

NAME

Ulster County IDA Meeting 3-16-22 Part 2

DATE

May 23, 2022

DURATION

53m 39s

4 SPEAKERS

Speaker1

Speaker2

Speaker3

Speaker4

START OF TRANSCRIPT

[00:00:01] Speaker1

Okay, folks, I see we're back on YouTube and recording. Let the record show that we came out of executive session at 956. Need a motion to reconvene the meeting, Rick. Okay. You're muted, Rick, but you said yes.

[00:00:17] Speaker2

Second. Rick needed a second Rick in motion.

[00:00:21] Speaker1

Okay. Thank you. All right. To get back on schedule, that brings us to financials.

[00:00:30] Speaker2

Rick.

[00:00:32] Speaker3

Rick asked me to handle it chair prior to the meeting. So on page ten of the packet there were \$4,250 in late fees. That will be the end of the late fees for this year issued in February. We're slowly getting better. The lead fees are getting less and less each year since they've been instituted, and projects are doing a better job at reporting back to us and doing so much more quickly. As such, we'll be able to turn around and get the Paris Report done in a much more timely fashion than the last couple of years. There was no issue in the prior year because there was leniency due to COVID. The only other expenses for the month were administrative staff fees. They're very high in January, as I said, last month, very high. January, February, March. Because we're dealing with all the annual reporting information, etc.. The balance sheet on page 11. Just shows the banks the bank balances are around 900,000. There's 400 plus thousand in accounts receivable is mostly due to the custodian. And then there's some late fees and some annual fees are outstanding. We sent out monthly statements on March 1st. We've gotten some feedback from those statements. Some unhappy projects about late fees. But we were clear as to what why they were issued and what's going on. We'll continue to collect on them and hopefully that accounts receivable number will decrease a little bit shortly. Escrow is mostly, again, the custodian for the large amount of money that had to be escrowed for Little Peep Grill for the project. The accrued expenses were paid just like four days after February. They were the legal fees for the months of November and December and a few other things that got accrued for year end as part of our reporting is done. Since we're on the accrual basis and that's it for me, unless anybody has any questions.

[00:02:52] Speaker1

Okay. If there's no questions. I have a motion to accept the financials as presented.

[00:02:59] Speaker3

The financials.

[00:03:00] Speaker1

Can I have a motion. It sound as though I have a second or anything on the question. If nothing, all those in favor. Host Carrie. Carrie the motions. Carrie brings us the chairs report on. You know, for me, it's mostly. You know, the way things are operating right now. The CEO keeps me updated, as well as chairs of governance and audit regarding potential issues that may be out there, timing of materials that we're supposed to receive, continually getting back to successful applicants or potential applicants regarding what's expected of them. And I think it's really to take the extra step like we always have done, to try to be as transparent as possible. There's conversation out there regarding this. On. Power line. And. And quite honestly, I don't believe I've heard back from them in a few months. So whatever you may or may not hear out there, we're not hearing anything from them. And I'm.

[00:04:20] Speaker2

Not.

[00:04:22] Speaker1

You know, they're coming to us. So. For a project that exists, that's a go. Although they may tell a different story in every other corner of the state, that we're not receptive. That's absolutely untrue. And I'd love them to prove that. Because we've been sitting here waiting since their last communicate with us is as far as updating fees and taxes and whatever. And we haven't heard anything since. So it's just the the operational stuff. And I have all the all the faith in the world in the CEO and especially the chairs of the various committees here. That working hand in hand with her and. You know, nothing's getting by. So that's my report that'll bring us. Does anybody have a question? Now that brings us to the CEO's report.

[00:05:25] Speaker3

It's a little bit long. Today, guys, I think that's just going to be how this whole meeting is today. I'm sorry.

[00:05:30] Speaker1

I have a meeting at 115.

