

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

HELD: December 17, 2009

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

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

Also in attendance were IDA CFO Leonie Douglas and IDA Secretary, Joan Mancuso.

Absent were member Charles Rosabella and IDA Counsel, Mark Tulis

I. Approval of Minutes:

The meeting was opened at 7:02 p.m. with the Secretary presenting the minutes of the October 14, 2009 meeting. Member Taylor made a motion to approve the minutes of October 14, 2009, Member Pilla seconded the motion.

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

Noes: None

Absent: Member Rosabella

- - - - -

Chairman Pagano said that before moving on to the next item on the agenda he wanted to provide to the members copies of information regarding Governor Paterson signing of legislation that will strengthen monitoring of the more than 700 public authorities in New York State. Chairman Pagano spoke about the requirement of financial and mission statements for public authorities. Member Taylor noted that authorities are exempt who do not employ or own lands. Chairman Pagano said that there are other items such as a mission statement. Member Pilla asked if they wanted to be an active IDA or oversee what we have and once the oversight is completed to dissolve the IDA as the Village has recently done with the Village's Parking Authority. There was a brief discussion amongst the members on this matter. Chairman Pagano said that he was providing the member's with this for their information but noted that the Agency needs to be in compliance.

II. Committee Reports:

Chairman Pagano said that the next section of the agenda is the reports from the Audit Committee and the Governance Committee. He said that at this time that in order to provide sufficient time to go over the PARIS report and have an executive session on personnel that he would skip these committee reports.

III. Invoices and Correspondences:

Invoices from the attorney for the Agency, Mark Tulis was presented to the members for payment. The invoices were #12052 dated August 4, 2009 in the amount of \$2,365.00 and #12129 dated October 1, 2009 with a service rendered amount of \$1,870.00, a pervious balance of \$3,988.00 for a total balance due of \$5,858.00

The members discussed Mr. Tulis' invoices and noted that there is a difference between the August billing and the balance due on the October billing of \$1,118.00. Ms. Douglas said that she would follow up with Mr. Tulis on this issue.

Member Taylor made a motion to pay the invoice of August 4, 2009 in the amount of \$2,365.00 and \$1,870.00 of the invoice dated October 1, 2009 for a total payment of \$4,235.00 to Mark Tulis, Esq.

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

Noes: None

Absent: Member Rosabella

Member Hiensch asked about the 7th Amendment in the G&S LADA regarding the change of units and inquired if this was because of G&S requesting the change should it be paid through the G&S escrow account. Member Taylor said that due to the length of time from when this was changed that we can not come back now. Member Hiensch requested that Mr. Tulis be asked if some of this bill should be paid by G&S. The members held a brief discussion on this matter.

An invoice from the Agency's Secretary Joan Mancuso for the October 14, 2009 meeting in the amount of \$150.00 was presented to the members.

Member Taylor made a motion for payment of invoice in the amount of \$150.00 from Joan Mancuso, Secretary to the Agency, Vice-Chairman Kenner seconded the motion.

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

Noes: None

Absent: Member Rosabella

IV. Professional Staff Reports:

Ms. Douglas provided the members the financial statements for the IDA for years ended May 31, 2009 and 2008 with Independent Auditor's Report from O'Connor Davies Munns & Dobbins – Bennett Kielson Storch DeSantis Division.

Ms. Douglas reviewed with the members the PARIS (Public Authorities Reporting Information System) Report. Several aspects of the report were discussed with the members including the Annual Report Section, Assessment of Internal Controls, Lead Audit Partner Change, Independent Auditor provide non-audit services to Authority.

Chairman Pagano said that Ms. Douglas and he spent quite a bit of time going through the process of the PARIS Report and that the Agency is required to accept the report so Ms. Douglas can submit. He spoke about items that have negative responses and Ms. Douglas inquired who is responsible for this reporting. Chairman Pagano said that the Audit Committee is to oversee this process going forward. Ms. Douglas recommended that a workshop on this reporting be arranged for all involved.

