

MINUTES OF THE MEETING OF THE
VILLAGE OF PORT CHESTER
INDUSTRIAL DEVELOPMENT AGENCY

HELD: October 14, 2009

TIME AND PLACE: 7:17 P.M., Village Hall, 222 Grace Church Street, Port Chester,
New York

In attendance were members James Taylor II, Joseph Kenner, Neil Pagano and John Hiensch.

Also in attendance was Village Clerk, Joan Mancuso, Village Treasurer and IDA CFO Leonie Douglas and Village Attorney, Anthony Cerreto

Absent were members Dennis Pilla, Charles Rosabella and IDA Counsel, Mark Tulis

The meeting was opened at 7:17 p.m. by Acting Chairman Taylor who spoke about the by-laws and that the following positions need to be nominated and appointed for the Agency at this meeting; Chairman, Vice-Chairman and Secretary. Commissioner Kenner nominated Commissioner Pagano for the position of Chairman. Acting Chairman Taylor stated that he was to nominate Commissioner Pilla for this position but since he is not present this evening, he would not make that nomination. Acting Chairman Taylor asked if there were any other nominations for the position of Chairman. There were none, so he closed the nominations for Chairman. It was a unanimous vote of all members that Neil Pagano was appointed Chairman.

Ayes: Members Hiensch, Taylor, Kenner and Chairman Pagano

Noes: None

Absent: Members Pilla and Rosabella

Acting Chairman Taylor gave the meeting over to Chairman Pagano. There was a brief discussion for the position of Vice Chairman; Commissioner Hiensch nominated Commissioner Kenner as Vice Chairman. Chairman Pagano asked if there were any other nominations for the position of Vice-Chairman. There were none, so he closed the nominations for Vice-Chairman. It was a unanimous vote of all members present that Joseph Kenner was appointed Vice-Chairman.

Ayes: Members Hiensch, Taylor, Kenner and Chairman Pagano

Noes: None

Absent: Members Pilla and Rosabella

Chairman Pagano stated that the Village Clerk was asked to provide a proposal with the rate to be the Secretary for the Agency. He said that Joan Mancuso, the Village Clerk has provided a proposal that the rate would be \$150.00 for a two hour meeting and \$50.00 for each additional hour. The members asked Mrs. Mancuso how this rate was determined. Mrs. Mancuso stated that she conferred with other Clerk's in the County who are

Secretary for additional agencies and the rate for this service ranged between \$150.00 and \$175.00. She said that she would amend the proposal so that the fee would be \$150.00 per meeting with no extra hourly cost. Chairman Pagano thanked Mrs. Mancuso for this reduction and nominated her as Secretary for the Agency. He asked if there were any other nominations for this position. There were none, so he closed the nominations for Secretary. It was a unanimous vote of all members present that Joan Mancuso was appointed Secretary.

Ayes: Members Hiensch, Taylor, Vice-Chairman Kenner and Chairman Pagano
Noes: None
Absent: Members Pilla and Rosabella

The Chairman asked the Secretary to read the minutes of the July 8, 2009 meeting of the Agency. The Secretary read the July 8, 2009 minutes. Commissioner John Hiensch asked that the minutes be changed so that his last name will be correctly spelled, Hiensch not Heinsch, the Secretary said that the corrections will be made. The members stated that the minutes included an incomplete sentence regarding the reconciliation of IDA properties that stated "Mr. Dreves agreed to get....". They asked that this sentence be removed from the minutes because they can not confirm what was to be provided, the Secretary stated that this will be removed. On motion of Vice-Chairman Kenner, seconded by Member Hiensch, the minutes of July 8, 2009 were accepted as amended.

Ayes: Members Hiensch, Taylor, Vice-Chairman Kenner and Chairman Pagano
Noes: None
Absent: Members Pilla and Rosabella

Chairman Pagano said that the Agency should have a policy that reports and/or attachments should also be included in future minutes. The members discussed this proposal and agreed that necessary reports, documents and/or attachments be made part of the minutes.