[00:05:32] Speaker3

Yeah, me too, Jimmy. 1:00. So, as you know, the open meetings law changes were only good as long as the governor has a state of emergency for COVID. So the state of emergency was only through March 16, 2022, which is clearly today. I feel like I can't imagine that being extended. Joe, correct me if you've heard Buzz otherwise, but it seems like if everything is being lifted, I'm not really sure how they would declare it, so I'll keep you posted. But as of right now, I feel like my best guess would be that we'll be back in person for our next meetings. Emily, who is on staff here, and I attended the ABO Paris Training Report on February or Paris training, sorry, on February 18th. I was a little bit disappointed in the presentation, but either way I did think it was important that we attended in case there was anything that we may have been missing in the past. But it did validate me and make me feel good about what we're doing because I didn't learn anything that we've been doing wrong. On February 28th, I and Joe Scott attended the New York State Economic Development Council's annual conference in Albany. Guest speakers included Governor Kathy Hochul and Senator Kirsten Gillibrand, who I was surprised to find myself sharing a table with before she spoke. I attended a breakout session for marketing and one for communications. Both sessions were really informative and I came away with great perspectives and ideas for our agency. Ulster County is Deputy Director of Economic Development.

[00:07:07] Speaker3

Kate Hi Decker. Although now she's the former deputy director because she's taken an opportunity somewhere else was part of a breakout session to discuss all the amazing work that the county has done using \$1,000,000 in funds from the CARES Act to aid small businesses in the county with recovery from the pandemic. We are working diligently and have been totally consumed with our year end reporting and I'm hoping to have Paris finalized by the end of this week. We also have all year end info together for the Audit and Governance Committees to review project performance for 2021. Shortly I will work with both. Sorry, someone's trying to come in. I will work with both chairs to get the meeting scheduled, which I know we were. You guys jumped the gun and we were trying to do this morning, so hopefully we'll get that done quickly. Our marketing group is meeting again tomorrow and I think that we should have some plans together for the next board meeting, so I look forward to having a good update for you then. Joe and I have been oddly inundated with a lot of old project termination confirmations this past month for any additional work caused by paperwork that was not legally necessary. The agency has collected our standard fees for this type of for the time for the work that we've had to put into it. At the risk of sounding like my life is very boring, I want to say that I'm so excited to tell you that all of the Hudson Valley ideas are finally starting an IDA peer group.

[00:08:48] Speaker3

This is something that the Chair and I have talked about the need for, and I couldn't be more thrilled that Sara Lee from Dutchess County is spearheading it. As you know, I have a lot of respect for her professionally. So right now we are working to find the best date for everyone's availability. And I will obviously keep you posted for the first meeting, which will be at Fink, Dutchess and Poughkeepsie. The goal is to collectively set the terms for the year, such as topics to be discussed, frequency of meetings, length of times and meeting locations. One of the things that I learned about already, just from the email to get the scheduled, is about a very inexpensive online scheduling tool that will help find the best availability for all meeting participants. I'm going to ask Jimmy for permission to spend the \$6.95 a month, because I think it will be a huge time saver. You all know what kind of nightmare it is to try to schedule meetings lately. So I think this will help greatly. It will be well worth a few dollars. So anyway, this I felt like this will be a timesaver and it's only one tiny difference that's already come out of working together with other people that do what we do, since it's such a unique thing. I've been in touch again with Dan Baker, who's the VP of Ulster County Assessors Association, trying to work out a meeting to get myself in front of all of them and discuss how we can more efficiently work together to make sure pilots are calculated correctly and that we're doing everything on our end to assist them with what they need.

[00:10:20] Speaker3

I close the savings accounts at the Bank of Greene County on March 10th. We got notices about them being dormant for too long. They've had zero balances for well over a year, so there was no need to keep them open anymore. The interest rate and the checking account, strangely, is higher than the savings account. So the money that we keep there for interest rate purposes is obviously much better off sitting in the checking account. The chair has approved me attending the Virtual Spring IDA Academy on April 12th. The Academy is typically extremely helpful and it is greatly geared. It's entirely geared towards IDA rather than overall economic development. If anyone else is interested in attending, there is no agenda out yet, but like I said, it's virtual. So let me know and I will get you signed up. The two last things here on page one. Boy Joe, it's too long. Page 12 of your packet is the hydrogen Ross engagement letter for 2022. It's part of our procurement policy. It's good practice and something we've always done to have an annual engagement letter with Joe Scott and his firm, aside from us doing the RFP every three years. So I need board approval for this contract to be signed. That it does. Well. Can somebody make a motion, please? Assuming you all are on board with signing Joe's engagement letter.

[00:12:01] Speaker1

I make a motion to sign Joe's engagement letter. Do I have a second Joe on the question?

