



Auburn Industrial
Development Authority

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, September 16
Cayuga County Chamber of Commerce
2 State St., Auburn, NY 13021

Board Present: Demetrius Murphy (Member at Large)
Terry Cuddy (Council Member)
William Andre (Member at Large)
Frank DeRosa (Member at Large)
Tricia Ottley (Member at Large)

Excused: James A. Dacey (Chair & Member of Business)
Monika Salvage (School Board Member)
Robert Byron (Member of Industry)
Michael Quill (Council Member)

Staff: Tracy Verrier, Assistant Treasurer
Andrew Fish, Executive Director
Michelle Prego-Milewski, Acting Secretary

Mr. Andre, Vice Chair, called the meeting to order at 5:01 pm noting a quorum was present.

Motion to approve the August regular meeting minutes by Ms. Ottley; seconded by Mr. DeRosa. All members present voted in favor; motion passed.

BILLS AND COMMUNICATIONS

There were no Bills or Communications to report.

REPORT OF THE TREASURER

Ms. Verrier reviewed the budget report, noting that Key Bank has refunded all of the bank fees. Ms. Verrier also distributed the PILOT invoice and disbursement schedule outlining all of the PILOT invoices that had gone out the previous week. She informed the board that they would be seeing a monthly report until all payments are received and disbursed.

Mr. DeRosa said that the net income/loss on the P&L statement was off a little from the balance sheet, and Ms. Verrier said that she will investigate and correct as needed. Motion to approve the financials by Mr. Cuddy; seconded by Mr. DeRosa. All members voted in favor; motion approved.

UNFINISHED BUSINESS

Mr. Andre noted that he would attend to the agenda out of order due to time restraints (the board will lose quorum at 6 pm), and he wanted to make sure to hit the most time sensitive issues first.

AUDIT RFPs.

Ms. Verrier said that three responses to the joint IDA RFPs were received, but AIDA was only included in two of the responses as Cuddy & Ward is not able to provide services to AIDA due to Mr. DeRosa's relationships with both entities. Ms. Verrier said that Toski &

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Co. was the low bidder for AIDA, but Buffington & Hoatland was able to match Toski & Co.’s pricing as long as the staff would be able to do a little more prep work leading up to the audit. Ms. Verrier was comfortable with this as the items they would like staff to prepare are mostly things she does anyway. Buffington & Hoatland will also have Alice Hoatland signoff as lead auditor to ensure compliance with state requirements.

Mr. Verrier said the CCIDA will be staying with Cuddy & Ward, so the cost savings of using one firm for both boards didn’t work out as desired.

Ms. Ottley said she was happy that Buffington & Hoatland came down in price, and the board was generally pleased that it was sticking with a firm that is in Auburn.

Since there were only five board members present, there was a question if any motion carried would be sufficient if Mr. DeRosa abstained. After discussion the board chose to vote just in case, but Ms. Verrier will check with counsel and a new vote would be brought forth at the next meeting if this vote was not sufficient.

Motion to procure Buffington & Hoatland for the 2015 financial audit made by Mr. Cuddy, seconded by Mr. Murphy. Motion was passed by the following roll-call vote:

	Yes	No	Abstain	Absent
James A. Dacey				x
Terry Cuddy	x			
Michael Quill				x
William Andre	x			
Frank DeRosa			x	
Robert Byron				x
Monika Salvage				x
Tricia Ottley	x			
Demetrius Murphy	x			

DRAFT ADMINISTRATIVE FEE POLICY

Ms. Verrier presented the Draft Administrative Fee Policy to the board, noting that the policy is a written version of the board discussion after the VG Rentals resolutions that resulted in the following statement:

Due to the Authority’s interest in promoting and contributing to public benefit, in the sole discretion of the Authority’s Board, Leaseback Fees shall not exceed ten percent (10%) of the total benefit approved for the Project.

Ms. Ottley asked if this would affect PILOT applications, and Mr. Fish and Ms. Verrier assured her that it would be very rare, if ever, that this could pertain to a PILOT because the benefit amounts are so much higher when a PILOT is involved. Ms. Verrier asked the board if they would like to add a PILOT exemption, but they declined. She said that the policy can be revised later if they find it isn’t working as they intended.

Mr. DeRosa asked how CCIDA deals with the issue, and Ms. Verrier said that the CCIDA tends to charge a small project fee for projects not seeking a PILOT, so they don’t tend to run into circumstances where the fees are a significant portion of the benefit.

Motion to accept the Draft Administrative Fee Policy by Mr. DeRosa; seconded by Mr. Cuddy, all members voted in favor; motion passed.

TOWER LEASE UPDATE

Ms. Verrier said that Mr. Fish signed the lease documents in Mr. Dacey’s absence, and legal counsel is waiting for the signed documents and payments from Crown Communications. The company has agreed to AIDA’s terms, including the option to put an emergency responder on the tower. They’ve just requested that they are able to approve the technology if the county were to exercise that option.

