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

HELD: January 27, 2011
TIME AND PLACE: 6:30 P.M., Village Hall, Conference Room, 222 Grace Church Street, Port Chester, New York

ROLL CALL: In attendance were Chairman Neil Pagano and members James Taylor, John Hiensch, Dennis Pilla and Richard Cuddy.

Also in attendance were IDA Secretary, Elisa Sciarabba, Administrative Director, Dwight Douglas and CFO Leonie Douglas

Absent was member Philip Semprevivo

Vice-Chairman Kenner arrived at 6:45 pm

Chairman Pagano called the meeting to order at 6:30 pm.

CHAIRMAN'S REMARKS:
Chairman Pagano passed on his comments and turned it over to Dwight Douglas for comment.

ADMINISTRATIVE DIRECTOR'S REMARKS: Mr. Douglas explained that he attended the New York State Economic Development Commission's conference along with Chairman Pagano and Vice-Chairman Kenner. He discussed one of the sessions with the Authority Budget Office (ABO) and Controller's office which he said was really eye opening. The reporting requirements for Industrial Development Agencies have increased dramatically. The ABO and Controller's Office are beginning to really monitor local IDAs.

Mr. Douglas also noted that he, Mr. Miller, the Chairman and Vice-Chairman had a good follow-up discussion with Kingsport to go over the terms of the PILOT which will be discussed later in the meeting.

AUDIT:
Chairman Pagano noted that the 2009-10 Audit is now available on the website. He noted that the auditors praised Ms. Douglas for being cooperative and getting all of the information to them. The PCIDA was only sighted for one issue which has already been corrected. The issue was that in 2009 the PCIDA only had one signatory, Ms. Douglas. Now there is a segregation of duties that meets the requirements Government Accounting Standards Board (GASB).

Chairman Pagano noted for the record that Ms. Sciarabba would be forwarding copies of the audit to the Mayor and Village Board of Trustees.

He also noted that the PCIDA should ask for an engagement proposal from Drescher & Malecki to conduct the audit again next year. Member Pilla thought that it would be advantageous for the PCIDA, as a component unit of the Village to use the same auditor as the Village.

Mr. Douglas suggested that he reach out to the auditors and ask them for a one year engagement with the option for an additional year.

On a motion of Member Cuddy, seconded by Member Taylor and approved by all present, Mr. Douglas was authorized to ask Drescher and Malecki for said proposal.

BUDGET:
Ms. Douglas noted that as of December 31, 2010, the revenue increased by $142,500 from the Jetro Deal. The legal budget was also increased by $30,000 for G&S matters. $2,500 was also received from Kingsport's initial processing application. Reflected in next month's budget will be the reimbursements for the New York State Economic Development Conference. Mr. Douglas would be submitting the bills incurred during the conference.

Chairman Pagano noted that the New York State tax on Industrial Development Agencies has not disappeared and next year, if still in effect, could have significant impacts on the PCIDA, especially with new revenues for the Jetro and potentially the Kingsport project.

Member Hiensch noted that the amount of funds in contingency has dwindled and Ms. Douglas explained that the funds had been transferred to accounts for other items. She said it would be a good idea to move money into contingency that could cover costs for the year. Member Pilla said the Board should modify for what is needed in the budget lines and funds for any unforeseen costs. Mr. Douglas said he would work with Ms. Douglas and put a budget together for the next meeting, and also add a budget line for training, travel, and time and expense as well as contingency.

Member Hiensch asked if the amount in legal was sufficient. Ms. Douglas noted that there was only $930.00 remaining in the budget. Chairman Pagano explained that the Board needed an updated memo billing from Justin. Member Pilla said the Board should consider Harris Beach's role in the Starwood project. Mr. Douglas noted that Harris Beach should be brought in when there is an application submitted to the PCIDA. A procedure should be followed and the PCIDA should wait until they submit an application before legal fees are applied. Chairman Pagano asked that Mr. Douglas work with Ms. Douglas to prepare a budget projection and detail.

APPROVAL OF MINUTES:
The minutes of the December 8, 2010 meeting were reviewed and approved on a motion of Vice-Chairman Kenner, seconded by Member Cuddy and approved by all present.

Member Pilla asked if the meetings could also be tape recorded going forward.

KINGSPORT:
Chairman Pagano explained that there was a conference call with Kingsport to discuss the project and application. He noted that the application that was sent to the PCIDA was

different than what was sent to the New York State Housing Finance Agency. Chairman Pagano said he was putting together a list of questions where numbers are not matching between the two applications. He would like to have it before the Public Hearing, which is scheduled for February 8, 2011.

Member Hiensch noted that he liked the idea of the Municipal Impact Fee. Chairman Pagano explained that it is the intent of the PCIDA to improve on the terms and structure of PILOT agreements.