[00:12:08] Speaker4

Just a point. Information, Chair. The letter is similar to what we've used in the past. I've updated the sum of the numbers. The hourly rates have been adjusted per normal. Given that we appear to be potentially in transition. I'll just point out, because that might be a sensitive topic if you go to package page 13, you'll see that in the third paragraph from the bottom. We have our typical language in there that we've used with the IDA in the past, which is also consistent with your policy. Obviously, we've had a long relationship with you and hope to have a continued long relationship with the board. But you do have that language in there to to, in effect, protect you in these current uncertain times.

[00:13:04] Speaker1

So it is good to know, Joe, that we can get rid of you at a moment's notice.

[00:13:08] Speaker2

It takes 30 days, 30 days.

[00:13:11] Speaker4

But that's still not bad.

[00:13:14] Speaker1

It's like the sword of Damocles, Joe. Right over your head.

[00:13:18] Speaker4

Every day. Every day.

[00:13:20] Speaker1

All right.

[00:13:23] Speaker2

We're in year two of the three year contract. Joe?

[00:13:26] Speaker3

Yes.

[00:13:27] Speaker2

Okay. Okay.

[00:13:28] Speaker1

So we have a motion and accept and a second to execute the agreement. Although we need a roll call. Rose.

[00:13:36] Speaker3

No.

[00:13:38] Speaker1

All those in favor. I opposed. You're back in. You're back in the prison, Joe.

[00:13:48] Speaker3

The last thing that just needs to be, I don't think like sort of approved and just made a public record would be the approval of my contract for 21 to 22. I know we've discussed that the contract was already approved. It's just that we had made some changes after the board had approved it because there was some language that I had added based on our changes to our procurement policy. Like adding that our firm code ethics, etc..

[00:14:23] Speaker1

Your updated contract.

[00:14:26] Speaker3

Correct?

[00:14:28] Speaker2

Yep.

[00:14:28] Speaker1

Yep. Everyone's aware the changes, so it's just basically a housekeeping item.

[00:14:35] Speaker3

Yes, sir, it is.

[00:14:35] Speaker1

Right. And I need a motion to execute that.

[00:14:38] Speaker3

Motion to execute.

[00:14:40] Speaker1

You have a second, Orlando. All those in favor. I opposed carried. Thank you very much. Another one in the gulag. Yes. That's it for your report.

[00:14:53] Speaker3

That is it.

[00:14:55] Speaker1

Can I get emotional? Except the CEO's report is presented so moved. I have a motion to have a second. All those in favor.

[00:15:04] Speaker2

I.

[00:15:05] Speaker1

Suppose carried. That brings us to audit Dr. Diane Eynon.

[00:15:09] Speaker3

Thank you, Chair. First item is construction labor monitoring report that you'll see on page 24 from Eberl. There's nothing to report. There is there's no activity workers on site and it's at this time. So that is that is basically the construction labor monitoring report. Wanted to move on to the next item, which is our 2021 audited financial statements that begin on page 25. As you all know, each year we're required to submit audited financial statements. These statements are due along with the Paris report by March 31st. So right now you see the word draft because UHY is who Rose has been working very closely with and has just done tremendous work to put this together. But as we get some other information in from the Paris Report, that will be reflected in the highlights. So the thing that's important to know, even though it says draft all the actual numbers and financials that you see in this draft will remain what they are when we submit March 31st. So we need to go through these and look at the statements and approve a few highlights that I wanted to just bring to your attention. The purpose of the audit is to make sure that everything that we've done submitted, we just have another external eyes looking at it. And so the auditors say all the numbers are solid. There's no control findings or adjustments that need to be made. One of the things that you may have noticed on page 53, it'll say significant risk identified. That was management, override of controls and in proper revenue recognition. It's important to know that these are mandated for all auditors to assume that and to look to make sure that none of that, in fact, has occurred.

[00:17:13] Speaker3

So that is just kind of a, if you will, boilerplate, but something best practices have to do. And there is nothing from the financials and anything submitted from us that indicate there was any management override of controls or improper revenue recognition. So the report is good. Just a few highlights that I'd like to call to your attention. Our 2021 revenues increase 250% from last year. We closed six projects. So that is somewhat reflected in the fact that we've closed these projects or expenses are actually down. So our net is we're a very good standing in terms of our net, which you'll see I don't have it right here in front of me. We have 648,000 cash on balance net right now for the IDA. So we're in good financial standing, if you will. The Kingstonian obviously was what highlight is one of our projects. The number of jobs to the region, economic growth projected will be significant. The agency's collected 713,000 plus and project fees and another 61,000 plus another various administrative fees. So the other thing that to call out is that also we had approved the use of monies for people's place in December to put out the gift cards, but it was not actually signed off on until January. And so those expenses did not come out of our account this year. That will come out of this coming year. So we just wanted to make note and understand that that's something that has been noted. I believe that's in the CRC report, so I'm confusing the two, but it's just.

