

Audit & Finance Committee Meeting
February 7th, 2023
8:00 A.M.

Jeff Lord, Chair • Craig Gelbsman, Vice Chair • Patricia Kennedy • Andrew Marietta
Jeff Joyner • Tom Armao • Cheryl Robinson • David Rowley • James Seward

Jody Zakrevsky, CEO • Meaghan Marino, Director of Finance and Administration
Gina Gardner, Marketing Coordinator • Nasim Vargha, Administrative Assistant
Joseph Scott, Bond Counsel • Kurt Schulte, Agency Counsel

1. Chairman's Comments
2. Approval of January 12th Audit & Finance Committee Minutes
3. Payment of Bills
4. Review of Financials
5. New and Unfinished Business
 - 189 Main Street Lease Renewal
 - Retirement Plan

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

**AUDIT & FINANCE COMMITTEE
JANUARY 12TH, 2023
MEETING MINUTES**

CALL TO ORDER

The COIDA and OCCRC's joint Audit & Finance Committee meeting was called to order at 8:02am at the Otsego Now offices at 189 Main Street in Oneonta, NY. Members present included:

Jeffrey Lord
David Rowley
James Seward
Andrew Marietta

Patricia Kennedy
Tom Armao
Craig Gelbsman*
Jeffrey Joyner*

Also, in attendance:

STAFF

Jody Zakrevsky, **CEO**
Meaghan Marino, **Dir. of Finance and Admin.**
Kurt Schulte, **Agency Counsel (v)***
A. Joseph Scott, **Bond Counsel (v)**

*departed before end of meeting
(v) virtual

CHAIR'S COMMENTS

J. Lord, Chair of the Audit & Finance Committee, welcomed members and staff and moved immediately into the agenda.

MEETING MINUTES

J. Lord requested a motion to approve the meeting minutes from the December 8th Audit & Finance Committee meeting. Members were given the draft minutes prior to the meeting for review. There being no corrections, J. Joyner made a motion to approve the meeting minutes. D. Rowley seconded the motion, and it was approved by remaining members.

PAYMENT OF BILLS

M. Marino reviewed the bills and deposits made since the December Audit & Finance committee meeting. Committee members received a report of the expenses and deposits prior to the meeting to review. Most of the bills presented were normal operating expenses for the agency. D. Rowley asked for confirmation that the bill labeled JMS was associated with the IOXUS building repair. M. Marino clarified that she was waiting for a report of the work done on the IOXUS building before paying the bill. C. Gelbsman asked about the two Paperkite bills for \$9,000 and \$16,000. M. Marino explained that the first bill was for the December marketing campaign and the second was for the January marketing campaign, which had increased in price because of the new landing page that Paperkite was creating. She noted that this amount goes towards the \$48,000 that is paid to Paperkite over the course of the year. D. Rowley asked what the coverage of the insurance umbrella was, and M. Marino said that she believed it was \$5 million. J. Lord asked if the annual premium was paid over the course of six months and M. Marino confirmed that it is paid over the course of six months, ending in July. C. Gelbsman asked M. Marino why the cost of the insurance went up and she replied that the cost of business in general is up. J. Lord and T. Armao noted that there should be a cost comparison done for the next year.

J. Lord drew attention to a housekeeping item on the list of COIDA deposits and stated that the rent amount paid by IOXUS should have read \$5,000 rather than \$500. T. Armao asked if the office, being rented by Congressman Pat Ryan, would continue to be rented out by the US House of Representatives for Congressman Marc Molinaro. M. Marino replied that no one has reached out to say that the space will continue to be rented out and that the lease is up as of January 3, 2023. She said she would reach out to them to see if they would like to continue renting the space. J. Seward also commented that he could reach out to the new Congressman to see if there is an interest in the space.

J. Seward made a motion to pay the expenses listed before the committee. D. Rowley seconded the motion, and it was approved by remaining members present through a voice vote.