Chairman Pagano noted that the prior Chairman James Dreves had resigned the position but that resignations do not go to the Agency. He requested that members of the Agency should also notify the Agency if they are resigning and not just the Board of Trustees so the agency has a record of the resignation. The members agreed with this policy.

Chairman Pagano said that the next item on the agenda is report from the Audit Committee. It was noted that the Village Attorney had provided the Agency with an opinion from Harris Beach that concurs with his that members of the Industrial Development Agency are not required to file annual disclosure statements since the Village of Port Chester does not have such a requirement.

Member Taylor inquired of Leonie Douglas, the Village Treasurer and IDA CFO if the audit for the IDA is done by the Village. She explained that the audit being done is for the fiscal year of 2008-2009. Mr. Cerreto advised the members that the Village most recently had been subject of an audit by the State with regard to the Port Chester

Community Development Agency, a long-dormant entity with no obligations, He said that the Board of Trustees adopted a resolution to the State requesting that this agency needs to be formally dissolved which is required to be done by State legislation.

(At this time State Assemblyman George Latimer joined the meeting and advised the members if the Agency needs any assistance to please contact him. The Members thanked Mr. Latimer for coming before them this evening offering assistance.)

Commissioner Taylor asked if the Agency is required to do anything. Mr. Cerreto recommended that they need a clarification by Harris Beach.

Commissioner Taylor said that one of the requirements is that the IDA needs a website. There was a brief discussion if the Agency will require its own website or whether it can be linked to the new website that the Village is having done now, this would have to be verified.

The members discussed whether the resolution from Harris Beach that the Agency adopt certain policies, standards and procedures in connection with the Public Authorities Accountability Act of 2005 was adopted, it was the consensus of the members that it was not. Commissioner Taylor inquired if a conflict of interest disclosure was required since it was not part of the policies listed in this resolution. The members discussed the different policies with Mr. Cerreto. They were advised that the Agency would default to the policies that have been adopted by the Village such as the policies on Ethics, Procurement and Investment and that they should vote on each of these policies separately, the following motions and votes were made:

Vice-Chairman Kenner motion to adopt the Village of Port Chester's Ethic Policy, Member Taylor seconded the motion.

Ayes: Members Hiensch, Taylor, Vice-Chairman Kenner and Chairman Pagano

Noes: None

Absent: Members Pilla and Rosabella

Vice-Chairman Kenner motioned to adopt the Village of Port Chester's Procurement Policy, Member Taylor seconded the motion

Ayes: Members Hiensch, Taylor, Vice-Chairman Kenner and Chairman Pagano

Noes: None

Absent: Members Pilla and Rosabella

Member Taylor motioned to adopt the Village of Port Chester's Investment Policy, Vice Chairman Kenner seconded the motion

Ayes: Members Hiensch, Taylor, Vice-Chairman Kenner and Chairman Pagano

Noes: None

Absent: Members Pilla and Rosabella

Mr. Cerreto advised the members that the Agency is covered under the Village's Defense and Indemnification Policy but may want a formal policy. Vice-Chairman Kenner asked that a request be made to the Village of what is the coverage. Chairman Pagano asked whether the Liability Insurance policy covering the Village and its Boards (including the

IDA Board) could be obtained under the Freedom of Information Act. Mr. Cerreto confirmed that it can.

Mr. Cerreto recommended that the Agency request from Harris Beach provide the other policies that are listed in the resolution that they provided.