[00:19:22] Speaker2

Wanted to point that out.

[00:19:23] Speaker1

Hey, Diane, quick question. And going back to the labor construction monitoring report, did we please I could be 100% wrong. Did we have some sort of outstanding issue as in regards to responsibilities with Little Peep Grill was there something that we felt that they should be doing? Rose Maybe you can shed some light on that as well.

[00:19:47] Speaker3

That's right. Dianne do you want to take it or do you want to go ahead. Okay. So Little Peep Grill did write more information than usual in there, like email to us. It's not in the official report, it's just in the email. I did start to have a conversation with them, then realized we have the information from them, but in the email. So I sent Diane an email yesterday asking her to talk to me for a few minutes and we can just come together on exactly what we want in the report from Little Peep. So rather than them sending things like in an email, in a report that doesn't go to the board and then a third report that goes to the board. So I imagine it will be fixed by next month.

[00:20:30] Speaker1

All right. So you're fine with it right there.

[00:20:33] Speaker3

Yes.

[00:20:34] Speaker2

Yes.

[00:20:35] Speaker1

Thank you.

[00:20:36] Speaker3

Yeah, sure. So they were so I'm going to go back to the audited financial statements so that they were some of the highlights. I just wanted to to call to your attention and I'm sure you've all read through the statements. So I guess, Chair, if there's any questions.

[00:20:53] Speaker1

We get emotional, accept the audit committee report as presented.

[00:20:59] Speaker2

Make that motion.

[00:21:00] Speaker1

Chair. Thank you, Mike. Thank you, Rick. Anything on the question? Anybody have a question for the chair? No. All those in favor. I opposed carried.

[00:21:12] Speaker3

I need a formal board vote on the audited financials as well, so I can put.

[00:21:19] Speaker1

That in a roll call vote.

[00:21:20] Speaker3

No, just a regular vote. Because he said for the. Was that. I'm sorry. I thought that was for the full report that you just gave, not for the audited financials. The motion was for the financials, I believe. Yeah. Okay. All right.

[00:21:32] Speaker1

And so what do we need? Do we need something right now?

[00:21:36] Speaker3

No. So I just misunderstood the motion. It's okay. All right. All right. And again, I just want to thank Rose for all the work that you put into getting these reports done. And everything will be submitted with the Paris Report by the end of the month, as we're required to do. And chair that ends my report.

[00:21:56] Speaker1

You guys do a good job, hand in glove kind of thing.

[00:21:59] Speaker2

All right.

[00:22:01] Speaker1

Finance.

[00:22:03] Speaker3

As usual. No finance report, no meeting this month.

[00:22:08] Speaker1

Chair that brings us to governance.

[00:22:13] Speaker2

Thanks, Chair. So we have two resolutions in front of us today, resolution authorizing modifications to the agency fee schedule guidelines. That's on page 55.

[00:22:26] Speaker1

And what do they represent? Chair.

[00:22:29] Speaker2

Rosie. You want to pull that up? I can't get it on my screen. I'm having a little computer problems here, Jim.

[00:22:37] Speaker3

And so I'm going to ask Joe to explain it further so that I don't mess it up. But my brief summary is that we want to be able to create an avenue for the IDA to share some of its fees with the CRC so that the funds that come in from projects, if an excess can be used for other things besides with the IDA, is limited by Joe. Do you have anything that I should add to that?

[00:23:03] Speaker4

I'm just getting to the resolution. Sorry. No, I think that the idea is to provide a revenue source for the CRC and the suggestion I had was that we would do it through this resolution where there would be a clear outline as to why we're doing what we're doing. And and there would be an annual review of that over time.

[00:23:39] Speaker3

Rick?

[00:23:41] Speaker2

So Joe, I know we talked about that. Does it set out a specific percentage of any given fee from a client that goes to the idea and another percentage goes to the CRC or it allows flexibility. It allows flexibility at the time of the project being approved. Flexibility to determine the percentage to go to each entity at that time.

[00:24:09] Speaker4

So no, it does, it splits it 50, 50 one half of 1%. I see. If we go to schedule a.

