

Town of Montgomery Industrial Development Agency  
I.D.A. Meeting  
Town of Montgomery Government Center  
110 Bracken Road  
Montgomery, New York 12549

Monday, July 08, 2019  
5:30 PM

Present:               Jeffrey D. Crist, Chairman  
                  Edwin Williams, First Vice-Chairman  
                  Stephen Rainaldi, Second Vice-Chairman  
                  Matthew P. Stoddard, Treasurer and Member  
                  John W. Dickson, Member

Also Present:        Robert McLaughlin, Esq. Hodgson Russ Attorneys  
                          Members of the Audience  
                          Suzanne Hadden, Secretary and Recording Clerk

Absent:               Anthony Zambrotta, Assistant Secretary

AGENDA

Call to order

Governance Committee Meeting – Review of Current Policies

Call to Order

1.     Report of Governance Committee – Current Policies
2.     Review and Re-Adoption of Current Policies
  - Code of Ethics
  - Procurement
  - Uniform Criteria
  - Conflicts of Interest
  - Whistleblower
3.     Consideration of Labor Policy Variation for Current Applicant (Bluewater)
4.     Consideration of Financial Assistance request – Restwell Properties LLC
5.     Review of Inform Analytics-cost benefit tool
6.     Consideration of RFP for Labor Compliance Services
7.     Updates on pending Applications
  - Bluewater/Sailfish
  - Medline
8.     Review of ABO Report – July 1, 2019
9.     Review of Senate response letter
10.    June Treasurer’s Report

Other Business

11.    Approval of the June 17, 2019 Special Meeting Minutes
  12.    Other
- Adjournment

### Governance Committee Meeting – Review of Current Policies

Chairman Crist called the for the Governance Committee to hold a short meeting and asked Attorney McLaughlin to review the current policies for the board.

Attorney McLaughlin said there are 5 policies that have not been addressed for some time and each of the committees of the board; the Audit, Finance and Governance right now only have 2 members because of some resignations on the board and it is encouraged to have 3 members for each committee. He reviewed the Code of Ethics, Procurement, Uniform Criteria, Conflicts of Interest and the Whistleblower Policies with the board.

First Vice Chairman Williams motioned for the agency to add one new member to each of the 3 committees, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, motion carried.

Attorney McLaughlin said that is great and you can now adjourn the Governance Committee and begin the board meeting.

Chairman Crist called the IDA meeting to order.

### Report of Governance Committee – Current Policies

Chairman Crist said our first item is to review that Governance Committee report and if the members are comfortable we could begin by adding one member to each of those 3 committees. He had a couple of thoughts on who to add. He opened it up to the board if anyone had a preference. First Vice Chairman Williams and Second Vice Chairman Rainaldi are on each of the three committees right now and they are the only two committee members on those committees. He asked Member Stoddard if he would consider the Finance Committee and Member Dickson for the Governance Committee and himself for the Audit Committee.

Second Vice Chairman Rainaldi motioned to add Member Stoddard to the Finance Committee, Member Dickson to the Governance Committee and Chairman Crist to the Audit Committee, seconded by Member Dickson. All in favor, all ayes, motion carried.

### Review and Re-Adoption of Current Policies

Chairman Crist said we just had our attorney review the current policies, if there is no further discussion, he suggested a motion to re-adopt the policies.

Member Dickson motioned to adopt the Code of Ethics Policy, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, motion carried.

Second Vice Chairman Rainaldi motioned to approve the Procurement Policy, seconded by First Vice Chairman Williams. All in favor, all ayes, motion carried.

### Review and Re-Adoption of Current Policies

Member Dickson motioned to adopt the Uniform Criteria for the Evaluation of Projects Policy, seconded by Member Stoddard. All in favor, all ayes, motion carried.

First Vice Chairman Williams motioned to adopt the Conflicts of Interest Policy, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, motion carried.

Member Stoddard motioned to adopt the Retaliatory Action (Whistleblower) Policy, seconded by Member Dickson. All in favor, all ayes, motion carried.

Chairman Crist said he would like to make an announcement on an issue that just took place today. He said he received an email from Joe Joy, CEO stating that he would be resigning his appointment as CEO to the IDA immediately.

### Review of Inform Analytics-cost benefit tool

Chairman Crist said the cost benefit tool has been signed up for as directed by the board. They will be ramping up the model adjusted for the Town of Montgomery and they will use the local taxes in that program and the board will be able to look at the outcomes as they review projects and add that to the documentation on where that cost benefit comes out.

### Consideration of Labor Policy Variation for Current Applicant (Bluewater)

Chairman Crist said there was a letter received from Shamrock Construction Group, Inc. asking for consideration for the use of all the supervisory foremen plus 40% of the Ironworkers with the balance 60% coming from local labor as supplied by Ironworkers Local 417. This would be an exemption to the original 85% that is stated in the Local Labor Policy.

