

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

HELD: May 14, 2014

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

A regular meeting of the Village of Port Chester Industrial Development Agency was convened on Wednesday May 14, 2014 at 6:30 p.m. at 222 Grace Church Street, Port Chester, New York 10573.

Roll Call

Board member Richard Cuddy led the Board in the Pledge of Allegiance after which the meeting was called to order by Chairman Neil Pagano. On the motion of Board member Richard Cuddy, which was seconded by Board member Frank Ferrara the meeting was called to order with the following Board members being present: Richard Cuddy, Frank Ferrara, John Hiensch, and James Taylor.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>	<u>X</u>		<u>X</u>		
<u>FERRARA</u>		<u>X</u>	<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>Absent</u>		
<u>PILLA</u>			<u>Absent</u>		
<u>TAYLOR</u>			<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

Also in attendance were, Village Manager Christopher Steers, Treasurer Leonie Douglas Village Attorney Anthony Cerreto and Acting Board Secretary Constance Phillips.

APPOINTMENT OF ADMINISTRATIVE DIRECTOR

Chairman Pagano reminded the Board that they had a copy of the Administrative Director Agreement in their packets for their review and comments. It was determined that the Board did not need to go into an Executive Session to discuss the matter. Chairman Pagano also thanked Mr. Taylor, Mr. Ferrara and Mr. Miller for their assistance in preparing the draft agreement. One noted change to

the agreement was salary. Former Administrative Director salary was \$36,000 per year and this agreement is for \$18,000 per year to be paid monthly. This agreement is strictly for services to IDA. (Christopher Gomez will provide services for LDC). Board member James Taylor said that while he is in support of Mr. Steers for the position, he cautioned that there may be unfounded talk from the public regarding Mayor Pagano as Chairman of IDA and Village Manager Steers as Administrative Director of, and this could be viewed by the public as a way to funnel a raise to the Village Manager. Although this is the right thing to do, Mr. Taylor said he just wanted to heighten the board's awareness to the perceptions that may be with the public. A brief discussion was held with the Board members expressing their support for Mr. Steers. It was also noted that this is a yearly contract which actively has to be renewed annually and can also be terminated at any time.

Village of Port Chester Industrial Development Agency

222 Grace Church Street, Port Chester, New York 10573

Consultant Agreement

This Agreement is made and entered into this 14th day of May, 2014 by and between the Village of Port Chester Industrial Development Agency, a public benefit corporation of the State of New York whose address is 222 Grace Church Street, Port Chester, NY 10573 (the "Client") and Christopher Steers (herein, the "Consultant"), an individual having an address of 128 South Broadway, White Plains, NY 10605

WHEREAS, the Village of Port Chester Industrial Development Agency (herein "PCIDA") desires to appoint and secure the services of a Part-Time Administrative Director, and;

WHEREAS, Christopher Steers has been acting in the capacity as PCIDA's "Acting" Administrative Director without compensation, and;

WHEREAS, Christopher Steers is presently serving in the capacity as the Village Manager of the Village of Port Chester (the "Village"), and in such capacity Mr. Steers oversees all planning and development activities undertaken by the Village; and

WHEREAS, PCIDA desires to appoint Mr. Steers as Administrative Director pursuant to the PCIDA By-laws and formalize the duties of PCIDA's Part Time Administrative Director, and;

WHEREAS, by resolution dated May 14, 2014, PCIDA appointed Mr. Steers as Administrative Director (hereinafter, the "Consultant") based on his qualifications with economic development projects and particular experience with the administration of Industrial Development Agency functions as well as his overall familiarity with the Village of Port Chester, and

WHEREAS, the PCIDA and the Consultant desire to enter into this Agreement to memorialize the Consultant's appointment as PCIDA Administrative Director and set forth the services to be provided by Consultant to PCIDA as an independent contractor.