[00:24:21] Speaker2

Got it.

[00:24:24] Speaker3

Do you want it to be 5050? I mean, we can change the resolution from what is here.

[00:24:33] Speaker1

What's your standard practice right now?

[00:24:35] Speaker2

Yeah.

[00:24:36] Speaker3

We don't. We don't do anything. No money goes to the CRC.

[00:24:41] Speaker1

So what's what's the instrument then? To take money from the ID? What I'm getting at is, is I don't want to see us limit our ability to do things through the CRC. So. So if there's a mechanism involved, that's not prohibitive. Why fix it if it's not broke? But if you feel as though it's necessary, then it's necessary.

[00:25:08] Speaker3

Joe, could it be is it appropriate and legally acceptable to put something that it's at the discretion for each project? Or should we or board, should we leave it this way, as is for now, and change it if we need to? But at least this sets the tone that we're doing this right.

[00:25:31] Speaker4

By way of background, the CRC obviously collects fees. If and when we do a bond transaction through the CRC. So that's so it has that revenue source, but it's been relatively inactive for the past several years because of a lack of bond transactions through the CRC. I would I think, given that there's not I mean, what we're straddling here is the issue of the the IDA can't directly fund the CRC. There's potential legal issues there. So what we're trying to do is provide a revenue source, but at the same time provide a revenue source that's consistent with what the ACO thinks and what the Office of State Controller thinks. And by having a fixed non adjustable non discretionary schedule, but which is reviewed on an annual basis, I think that gives you flexibility, but at the same time puts you in a position where this is entirely defensible.

[00:26:41] Speaker1

Well, which is why I raised the questions because the 5050 number seems so far out of bounds to me. I mean. 75, 25, something like that. The reason being is that what's to stop someone coming and saying, well, you're essentially trying to run behind something? I mean if the CRC isn't generating that kind of revenue on its own and we're really not doing anything. And I just I think 5050 is a lot. I would be. Just as a single board member, I would think that a 3 to 1, a 7525 and then I don't know if you ever have to really address it again.

[00:27:26] Speaker3

My only concern with that chair would be that the EDA is extremely limited in the ways that the money can be spent. And then we would have. Extra funds that are not needed in the idea that could be used for good purposes through the CRC.

[00:27:42] Speaker1

Have we exceeded. Have we ever been in a position where and I guess you're always playing for a rainy day. I don't know that we've run into that with this idea. I just think that 50% into the CRC is exorbitant.

[00:28:01] Speaker4

Well, if I might add to that, I mean, if the TDI project comes through the IDA and if the Ellenville project comes to the IDA, those are significant projects with significant fees. So 25, 75 might be reasonable. And maybe, maybe the way maybe our approach would be, let's, let's see how this goes. Let's use a, a 7525 approach now and then at the end of at the end of this year see what happens.

[00:28:33] Speaker1

And not to make it any more difficult than it seems it is. Is there an ability to put a caveat in there to waive the contribution to the CRC as needed? If Rose, if Rose's concern is you run out of money with the IDA. If there's more than enough in the CRC and there's no real activity and it's not been, then it's just the money is just stacking up. For what reason? I don't know.

[00:29:08] Speaker3

My concern is the other person.

[00:29:10] Speaker1

Pardon me?

[00:29:11] Speaker3

My concern was the other way around. So like Joe said, hypothetically, it could be a \$2 million fee that we receive. We don't need \$2 million in the IDA and we could better use it in the CRC.

[00:29:25] Speaker1

Oh, I know, but how much do we do? You'll be next. And how much do we do with the CRC that we wouldn't just be tossing it in? It doesn't matter to me. I don't think we're going broke in any way, shape or form.

[00:29:39] Speaker3

Yeah. And no grants can be given by the IDA. So if there were things that we wanted to do, it has to be done through the CRC and.

[00:29:47] Speaker1

This this board, you know, just if you, if you went backwards and did the fees that have come in and last year is it's an exception to the rule or the stuff that that's out there in the hopper. But you take a look, the numbers that have come in the fees and what the IDA would have in the CRC. Just one guy's view that. That's all. And you had a question.