REVIEW OF FINANCIALS

J. Zakrevsky reviewed the financials and stated that the assets are up by about \$41,000, most of which is in the checking account. He noted that there was nothing out of the ordinary for the month of December, 2022 and the end of the year. J. Lord pointed out that the income was greater than \$154,000 because of the recovery of a written off asset (a loan that had been put in reserves, but was paid off in 2022) worth approximately \$46,000. These funds were not counted as operating revenue, so if added, it would be over \$200,000. J. Zakrevsky explained that after going through his yearly budget and annual expenses, there was a slight loss in 2022 of about \$2,300, however, that number doesn't take into account depreciation and accounts payable, for example, he notes that the agency is still waiting for \$150,000 from the State for the Rail Yard project. He stated that the biggest unforeseen expenditures were connected to consulting fees. J. Zakrevsky noted that the MRB Group was hired to work on the application for EDA grant, as well as Barton & Loguidice administering that same grant, but he stated that theoretically 50% of that amount is reimbursable.

D. Rowley asked about the status of the USDA Rise Innovation grant if those funds had been awarded. J. Zakrevsky responds that he has not heard anything back yet. J. Zakrevsky explained that no awards have been made from that program yet, even though he had expected announcements to be made in October,

2022. He went on to say that he went through several press releases on the program, and although some organizations claim that they have been awarded, USDA has not actually put out a list of awardees.

NEW AND UNFINISHED BUSINESS

Burr Truck Lease – J. Zakrevsky noted at the last committee meeting where the Burr Truck lease was raised, there was a question of whether to increase the rent for the next year. T. Armao expressed that because prices are going up in general, and Burr Truck is an established business, the rent should increase. C. Gelbsman asked for J. Zakrevsky's recommendation. J. Zakrevsky stated that he met with the landlord for the OtsegoNow space at 189 Main Street, and they agreed to hold the agency's rent at the current rate for at least the next year. He went on to say that the average inflation is 6% and requested from the committee a minimum of a 5% increase for Burr Truck. J. Seward asked if there has ever been an increase in their rent amount. M. Marino explained that this is the third year that Burr Truck would be renting from the IDA and the rent has been \$4,295 for the past two years. J. Lord asked if staff had clarified the structure of the lease and M. Marino said that she did not clarify with Burr Truck, but that it was assumed that the lease would be a one-year term which would be reassessed in a year. J. Lord verified with the staff that the rent is to be raised by 6% with a one-year contract. J. Lord also referenced the minutes from the previous meeting and said Burr Truck had expressed interest in purchasing the building they are currently renting from the IDA (139 Commerce Road, Oneonta), but they dedicated their capital to acquiring a different building in Binghamton, NY.

NYS Retirement for Employees - J. Zakrevsky explained that the estimated cost to participate in the NYS Retirement System would be \$11,630 for the first year, with the estimated annual contribution at \$9,475. He stated that he would not be making a recommendation on this issue at this meeting because there would be a 3.5% charge for each employee to join and he would like to weigh the options. Although he feels the NYS Retirement System is a great system for employees to be a part of, potentially better than a typical IRA, once the IDA joins the system the agency is locked into it for perpetuity. He suggested that he will compare the NYS Retirement System to creating an IRA account because it would cost less than the annual contribution to the NYS Retirement System. With the IRA account, the 3.5% charge would be matched by the employees. The committee discussed both options for a few minutes, but there were more questions about both programs that needed answers before a decision could be made. J. Lord asked for a cost/benefit analysis for both the employer and the employee to better understand the two options. J. Zakrevsky added that the challenging part is calculating which option would be the most beneficial after five years. J. Seward, the newest member of the board, questioned if there was any sort of retirement benefit currently in place. J. Zakrevsky confirmed that there is not, but because he gets his retirement benefits from a previous job, it would be good for the IDA board to enroll in a retirement program or else there could be an issue finding executive staff in the future, assuming they haven't already acquired these benefits from previous jobs.

Northern Eagle – Upon exiting from executive session, counsel J. Scott, questioned if the board was going to discuss the Northern Eagle PILOT and if they should have done it in executive session. M. Marino explained that it could be discussed in open session, as the issue seems to have been a misunderstanding between the County of Otsego and the Town of Oneonta about whether the business was sold or not, and how that affected their PILOT. She explained that she has a meeting in the next week with the owner of the company, and depending on the outcome of that discussion, she will involve agency attorneys, if needed. After a bit of confusion, J. Zakrevsky explained that the Town contacted the County Treasurer to advise that Northern Eagle had sold their business and that the new owners wanted to end their PILOT with the IDA. However, when M. Marino reached out to George Allen, owner of Northern Eagle, he explained that this was not the case and that they had only sold certain assets, and not the business or the property. A. Marietta did note that Northern Eagle has substantially cut down on

their staff numbers, which could pose a problem for PILOT requirements, but M. Marino would address it in the meeting with the owner.