NOW THEREFORE, in consideration of the above-mentioned premises and of the mutual covenants contained herein, the parties hereto agree as follows:

Scope of Services:

Together and in addition to the duties of Administrative Director as set forth within the PCIDA By-laws, the Consultant shall undertake the following tasks, with oversight and input from the PCIDA Chairman and Board:

- Develop a Strategic Planning Document that incorporates performance indicators and is consistent with the Mission Statement of the PCIDA;
- Perform a critical and in depth self-assessment of the PCIDA's operations that identifies the key issues facing the PCIDA which includes, but is not necessarily limited to, transparency, communications, policies, procedures, record keeping, financial reporting, and other report filings that are required to maintain PCIDA's ongoing compliance with the mandates of the Public Authority Accountability Act of 2005 and Public Authorities Reform Act of 2009 (collectively, "PAAA"). Prepare and maintain a PAAA checklist for PCIDA board review and oversight.
- With PCIDA counsel construct a planning document that identifies those elements of the self-assessment that have fallen short of the above mandates, if any, and implement and oversee the corrective measures that must be taken within a six (6) month time frame to bring the PCIDA into compliance;
- Develop a records management protocol to promote efficient administration and management of the PCIDA's records. This will include, but will not necessarily be limited to, records identification, gathering and protection, and the installation of a policy for retention and disposition to ensure compliance;
- Develop a strategic and marketing plan that is consistent with the Mission Statement of the PCIDA and identifies the opportunities and benefits of the IDA and implement an outreach program that carries its message to the local business community;
- With the Chairman prepare meeting agendas and information packets for the Board;
- Participate in budget planning and expense monitoring activities;
- Working in conjunction with the PCIDA treasurer, fulfill annual reporting requirements of the New York State Comptroller's Office and other state and federal agencies as required;
- Assist in compiling data to be provided to the outside audit firm necessary to complete the annual audit;
- Represent the PCIDA professionally and ethically in front of clients, the public, elected officials, media and other government agencies;
- Review and recommend amendments as appropriate to the PCIDA's fee structure, uniform tax exemption policy, and operational procedures, as well as other housekeeping items;

- Active IDA projects -with PCIDA counsel review said projects to determine compliance with the project terms, including payment of ongoing fees, job generation reports and other reporting and performance requirements. Ensure the records for each of these projects is complete, and outline for Board review any follow up actions that may be necessary and appropriate;
- Review and approve purchase orders and voucher payments;
- Other tasks which the Board deems a priority;
- Maintain the secure room in Village Hall where PCIDA records are filed and a part time office maintained.

Term of Appointment; Delivery of Services as Independent Contractor:

The consultant services detailed above will commence on June 1, 2014 and, unless extended upon mutual consent, terminate on May 31, 2015, as may be extended by the PCIDA board. The compensation to be paid herein includes all of Consultant's compensation including time, travel expenses, supplies, postage, telephone, and other similar expenses. The parties hereto mutually agree that the Base Fee to be paid hereunder shall be the exclusive remuneration of Consultant for the Scope of Services to be provided to PCIDA herein and that any and all costs incurred by Consultant in furtherance of providing said Scope of Services shall be exclusively borne by Consultant without further reimbursement or remittance by the Client, unless as otherwise approved by PCIDA in accordance with its policies. As an independent contractor, Consultant shall be responsible for all taxes and other benefits and nothing contained herein shall be interpreted as creating a relationship of servant, employee, partnership, or agency between PCIDA and Consultant. Payment by PCIDA for services rendered under this Agreement evidences the Consultant's acceptance of such status as independent contractor in accordance with the terms of this Agreement. The Consultant shall not make any claim, demand or application for any right or privilege applicable to an officer or employee of the PCIDA, including, but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement system membership or credit.

Payment for Services:

During the term of this agreement, payment of one thousand five hundred dollars (\$1,500.00) per month will be made to the consultant upon receipt of a completed standard invoice and summary statement of the work performed for that month. It is anticipated and herein acknowledged that the actual workload will vary from one month to another. It is herein further acknowledged that said monthly payment is all-inclusive and is not an employment agreement with concomitant entitlement to certain fringe benefits and/or other remuneration.

