

## MINUTES

### DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

3 Neptune Road, Poughkeepsie, NY 12601  
Tel. # - (845) 463-5400 / Fax # - (845) 463-5401

### BOARD OF DIRECTORS REGULAR MEETING

Thursday, March 27, 2014

**PRESENT:** Charles Daniels III  
Tim Dean  
Angela Flesland  
David Tetor

**ABSENT:** Phyllis DiStasi Keenan (*via phone*)  
Henry Killian

**ALSO PRESENT:** Catherine Maloney, DCIDA Executive Director & CEO  
Don Cappillino, DCIDA Counsel  
Lynn Heuermann, DCIDA Chief Financial Officer  
Jasmin Haylett, DCEDC Office Administrator  
Sarah Lee, DCEDC Business Development Specialist  
Ron Hicks, Dutchess County  
Michael Burdis, President, James L. Taylor Mfg. Co.  
Debra J. Lambek, Esq., Counsel, Columbia Development Companies

---

On Thursday, March 27, 2014 the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Chairman Daniels at 8:27 a.m. Present were: Charles Daniels III, Tim Dean, Angela Flesland and David Tetor. Absent were: Phyllis DiStasi Keenan (*via phone*) and Henry Killian.

#### **APPROVAL OF MINUTES**

Chairman Daniels asked if there were any comments, questions, additions, or deletions to the January 14, 2014 and January 22, 2014 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Tetor, duly seconded by Ms. Flesland to approve the DCIDA Board of Directors Meeting Minutes for January 14, 2014 and January 22, 2014. All voted in favor. Motion carried.

#### **CONSIDERATION AND APPROVAL OF RESOLUTION**

1. For Consideration and Approval of a Preliminary Resolution Authorizing a Payment-in-Lieu-of-Tax Agreement with Parker Hamilton Corp./James L. Taylor Manufacturing Co., Inc. (Town of Poughkeepsie)

Due to a lack in quorum, this item will be moved to the April 15 meeting.

2. For Consideration and Approval of the Application of Columbia SHF to amend the existing Amended and Restated Payment-in-Lieu-of-Tax Agreement between the DCIDA and Columbia SHF to modify the existing definition of "Hospital Percentage" to include Westchester County Health Care Corporation or successor purchaser of the Hospital

Mr. Cappillino gave an overview of the project. Columbia SFH LLC holds a PILOT Agreement from the DCIDA. The original PILOT Agreement calls for a 10 year PILOT for the private occupied portion and the hospital occupied portion would be tax exempt. Columbia SFH LLC would like to amend the existing Amended and Restated PILOT Agreement between the Agency and Corporation to modify the existing definition of "Hospital Percentage" to include Westchester County Health Care Corporation or the successor purchaser of the Hospital.

A motion was made by Ms. Flesland, duly seconded by Mr. Tetor to approve the Application of Columbia SHF to amend the existing Amended and Restated Payment-in-Lieu-of-Tax Agreement between the DCIDA and Columbia SHF to modify the existing definition of "Hospital Percentage" to include Westchester County Health Care Corporation or successor purchaser of the Hospital. All voted in favor. Motion carried.

#### **APPROVAL OF THE 2013 FINANCIAL AUDIT**

Ms. Keenan presented the following information from the audit report via phone:

- There are no material issues.
- The Net Positions decreased by \$564,284 in 2013 and by \$54,320 in 2012 and that the Agency's net position decreased to \$1,762,465 as of December 31, 2013 from \$2,326,749 as of 2012.
- Agency's revenues decreased from \$281,483 for 2012 to \$104,290 for 2013 and the operating expenses increased from \$335,803 for 2012 to \$668,574 for 2013.
- No management letter was issued.
- The auditors suggested that checks over \$10,000 have a countersignature because in their findings one check over \$10,000 did not have a countersignature.

A motion was made by Mr. Dean, duly seconded by Ms. Flesland to amend the current countersignature policy to require a countersignature on all checks over \$10,000. All voted in favor. Motion carried.

A motion was made by Mr. Dean, duly seconded by Mr. Tetor to approve the 2013 DCIDA Financial Audit. All voted in favor. Motion carried.