[00:30:12] Speaker3

I'm just curious. So we have increased fees, but presumably you would have increased expenses related to any project. And so do we have any way to understand what our expense to program fees, what percentage? I mean, maybe that's the way to look at it. Yeah, no, I agree with you. It's my original thought on this was can we do something where it's like, first we fund the IDA for what's necessary in our budget and then fees after that be split with the CRC. That was my conservative approach, but I would then split it with the CRC a lot heavier because we've met our budgetary needs. So if we have a year that goes crazy then we don't need that money in the IDA.

[00:30:56] Speaker1

Is always a mechanism to do that or not, and that's something that future boards will have to deal with or you adjust as you go along. So, Rick.

[00:31:09] Speaker2

Why don't we just take 50? 50 doesn't strike me as a lot. And part of that was that Joe was concerned that legally, if we changed it for each project, there could be some criticism from the ABO or the state comptroller. So why don't we for the first year that we're doing this as a set amount? Why don't we go with 75, 25 and since we review it every year, if we're finding that that doesn't work, given whatever needs we have or project that we're going to have, then we can change it.

[00:31:44] Speaker1

But you're right, somebody on Facebook might get mad and say something.

[00:31:52] Speaker2

But Jimi.

[00:31:53] Speaker1

I said somebody on Facebook might get mad and say something. You know, it's not that we need that. You know, it's just perspectives. It's good dialogue. So pick a number. If you feel 5050 is good, fine if you need to adjust it, because that's what you're going to continue to do in that. That's great. Anybody else with any positions on this thing? Faye, you want to.

[00:32:14] Speaker3

I would agree I would agree with you on this, Mark that.

[00:32:23] Speaker1

Yeah, I'm good. You know what? Listen. Just come up with a number. I don't really care. I just. I threw an opinion out there. Faye The same. Michael, Diane, Whatever.

[00:32:39] Speaker2

I'll make a motion that we change the schedule presented in Schedule A to reflect 75, 25, 75 to IDA, 25 to CRC. Okay.

[00:32:50] Speaker1

Is there a second.

[00:32:51] Speaker3

On that.

[00:32:52] Speaker1

When we get to the question? Is there a second on that? A second, Rose on a question?

[00:32:58] Speaker3

Yeah. Sorry. Are we doing this as all one motion that you're approving the resolution with that change? Yes.

[00:33:05] Speaker2

Yes, with the amendment.

[00:33:07] Speaker1

Are you going to have to take a roll call?

[00:33:09] Speaker3

You know, I am.

[00:33:10] Speaker1

Okay. So you have what the motion is now. I'd like to make a motion to go into a roll call vote. Can I have a second, Michael? Second. All those in favor, I suppose. Carry. Go ahead.

[00:33:26] Speaker2

Ross.

[00:33:27] Speaker3

James. Malcolm?

[00:33:28] Speaker2

Yes.

[00:33:30] Speaker3

Diane Eynon Yes. Faye Storms, yes. Michael Hamm.

[00:33:35] Speaker2

Yes.

[00:33:36] Speaker3

Orlando Reese.

[00:33:37] Speaker2

Yes.

[00:33:39] Speaker3

Daniel Savona was absent with notice and. Richard Jones.

[00:33:43] Speaker2

Yes.

[00:33:44] Speaker3

Okay. Thank you.

[00:33:46] Speaker2

Okay.

[00:33:48] Speaker1

Go ahead.

[00:33:50] Speaker2

Second up for governance. We have various policy changes. You can find that on page 60. So we recommend it to the full board certain amendments to these policy, the following policies which can be found on page 63. Okay. There, the compensation policy amendment. We're renaming the policy the compensation and attendance policy. We're also adding a provision that board members are also responsible for attending at least two site visits per year. Everybody knows how important the site visits are. The second policy amendment would be the procurement policy amendments. We're going to add an NDA for all vendors. We're going to have a form approved by the our council. Joe is working on that.

[00:34:37] Speaker1

That includes second tier and third tier vendors.

[00:34:40] Speaker2

Yes, we're going to cover everyone, Jimmy. Everyone. We're going to amend section seven of the policy to change the dollar amount from 5000 and up to then 10,000. We felt as though the increase merited and everything at 5000 was just wasn't going to do it. The last amended policy would be the Labor policy. We did have an update to the UTEP with that also, so we changed the reference from one point to three points with respect to scoring of the UCI to UTEP, and that would be in the prevailing wage to local hiring clause. We talked about this for quite some time about people just checked off. We hire locally for three points. It was like an automatic given. We changed the three points to using if you're providing prevailing wage in the labor policy and the one point goes to using local labor in surrounding counties. So. Rose. Do you want to go? Do you want to go through the resolution?