EXECUTIVE SESSION

D. Rowley made a motion to enter executive session, with committee members and the CEO of the agency, under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:22am for the following reasons: To discuss the financial history of an outstanding loan with the agency. J. Seward seconded the motion, and it was approved by all committee members present. The committee entered executive session at 8:22am.

There was no action taken in executive session.

P. Kennedy made a motion to enter back into public session; D. Rowley seconded, and all members approved. The committee exited executive session at 9:01am.

ADJOURNMENT

There being no further business to discuss, P. Kennedy made a motion to adjourn the Audit & Finance committee meeting at 9:11am.

UPCOMING MEETING SCHEDULE

The next Audit & Finance Committee meeting is February 7, 2023 at 8:00am.

COIDA DEPOSITS 1/12/2023 - 2/6/2023			
Vendor	Amount	Date of Deposit	Notes
Burr Truck	\$4,295	2-Feb	february '23 rent
James Stevenson	\$500.00	24-Jan	january '23 rent
CADE	\$1,050.00	17-Jan	january '23 rent
TOTAL	\$5,845.00		

COIDA EXPENSES 1/12/2023 - 2/6/2023				
Vendor	Amount Due	Due Date	Reimbursable?	Notes
BST	\$1,100.00			jan. '23 accounting fees
Deluxe	\$361.63			checks/deposit books
ISD	\$73.75			microsoft monthly email exchange
Melex	\$4,116.67			feb. '23 - 189 main st rent
NYS EDC	\$110.00			richfield springs permit fee (annual)
Otsego Co. Chamber	\$750.00			leadership otsego - Gina Gardner
Otsego Telephone	\$95.00			phone set-up
COIDA TOTAL	\$6,607.05			

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	2021 Year's End	2022 Year's End	2023 Adopted Budget	YTD	Jan
Non-Operating Revenues					
Investment Earnings	\$87,538.20	\$0.00		\$0.00	\$0.00
- Cleinman		\$0.00		\$0.00	\$0.00
- JSJJ		\$0.00		\$0.00	\$0.00
- Cooperstown Distillery		\$0.00		\$0.00	\$0.00
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- Jones Marine		\$0.00		\$0.00	\$0.00
- Brooks		\$35.34		\$0.00	\$0.00
- HW Naylor				\$0.00	\$0.00
- Enviro Energy		\$0.00		\$0.00	\$0.00
State Subsidies/Grants	\$505,000.00		\$0.00	\$0.00	\$0.00
- GE Microgrid Study		\$0.00		\$0.00	\$0.00
- NYS ESD Grant Halal Meat Processing		\$0.00		\$0.00	\$0.00
- Cooperstown Foundation		\$0.00		\$0.00	\$0.00
- County ARPA Funding			\$200,000.00	\$0.00	\$0.00
- Railyard Study/ESD Richfield	\$150,000.00			\$0.00	\$0.00
- 205 Traffic Study	\$30,000.00			\$0.00	\$0.00
- Airport Study				\$0.00	\$0.00
- GE Microgrid Study/ESD Richfield		\$0.00		\$0.00	\$0.00
- ESD Grant for Richfield Spring	\$325,000.00		\$5,000.00	\$0.00	\$0.00
Federal Subsidies/Grants	\$1,200,000.00		\$44,000.00	\$0.00	\$0.00
Municipal Subsidies/Grants (Otsego Program Income)	\$0.00		\$0.00	\$0.00	
Public Authority Subsidies				\$0.00	\$0.00
Other Non-Operating Revenues		\$0.00	\$0.00	\$0.00	\$0.00
- Operating Charges to OCCRC-Pilots	\$42,905.00		\$42,905.00	\$0.00	\$0.00
- Hartwick	\$13,855.00			\$0.00	\$0.00
- Springbrook	\$3,675.00			\$0.00	\$0.00
- Bassett	\$25,375.00			\$0.00	\$0.00
Sale of Property	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
- Federal EDA Grant				\$0.00	\$0.00
- IDA Fund Balance				\$0.00	\$0.00
- Richfield Sewer and Water	\$875,000.00			\$0.00	\$0.00
- OCCRC				\$0.00	\$0.00
- County Loan				\$0.00	\$0.00
Total Revenues	\$3,085,446.51	\$429,904.18	\$602,936.00	\$10,945.00	\$10,945.00

