

**CITY OF NEWBURGH  
INDUSTRIAL DEVELOPMENT AGENCY ("IDA")  
MINUTES OF MEETING  
December 17, 2012**

**Present**

Board Members: Joshua Smith, Chair  
Richard Bedrosian  
John Penney  
Michael Curry  
Jerry Maldonado  
Nancy Billman  
Excused Absence: Sean O'Shea  
Counsel: Thomas Whyatt, Esq., Counsel  
Staff: Theresa Waivada, Executive Director  
Craig Skelly, CFO  
Public: Jane Johnston

1. **Roll Call** Mr. Smith called the meeting to order at 7:15pm. A quorum was present.
2. **Proof of Notice of Meeting.** Accepted.
3. **Approval of Minutes of November 19, 2012 Monthly Meeting**

Mr. Penney: Motion to Adopt the November 19<sup>th</sup> Minutes.  
Mr. Bedrosian: Motion Seconded  
**VOTE: Unanimously adopted.**

4. **Communications:** There were no communications other than invoices and bank statements.

5. **Bills and Treasurer's Report.** Mr. Curry presented the Treasurer's report (ending balance of \$735,900.49) and requested a motion to approve payment of 8 invoices (two from CT Male) as presented.

Mr. Penney: Motion to approve 7 checks as presented.  
Mr. Bedrosian: Motion Seconded.  
Discussion: None  
**VOTE: Unanimously approved.**

6. **Report from the Chair.** Mr. Smith attended the City Council Work Session at which Hudson Valley Lighting Chairman, Mr. Littman, and his counsel presented a proposal to for construction of new facility for the firm on IDA property on Scobie Drive. . The City Council approved a land swap between the City and IDA (to facilitate the parameters of the site) was approved unanimously. Mr. Smith noted that the IDA will give the Council regular progress reports. A meeting with the DEC in Albany to discuss acceptance into the Brownfield Cleanup Program is set for Thursday, Dec. 20<sup>th</sup>. The Executive Director, Counsel and City Planner will attend along with David Littman and his environmental consultant and counsel.

Mr. Smith also attended an all-day seminar at PACE regarding future trends in land use and housing. Cities are attracting people back with mixed use and more rental housing. He also attended a regional watershed seminar at which county Board of Health were present. Protection

of the watershed is important for economic development. Mr. Whyatt explained the history as to how the IDA retains ownership of an easement over Murphy's Ditch.

#### **7. Report from the Executive Director:**

- Ms. Waivada held two meetings with prospective companies who are interested in properties in the City. The meeting utilized the One Stop Shop Team including the City and the Orange County Partnership.
- Letters explaining IDA benefits were mailed to property owners and tenants of waterfront properties that might have suffered damages from Hurricane Sandy.
- Ms. Waivada prepared IDA news-worthy items for the Orange County Partnership's newsletter. These items included the HV Lighting Project, re-zoning, IDA back in business, and the PACE study for streamlining municipal development approval processes.
- Ms. Waivada met with The Solar Energy Consortium ("TSEC"). Part of the TSEC grant provided \$100,000 to Orange County. The Deputy County Executive and TSEC determined that part of the money should be earmarked to hire a part-time marketing person for the City. The initiative would be located in offices of the County's Accelerator at Stewart Airport. The City and IDA have requested a meeting to discuss the marketing effort to insure its coordination with City and IDA initiatives.
- Letters co-signed by the City Manager and the IDA Chair will go out to vacant property owners. Ms. Waivada also spoke with the Northeast Development broker regarding sales of West Street.
- Courtney Kain and Ms. Waivada will meet with Hispanic businesses on Mill Street during the first quarter of 2013. An application for a Main Street grant for upper Broadway is pending.
- Ms. Waivada requested that the IDA office be closed between Christmas and New Year's.

Mr. Curry asked about the West Street tenant. A call center will be running 3 shifts; improvements are being done by the owner of the property. The Chair asked if there are zoning restrictions. Mr. MacDougall said the EDA had imposed restrictions which were trying to be lifted during Mr. Lynch's tenure. Language was to be expanded, which Ms. Waivada will research with Ms. Kane. That concluded Ms. Waivada's report.

#### **8. Report from Counsel:**

- Corwin Management: still sorting out back taxes, but it appears they are ready to pay those taxes, at which time the IDA will transfer back title to Corwin.
- The BOA grant on Scobie Drive: still under review, moving forward.
- The Drum Cache project is still active. IDA's obligations are almost complete. Mr. McIver reported that 100 tires and scrap metal remain to be cleaned up. There was no hazardous waste detected on the IDA property. There seem to be no further financial obligations of the IDA from the EPA. The access agreement will be formally terminated by Mr. Whyatt when the project is complete to ensure clean title to the property when sold.