[00:35:48] Speaker4

I can, if that's the sense of the word, sure.

[00:35:50] Speaker1

So you just tell your contract signed off on again or and you earn your keep your job.

[00:35:55] Speaker2

That's right. You going to make you work?

[00:36:00] Speaker4

So if you go to page 60 of the materials. The first two pages are. Language that you've seen before with respect to how we handle our policy changes. And then candidly, Section A really is a repeat of what Mr. Hamm described with respect to the proposed changes. What I'll do, I'll work with Rose to make the actual changes in the policies. The resolution authorizes those changes. And so with that, I'll open up Ernie for any comments or questions.

[00:36:43] Speaker1

If nothing, I need a motion to take a roll call vote on the resolution. Can I have a motion, Rick? Thank you. Can I have a second, Orlando? I appreciate it. Anyone on the question? All those in favor. I approve. Oppose. So let's go to the roll call vote.

[00:37:01] Speaker3

But I just thought it was a typo here on it and it's relevant to the change. I'm sorry. On the schedule a the Labor policy amendments, it says change the reference to one point to three points, but it should be to one point from three points.

[00:37:17] Speaker2

Just to clarify.

[00:37:19] Speaker3

Changing, right. Yeah.

[00:37:20] Speaker1

To go back to the video, if there's a question.

[00:37:23] Speaker3

And if just want to keep it clear for the record here. James Malcolm.

[00:37:27] Speaker1

Yes.

[00:37:29] Speaker3

Diane Iman Yes, they storms, yes. Michael Hamm.

[00:37:34] Speaker2

Yes.

[00:37:35] Speaker3

Orlando Reece.

[00:37:36] Speaker2

Yes.

[00:37:37] Speaker3

Samuel Savona is absent with notice and. Richard Jones.

[00:37:40] Speaker2

Yes.

[00:37:42] Speaker3

Okay.

[00:37:44] Speaker1

All right. That brings us to the old business status of pending projects.

[00:37:51] Speaker4

Thank you, Chair. Both status of pending projects and pending enforcement matters. No change. I think the only thing that I need to follow up on directly is my email transmissions with Mr. Baker about the Golden Hill recapture. And I'll follow up and have a report for you at the next meeting.

[00:38:09] Speaker1

Issue with that still.

[00:38:11] Speaker4

Well, only do they want us to. It's on the tax rolls. They've sent out tax bills. So kudos to the IDA for for terminating all that and putting it back on the tax rolls. The only issue is whether we go back and make a calculation as to what the pilot was last two years ago and what the normal taxes would have been. And I've put that to Mr. Baker.

[00:38:36] Speaker1

Good, good, good job by the chair governance and a CEO on that. Okay. Any questions for Joe on anything there? What's the matter, Rick? I see a half a smirk.

[00:38:50] Speaker2

I think.

[00:38:50] Speaker1

It's something.

[00:38:52] Speaker2

No, that's great.

[00:38:53] Speaker1

I'm much going to miss you, Rick. All right. New business camp.

[00:39:05] Speaker3

I'm sorry. So on page 67, just to give you a quick summary here, Kingston Medical Properties is working on restructuring, and so their new company name would be K, A, G, R to Kingston LLC. Bob Murray is on the line here. I don't know if he has somebody else because someone else is joining from a phone, but Bob is the attorney for the company, so I will let him go through or whoever is representing for them, go through their application and explain to you all what they're doing.

[00:39:46] Speaker2

Thank you, Rose. And I believe. Greg, are you on? Yeah. Greg Rains is here. So, as Rose said, I'm the attorney for the company. Here are two. And Greg is one of the principals and general counsel of of the entity and the entity's parent, which is remedy medical properties, which is also the current owner of the facility. I'll let Greg explain as a business person. But at the 20,000 foot level, really, nothing's happening here other than a restructuring and sale of the facility with a refinancing of the facility. No, IDA financial assistance is being requested other than the continuance of the already existing pilot agreement which has been on the facility I think since get my deals mixed up here I think since. And Joe. 2003 maybe but there's only a few years left on the pilot so the the existing requirements are in order to permit a sale the facility and assignment of the pilot requires the consent of the agency. And thus we're here today to request the consent of the agency to permit the sale of the facility and the assignment of the existing pilot agreement to the new entity. All the operations will remain the same within the facility there is. Other than a change of ownership at the upper level, there is no contemplated or planned for change in employment levels or operations within the existing facility. And to refresh everyone's recollection, the pilot agreement is well structured because it only permits the abatement on the portions of the facility that are occupied by not for profit entities performing hospital functions as if the hospital had owned the facility outright. When there's for profit entities occupying the space on that square, footage gets pulled out of the pilot and receives no benefit. That gets trued up every year under the existing pilot agreement, where the company certifies with respect to the accuracy of for profit in not for profits in the pilot does get adjusted year to year to year based on the occupancy as so certified by it.