Member Pilla inquired as to where the PILOT payments go. Ms. Douglas said that those payments go into the General Fund because it pays for Town, School and Village taxes. Ms. Douglas and Member Hiensch said that the oversight regarding these PILOT payment needs to be with us and that the Agency needs to be informed on delinquencies and follow up. Chairman Pagano said that the members of the Agency need to know our jobs and in order to do that require guidance. Member Taylor noted normally internal auditors do this oversight and we could spend money on that but we need to make sure that we do not become auditors. Member Pilla spoke about the Village's current auditors who have been on board for several years. Member Taylor stated that the IDA shadows the Village and that the firm of Harris Beach did not recommend the IDA have its' own auditors. Member Hiensch inquired what is most important to the Agency, PILOT and insurance, bonding etc. Ms. Douglas stated that the Village will be going out with a Request for Proposal for auditing services. She spoke about the item in the PARIS Report regarding independent auditor providing non-audit services to the authority. Member Pilla asked for a new audit partner for the Agency. Chairman Pagano inquired as to the management letter of the audit reports. Ms. Douglas said that the management letter did not include anything regarding the IDA.

Member Pilla inquired as to when are we going to file the PARIS Report. Ms. Douglas said that once we have gone through the report and it is accepted, she can submit on December 18th. The members were in a consensus to submit the report.

Ms. Douglas then reviewed with the members the portion of the report concerning inventory of properties. Chairman Pagano stated that we need to get more information regarding inventory. Member Pilla asked about the land information on the report. Members Hiensch and Taylor noted that land for the IDA is not an asset stating that the land of G&S is worth \$1 to the IDA. There was a discussion regarding disclosure requirements on loan closing for the IDA.

Chairman Pagano said that he would like to address in advance of next report for the Agency. Ms. Douglas said that the reporting is due in September 2010 but can not be filed until financial statement is completed by the auditors. Member Hiensch spoke about the IDA matter with Néri Bakery.

Vice-Chairman Kenner made a motion to accept the PARIS Report, Member Taylor seconded the motion.

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

V. Unfinished Business:

Chairman Pagano noted that the first item under Unfinished Business regarding the American Foundation for Affordable Housing that Mr. Tulis has replied that this transaction did not finalized so there was no requirement for the payment in lieu of payment from this company.

- - - - -
Vice-Chairman Kenner made a motion for executive session regarding personnel for the Agency, Member Taylor seconded the motion.

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

No action was taken in executive session.

Vice-Chairman Kenner made a motion to close the executive session and re-open the public portion of the meeting, Member Pilla seconded the motion.

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

The members directed the Chair of the Governance Committee, Mr. Taylor to draft Request for Proposals for legal services and contracting services.

- - - - -
Chairman Pagano requested that the rest of the agenda be postponed to the next meeting of the IDA.

Member Pilla said that he would like to speak on the G&S PILOT and escrow payments and the sequence of the unit changes. Member Hiensch spoke about the unit changes, bank financing and other items regarding the G&S PILOT. Member Pilla spoke about terms / agreements of PILOT and the process. He said that PILOT process may not change but there may be different dates with different times. Member Pilla stated that G&S requested restructuring of the PILOT Agreement which they will pay through their escrow. The Members spoke about the process of closing of units within the PILOT. It was a consensus of the Agency that the first order of business with new counsel and Mr. Tulis is the restructure the G&S PILOT.

Member Taylor requested that a press release be drafted regarding a candidate for the open position on the IDA and announcement of Chairman Pagano.

- - - - -

Ms. Douglas requested that the members authorize payment of billing for the auditor and the Treasurer when these bills are submitted.

Member Taylor made a motion authorizing these payments, Member Hiensch seconded the motion.

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

- - - - -

The Members held a discussion regarding the delinquencies and default notices to G&S under their PILOT.

Member Hiensch made a motion directing Ms. Douglas to contact Mr. Tulis to issue a default notice to G&S in reference to their PILOT Agreement and that Mr. Tulis provide correct format for this default notice, Member Taylor seconded the motion.

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

- - - - -

There being no other business on motion of Vice-Chairman Kenner, seconded by Member Taylor the meeting was closed at 8:45 p.m.

Respectfully submitted,

Joan Mancuso
Secretary