

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

Tuesday, March 10, 2020
5:30 PM

Present: Jeffrey D. Crist, Chairman
Edwin Williams, First Vice-Chairman
Matthew P. Stoddard, Treasurer and Member
John Dickson, Member
Robert Santo, Member
Randi Greene, Member
Donald Berger, Member

Also Present: Robert McLaughlin, Esq.
Members of the Audience
Suzanne Hadden, Secretary

AGENDA

1. Introduce New Members and Thank Retiring Members
2. Approval of Minutes

February 14, 2020 Special Meeting Minutes
February 11, 2020 Transcript of Meeting
5. Financial Report for February 2020
6. Uniform Tax Exemption Policy (UTEP) - Discussion
7. Executive Director RFP Update
8. Other Business
9. Adjournment

Roll Call

Chairman Crist called the meeting to order. We did just complete an initial training in the last hour and all board members were present; the training was done by our counsel.

Introduce New Members and Thank Retiring Members

Chairman Crist - I would like to welcome two new board members. The town board reviewed all members of the Montgomery IDA recently and appointed two new members, starting with Randi Greene and Donald Berger. They also reappointed Matt Stoddard, Bob Santo, myself, Jeff Crist, Ed Williams and John Dickson. I would like to offer my sincere thanks to Steve Rainaldi and John Macioce who are retiring from this board. We appreciate their service and thank them for their time on the board.

Approval of Minutes – February 14, 2020 and February 11, 2020 Transcript

Member Dickson motioned to approve the February 14, 2020 special meeting minutes, seconded by Member Santo. All in favor, all ayes, Members Greene and Berger abstained, motion carried.

First Vice Chairman Williams motioned to approve the February 11, 2020 meeting transcript, seconded by Member Santo. All in favor, all ayes, Members Dickson, Greene and Berger abstained, motion carried.

Financial Reports for February

Treasurer Stoddard reviewed the February 2020 financial report.

Member Dickson motioned to accept the February 2020 financial report as presented, seconded by First Vice Chairman Williams. All in favor, all ayes, motion carried.

Member Stoddard will check on the status of the IDA's CD accounts.

Uniform Tax Exemption Policy (UTEP) - Discussion

Chairman Crist - The UTEP policy is described fully on the website, we had a number of comments over the last year that we should carefully look at what those tax abatements are and consider adjusting those to be appropriate for today's times. During the public hearings there was a comment that that's our policy and that's what we work with once an applicant is underway. Now is a good time to look at that policy with possible adjustments. We have limited number of projects right now and I would like to open this up for a board discussion and I would like to recognize our Supervisor Brian Maher.

Uniform Tax Exemption Policy (UTEP) - Discussion

Supervisor Maher - We did invite the school district; Jeff had sent an email and I sent a follow-up. We wanted to encourage them to be part of the discussion, jointly with the town, the district and this IDA board. The idea is to take a look at it from a strategy standpoint, the industry is tough to determine what threshold that you want to set yourself at, but doesn't also chase away potential companies that want to come in. At the end of the day there are practices throughout Orange County in different industries, such as hotels where towns won't bring PILOTs to a certain threshold because they know they are going to come in, they know that's where they want to be. Here in the Town of Montgomery we have the luxury of an amazing infrastructure, that is going to bring in business. I think having the conversation, to me personally I think 15-years is too high, but just having the conversation and being openminded to lowering that would be great. You might want to have a bit of follow-up, maybe some sidebar committee work meetings to determine that and do the due diligence and research you need to do and tap into some other local IDAs that may have adjusted their policies as well. Maybe focus on some of the areas that some of these other businesses are going to that have the similar infrastructure, in Pennsylvania and New Jersey and see. They obviously have a different tax structure than New York State, but there are other benefits that come from being in this location. I am looking forward to the conversation and I'm hoping to be a part of it in any way that you allow me to be, but keeping an eye on what the County IDA offers along with what we are going to do is important. One thing that is important is being in competition with the Orange County IDA. Jeff and I have tried to establish a good working relationship with them. I would warn the board to try not to dictate their conversations based on competing with the IDA. I think there is a good level of communication that has been established from this point going forward, where we can identify what is good for the town and not have it be dictated based on a competition. I'm here to be helpful and I am happy that you are going to be bringing it up for discussion.

Chairman Crist - Thank you Brian. He then asked Attorney McLaughlin to review the process since there are various steps, and this is a process that needs to take several months?