Chairman Pagano said that the next agenda item is the report from Governance Committee. Vice-Chairman Kenner suggested that the Agency have a check list of what is required regarding governance. Commissioner Taylor said that the Agency has been provided with proposed by-laws by Harris Beach. He moved to accept these by-laws. Chairman Pagano inquired why these by-laws left blank the Agency's ability to replace members. Mr. Cerreto said that the Agency themselves cannot replace members; only the Board of Trustees can by resolution. Chairman Pagano also noted that the Village has legislation requiring that members of the Boards and Commissions can not be absent more than four times in a calendar year. Mr. Cerreto said that the IDA is not like other Boards and Commissions that the members do not serve on a term but at the pleasure of the Board of Trustees and that is why Harris Beach left that section out of the recommended By-Laws. The members discussed the proposed By-Laws provided by Harris Beach, including the time of year for the Annual Meeting and why it states the first day of June. Ms. Douglas said that the Agency's fiscal year along with the Village's fiscal year begins on June 1st of each year. The next portion of the By-Laws that was discussed was Article V, Section 2 regarding Regular Meetings that may be determined by resolution of the Agency. It was recommended that this be changed to "by call of the Chair". Commissioner Taylor also noted that under Section 1 of Article IV in the By-Laws, reference is made to the "New York State Industrial Development Agency Act" however, a copy of which was not provided. Mr. Taylor stated that he will get a copy for the Agency.

By Laws

Vice Chairman Kenner motion to adopt the By-Laws provided by Harris Beach as amended, Member Hiesch seconded the motion.

Ayes: Member Hiesch, Taylor, Vice-Chairman Kenner and Chairman Pagano

Noes: None

Absent: Members Pilla and Rosabella

Report

Mr. Cerreto told the members that he questioned the waiver notice under Section 3 of Article V and that he would contact Harris Beach to clarify this portion.

Chairman Pagano went on to the next item on the agenda - Financial Reports. He inquired if the Agency should be looking at other firms on their own. Ms. Douglas and Mr. Cerreto advised the members that the current audit firm Bennett Kielson has been providing this service for the last several years and it is time that the Village will be going out to bid/proposals for this service. Mr. Pagano asked if the auditors look at IDA properties and what do we as the Agency ask of the auditors for the Industrial Development Agency. Ms. Douglas advised the members about the type of items that are reviewed by the auditors. Commissioner Taylor said that the auditors will verify our balance sheet noting that the revenue of the IDA is received by the Town and Village and the Agency has very little spending.

his deal never closed

Ms. Douglas spoke about the budget analysis for 2005 and that for 2008/2009 there is an additional administrative fee of \$19,000 which needs to be included. The members spoke to Ms. Douglas about this administrative fee that was indicated in the minutes of January 19, 2009 and November 17, 2008 regarding the borrowing via a subordinate loan by American Foundation For Affordable Housing (Kingsport) of up to \$2,500,000 plus a 1% fee payable to the IDA in the amount of \$19,000 for the additional funding.

Mr. Cerreto asked if Harris Beach was on a specific retainer. Commissioner Taylor said that this firm was on a \$5,000 retainer, retained as Special Counsel for compliance.

The members discussed Mark Tulis, attorney for the Agency and if his services were still required, it was noted that his institutional memory is valuable for the Agency.

Ms. Douglas informed the members that she will provide them with the audit once it is completed and has final figures. Ms. Douglas then spoke to the members about the G&S PILOT payments, noting that as of today we have not received these payments except for the direct payment of Walgreens in the amount of \$38,807.00. She noted that these PILOT payments were due at the end of September. Ms. Douglas said that the total amount of these PILOT payments from G&S is \$1,725 million that goes to County/Town/School and Village which \$464,000 is the Village's share. The members spoke to Ms. Douglas and Mr. Cerreto about the provisions to collect these payments from G&S. Ms. Douglas informed them that there is a 5% penalty and that the Finance Office has sent out delinquency notices to G&S today and said that G&S has been assessed penalties since 2007. Mr. Cerreto told the members that there is not a formal policy regarding this issue. Chairman Pagano requested that copies of the delinquency notice be provided to the Agency. Ms. Douglas said that they will. Commissioner Hiensch asked if after the delinquency notice is not paid in 30 days what happens. Ms. Douglas and Mr. Cerreto advised the members that it is treated like every other property owner if taxes are not paid after a certain time the Town would take action. Commissioner Hiensch spoke about the G&S LADA in the Unit Lease - Exhibit I and that the Pilot speaks of a fifteen day period. Ms. Douglas questioned who enforces this. Commissioner Taylor inquired since Walgreens has paid their portion directly, can a letter be sent to the stores themselves stating that G&S has not paid and that they can make their payments directly.