Liability and Indemnification:

As the appointed Administrative Director of PCIDA, the Consultant shall be eligible for and receive coverage under PCIDA's directors and officer's liability policy.

Termination of Services:

The consultant services detailed above may be terminated by either party upon Thirty (30) days' written notice.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.

VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY

By: Neil Pagano, Chairman

CHRISTOPHER STEERS

By: Christopher Steers

On the motion of Board member Richard Cuddy, which was seconded by Board member James Taylor the Consultant Agreement for Christopher Steers as Administrative Director was approved.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>	<u>X</u>		<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>Absent</u>		
<u>PILLA</u>			<u>Absent</u>		
<u>TAYLOR</u>		<u>X</u>	<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

MINUTES

On the motion of Board member Richard Cuddy, which was seconded by Board member James Taylor, the minutes for the November 13, 2013 meeting were approved

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>		<u>X</u>	<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>Absent</u>		
<u>PILLA</u>			<u>Absent</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

TREASURER'S REPORT

Treasurer Leonie Douglas gave an overview of the current budget, invoices and escrow reports.

Invoices

The current invoices that were submitted:

\$500.00 Leonie Douglas – Treasurer Services

\$200.00 Constance Phillips – Secretarial Services

\$776.00 Harris Beach – General Corporate Matters

On the motion of Board member James Taylor, which was seconded by Board member Frank Ferrara, the submitted invoices were approved.

Note: Payments to Mr. Steers will be paid 1 month in arrear of each monthly meeting

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>			<u>X</u>		
<u>FERRARA</u>		<u>X</u>	<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>Absent</u>		
<u>PILLA</u>			<u>Absent</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

Port Chester Industrial Development Agency as of 04/30/2014

Cash on Hand	\$312,922.66
Prepaid Expenses	\$ 6,000.00
Cash on Hand & Net Asset @ 04/01/2014	\$318,922.66
Total Revenue/Interest Received Feb – Mar	\$ 37.43
Total Expenses - @ 3/31/2014	\$ 2,162.19
Net Assets @ 04/30/2014	\$316,797.90

Reconciliation of Bank Accounts & Net Assets

JP Morgan Chase @ 04/01/2014	\$168,614.51
Deposits	\$
Interest earned – Apr	\$ 13.71
Checks Written – Apr	\$ 2,162.19
Total JP Morgan Chase 04/30/2014	\$166,466.03

TD Bank @ 04/01/2014	\$144,308.15
Interest earned – Apr	\$ 23.72
Total TD Bank @ 04/30/2014	\$144,331.87

Total Bank Balance @ 04/30/2014	\$310,797.90
Prepaid Expenses (2 yrs. prepaid rent)	\$ 6,000.00
Total Net Assets @ 04/30/2014	<u>\$316,797.90</u>

Ms. Douglas told the Board that although there were approved resolutions for the consultants that have been engaged by IDA (NDC \$30,000 and Urbanomics \$75,000), no official authorization had been voted on for Ms. Douglas to provide purchase orders to encumber the money from the Fund Balance.

On the motion of Board member James Taylor, which was seconded by Board member Richard Cuddy, the Treasurer Leonie Douglas was authorized to prepare purchase order to encumber the money for payment of the consultants NDC \$30,000 and Urbanomics \$75,000.

ROLL CALL

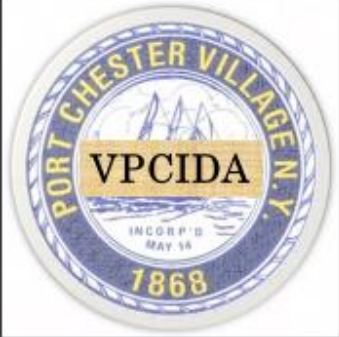
<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>		<u>X</u>	<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>Absent</u>		
<u>PILLA</u>			<u>Absent</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

Ms. Douglas also provided the Board with a summary of the G&S Escrow and Purdy Avenue cleanup balances. There was no activity this year, only interest earned. The balances are as follows: Purdy Avenue Cleanup - \$22, 162.84 and G&S Escrow \$4,876.89. The Village Attorney will be sending a letter to G & S requesting they replenish the Escrow account.