Attorney McLaughlin - The way that you should do this, as the Supervisor suggested, a committee, probably the finance committee, may want to take a lead with the chair and look at some examples of current UTEP policies around the state and in the Hudson Valley. There is a way to complete and there is an incorrect way to complete. Meet with the town board, have a meeting with the school district and if the school district for whatever reason can't come here, I would suggest that the committee members meet with the school district at a school district meeting and see what their input is. Ideally over the next 30 to 60 days you would do that type of fact-finding review and develop a UTEP policy that would then be printed up. You would then have a Resolution to hold a public hearing where you would send that UTEP policy that you are contemplating passing to the school district, to the town, to the county, all the taxing authorities, that would have to be on a 30-day notice and that would be different than the public hearing that you would hold for financial assistance. It would be a public hearing just to hear from those jurisdictions. It would not have to be at any particular time or day, but you would want to hear from the county, from the town and from the school district.

Uniform Tax Exemption Policy (UTEP) - Discussion

Attorney McLaughlin - They can appear at the hearing; they can submit written comments and then after that public hearing there would be a report back to the board and then you would vote on the new UTEP. If you look at the timing of that, you are probably looking at 3 to 4 months to get a new policy with the input that you need from those taxing jurisdictions and other interested parties, stakeholders.

Chairman Crist – Any comments from the board, questions?

Member Berger - You mentioned the financial committee, I'm sure things have changed.

Member Greene - Will we be taking the places of the former members on those committees or will you be restructuring those?

Attorney McLaughlin - You have 3 committees already, you have a governance committee, an audit committee and a finance committee and I know the chair wanted to address the vacancies on those committees at the end of this meeting. You can use one of the existing committees for this purpose, you can also appoint tonight a temporary committee for the purposes of looking at the UTEP policy. I didn't mean to restrict it to just the finance committee. You can appoint 3 members, can't appoint 4 because then that's a quorum of the entire Board and you have to notice every time you meet, but on something like this where you are looking to explore and potentially meet with other involved stakeholders at different times over the next several weeks, it makes sense to do that initially through a committee and then report back to the board what its findings are and then as a board in Executive Session, try and develop what the UTEP policy should be based on that committee reports and then present it at a public meeting both for the public hearing and go forward that way.

Chairman Crist - To your question Randi, I have some thoughts on committee makeup with this new board makeup; I'll present in a little bit and open it up for discussion. Bob and I hadn't talked about the committee process for the UTEP previously. I think it makes some sense; I'd like to have a thought process in my mind related to a timetable. I don't see us being ready to finetune a UTEP policy at our April meeting. I think an appropriate goal would be to try to narrow it down for our May meeting, which could presumably allow the public hearing for the taxing authorities in June and then a decision this summer. It seems that it may be an appropriate timeframe to investigate and have thoughtful input. I would hope the whole board would be engaged in this process, but possibly having 3 board members in a committee to have some structure to take the lead does make sense. I'm not sure I'm prepared to come to conclusion on that, but I welcome input and any thoughts from board members.

First Vice Chairman - Are there problems with our current policy?

Attorney McLaughlin - Only to the extent that there have been issues raised on the 15-year period.

Uniform Tax Exemption Policy (UTEP) - Discussion

Vice Chairman Williams - Even though we have a 15-year period available, currently we can choose to use 10. Why would you want to restrict yourself to 10, when you can do it anyway on a case by case basis?

Attorney McLaughlin - To the extent you vary from your existing UTEP policy, although you can do less than 15-years, you do need to notice the taxing jurisdictions the fact that your varying from the UTEP. There's an open question, for example on a project that you recently approved, the notice to the taxing authorities arguably did not have to occur because your change to the UTEP benefited them. Instead of 100% exemption for 5-years, it went to an 80% exemption for 5-years, so that was a benefit to the taxing jurisdictions and since you weren't changing the policy to their detriment there was a very good argument to be made that you didn't have to notice those authorities and provide them with an opportunity to comment. I think the better course is always if you are changing the UTEP in any way to give the taxing authorities notification because if they object to getting more money than they would otherwise be entitled to, you should know that. The only comment that I would have would be that you need to keep in mind that any variance potentially has a notice requirement to the jurisdictions and that could delay a consideration of the project for a period of time. Whether or not you want to change and overhaul the entire policy, that's a decision for the board, that's not my decision.

Chairman Crist - To further respond to you Ed, in the course of meeting with Orange County IDA, I took a closer look on their website at their UTEP policy and they have 4-year PILOT's for hotels, then they have 6-years, 10-years and 15-years specifically laid out. It spoke to segmenting some various types of business that you may need stronger encouragement to bring to town, that would be more related to the 10 and 15 year PILOTs and some that need just a little bit of abatement, more in the area of the 6-year PILOT. It ties in a little bit with the Comprehensive Plan, what the community wants in this town going ahead. There are still a number of areas where the town can be developed and properly done, should be developed. There are some things to look at, to better guide where we want to go on a community basis.