Attorney McLaughlin read the letter into the record and reminded the board that this is premature to vote on because the Bluewater Project is still under the planning board's review.

Member Stoddard said, one of the reasons Shamrock is requesting this, and he did speak to the Executive Vice-president of Shamrock Construction Group, Inc., is they feel that they are going to have a tough time competing against the steel erectors that are coming from the south in Tennessee. Shamrock Steel performs a lot of warehouse jobs and they are willing to use 60% local labor, instead of the 85%. As being part of this board and he is okay with 60% of local labor instead of 0%. The general contractor on the bigger scale scope of work is trying to get around the local labor policy; hopefully this would deter them.

A brief discussion was held.

Consideration of Labor Policy Variation for Current Applicant (Bluewater)

Member Stoddard said if the project receives the grant or it doesn't from the IDA; without this amendment to it, local labor on the structural steel stands almost zero chance of being on that project and with this amendment, it doesn't guarantee anything, but gives local labor a better chance.

A discussion was held on how to implement the consideration, if accepted by the IDA.

Board members were open to the proposal.

Consideration of Financial Assistance request – Restwell Properties LLC

Chairman Crist said the next item is the consideration of Financial Assistance request by Restwell Properties LLC. He said the board did make some decisions at the last meeting relating to this applicant and to refresh and mention to the public, the IDA approved two of their requests and denied two of the requests and this a clarification of the denials. He asked counsel if that was correct?

Attorney McLaughlin said the board considered the four requests for financial assistance, two were granted and two were tabled. There was a request for a motion and there was no motion made. Their counsel has requested a formal determination by the board, either yes or no on those two items. Since you've already acted by tabling, that's a strong evidence of a no. Their attorney has requested a vote and it is a fair request. A resolution has been prepared that describes the denying of those two aspects of financial assistance. One on the sales tax exemption for the equipment that was required for rebranding, as part of the purchase and the second for the mortgage tax recording tax exemption, again by reason of the sales transaction. The minutes of the board, which are in draft form right now, indicate that the members were not inclined to grant those two because it was in the ordinary course of business and was something that this board would not normally consider as part of the financial assistance granted by the agency.

First Vice Chairman Williams motioned to adopt the Restwell Properties LLC Resolution formalizing the board's decision for the consideration of the financial assistance request, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, motion carried.

Consideration of RFP for Labor Compliance Services

Chairman Crist said that there's a draft RFP ready to be published to request proposals from qualified firms to provide the labor monitoring services on construction projects receiving economic benefits from the Montgomery IDA and that would include making periodic construction site visits to monitor compliance and the IDA Labor Policy has a detailed list of requirements that need to be met with occasional if appropriate exemption options, which we discussed in one place tonight already.

### Consideration of RFP for Labor Compliance Services

A discussion was held on the current projects under construction and outsourcing to a firm if needed.

Member Stoddard motioned for Loewke & Brill Consulting Group to oversee the Montgomery Group LLC and Stewart Holdings projects, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, motion carried.

Member Dickson motioned for the RFP to be published in the local paper and posted on the website, seconded by Member Stoddard. All in favor, all ayes, motion carried.

### Updates on pending Applications - Bluewater/Sailfish

Chairman Crist said next is the update on the Sailfish project and every member has the UTEP cost benefit score card, which suggests that Bluewater would reach the Level 3 threshold of 12 with a total score of 14. He asked Don Chase, applicant to provide the board with an update of the project.

Don Chase, Bluewater Industrial LLC said we are still in front of the planning board going through our environmental review with revisions to the Draft FEIS. We're evaluating our construction and operating costs and our client is looking for some indication on how we can budget for that.

Chairman Crist said the Valley Central School District Superintendent reached out to him concerning both Medline and Sailfish and he is looking at the cost benefits of these projects and also has been in consultation with other communities where there has been in a couple of cases a Community Benefits Agreement, which is outside the Montgomery IDA jurisdiction, but not outside the realm of possibility of what a company coming in can do to help.

Attorney McLaughlin explained the agreement to the board, which is outside of what the IDA can offer, but can be worked out together amongst the town and the school.

A further discussion was held on the UTEP education benefit and the taxes proposed from the project to the school during the 15-year PILOT Agreement.

Chairman Crist asked the board if they had any comments regarding the Community Benefits Agreement and if it is appropriate or not?

Second Vice Chairman Rainaldi said with respect to both Bluewater and Medline, he has been on this board through Susan Cockburn's administration and he's seen a lot of small businesses start up, small industry and that is what he feels the IDA in this town should be about. He feels strongly that it shouldn't be about million square foot warehouses next to residential areas destroying homeowner's property values, adding to traffic and noise and at this point he doesn't know if he would have to resign or just not vote on these subjects if the IDA receives an application for it.