#### **PUBLIC HEARINGS**

Mr. Cappillino said that in 1999 a resolution was adopted regarding public hearings which gave the Chairman the authority to schedule public hearings prior to the board voting on a final resolution for a project and that he would like to have a motion made and approved by the board authorizing the Chairman to schedule a public hearing prior to voting on the final resolution for a project.

A motion was made by Ms. Flesland, duly seconded by Mr. Tetor to authorize the Chairman to schedule a public hearing prior to the final resolution of a project. All voted in favor. Motion carried.

#### **APPROVAL OF PARIS REPORT**

Ms. Maloney gave a brief overview of the Annual Report, Procurement Report and Investment Report for the Public Authorities Reporting Information System (PARIS) required by New York State

A motion was made by Mr. Tetor, duly seconded by Mr. Dean to approve the Annual Report, Procurement Report and Investment Report for the Public Authorities Reporting Information System (PARIS) required by New York State. All voted in favor. Motion carried.

### **EXECUTIVE SESSION**

A motion was made by Ms. Flesland, duly seconded by Mr. Dean to go into Executive Session to discuss personnel.

Executive Session started at 9:10 a.m.

A motion was made by Ms. Flesland, duly seconded by Mr. Tetor to reopen the Regular Meeting of the DCIDA. All voted in favor. Motion carried. Regular meeting of the DCIDA resumed at 9:45 a.m.

Chairman Daniels said that the purpose of the Executive Session was to talk about compliance issues and how it might be a burden and threat to the DCIDA. A decision Ron Hicks would create a scope of services for an RFP to look at the DCIDA, its internal structure, its compliance, and the role of each staff to help alleviate some of the burdens for the staff which will allow the staff to focus on what the main mission is and that because the DCIDA has a contract with DCEDC for these services the staff cannot be involved in the RFP process. At the next meeting there will be another Executive Session to review and approve the scope of services.

### **REPORT OF EXAMINATION FOR THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

Chairman Daniels said the reason this is on the agenda is because the board needs to develop a plan of corrective action and submit it to the Office of the State Comptroller. The four recommendations from the auditors that the Board needs to have detailed plans of correction for are that:

1. The Board did not design or implement an adequate system to monitor, evaluate, and control benefits and incentives granted to businesses.
2. The DCIDA did not properly bill, collect, and distribute the PILOT amounts for 3 of 7 projects that require DCIDA control and none of the 12 PILOT Agreements renewed had a recapture clause.
3. The Annual Report submitted by the DCIDA was not accurate or complete.
4. Out of 10 projects with PILOT Agreements 5 were not reported on the PARIS report and 2 were not correct.

Chairman Daniels reiterated that the 5 projects were reported on PARIS, the PILOT amounts were omitted.

Discussion ensued about recapture.

Recommendations:

- To carefully document all discussions.
- Look at other recapture policies
- Have a process where criteria is stipulated

Chairman Daniels asked if the board wants to implement a recapture clause or comply with State regulations.

A motion was made by Ms. Flesland, duly seconded by Mr. Tetor that DCIDA consider adopting a claw back policy yet to be determined. Yes: Ms. Flesland; No: Mr. Dean; No: Mr. Tetor; No: Chairman Daniels. Motion was defeated.

**FINANCIAL REPORT**

Ms. Heuermann reported on the 02/28/14 financials:

- ◆ Year-end cash balance was \$1,564,217.46
- ◆ Year-to-date total revenues was \$643,344.70
- ◆ Year-to-date total expenditures were \$845,743.54

A motion was made by Ms. Flesland, duly seconded by Mr. Tetor to approve the 02/28/14 financials. All voted in favor. Motion carried.

**ADJOURNMENT**

There being no further business, a motion was made by Chairman Daniels, duly seconded by Mr. Tetor to adjourn the meeting. All voted in favor. Motion carried. Meeting adjourned at 10:16 a.m.

Respectfully submitted,

---

Phyllis DiStasi Keenan, Secretary

---

Date

<b>Meeting</b>	<u>03-27-14</u>
<b>Approved</b>	<u>04-15-14</u>
<b>Certified</b>	<u>04-15-14</u>