

**Cayuga County Industrial Development Agency Meeting
Cayuga County Chamber of Commerce, First Floor Conference Room
March 15, 2016 at 4 pm**

Chairman Ray Lockwood called the meeting to order at 4:13 pm, noting that there was a quorum present.

ROLL CALL

Present: Ray Lockwood, Joseph Runkle, Paul Lattimore, Carol Contiguglia, Herb Marshall

Excused: Gina Speno, John Latanyshyn,

Others Present: Michelle Milewski & Andrew Fish (CSS); Tracy Verrier & Bruce Sherman (CEDA);

Chairman Keith Batman (Cayuga County Legislature); Mary Beth Leeson (Cuddy & Ward); Rick Galbato (Galbato Law).

MEETING MINUTES

Mr. Lattimore moved to accept the February 18 meeting minutes; seconded by Mr. Runkle. All members voted in favor; motion passed.

REPORT OF THE AUDIT COMMITTEE

The Report of the Audit Committee was moved to the first item on the agenda.

Ms. Leeson reported that all pieces of the audit are complete except for a statement from Generations Bank confirming appropriate collateralization of funds. She said other than this statement, which she expects shortly, there were no issues. She said that Ms. Verrier did a lot to make sure that everything was correct. Ms. Leeson reviewed each section of the financial statements and audit. She said that CCIDA received an unmodified opinion, and that the material statements were correct. Ms. Leeson noted that the Audit Committee had requested putting any revenue from land sales into a restricted account for future land purchases and development, which will be added to the final audit documents. Ms. Leeson was asked if she audits the projects at all to ensure that they are meeting their requirements. She said that she only audits the accuracy of PILOT payments, not compliance, adding that each PILOT company reports its employment data annually.

Motion to approve the 2015 audit contingent on the receipt of collateralization statement and addition of restricted funds by Mr. Marshall; seconded by Mr. Runkle. All members present voted in favor; motion passed.

BILLS AND COMMUNICATIONS

There were no bills and communications to report.

REPORT OF THE TREASURER

Ms. Verrier presented the profit and loss statement, and reported that there was not a lot of activity. She said the board paid out \$140 for seats at the CEDA luncheon, and a standard electric bill from the industrial park. There was interest accrued from the savings account. Motion to approve the February, 2016 financials by Mr. Runkle; seconded by Mr. Lattimore. All members present voted in favor; motion passed.

UNFINISHED BUSINESS

Mr. Fish updated the board on the search for his replacement. He said that the search committee is comprised of four members each of CEDA and the Chamber boards (including the two IDA chairs), and the job has been posted with a deadline for applications of March 31st. Mr. Fish said that the first round of interviews should start on April 11th, and the field will be narrowed to 2-4 candidates. CEDA and Chamber stakeholders will be invited to presentations by the final candidates, which they are expecting to take place during the week of the April 25th. He hopes a candidate will be hired by mid-May and in place in June depending on the amount of time the new executive director needs to give notice. Mr. Fish's

last day is April 1, and will remain somewhat engaged in the process while the acting directors are still in place. He noted that the boards have been clear about continuing the joint venture. Mr. Galbato will double check that the stakeholder interviews do not fall under the open meetings law and thus require public notification..

CARUBBA COLLISION

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF CARUBBA COLLISION CORP. (THE “COMPANY”) WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE UNDERTAKING OF THE PROJECT AND APPOINTING THE COMPANY AS ITS AGENT TO UNDERTAKE SAME; (iii) AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE (AS MORE FULLY DEFINED BELOW) TO THE COMPANY; (iv) MAKING FINDINGS WITH RESPECT TO THE PROJECT PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; AND (vi) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT AND FINANCIAL ASSISTANCE AGREEMENT AND RELATED DOCUMENTS.

Mr. Sherman said that Caruba Collision is based out of Buffalo and is a full-service auto repair shop. It is a family-owned business looking to expand east, and already has a location in East Syracuse. Carruba does a lot of insurance work, and has identified a need in the Auburn market. It would like to purchase a building at 328 Grant Ave in the town of Sennett, which is where Absolute Audio currently resides in a 10,000 square foot space. All the construction work will be done internally. The total cost is \$1.1 million, and Carruba is asking for a Sales and Use tax exemption not to exceed \$36,000, so it would not require a public hearing. Mr. Sherman said that Carruba expects to create 14 new jobs in the first two years with a payroll of \$785,000 (average salary of \$56,000).

Mr. Marshall asked if Carruba was looking for a PILOT, and Mr. Sherman said they were not. Mr. Lattimore noted that Carruba has done a significant amount of advertising, and Mr. Fish added that the company tends to get very involved in the community. This would be an untested market for them but they wanted to take the chance. Mr. Runkle asked about the company history, and Mr. Sherman said that it was a family company that has been in business for 55 years, and it is in its third generation of operation. Ms. Contiguglia asked if they were unsure of the marketability in the area due to the number of shops already in operation, and Mr. Fish answered that Carruba was asked by insurance companies to look into the location. They had tried to acquire an existing shop but didn’t get any traction. Their only concern is the level of property tax, which is higher than they are used to dealing with. Ms. Verrier added that they will need a retail exemption, but that the location qualifies as the census tract is adjacent to one that meets the “highly distressed” qualification.

Mr. Marshall asked if there were any jobs at the current site, and Mr. Sherman answered that there were two or three jobs and that CEDA would be happy to assist with relocation.