NEW BUSINESS

2016 BUDGET DRAFT

Ms. Verrier said that the budget is due to PARIS at the end of October, so she presented the draft budget at the September meeting. She will then take any feedback or changes and present a final budget at the October meeting for approval. Ms. Verrier's draft was a balanced budget as that is generally a good place to start, but expects the actual income and expenses will look somewhat different. Ms. Ottley said she was glad to see a zero under bank service charges. Ms. Verrier will bring back two versions of the budget for approval in October, one that looks similar to the P&L that is used on a monthly basis, and one that uses the PARIS formatting. Mr. DeRosa suggested that Ms. Verrier call the budget a Forecast and Budget, and she said that AIDA can use that in its non-PARIS versions, but that PARIS has its own format. She asked that board members contact her with questions or suggestions.

ADMIN SERVICE CONTRACT

Mr. Fish explained that the administrative services contract between AIDA and CEDA is expiring at the end of the year, and originally the contract was put in place to see if CEDA staffing would work. He said that CEDA would like to restructure the contract so that CEDA's contract would be paid by a performance-based fee share or some combination of a flat fee and fee sharing.

Mr. Cuddy said he was very pleased with the work of the CEDA staff, and Mr. DeRosa added that it's something that the board can entertain. He said that he is pleased with all of the AIDA business that is happening, and he was happy with the Joint Audit Committee meeting between CCIDA and AIDA. Mr. Murphy agreed with Mr. DeRosa in regards to the joint meetings, noting that he thinks that it would be a win-win for all three organizations. He said that he was in favor of a pay-for-performance structure.

Mr. Cuddy added that the Joint Governance Committee had a good, honest conversation between the two organizations. Ms. Ottley said she liked the idea of a combined fee structure so CEDA would have a flat fee to rely on and then performance based payment as an incentive.

Mr. Fish said that the staff could put together a draft working with members, but Mr. Cuddy said that members present trusted the staff to prepare a draft to start from without board help. Mr. Fish noted that CCIDA will have the same proposal. Mr. DeRosa said that AIDA wants to retain the current staff, and would like to see some type of progress report for CEDA. Ms. Ottley said that AIDA has a healthy bank balance, and the board could explore using some of its funds for a strategic way to foster more economic development in the city. Mr. Fish said that there will be opportunities, and he was glad to hear that AIDA was willing to help. He noted that those monies should go strictly for economic development and not for administrative fees.

BANK DISCUSSION

Ms. Verrier presented a matrix to the board that presented different banking options, excluding Five Star Bank. She said she will add their options at a later time. Ms. Ottley asked for the current rate on AIDA's account, and Ms. Verrier answered .01%. She said that the board can move as fast or as slow as they want when it comes to the bank accounts. Mr. DeRosa wanted to know if AIDA needs to order new checks, and Ms. Verrier answered that new checks would probably have to be ordered within the next year.

Ms. Ottley said that she was concerned that it took Key Bank so long to fix the service charges. She is inclined to change banks because of interest rates. Mr. Murphy said that 1% (offered by Generations) is very good in today's financial world, and credited Generations on their resilience to keep clients and hometown, community-based decision making. The board suggested that Ms. Verrier get rates for Five Star, M&T Cayuga Lake National Bank, and Lyons before making any final decisions.

QUARTERLY DEMOGRAPHICS

Ms. Verrier reviewed the quarterly demographics and the new website, showing the board how and where to log in to the board access page. She said that all meeting materials will be uploaded to the board section of the website except for proprietary information. Looking at the demographics update, Ms. Verrier stressed poverty rates, education and population growth. She said the board should keep an eye on a dip in labor force, which is not unique to Auburn following the recession. Ms. Verrier said that business services and manufacturing are continuing to recover well, but trade and transportation is trending downward. She also said that sales tax is

down slightly through August, and Mr. Fish said the cold winter may have contributed in the year-to-date information.

Mr. Murphy asked for a detailed breakdown of employment by educational attainment. Ms. Verrier said that the population may be too small for a detailed breakdown by industry, but that she could probably find overall unemployment by educational attainment. She quickly touched on the condemned properties list, and said that a sample of 125 properties from the list showed about 80% were zoned residential and about 20% were commercial. Ms. Ottley asked what percentage of the city's properties are condemned, and Ms. Verrier said she has the number but not with her. She will send out the information.

OCTOBER MEETING

The board moved the October meeting to October 28th as it conflicts with the Chamber Annual Dinner.

ADJOURNMENT

Motion to adjourn at 6:02 pm by Ms. Ottley; seconded by Mr. Cuddy. All members present voted in favor; meeting adjourned.