

**County of Otsego IDA and OCCRC
AUDIT & FINANCE COMMITTEES
August 11, 2016 Meeting Minutes**

CALL TO ORDER

COIDA's and OCCRC's joint Audit & Finance Committee meeting was called to order at 7:35 a.m. at the offices located at 189 Main Street, Suite 500, Oneonta, NY. Committee members present were Jeff Lord, and Hugh Henderson, counsel Kurt Schulte (who left the meeting at 8:30 am) and staff Elizabeth Horvath.

The following topics were discussed (not in this order):

- The committee reviewed meeting minutes from the July 2016 meeting. Ms. Horvath provided updates on the action items at the bottom of the minutes (all completed). No changes/corrections were noted.
- The committee reviewed July's financials. Ms. Horvath provided details on certain transactions and numbers, and fielded questions. The committee also reviewed P&L current vs budget, and two versions of the forecast report.
- The committee reviewed bills to be paid and after discussing several of the items, approved them all.
- The committee reviewed the loan portfolio report and Ms. Horvath provided selected updates.
- The committee reviewed the most recent credit-card statement, all was in order.
- Mr. Schulte briefed the committee on a meeting he'd had with the Millers, Bob Harlem of OCDC and Glenn Nealis of the Delaware IDA. The Millers have run Enviro Energy for several years, have invested hundreds of thousands of their own money into the business, but they can no longer run the business, and have made good-faith efforts since the spring of 2015 to sell their business, or in the alternative, to sell the individual pieces of equipment, to any interested party. The committee decided that it will recommend at the next Board meeting that we authorize the Millers to sell their equipment (attempting to receive the highest possible price), and that the proceeds of that sale be split evenly between COIDA, Delaware IDA and OCDC. Ms. Horvath will communicate such to the group, further indicating that we won't relinquish our mortgage on their property. And Ms. Horvath will point out that based on UCC filings, we have co-equal priority position on all machinery and equipment, regardless of assertions made by OCDC.
- Ms. Horvath updated the committee on a teleconference she had with Dan Homik of Intel, owners of the Clarion Hotel in Oneonta and a PILOT client of the IDA's. Job numbers are below 2000's expectations for several reasons, discussed at committee: 2000's estimate was based on the current economy, plus the region has been flooded with new hotel rooms, and finally the absence of the Soccer Hall of Fame tournament crowds, and the families from the baseball camp that used to exist at Damaschke Field, have negatively impacted stays. Ms. Horvath will report such to the Board at its monthly meeting.
- Mr. Schulte updated the committee concerning the Treffeisen PILOT: he has sent the deed and transfer papers to Les Sittler to convey the property back to Treffeisen (sale/leaseback). He informed the committee that the RJ Millworkers PILOT is coming to a close soon, this was done as a lease/leaseback through Joe Scott, who's giving the work to Mr. Schulte for the termination of the lease when appropriate.
- Ms. Horvath updated the group on Old Business: PILOT job numbers and communications with Focus Ventures; Butternuts (no news); Social Media report; the Audit "dashboard"; and Opto Generic Devices. The committee discussed the status of OGD, with a loan balance of approximately \$123,000 outstanding. Ms. Horvath will draft a letter to OGD for Mr. Schulte's review, requesting back financials, restating our position on equipment, and indicating that our fiduciary responsibility is to work out some sort of agreement with them concerning repayment. Most recent payment received in March of 2012.

- Ms. Horvath introduced New Business: Update on conversations with Dave Rees concerning his loan and the possible sale of his property; IOXUS and its current financials and the COIDA lease status; billing of Focus Ventures for annual PILOT fee to COIDA and also to taxing jurisdictions.

NEXT STEPS

- Ms. Horvath will edit the Loan Portfolio Report, to reflect the committee's conversation concerning the term "loan balance".
- Ms. Horvath will email Glenn Nealis and Bob Harlem concerning Enviro Energy decisions, including information about our priority position.
- Ms. Horvath will contact Scott White concerning the mortgage Bank of Cooperstown has on the RLM Land property, as well as Larry's Meats/Fleishers.
- Ms. Horvath will touch base with Henry Barber concerning IOXUS' lease, and will communicate to the committee the status of IOXUS' insurance and financial reports.
- Ms. Horvath will add the update on PILOT job numbers for the Clarion and Focus Ventures to the 8/25 Board agenda.
- Ms. Horvath will research OGD UCC filings, in particular as to what our filing states.
- Ms. Horvath to email committee with principal balance on Dave Rees' loan.
- Ms. Horvath to determine if Oneonta Theatre is current on property taxes – through County.
- We need IOXUS' 2015 tax returns. EAH following up with Henry Barber – as of 8/15/16, they should close within a week on latest refinance. At that point, EAH will ask for '15 TRs, signed lease.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at approximately 9:30 a.m.