Board Counsel Justin Miller explained and summarized for the Board members the new Sales Tax Exemption Reporting Requirements for Industrial Development Agencies. (Changed March 28, 2013) Also beginning June 1, 2014 IDA Agents will now be required to use Form ST-123 to make purchases exempt from sales tax.

BUDGET

Treasurer Leonie Douglas along with Administrative Director Christopher Steers provided the proposed budget presentation for Fiscal Year June 1, 2014 to May 31, 2015



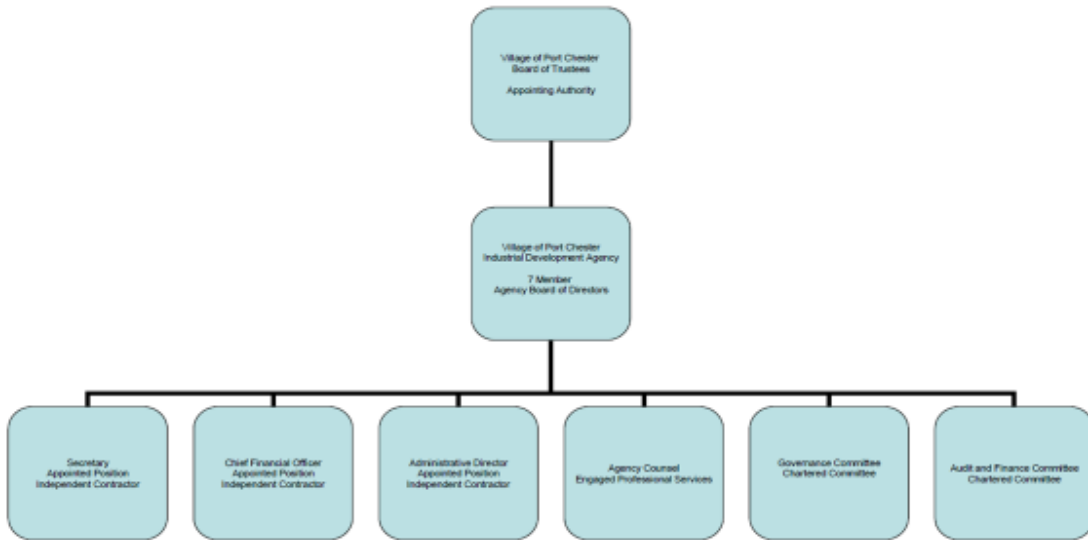
**VILLAGE OF PORT CHESTER
INDUSTRIAL DEVELOPMENT AGENCY
PROPOSED BUDGET PRESENTATION**

FISCAL YEAR JUNE 1, 2014 TO MAY 31, 2015

Presented on April 9th, 2014

The logo is circular with a blue border containing the text 'PORT CHESTER VILLAGE N.Y.' and '1868'. Inside the circle, there is a yellow banner with 'VPCIDA' and 'INCORP'D MAY 14' below it.

IDA ORGANIZATIONAL CHART



BASIC FINANCIAL HIGHLIGHTS

Financial Highlights:

- ◆ The assets of the Agency exceed its liabilities (*net position*) at May 31, 2013 and 2012 by \$284,856 and \$322,282, respectively. These amounts are considered “unrestricted net position” and may be used to fund the Agency’s ongoing operations.
- ◆ The Agency’s total net position decreased by \$37,426 and increased by \$85,011 for the fiscal years ended May 31, 2013 and 2012, respectively.