Member Cuddy asked if it was necessary to have a meeting before the public hearing. Chairman Pagano thought that it was a good idea. Member Pilla asked if the Board needed to have the PILOT terms and cost benefit noticed to the taxing jurisdictions beforehand. Via conference call, Mr. Miller stated that the final terms may not be known until days before the closing. He said the Public and affected jurisdictions really just need to know what the PCIDA will be giving and said there probably wouldn't be much of a cost/benefit analysis to disclose at the public hearing.

Member Taylor asked if the public needed to know what the PCIDA is getting in return. Mr. Miller explained that he was having a follow-up call with Kingsport tomorrow and he would hopefully have numbers by next week. Member Hiensch asked if the Board needed to have the cost/benefit done before the next meeting. Mr. Miller said the cost/benefit would be discussed in public at the hearing. Member Pilla asked if there was a legal requirement to notice the terms of the PILOT. Mr. Miller explained that there was no legal requirement to discuss the terms of the PILOT and the legal notice was sent out timely and the deviation notice was sent 30 days before the financing approval of terms of PILOT. He said the PCIDA will not be in a position to approve the final PILOT on February 9th. Often times the moving parts on the tax credit side that have an impact on the core equity terms. HCR may continue to run numbers before finalized.

Member Pilla said he would like to do more than the minimum requirements when it comes to noticing and wanted the terms of the PILOT to be finalized well before the Public Hearing. Mr. Miller explained that if the terms are not finalized by the Public Hearing, the Board has the option to keep the Public Hearing open until the next meeting.

Chairman Pagano explained that he would touch base with Mr. Miller tomorrow to go over.

MISSION STATEMENT:

Vice Chairman Kenner stated that per the Public Authorities Reporting System (PARIS) report, Mr. Douglas worked on a mission statement. Mr. Miller also provided the Board with a version as well. Vice-Chairman Kenner said he felt that the Mission Statement provided by Mr. Miller was not specific enough. He asked if it was inclusive enough for the PCIDA. He also discussed the creation of performance measures to implement once a mission statement is created.

Member Pilla noted that Mission Statements, in their nature, are usually broad, and thought the PCIDA should follow that.

Chairman Pagano asked that Vice-Chairman Kenner send out an email to the PCIDA for discussion on the Mission Statement. Ms. Douglas explained that she cannot file the PARIS report until the PCIDA has adopted a Mission Statement and she needed to file the report as soon as possible. The Board discussed adopting the Mission Statement and then creating a Vision Plan, which would give the PCIDA more specific goals and direction.

On a motion of Member Cuddy, seconded by Member Pilla and approved by all present, the mission statement was approved as attached. In addition, a vision plan which would be more specific for the PCIDA, would be created.

Ms. Douglas also noted that an organizational chart and performance measures also needed to be adopted before the PARIS report could be complete. Chairman Pagano expressed his frustration that all of these items have taken so long and did not like having to rush to get it done. Member Taylor noted that the performance measures and goals could be simplified to meet the requirements of the Public Authorities Reporting Act (PARA). Chairman Pagano noted that the performance measures may be spelled out as part of the Mission Statement. He said he would get back to the Board over the weekend to discuss further.

APPROVAL OF INVOICES:
An invoice for the Month of December 2010 was presented from the Administrative Director in the amount of $3,000.

An invoice for secretarial services for the December 8, 2010 meeting from Elisa Sciarabba in the amount of $150 was presented.

On a motion of Member Cuddy, seconded by Member Hiensch, the invoices from Ms. Sciarabba and Mr. Douglas were approved by all present.

An invoice from Leonie Douglas, CFO was presented for services for the month of December in the amount of $416.66.

On a motion of Member Hiensch, seconded by Member Taylor, the invoice from Ms. Douglas was approved by all present.

G&S MATTERS:
Chairman Pagano asked about the monitoring letters that were sent to G&S in accordance with their annual reporting requirements to the Village. Ms. Douglas stated that she received a phone call stating that the information was private and G&S did not know how to ascertain the information from the tenants. Mr. Douglas said the Board should send a second request via certified mail written by PCIDA Counsel. Chairman Pagano noted that he would speak with Justin regarding this. Member Taylor noted that it is important to go forward with our obligation for reporting especially with new projects.

At 8:19 p.m on a motion of Member Hiensch, seconded by Member Cuddy, and carried unanimously the Board entered into executive session to consult to discuss Confidential Board Evaluations.

At 8:30 p.m the PCIDA Board came out of executive session and there being no further business before the Board, Chairman Pagano adjourned the meeting immediately.

Respectfully submitted,

Elisa Sciarabba

Elisa Sciarabba
Secretary