Attorney McLaughlin - Annually you look at your policies and you review and approve those policies or make changes. The UTEP policy in this IDA hasn't been explored for 12-years. It's appropriate to look at whether your current UTEP is right for the town. You may conclude at the end of the process that you are sticking with the exact same UTEP that you have today. In the western part of the state, which I still owe you examples on, some IDA's there of the 11 categories of projects, they have different UTEP's for each category and different UTEP's within those categories for different types of thresholds reached. I personally as an attorney don't think that you should over complicate the UTEP policy by having 5 different types of UTEP's for 11 different types of projects, but to your specific question, I think after 12-years without a review annually, does it still work, yes.

Uniform Tax Exemption Policy (UTEP) - Discussion

Attorney McLaughlin - It's entirely appropriate to take a pause especially since there have been some requests to do so and look at the policy and there is nothing that says that you can't readopt the existing policy.

Member Santo - The largest stakeholder, that is the school district, has had no official input. We had a couple people demonstrating, holding up signs in the back. There are two entities there, the administration and the union. The last thing they were involved in was the UNFI and they were at odds, but doing this would officially allow them to have some input, rather than at the Amazon project a couple of letters were written, but this I would agree would be a great benefit to the district, just to know that they are part of this and they had an input in it.

Member Berger - Is it also my understanding that if we decided to change the UTEP policy that you could limit the usages under the UTEP policy, for instance the type of businesses that come into our community?

Attorney McLaughlin - The UTEP policy can be anything that you want it to be.

Member Greene - I'm in favor of looking at everything. Somewhere between 5 different UTEP policies for 11 different projects than one, there's a middle ground that would be a lot better for the community. I think it's important for the school district to have an input, so there's a less adversarial relationship going on while we are looking at projects. I think there's a lot to do to eliminate a lot of the questions and a lot of the distrust that has been going on lately. If we talk to everybody and get everyone's opinion and then make an informed decision and then move forward.

Member Dickson - I agree, it's time to review it; 12-years is a long time.

Member Stoddard - We should do it.

Chairman Crist - I don't have a clear vision of how to initiate the steps for the committee.

Attorney McLaughlin - We discussed the need to have a special meeting before the end of the month, for audit purposes. Your audit is currently being done and this audit for this IDA has historically been late. The goal of the chair this year was to make sure that that did not occur, your ABO filing is due March 31st. The chair has encouraged the auditor to do everything possible to be done by this month, so that you can make a timely ABO filing.

A further discussion was held on the status of the audit.

Chairman Crist - I have a memo from the auditors that I would report on after we finish this discussion. We may be able to address the UTEP process at a special meeting.

Executive Director RFP Update

Chairman Crist – The board late last year approved the RFP going out for several reasons, that did not happen until about 10-days ago. I wanted to have further discussion with the new supervisor and administration on the thought process of how we house that position and we do now have on our website the RFP job description. We have a notice for any applications to be submitted by the end of business April 1st. It's a very comprehensive job description. I would like to see this person on board as soon as possible to help with the UTEP discussion and process and help carry that process forward. We also have a link from the Town's website to that RFP. The supervisor suggested maybe we should put the notice in the local paper. Any thoughts here on other places we should circulate that RFP?

Member Greene – Do we have any applications yet?

Chairman Crist – I received one today, I haven't looked at it closely yet.

Member Berger – How would an applicant know to look at on the website for the RFP? I believe it should go out to the Wallkill Valley Times to get more applicants to come in.

The board decided to place an ad in the Wallkill Valley Times.

Member Greene – Do we have to hire someone from the applicants that answered by April 1st if we don't find someone that we think fits the bill, can we put out another one or extend it?

Chairman Crist – I think we can extend it or evolve it, but I don't think we could bring in someone else and hire without furthering the RFP. Hopefully we get several more to evaluate. This position is advertised for full-time, the salary is not defined, it's dependent on qualifications and experience.

Attorney McLaughlin – We will have to amend the By-laws because the By-laws speak to a CEO, so once that's engaged, I'll do an amendment to the By-laws for the board to consider.

Member Stoddard – Does it matter what the title is?

Attorney McLaughlin – No, it should be consistent with the By-laws though; it's up to the board.

A further discussion was held on the executive director's future hours and required abilities.

Member Berger – Would this person also sit on the new Comprehensive Plan Committee to help guide the direction the town should be taking?