Source: VPCIDA Independent Auditor's Report year ended May 31, 2013 and 2012

BASIC FINANCIAL ANALYSIS

Financial Analysis

The Agency provides administrative assistance to companies within the Village of Port Chester and has limited operations. The Agency does not have any long-term debt or full time employees. The Agency's net position may serve over time as a useful indicator of financial position. In the case of the Agency, assets exceeded liabilities by \$284,856 and \$322,282 at May 31, 2013 and 2012, respectively.

A condensed version of the Agency's statements of net position follows:

	May 31,		
	2013	2012	2011
Assets:			
Current assets	\$ 286,658	\$ 331,400	\$ 261,387
Liabilities:			
Current liabilities	1,802	9,118	24,116
Net Position:			
Unrestricted	\$ 284,856	\$ 322,282	\$ 237,271

Source: VPCIDA Independent Auditor's Report year ended May 31, 2013 and 2012

BASIC FINANCIAL ANALYSIS

A useful indicator of the financial status and ability to meet the Agency's current obligation is the current ratio, which is computed as follows:

	May 31,		
	2013	2012	2011
Current assets	\$ 286,658	\$ 331,400	\$ 261,387
Current liabilities	1,802	9,118	24,116
Ratio of current assets to current liabilities	159.1	36.3	10.8

The Agency had current ratios of 159.1 and 36.3 at May 31, 2013 and 2012, respectively. Such ratios imply that the Agency has sufficient assets on hand to cover its liabilities that will come due in the coming year.

The Agency's revenue and expense activity produced the decrease in net position of \$37,426 and increase in net position of \$85,011 for the fiscal years ended May 31, 2013 and 2012, respectively. A condensed statement of revenues, expenses and changes in net position follows:

	Year Ended May 31,		
	2013	2012	2011
Operating revenues	\$ -	\$ 273,774	\$ 145,500
Operating expenses	37,964	189,066	99,766
Net operating (loss) income	(37,964)	84,708	45,734
Nonoperating revenue	538	303	695
Change in net position	\$ (37,426)	\$ 85,011	\$ 46,429

Operating revenues are derived from the application and closing of transactions that assist businesses within the Village of Port Chester. This assistance can take the form of lease transactions, assistance with bond issuances or sales tax exemptions (which generally allow businesses to expand). During the year ended May 31, 2013 the Agency reported no operating revenues, and during the year ended May 31, 2012 the Agency collected \$217,851 in application and closing fees.

Source: VPCIDA Independent Auditor's Report year ended May 31, 2013 and 2012

BASIC FINANCIAL ANALYSIS

Significant changes in revenues and expenses from 2012 to 2013 include:

- ◆ The Agency collected \$273,774 of application and closing fees in the prior year; whereas, there was no such activity during the year ended May 31, 2013.
- ◆ Operating expenses decreased by \$151,102 in total, which was caused by the decreased activity during the year related to applications and closings.

Another important factor in the consideration of the fiscal condition is the Agency's cash position and annual cash flows. A condensed version of the Agency's statements of cash flows follows:

	Year Ended May 31,		
	2013	2012	2011
Cash flows (used) provided by:			
Operating activities	\$ (42,389)	\$ 57,710	\$ 57,707
Investing activities	538	303	695
Net change in cash and cash equivalents	\$ (41,851)	\$ 58,013	\$ 58,402