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	2021 Year's End	2022 Year's End	2023 Adopted Budget	YTD	Jan
Advertising and Marketing	\$51,000.00	\$1,080.50	\$51,000.00	\$25,060.00	\$25,060.00
- Chamber of Commerce		\$678.00		\$60.00	\$60.00
- Prolifiq/Memberships		\$200.00		\$0.00	\$0.00
- Sweet Home Productions		\$202.50		\$0.00	\$0.00
- Marketing	\$50,000.00	\$0.00	\$50,000.00	\$25,000.00	\$25,000.00
Conference, Meetings	\$1,000.00	\$1,976.00	\$1,000.00	\$0.00	\$0.00
Supplies and Materials	\$5,000.00	\$4,495.44	\$5,000.00	\$551.91	\$551.91
- Office Cleaning		\$2,277.35		\$0.00	\$0.00
- Office Supplies		\$2,218.09		\$551.91	\$551.91
Computer, Phones, Copier	\$10,000.00	\$8,438.00	\$10,000.00	\$1,697.26	\$1,697.26
- Copy Machine - Monthly Paper Fee		\$625.66		\$58.25	\$58.25
- Copier Finance Charge		\$1,992.57		\$174.83	\$174.83
- Data/Wifi/Internet: Spectrum		\$3,892.33		\$329.94	\$329.94
- Data/Wifi/Internet: ISD		\$3,538.11		\$976.25	\$976.25
- Otsego Telephone		\$499.00		\$0.00	\$0.00
- Software Updates		\$114.00		\$157.99	\$157.99
Leased Office Space	\$57,540.04	\$45,283.37	\$57,540.04	\$8,233.34	\$8,233.34
Travel, Lodge, Meals	\$1,500.00	\$845.00	\$1,500.00	\$0.00	\$0.00
Insurance	\$26,000.00	\$33,796.79	\$38,766.65	\$9,968.06	\$9,968.06
- Property Insurance		\$8,734.40		\$0.00	\$0.00
- Non-Profit PA		\$21,127.85		\$7,881.00	\$7,881.00
- NYFIF		\$697.44		\$117.13	\$117.13
- Non-Profit Umbrella		\$2,057.05		\$1,025.00	\$1,025.00
- Disability Benefits		\$738.77		\$944.93	\$944.93
- Workman's Comp		\$441.28		\$0.00	\$0.00
Utilities and Maintenance	\$25,000.00	\$12,012.49	\$25,000.00	\$8,955.43	\$8,955.43
- Incubator/Siemens (Hale Trans) Electric		\$0.00		\$0.00	\$0.00
- Incubator/Siemens (Hale Trans) Gas		\$0.00		\$0.00	\$0.00
- Accruals (Hale Trans)		\$585.00		\$0.00	\$0.00
- Oneonta Business Park		\$1,051.60		\$109.52	\$109.52
- 189 Main Street		\$5,749.89		\$645.91	\$645.91
- Soccer Field Maintenance/Richfield WS	\$2,400,000.00	\$407.86		\$0.00	\$0.00
- Pony Farm Grass Mowing		\$2,784.76		\$0.00	\$0.00
- General Maintenance		\$1,841.24		\$8,200.00	\$8,200.00

	2021 Year's End	2022 Year's End	2023 Adopted Budget	YTD	Jan
Filing, Payroll Services, Misc.	\$500.00	\$8,437.76	\$500.00	\$0.00	\$0.00
Interest: LOC	\$60,711.48	\$0.00		\$0.00	\$0.00
Other Operating Expenditures				\$0.00	\$0.00
Richfield Springs Industrial Park					\$0.00
Reimbursement of County					\$0.00
Total Expenditures	\$2,845,751.52	\$432,250.37	\$497,946.69	\$76,106.50	\$76,106.50
NET	\$239,694.99	\$2,346.19	\$99,989.31	\$65,161.50	\$65,161.50