Motion to approve the Carubba Collision Resolution by Mr. Lattimore; seconded by Mr. Runkle. The motion was approved by the following roll-call vote:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Paul Lattimore	[x]	[]	[]	[]
Carol Contiguglia	[x]	[]	[]	[]
John Latanyshyn	[]	[]	[x]	[]
Raymond Lockwood	[x]	[]	[]	[]
Herb Marshall	[x]	[]	[]	[]
Gina Speno	[]	[]	[x]	[]
Joseph Runkle	[x]	[]	[]	[]

The Resolution was thereupon declared duly adopted.

Mr. Sherman noted that part of his 2016 business visitation plan includes visitations to each business receiving benefits. He said that he may have a project or two to bring to the board soon – one CFA and another expansion in Aurelius.

CEDA CONTRACT

Ms. Verrier said that she would like to see the contract move forward as presented. Mr. Fish recapped the contract; that it would be the same contract as previous years, but with a two-year term and the addition of a section to share project fees above operating costs in the amount 80/20. The board has also expressed an interest in earmarking twenty percent of the overage on the CCIDA side for property acquisition. Mr. Fish said he strongly believes that the performance-based structure is the way to go and provides the opportunity for CEDA to grow and do more. He said that under this contract, nothing prevents CEDA from coming back to the IDA and asking for more funding for specific initiatives. He said that this would create sustainability and grow programs, as well as being an important tool for recruiting his successor. Mr. Lockwood asked what CEDA would do with a \$700,000 budget, the amount that Mr. Fish believes it would take for CEDA to be at full capacity. Mr. Fish said that he could see it being spent on marketing current properties to pull more projects in like Grober and Marinara. He said CEDA could also create loan programs and put money into workforce development. He said without those resources CEDA can't explore other avenues. Ms. Verrier added that CEDA is starting to realize the gaps in the incentives for newer and small business.

Mr. Marshall said he is concerned about the permanence of committing to a contract. He said looking back, if it hadn't been for the generosity of the county and their part in improving the industrial park, CMI would never have gone there. He said that that property is half gone now, and CCIDA doesn't have anywhere near the amount of funds set aside to acquire more. Mr. Marshall said he is totally in favor of the groups working together, but would rather have the money available on request than in a permanent agreement. Mr. Fish reminded the board that fee sharing will only happen if the organization is successful.

Motion to approve the two-year CEDA contract as presented by Mr. Runkle; seconded by Ms. Contiguglia.

The motion was defeated by the following roll-call vote:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Paul Lattimore	[]	[x]	[]	[]
Carol Contiguglia	[x]	[]	[]	[]
John Latanyshyn	[]	[]	[x]	[]
Raymond Lockwood	[x]	[]	[]	[]
Herb Marshall	[]	[x]	[]	[]
Gina Speno	[]	[]	[x]	[]
Joseph Runkle	[x]	[]	[]	[]

Motion to have a two-year agreement in place identical with the existing agreement, and revisit the fee-sharing in April with more board members present by Mr. Marshall; seconded by Mr. Lattimore. All members present voted in favor; motion carried.

JOINT AUDIT COMMITTEE REPORT

Mr. Marshall said that the committee is still looking at doing an internal audit, which is confusing to him. He said he thinks that CCIDA has complied with everything – with the exception of confirming job reports. Ms. Verrier asked if he considering not participating in the internal audit and finding a way to verify job numbers. Mr. Lattimore asked if the existing audit verifies jobs. Mr. Marshall said that the information is compiled but not verified. He said it could very easily be added as companies can comply

by presenting state payroll forms. Ms. Verrier noted that the job information is self-reported, but a NYS-45 could confirm the numbers. Mr. Galbato suggested a worker's comp forms could verify as well. Mr. Lockwood said that the committee sat down with the AIDA audit committee and discussed their audit. He said AIDA is pushing to see businesses are in compliance with policies and procedures. He asked the board if they wanted to continue, and asked Ms. Verrier what she recommended. Ms. Verrier said it was up to the board, and Mr. Fish added that it provides additional opportunity for the two IDAs to collaborate.

Mr. Lockwood said he didn't know if the committee needed to meet as often as they do. Ms. Verrier said that once the process is set up, the committee wouldn't have to meet as often, and that the planning phase is usually more work.

Mr. Lattimore asked about MWBE, and Mr. Fish said that CCIDA does not have a role in certifications. He said that there was a conference at CEDA the prior evening addressing 30 contractors and how they pursue certification and funds. Ms. Verrier said that CCIDA's incentives are not tied to MWBE participation.

PARIS REPORTING

Ms. Verrier said that a draft PARIS report was in the board packet, and she asked members to review it and send her any questions they had within the next week or so. She will submit it if there are no concerns. Mr. Fish will sign off on it before he leaves.

DISCUSSION

Mr. Lockwood reminded the board to respond to Ms. Milewski's emails concerning board attendance. Ms. Verrier said that it's important to know if the meeting will have quorum or not.

UPCOMING EVENTS

Mr. Fish reviewed the upcoming events with the board.

EXECUTIVE SESSION

Motion to go into executive session at 5 pm for the discussion of sale and lease of real property by Mr. Marshall; seconded by Mr. Runkle.

Motion to come out of executive session at 5:01 by Mr. Runkle; seconded by Mr. Marshall.

Motion to go into executive session to discuss personnel matters in regard to an individual by Mr. Marshall at 5:01; seconded by Mr. Runkle. Motion to come out of executive session at 5:35 pm by Mr. Marshall; seconded by Mr. Runkle.

ADJOURNMENT

Motion to adjourn at 5:36 pm by Mr. Marshall; seconded by Mr. Runkle. All members voted in favor, motion passed.

The next CCIDA Regular Meeting will be held at 4 pm on April 19 at the Chamber of Commerce.

Respectfully submitted,
Michelle Prego-Milewski