- Land Swap between IDA and City. The City Council authorized the conveyance to swap the triangle properties. The City also gave access to the property for HV Lighting to study the parcel and do the site development.
- The Foundry. The next court conference is scheduled for January 9<sup>th</sup>. The Foundry discussion will be continued in executive session

**10. Old Business.** There was no old business.

**11. New Business:**

The Annual Meeting commenced for the vote of officers for 2013. Mr. Penney placed the following names in nomination:

|                        |                   |
|------------------------|-------------------|
| Chair:                 | Joshua Smith      |
| Vice Chair:            | Richard Bedrosian |
| Secretary:             | John Penney       |
| Treasurer:             | Michael Curry     |
| Treasurer's Assistant: | Richard Bedrosian |
| Secretary's Assistant: | Nancy Billman     |

Audit Committee: Michael Curry (Chair), Richard Bedrosian, Sean O'Shea, John Penney

Governance Committee: Joshua Smith (Chair), Jerry Maldonado, Nancy Billman.

Mr. Maldonado: Motion to second the slate as nominated

Mr. Smith: There being no nominations from the floor, the voting shall proceed.

Mr. Penney: One vote cast for the slate.

**VOTE: The slate was unanimously accepted.**

Land Disposition and Access Agreement: Mr. Whyatt explained the process of the Land Disposition Agreement. The City and the IDA agreed that the City will incur no costs in this process. The IDA will also incur no costs. All costs will be to the developer. Under the agreement with the City, it will be the responsibility of the IDA to see to the implementation of all of the steps. This responsibility will be assigned to HV Lighting under the agreement with HV Lighting. The agreement with HV Lighting requires good faith initiatives by the parties. There will be an escrow set-up from which the IDA will pay costs. HV Lighting has proposed a \$5000 escrow to reimburse legal fees, staffing time, survey, title work and related expenses, to be replenished up to a \$15,000 maximum.

Mr. MacDougall discussed the Dec 20<sup>th</sup> meeting with the DEC in Albany. This is a pre-application meeting to discuss the property's history and conditions and to get feedback from DEC regarding being accepted into the brownfields program. Mr. Maldonado asked if there were any obstacles. The only issue might be how the landfill was closed, and Mr. McIver stated that the DEC has a municipal landfill closure program the landfill were to be added to that list, it would not be eligible for the Brownfields Clean-up Program.

Mr. Whyatt advised that if the Board wants to adopt the environmental review process and approve the agreement with the City in a timely fashion, the Chair would not sign until the agreement with HV Lighting is also ready to be signed. Mr. Whyatt also went through the agreement's SEQRA action and other approval requirements (such as the planning board subdivision approval). Each entity takes care of its own environmental review, so the City, the IDA and the Planning Board will each take the lead for its own SEQRA review. He reviewed the Negative Declaration form and then explained the proposed Resolution.

Mr. Maldonado: Motion to adopt Resolution # 2012-12-17-1 in substantially the form attached.  
Mr. Curry: Motion seconded.  
**VOTE: Resolution 2012-12-17-1 was unanimously passed.**

### **9. Reports of Committees**

**Audit Committee:** The Committee reviewed the Internal Control Policy and made several changes which will be adopted at the January 2013 meeting.

**Governance Committee:** The Committee reviewed the Use of Authority Discretionary Funds. The policy change was unanimously approved by the Committee.

Mr. Smith: Motion to adopt Resolution 2012-12-17-2  
Mr. Penney: Motion seconded.  
**VOTE: Unanimously Passed.**

Changes to the the Procurement Policy and the Disposition Policy were discussed. Mr. Whyatt explained that the Executive Director determines whether bidding is required or not, and then steps must be taken to document the decision. Ms. Waivada noted that all policies will be adopted at the January meeting, and changes will be incorporated prior to that.

Mr. Curry: Motion to adjourn the public portion of the meeting and to enter into executive session to discuss property matters, personnel, contracts and litigation.  
Mr. Penney: Motion Seconded  
**Vote: Unanimously passed.**

The next meeting of the board will be held on January 15<sup>th</sup> (Tuesday), 2013.

The Board reconvened at close of the Executive Session.

Respectfully submitted,

  
C. K. Boyle  
Recording Secretary

December 17, 2012

**AUDIT COMMITTEE MEETING**  
**City of Newburgh**  
**INDUSTRIAL DEVELOPMENT AGENCY ("IDA")**  
**MINUTES**  
**December 17, 2012**

**Present**

|                         |  |
|-------------------------|--|
| <b>Members:</b>         | Michael Curry, Chair<br>Richard Bedrosian<br>John Penney |
| <b>Excused Absence:</b> | Sean O'Shea  |
| <b>Counsel:</b>         | Thomas Whyatt, Esq.                                      |
| <b>Staff:</b>           | Theresa Waivada, CEO<br>Craig Skelly, CFO                |

Mr. Curry called the meeting to order at 6:45 pm.

**Updates for Auditor:**

Vendor's files: Mr. Skelly reported that the Agency Vendor files dating back several years have been updated.

Mr. Curry advised that the Agency, Executive Director and Recording Secretary have individual email accounts. It should be noted that emails are changed every 90 days. The Agency email is accessible by the Executive Director and Recording Secretary.

