
- d. As previously discussed, the Executive Director, along with Ms. Storms and Chair Leverette, have been working with Ellenbogen on an informational video for the IDA. The Agency signed a contract with Ellenbogen last year, but the project was set aside during the Agency's transition period. Ms. Woodworth is awaiting an outline from Jeremy Ellenbogen before reaching out to projects about potentially being part of the video.
- e. As requested at the last Finance Committee meeting, the Executive Director has started examining how other IDAs handle board vs. bond counsel and is looking into options for additional Agency counsel.

E. Press – The Executive Director clarified the following points that were misrepresented in a recent article.

- a. Budget forecasts are not typically made using four-year averages. Ms. Woodworth's statement was about budget forecasts for administrative fee income only. In the past, the staff calculated the administrative fee income using a four-year average.
- b. Spending in 2018 was not "higher than the anticipated \$527K." The adopted budget for 2018 forecasted \$205K in revenue and \$205K in expenses. The actual revenues in 2018 totaled \$527K, and the actual expenses totaled \$172K.
- c. The previous year's expenses were not \$118K. The expenses totaled \$157K. However, the actual revenues in 2017 totaled \$118K.

- d. Ms. Woodworth did not say that the 2018 spending “is going to totally skew the numbers” if the averaging model remains in place. Ms. Woodworth said that the 2018 revenue would skew an average, as it was much higher than any prior year.
- e. Part of the change in the revenue for the Agency’s 2019 budget amendments is not due to the return of Ready2GoFunds from former agency administrators. That information on the Finance Committee’s budget worksheet came from 2016 figures. The change in 2018 that was referred to is only from a settlement returning most of our litigation expenses from a lawsuit.
- f. The legal fees in 2019 are not expected to be \$90K solely because of costs related to the Agency splitting from the County Executive’s Office. A large portion of those costs are from the litigation matter that was recently settled. Most of those additional legal fees incurred this year and incurred last year were recuperated in our settlement mentioned prior to this error.

## **COMMITTEE REPORTS**

### **Audit Committee**

Richard Jones, Chair of the Audit Committee, reported that the Audit Committee met on October 1, 2019 and recommends that the chair signs the engagement letter from Pattison, Koskey, Howe & Bucci, CPAs (“PKHB”) for the 2019 Audit. This is the last year covered by the three year engagement so the Agency will send out a formal Request for Proposal in early 2020 for the audit engagement going forward.

**Motion:** Richard Jones, seconded by James Malcolm, moved to empower the Chair to sign the engagement letter for PKHB as presented.

**Vote:** The motion was unanimously adopted (6-0).

Mr. Jones reported that the Committee reviewed the compliance section in the Agency’s bylaws. The first matter discussed were the site visits. The Executive Director’s firm has agreed complete the required site visits by the end of the year at a cost of roughly \$10,000. Mr. Jones then pointed out the provision that requires the Agency to collect payroll data for each project annually, and, at the expense of the project, have the data reviewed and certified by a Certified Public Accountant. In the interest of time, the Committee recommended having Christopher O’Connor, CPA, of O’Connor Tax Services complete the review this year for a maximum fee of \$3,500. Ms. Storms asked if a letter will be sent to each project to inform them of the new fee. Ms. Woodworth said the Agency will include information about the fee in the letter going out to each project at the end of the month, and that she estimates the fee to be \$100 per project. Mr. Savona opposed this recommendation because he does not feel the Agency should pass the fee along to the existing projects who have not been subject to this fee in the past. Counsel advised the Board that the closing documents support the Agency charging the cost to the project, but if the Agency chooses to only charge new projects, Attorney Scott suggested highlighting the

fee in the Agency's Welcome Letter. The Executive Director and Counsel will propose a way to structure the fees at the next Board Meeting.

**Motion:** Richard Jones, seconded by Randall Leverette, moved to approve a maximum fee of \$3,500 for Chris O'Connor, CPA to complete the annual review.