Source: VPCIDA Independent Auditor's Report year ended May 31, 2013 and 2012

PROPOSED FY 2014 – 2015 LINE ITEM BUDGET

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	As of	FY 2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	05/31/14	Proposed
								Actual	Budget
REVENUES:									
Application Fee (\$200 each)			500	500	123,059	-	-	500	-
Closing Fee (\$2,500)			2,500	145,000	94,792	-	-	53,563	-
ID# Fee (1% on 1st \$10 mil, 5% over \$10 mil)			-	-	-	-	-	-	-
Interest Earnings	6,742	972	288	695	303	538	450	388	250
Annual Compliance Processing Fee (\$1,000, \$500)			-	-	-	-	-	-	-
Misc. Fees	250	10,000	21	-	55,928	-	-	-	-
Appropriated Net Asset			-	-	-	-	66,910	-	71,050
Total Revenues	6,992	10,972	3,309	146,195	274,077	538	67,360	54,461	71,300
APPROPRIATIONS:									
Professional Services:									
Administrative Director	-	625	6,000	36,000	18,000	-	18,000	-	18,000
Administrative Service Assessment	-	-	-	-	-	-	-	-	-
Financial Officer	5,000	5,000	5,000	5,000	6,000	6,000	6,000	4,500	6,000
Secretary	-	-	750	1,050	2,400	1,400	2,400	1,300	2,400
Legal Services	3,735	8,038	15,759	21,158	10,965	9,579	13,000	2,844	15,000
G & S Administrative	-	-	-	25,866	47,169	2,350	5,000	-	-
Planning & Development	-	-	-	-	-	-	-	-	10,000
Office Expenses:									
Office Supplies	-	-	-	205	479	241	750	588	750
Education & Training	-	-	-	1,400	750	750	1,500	750	1,500
Travel Expense	-	-	-	779	927	-	750	-	750
Rent	-	-	-	-	3,000	3,000	3,000	3,000	3,000
Publication of Notices	-	-	-	-	-	-	100	-	100
Auditing Services	2,000	2,100	2,200	3,750	3,950	4,050	4,153	4,050	4,500
Liability Insurance	-	-	-	3,658	3,634	3,800	4,207	4,046	4,300
Bond/ISAN Filing Fees	-	-	-	-	91,792	-	-	-	-
Marina	-	-	-	-	-	1,995	5,000	-	5,000
Contingency:									
Contingency	-	-	-	-	-	-	1,500	-	-
Total Appropriations	10,735	15,765	27,759	95,766	189,066	37,365	67,360	20,993	71,300
Change in Net Asset	(3,743)	(4,793)	(24,450)	48,429	85,011	(37,427)	-	34,068	-
Net Asset Beginning of Year	223,776	220,083	215,242	190,842	237,271	222,202	-	284,815	-
Net Assets - End of Year	220,033	215,242	190,842	237,271	322,282	284,855	-	318,923	-

Prepared by Financial Officer

On the motion of Board member James Taylor, which was seconded by Board member Frank Ferrara, the proposed budget as prepared was approved.

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>		<u>X</u>	<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>Absent</u>		
<u>PILLA</u>			<u>Absent</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

SCHOOL MITIGATION STUDY UPDATE

Administrative Director Christopher Steers provided the Board with an update of the School Mitigation Study. Mr. Steers said that the contract has been signed. Urbanomics has begun working on the project and Phase I is due to be completed in early August. Phase I entails analyzing the existing studies and forecasts, preparing enrollments forecasts, analyzing the hard and soft costs to create a base formula by late July or early August. A brief discussion was held with regard to tying this formula into the SEQRA process etc.

SHOWBOAT UPDATE

Board Counsel Justin Miller told the Board that a meeting was held today with Board members Richard Cuddy and Frank Ferrara with Billy Frenz owner of the Showboat. Mr Miller said that a Term Sheet was reviewed with Mr. Frenz and his attorney. Mr. Miller said the term sheet was fairly stabilized during the meeting which was very productive. The next step is to put together the license agreement between the Village and the showboat (June BOT meeting)

Mr. Frenz will apply to IDA for Sales tax assistance for construction of the amenities that he proposes around the Showboat such as bathrooms pump out stations etc. A draft IDA application was viewed however the final document has not been submitted to IDA. The project is a 1.3 – to 1.5 million dollar project which is comprised of the boat and shore improvements.

On the motion of Board member James Taylor, which was seconded by Board member Richard Cuddy, the meeting was adjourned at 7:35 pm.

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>		<u>X</u>	<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>Absent</u>		
<u>PILLA</u>			<u>Absent</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		

Respectfully Submitted,
Constance R. Phillips