**2012 Audit Proposal**

In 2011, the Agency issued an RFP for audit services for 2011 and 2012. Bollam, Sheedy, Torani & Co. LLP proposal was accepted by the Agency. It required that the Agency individually authorize a contract for services for each of the years.

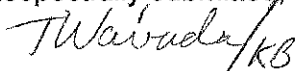
An electronic copy of the 2011 services contract (fee of \$9,750) was forwarded to the Committee in early November; copies of the contract were also distributed at the meeting.

Following review of the contract and discussion, the Committee voted to recommend that the Agency authorize its execution. On a motion by J. Penney, seconded by Richard Bedrosian

The committee, following discussion, will recommend that the Agency appoint an Assistant Secretary and consider authorizing the Executive Director to execute certain payments.

The meeting was adjourned by at 7:05pm.

Respectfully submitted,



Theresa G. Waivada, Executive Director.

**GOVERNANCE COMMITTEE MEETING  
City of Newburgh  
INDUSTRIAL DEVELOPMENT AGENCY (“IDA”)  
MINUTES  
December 17, 2012**

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**Present**

Members: Joshua Smith, Chair  
Nancy Billman  
John Penney  
Jerry Maldonado

Mr. Smith called the Meeting to order at 6:45.

Following review of the Use of Authority Discretionary Funds policy suggested by the Budget Authority office, the Committee unanimously approved its submission to the Board for Adoption.

The Committee requested that the Executive Director review all policy and buy laws and change reference of “Administrator” to ‘Executive Director.’

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## City of Newburgh Industrial Development Agency

### Policies Governing the Use of Authority Discretionary Funds

**Provisions:** Section 2824(1)(b) of Public Authorities Law requires directors to understand, review and monitor the implementation of fundamental financial and management controls and the operating decisions of the authority.

**Objectives:** Boards of directors and authority management have an obligation to authorize the expenditure of funds only for purposes that relate to and support the mission of the authority. The fiduciary duty of the board includes adopting policies that safeguard the assets and resources of the authority and protect against the use of funds for purposes that do not advance its core purpose and objectives. It is particularly important for the board to develop a policy on the proper use of authority discretionary funds that clarifies for all employees what would and would not be considered appropriate expenditures.

**Recommended Practice:** Public authorities are governed by statute. In its legal opinion #2007-F4, the Office of the Attorney General determined that the expenditure of authority funds must relate directly to an enumerated power, duty or purpose of the authority. The funds of an authority may not be spent in support of the private or personal interests or to the benefit of directors, management or staff. Accordingly, the Authorities Budget Office recommends that all state and local authorities adopt written policies that specifically delineate the proper use of an authority's discretionary funds. This policy should address not only what constitutes a proper discretionary expenditure related to the mission and public purpose of the authority, but also address what would be considered an improper use of those funds.

The Agency's Internal Control Policy provides parameters for management of permitted out-of-town business travel and travel-related expenses that are appropriate to advance the mission of an authority such as guidance as to reasonable amounts for such expenses and require that employees perform due diligence to obtain the lowest cost.

- Require prior approval of or authorization by an appropriate individual to ensure that such travel is reasonable and necessary.
- Require documentation to justify the nature and purpose of such expenses,
- Require the employee to provide receipts for expenses and provide dollar thresholds for what will be considered reasonable including per diems, government lodging rates where available and amounts for meals and other incidental expenses.
- Certain meal costs incurred through participation in, or sponsorship of, activities integral to meeting the core public purpose of the authority.
- Appropriate travel expenses, eligible meal costs must be properly documented and reasonable cost thresholds established.
- No credit cards will be issued for officers or staff.

The following are provide parameters of expenses for which the board will not give approval.

- Food, beverages, and other refreshments purchased for the personal use of directors, management or other employees, or by persons with whom the authority conducts business (unless prior authorization is received);
- Flowers and gifts for staff, directors or family members;
- Subsidized or free use of authority services for the personal use of current or former board members, staff, or family members of staff;
- Celebrations for special occasions that do not directly relate to the purpose of the authority, such as catering or decorations for summer picnics, office parties or holiday or retirement parties;
- Charitable contributions or sponsorships of events not associated with the authority's mission;
- Purchases of alcohol or tobacco products;
- Membership dues in professional organizations on behalf of employees;
- Renewal of professional licenses for staff; except for Notary License for an Assistant Secretary.
- Personal use of authority vehicles, unless properly documented for tax purposes;
- Costs to purchase or mail holiday cards, invitations or expressions of sympathy to staff or families of authority staff; or
- Assignment of cell phones or vehicles to non-authority staff.

Further, absent specific statutory power, the City of Newburgh Industrial Development Agency may not use public funds to purchase items considered personal expenses or that are intended to personally benefit an employee or director. Expenses such as those listed above do not advance a public purpose and should be considered personal in nature.

**Adopted: December 17, 2012**