Mr. Cerreto said that Mr. Tulis should provide the Agency with an opinion on this matter. The members directed that the following letters be prepared for the Chairman to Mr. Tulis on the following two matters; opinion about G&S PILOT obligations and payment by American Foundation For Affordable Housing of \$19,000.00.

Chairman Pagano noted receipt of letter from the Empire State Development regarding the Private Activity Allocation Adjustment Report that there was funding available to the Agency but action was required by October 1, 2009. It was noted that the Agency did not have to act on this letter and since it was beyond the date no action was required.

The next item on the agenda is regarding property inventory. Ms. Douglas provided a listing of the properties compiled by the Finance Office that was provided by Mr. Tulis.

Commissioner Hiensch provided the members with an inventory listing from the Rye Town Tax Office of G&S property and sewer tax bills. The members directed that letter be prepared for the Chairman to Mr. Tulis requesting the following information regarding G&S properties; unit close, what the unit consisted of and dates of closings. Ms. Douglas provided the members the outstanding bills from Mr. Tulis for \$2,365.00 and \$1,870.00 noting that these bills would be 50/50 between the Village and the IDA.

Commissioner Taylor made a motion for payment of these bills, the members discussed the outstanding items that Mr. Tulis needs to provide so it was a consensus of the members that the bills should not be paid until these items have been provided, no second was made to the motion and these bills will be carried over to the next meeting.

The next item on the agenda addressed new IDA member training. Chairman Pagano said that he and Vice-Chairman Kenner will be attending training on October 16, 2009 at CUNY in Manhattan. He said that Commissioners Hiensch and Taylor have already received training and that Commissioner Pilla still requires training.

The next item on the agenda was the job description for CEO. The members spoke about this being a part-time position and Commissioner Taylor said that he will provide samples of the job description.

The next item on the agenda was the status of Financial Disclosures. It was noted that the Agency has to comply with the Village on this matter. Mr. Cerreto provided the Agency with memos that on this matter which are made part of the record.

It was noted that the next item on the agenda was the by-laws which were adopted as amended earlier in this meeting.

The next item on the agenda is regarding vacancies on the IDA Board, noting that there is one vacancy and if the members have anyone that should be considered for this position that the Agency be informed and that they can make a request to the Board of Trustees to fill the position.

Member Taylor recommended that a press release be done announcing the Agency's new Chairman and Vice-Chairman.

The Members did not schedule a date for the next meeting noting that they preferred that Mr. Tulis be informed of what is being requested of him along with the minutes so a date can be confirmed with him for the next meeting.

There being no further business, on motion of Vice-Chairman Kenner, seconded by Member Taylor the meeting was closed at 9:04 p.m.

Respectfully submitted,

Joan Mancuso
Secretary

MINUTES OF THE MEETING OF THE
VILLAGE OF PORT CHESTER
INDUSTRIAL DEVELOPMENT AGENCY

HELD: October 7, 2009

TIME AND PLACE: 7:00 P.M., First Floor Conference Room, 222 Grace Church Street, Port Chester, New York

In attendance were Commissioners John Hiensch, Neil Pagano and James Taylor II. Also in attendance were Village Treasurer, Leonie Douglas, Village Attorney, Anthony Cerreto and Village Clerk, Joan Mancuso.

Absent were Commissioners Joseph Kenner, Dennis Pilla and Charles Rosabella and IDA Attorney, Mark Tulis.

Due to a lack of a quorum by 7:30 p.m., the meeting was cancelled and rescheduled for October 14, 2009 for 7:00 p.m., all members will be duly notified of the new date.

Submitted by,

Joan Mancuso

Joan Mancuso
Village Clerk