Updates on pending Applications - Bluewater/Sailfish

Member Rainaldi continued and said he knows there's County IDA if they would like to go for that, but he for one sitting on this board right now, he will not entertain anything with respect to large industrial warehouses. He thinks this town has enough, he feels there is no benefit to the community and if he has to put in a resignation for that after all of these years, he will do so and he will fight it on the other side, but he can't see himself doing this.

Chairman Crist asked if there were any other comments and said he appreciates Member Rainaldi's candidness. The board needs to look at the numbers, needs to look at the UTEP and he knows some people don't agree, but the taxes that are paid out on Neelytown Road are very significant to our school.

Second Vice Chairman Rainaldi said he understands they are significant, but he also understands how it's a detriment to local families who have been living here for 35 and 40 years. He doesn't think there is consideration on that point, and he can't honestly in good conscience vote for these mega structures going in. If he has to resign, then he will have to resign; that's up to this board and the town.

Chairman Crist said he is not aware that a negative vote causes any reason to resign, you are here to use your best judgement in the interest of the community and vote how you see fit. We are not voting tonight, and the discussion isn't over.

Updates on pending Applications - Medline

Chairman Crist said on Medline we also have a UTEP, which is the score card and they also meet the threshold of the Level 3 benefits of 12 points and above and their score was 14 on this draft. He has also been in touch with their representative and they have also expressed willingness to look at some sort of an adjustment; a step back from the maximum relief, which he thinks is positive and appropriate for the board's consideration and evaluation in the cost benefit package. The project is also still before the planning board and they are in the DEIS acceptance stage. We did hear some comments at the public hearing that they left their Middletown facility, they didn't leave it yet and they are looking to leave just to get a new tax abatement, but according to this representative they have outgrown that facility; it's landlocked on what they can do to expand the acreage and the most important thing is that it is fully expected to be used by another owner/tenant, in which case they would continue to pay the tax requirements that were agreed to previously; that tax benefits the community and is not going away on their old site. He would also plan to explore with them various ways they can provide some further give back to the community beyond the full tax relief package. Are there any discussion or questions on Medline?

Review of ABO Report – July 1, 2019

Chairman Crist said we have evidence that the PARIS report has been filed appropriately and we are still working on some details related to the Capital Resource Corporation.

Attorney McLaughlin said the CRC (Capital Resource Corporation) that was created some time ago for the issuance of bonds, which the CRC has not taken any action on. The accountant has been submitting letters to the ABO advising that there has been no action and they were advised erroneously that there was no need to file an annual report. What he has discussed with the chair is given you are in the ABO report as being delinquent in the filings; it's imperative that you get that corrected; that you come into compliance. He could have his firm's paralegal available to help to get this done.

Second Vice Chairman Rainaldi motioned to authorize Hodgson Russ LLP to assist with the ABO Report and correcting of some outstanding issues, seconded by Member Stoddard. All in favor, all ayes, motion carried.

Review of Senate response letter

Chairman Crist said we recently responded to the senate's investigation committee letter, which was a request requirement of all IDAs and ABOs in New York State, which is hundreds. Attorney McLaughlin worked closely with him and Clerk Hadden to get that done and that was sent out on June 28<sup>th</sup>. We have a copy of that document for all members.

June Treasurer's Report

Member Stoddard reviewed the June 2019 Treasurer's Report.

Member Dickson motioned to accept the June Treasurer's Report as presented, seconded by Second Vice-Chairman Rainaldi. All in favor, all ayes, motion carried.

A brief discussion was held on the termination of the Polich Tallix, INC. project and the funds received, as well as some of the received funds needed to be paid back out.

Approval of the June 17, 2019 Special Meeting Minutes

Second Vice Chairman Rainaldi motioned to approve the June 17, 2019 special meeting minutes as presented, seconded by Member Stoddard. All in favor, all ayes, motion carried.

Other Business

Chairman Crist said there's some updating that he and Attorney McLaughlin will attend to from the resignation of the CEO. He said the IDA board will need email addresses set up for the website. Attorney McLaughlin will notify Volum 8, the web service providers. He asked the board to consider setting up some dates to consider a special meeting in August to review the RFP for a CEO, the job description and pay level; which could possibly be discussed in an executive session.

A brief discussion was held on the members availability for a special meeting in August.

Member Stoddard said we spoke about the Local Labor Policy and about the exemption for the structural steel on the Local Labor Policy. He understands the agency can not make a decision tonight, but the problem is, not making a hard decision, the GC (General Contractor) needs to know if they are able to go in that direction of doing 60 percent local labor or just going zero percent local labor. He said he heard what Member Dickson said and he heard what he himself said. If this board, when the time comes has the grant to them, then there's a project in front of us, would that board then at that time consider 60 percent local labor instead of 0 percent local labor? Would we be in favor of doing the local labor instead of doing no local labor and still be within the 20 percent differential, which is in the by-laws of the Local Labor Policy?

First Vice Chairman Williams said he thinks you could tell them that the consensus is that there were no objections.

Member Dickson motioned to adjourn the meeting, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, motion carried.