Executive Director RFP Update

Supervisor Maher – Our Comp. Plan has been set, so there wouldn't be a voting member of the Comprehensive Plan Committee, but we would consider them a stakeholder. Part of the Comprehensive Plan Committee is identifying and having stakeholder meetings and a good role for this individual which would keep him or her very busy is communicating with the initial stakeholders and introducing themselves to not just the large business community of warehouses, but also small businesses and local non-profits and creating a little more synergy and giving a face to the IDA within the community and creating some good will. Specific to the Comp. Plan, they'll be involved, but they wouldn't be a voting member.

Other Business

Chairman Crist – Sue handed out our Annual Financial Disclosure form, which I would ask you to return to the Town Clerk's office.

A brief discussion was held on the form.

Supervisor Maher – These come specific from the Ethic's Board and the Code in the Ethic's Law and it does say in the Code for the Ethics that new appointees have 30-days. Annually they are due May 16th or 19th, but for those newly appointed officials, like myself I had to do it within 30-days. Technically, we appointed all of you again, whether it was reappointment or new, so I think you might all reach that 30-day threshold. Any inquiries can be emailed to Joe Keenan, he is the Chairman of the Ethics Board.

A discussion was held on the IDA email accounts and the status of the 2019 Audit Report.

Chairman Crist – One last area I mentioned earlier that we should address tonight is the appointment of officers.

Attorney McLaughlin – Before you do that, you should have a special meeting before the month end for audit. If the board members can consider that, you do need at least four members in order to consider it. Ideally the town would provide a report and the accountant would be here to report to the audit committee and then the audit committee would report to the board, that would be the preferable way to do it. Before we can enter any information into the ABO site, the board needs to adopt the audit that's produced. Since you have a filing requirement of March 31st, you will have to have that meeting to adopt the audit findings.

A discussion was held on holding a special meeting on Monday, March 23rd at 5:30 p.m.

Other Business

Chairman Crist – On our appointment of officers, we have a vacancy on the second vice chair position, which Steve Rainaldi held. Would anyone care to make a motion to nominate?

Treasurer Stoddard motioned to nominate John Dickson as Second Vice-Chairman, seconded by Member Santo. All in favor, all ayes, motion carried.

Chairman Crist – For the committees, I have been looking at them. On our Audit Committee, we now have Ed Williams and Matt Stoddard, I would suggest Randi Greene on that committee. Finance Committee, we currently have Matt Stoddard, myself and John Dickson; that could stay the same, although I'm open for discussion. On the Governance Committee, there's myself, Bob Santo and I would suggest Don Berger. What would be the duties of the Governance Committee, Bob?

Attorney McLaughlin – The Governance Committee looks at the overall process of the agency with respect to policies and procedures, making recommendation on appointments and just overall governance of the agency.

Member Greene – And the responsibilities of the Audit Committee?

Attorney McLaughlin – The Audit Committee is supposed to work with the auditors annually to get a report from the audit, meet privately with the auditors to see if there are any findings, any inappropriate activity with the agency and then the Audit Committee would report to the board what the findings of the audit report is. In addition, if there were any questions raised during the course of the year after the audit is completed with respect to the activities of the agency, the audit committee can reach out to the auditors and ask for a review of those activities.

A brief discussion was held on the appointments and how the UTEP policy changes would be handled amongst the agency members.

Attorney McLaughlin – The By-laws of this agency, unlike many others, but you in particular have specific duties of each committee set forth in your By-laws. In the package I gave you earlier, there are specific duties of each committee.

Chairman Crist – As far as modifying our committee members, based on the makeup of the board now, that would take a motion and that would be an adjustment to our annual resolution of officers' committee's assignments and meeting schedule.

Attorney McLaughlin – Yes, and once voted, we would have to get that information to the web developer.

Other Business

Chairman Crist – I would ask for a motion to approve the Audit Committee, the addition of Randi Greene and the Governance Committee, the addition of Don Berger.

Audit Committee:

First Vice Chairman Williams
Member Greene
Treasurer Stoddard

Finance Committee:

Treasurer Stoddard
Chairman Crist
Second Vice Chairman Dickson

Governance Committee:

Chairman Crist
Member Berger
Member Santo

Chairman Crist – I would entertain a motion for those committees.

Treasurer Stoddard motioned for the members as assigned for the Audit, Finance and Governance Committees, seconded by Member Berger. All in favor, all ayes, motion carried.

Chairman Crist – We did also talk about the IDA Academy at our training session for April 21st at SUNY New Paltz. It's a one-day academy, there is a cost of \$85.00 per member, which the IDA would pay for. I have the agenda here and I can send that to anybody who would like to see it.

A brief discussion was held on future training for the board to possibly be held at the April 14th regular scheduled meeting.

Adjournment

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