

**COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY
OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

**AUDIT & FINANCE COMMITTEE
MAY 14, 2020
MEETING MINUTES**

Due to the Coronavirus (COVID-19), Federal and State emergency bans on large meetings or gatherings, and pursuant to Governor Cuomo's Executive Order 220.1, issued on March 12, 2020 suspending the Open Meetings Law, this COIDA/OCCRC Audit & Finance Committee meeting was held via video conferencing, instead of an open meeting for the public to attend. Members of the public were given instructions on how to join the meeting.

CALL TO ORDER

The COIDA and OCCRC's joint Audit & Finance Committee meeting was called to order at 8:03am via video conferencing app, GoToMeeting. Committee members present were:

Jeffrey Lord
Jeffery Joyner
David Rowley
Joshua Edmonds

Andrew Marietta
Tom Armao
Cheryl Robinson

Also, in attendance:

STAFF

Jody Zakrevsky, **CEO**
Meaghan Marino, **Dir. of Finance and Admin.**
Kurt, Schulte, **Agency Counsel**

CHAIRMAN'S COMMENTS

Jeff Lord, Chair of the Audit & Finance Committee welcomed fellow committee members and staff. Committee members Jeff Lord (Community Bank Vice President) and Jeff Joyner (AO Fox Hospital President) both spoke about how the COVID-19 pandemic is/has affected their industries, and how they have responded.

MEETING MINUTES

J. Lord requested a motion to approve the meeting minutes from the March 12th Audit & Finance Committee meeting. Board members were given the draft minutes prior to the meeting for review. There being no corrections, D. Rowley made a motion to approve the meeting minutes. C. Robinson seconded, and the motion was approved by remaining members.

PAYMENT OF BILLS

J. Lord reviewed the bills and deposits since the April 23rd Board meeting. All expenses were normal operating expenses for the agency; insurance, electric, and rent amongst others. J. Lord pointed out several expenses from ISD related to streaming meetings remote access to office computers.

D. Rowley made a motion to approve payment of the expenses listed. A. Marietta seconded the motion, and it was approved by remaining members.

REVIEW OF FINANCIALS

Committee members were provided with the CFO's reports which included, the balance sheet for April, profit & loss statement for April, and the April loan report. Due to light activity, opted to not review the reports in detail, and instead asked if there were any questions on the financials from committee members.

J. Zakrevsky reviewed his YTD budget with the committee. Due to the COVID-19 pandemic, J. Zakrevsky revised the projected budget and sent those changes to members prior to the meeting. Some of those revisions included removing income from the Skyline Hospitality project, removing rental income from Hale, and decreasing the County's appropriation to the IDA by 10%. After a receiving an email from the NYS Budget Director telling state agency's that they are not allowed to enter into any new contracts, due to the state's budget deficit and the pandemic, J. Zakrevsky zeroed out any income for state subsidies and grants. However, Empire State Development advised him that they will honor any existing contracts, so there is still potential to recover these funds. J. Zakrevsky also noted that the revised budget did not include the expense to replace the roof of the concession stand at the Wright Soccer Fields. With the changes made to the budget, the agency faces an approximately \$85,000-\$90,000 deficit this year, however, should the Skyline project or purchase of land for the Halal Meat Processing Facility go through, they will make up for those budget falls.

NEW AND UNFINISHED BUSINESS

Hale Transportation – The Hale lease ends at the end of May. Originally, they had requested that we reduce their rent for three months, however they changed their request to an annual payment of \$40,000 or \$3,333.33/mo. J. Zakrevsky did advise the members that a board member did approach him about a potential buyer for the building, and another board member questioned the eviction process under the current pandemic. K. Schulte advised the board that Gov. Cuomo's executive orders has put a moratorium on all evictions through August 20th, that applies to not only residential leases, but commercial leases, as well. Should Hale remain in the facility beyond the end of his May lease, there isn't much the IDA can do. He also advised that there is a hold-over provision in the lease that requires a 10% increase in rent in the event of a hold-over. J. Lord questioned what the state order means for expired leases. K. Schulte explained that if the lease ends and a tenant stays, the only remedy is to bring eviction proceedings, but that would not be possible until August. He went on to explain that the NYS court system has been working on a very limited basis, due to the pandemic, and it is hard for him to foresee how the process would look in August. J. Zakrevsky asked members if they would approve reducing Hale's rent to \$40,000/year and adding a provision that if we find another buyer in the building, Hale will have 30 days to vacate. J. Lord agreed that financial relief is reasonable for our local businesses but

cautioned on the structuring process. D. Rowley agreed with J. Lord and noted that we should reduce the rent by 1/3 and keep them in the building. T. Armao also agreed that we should be flexible and help local businesses stay afloat when we can. J. Zakrevsky did advise the board that when we reduce rent payments it could potentially have a negative impact on the appraised value of the property. Members agreed to reducing the rent but reevaluating it on a quarterly basis to see where Hale stands and New York State.

IOXUS – J. Zakrevsky updated the committee that Scottie Johnson, owner of XS Batteries (formerly IOXUS) indicated that the IDA needs to have a new appraisal done on the building on Browne Street. Thus far, we have received one proposal and awaiting another one. J. Lord had noted in a past meeting that we should make sure the appraiser we should is approved by the bank financing XS Batteries. J. Zakrevsky updated the board that their bank does not have an approved appraiser list and the IDA can choose the company they would like to update the appraisal. J. Zakrevsky asked committee members to approve him moving forward with an updated appraisal on the building. J. Lord commented that the original appraiser is retiring and that, it was his belief, that an update to an appraisal could only be done by the original firm. J. Zakrevsky advised that he would confirm this after the meeting and advise members.

ADJOURNMENT

There being no further business to discuss, D. Rowley made a motion to adjourn the Audit & Finance committee meeting at 8:40am. A. Marietta seconded the motion, and it was approved by remaining members.

UPCOMING MEETING SCHEDULE

The next Audit & Finance Committee meeting is June 11, 2020.