**Vote:** The motion was adopted 5-1. Mr. Savona voted to reject the motion.

### **Finance Committee**

Randall Leverette, Chair reported that the Committee met after the monthly Board Meeting on September 11, 2019. The Committee approved the payment for legal fees for services rendered when the Agency was without administrative staff. The Committee asked the Executive Director to develop an enhanced job description for approval by the Chair. The Committee approved staff research of other agencies use of board and transactional counsel and payment structure of those arrangement for recommendation to the Board. The Committee presented a revised budget allocating funds for the remainder of the year, which needs to be approved and sent to New York State before November 1, 2019. Chair Leverette recommends increasing the budget line for Administrative Staff Fees so there is room to pay for work above and beyond the 30-40 hours per month that were originally budgeted. Currently, Ms. Woodworth and staff are at about 70-80 hours per month. The additional hours are attributed to taking on tasks that used to be handled by other county departments, or not done at all. The actual cost is unknown for items such as PARIS reporting, monthly financials, banking, audit work which was all previously handled by the County Finance Department, and web maintenance, updating content, notices etc., which was previously handled by the County IT Department. There are also new requirements going forward for the timeline of meeting minutes being posted on the website. Therefore, drafts will need to be posted, and then approved minutes will have to be posted later. The new ABO guidelines are creating more work. In the past, some tasks such as site visits were completely overlooked. Therefore, it was hard to have a baseline.

**Motion:** Randall Leverette, seconded by Faye Storms, moved to adopt the budget as presented during the Finance Committee meeting along with the additional Administrative Staff Fees from September to May with the provision that any additional funds that are allocated be documented with additional paperwork showing the hours above the budgeted 30-40 hours per month. In addition, the motion empowers the Chair to oversee the time spent by Administrative Staff and inform the Board if anything goes awry.

**Vote:** The motion was unanimously adopted (6-0).

### **Governance Committee**

Paul Andreassen, Chair of the Audit Committee apologized for being out recently. Mr. Andreassen is working with staff to schedule a Governance Committee for mid-November to complete the changes to the Matrix with hopes that he can present the changes for Board approval at the December Board meeting.

## **OLD BUSINESS**

### **Status of Pending Projects**

Agency Counsel reported on the status of pending projects:

- Wildberry Lodge, LLC – No change. Project is completing SEQR process. No action can be taken until the process is completed.
- Inness NY, LLC – Documents have been distributed for review and closing documents will be signed after today's meeting. Counsel anticipates closing no later than November 2019.
- Brooklyn Bottling of Milton, New York, Inc. – A Public Hearing was held September 30, 2019, and the revised application and answers to the Agency's follow-up questions have been submitted. Resolutions for consideration by the Board may be presented at the October 30, 2019 Board meeting, subject to review by the pre-screening group of the supplemental material delivered by the project applicant and the results of the background check.

## **EXECUTIVE SESSION**

**Motion:** Randall Leverette, seconded by Richard Jones, made a motion to go into Executive Session for the purpose of discussing background history, qualifications and financial information for a potential contract.

**Vote:** The motion was unanimously adopted (6-0).

The board then entered into Executive Session at 9:58 A.M.

**Motion:** Richard Jones, seconded by James Malcolm, made a motion to come out of Executive Session.

**Vote:** The motion was unanimously adopted (6-0).

The board came out of Executive Session at 10:22 A.M.

No action was taken during the Executive Session.

**Motion:** Richard Jones, seconded by Faye Storms, made a motion to hire the firm Loewke Brill to monitor the Agency's construction projects for the period of one year that occur as a result of the Agency inducing certain entities.

**Vote:** The motion was unanimously adopted (6-0).

**Motion:** James Malcolm, seconded by Richard Jones, made a motion to make the monitoring policy effective from this day forward.

**Vote:** The motion was unanimously adopted (6-0).

### **PUBLIC COMMENT**

Public comments were received as follows:

Legislator Lynn Archer thanked the Governance Committee for their ongoing work on the UTEP and invited them to present their ideas at the next meeting of the Economic Development Committee for discussion. She thinks it would be a great opportunity to collaborate.

Bill Kemble asked if the meeting documents could be posted on the Agency's website prior to each Board meeting or handed out during the meeting. He also asked for a copy of the adopted budget to be uploaded to the website or emailed directly to him. Ms. Woodworth said it will be available on the website as soon as possible. He then asked that a Board Member call him immediately if there is an issue with an article he publishes. Mr. Kemble asked if the Board could explain the monitoring resolution passed. Chair Leverette summarized it as a monitoring contract for construction jobs going forward. The Agency will use a firm to go out and verify the job is in compliance with the information submitted on the matrix. Chair Leverette asked Mr. Kemble to specify what information he is looking for when leaving messages at the office so the Agency can be prepared with the proper information. The Board continued to discuss the errors printed in the news article written by Mr. Kemble, and Mr. Kemble stated that he is not going to print a retraction but will correct his mistake of saying \$527,000 in expenses instead of revenue.

### **ADJOURNMENT**

**Motion:** James Malcolm, seconded by Richard Jones, moved to adjourn the meeting.

**Vote:** The motion was unanimously adopted.

The meeting was adjourned at 10:39 A.M.

Respectfully submitted,

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Michael Ham, Secretary