[00:42:28] Speaker1

I can just interrupt you for a second. Basically, we're talking about a housekeeping issue here, a changing of the name. And you're aware, I believe, that there's a fee involved in that Rose for new documents.

[00:42:41] Speaker3

There is. And I made them aware. It's the difference between the cost of the project last time and the cost of.

[00:42:46] Speaker1

This is no world turn or whatever. I wish more of our applicants who made changes were as forthright as you folks seem to be, because most of the issues we run into are the kind of, Oh, I didn't know I had to or I didn't know this or I didn't know that. So thank you for being open and out front. It really it helps us, especially with end of the year reporting and it saves bad feelings somewhere along the line. Anything you want to address in their counsel or the CEO?

[00:43:20] Speaker3

No. You're spot on. The one thing I just want the board to make sure the board is aware that Kingston Medical Properties is 100% compliant. So they've paid their annual fees, their CPA reporting, and they've gotten us all the documentation. I want to say for the 9 million employers that they have, it's not that many at four or five, but it seems like a lot when you're going through all of the annual reporting because we have to do it five times over what we do for a normal project.

[00:43:47] Speaker1

Let's, let's I wish they would build. They're a great employer. They've created a lot of opportunities for people, which is fine. Not everybody's always well loved. I can I can tell you that. But anybody on the board have any questions for the attorney or the ownership group?

[00:44:09] Speaker3

Question I just had one question. It says, if the pilot agreement, real property tax abatement were no longer able to be provided to the project facility for the benefit of Benedictine Hospital, the applicant would not proceed with the.

[00:44:22] Speaker2

Purchase of the project facility.

[00:44:28] Speaker3

So they're saying you're saying that you would not proceed with.

[00:44:32] Speaker2

This.

[00:44:33] Speaker3

Except for the benefit.

[00:44:34] Speaker2

Of the.

[00:44:35] Speaker3

Tax abatement. I'm just. I'm just. Clarifying.

[00:44:44] Speaker2

Perhaps I can address it. I think it's the other way around. What they're saying is that if we don't. Well, yes. If we don't agree to this transfer of ownership. Because then they would not proceed is what is what they're saying.

[00:45:01] Speaker1

Yeah, I think that's just typical.

[00:45:03] Speaker2

It's just boilerplate.

[00:45:07] Speaker1

Yeah, it's boilerplate. Good catch.

[00:45:10] Speaker2

Met with these guys and put them through the wringer for I guess three or four, three times we met with them making sure that they were compliant with the ABO reporting before we. Yeah I know.

[00:45:25] Speaker3

So to find out that's all.

[00:45:28] Speaker2

They're not doing this on their. They're not doing this on the backs of the tax inducement. The tax inducement is there's no benefit to the tax inducement or lack of benefit as a result of this. It's just a transfer of ownership. I want to make sure that the pilot goes along to the benefit of Kingston Hospital.

[00:45:46] Speaker1

No, it's good. This is the place to ask the question. Diane, did you have a question?

[00:45:50] Speaker3

I did. Thank you. Just a question. I just want to clarify another clarifying question. When I read the application, it just I just want to be clear. Are you buying the building or you're buying the building and the business? Because the the application doesn't have a lot of information in there. So it sounds to me like it's the entire business. But the application is, though, it's the purchase of a building.

[00:46:19] Speaker2

So it is the conveyance of the facility and assignment of the existing documents.

[00:46:25] Speaker1

So you're buying the whole kit and caboodle is what you're saying.

[00:46:29] Speaker3

So should that be reflected in the application? I mean, if I'm just again, just more clarification, housekeeping, the jobs that are there, etc., etc., none of that is in this application. And reading the application to me, it looked like it was buying the building, leasing it back. But the operation and people that actually hired and folks was not part of this. So I just again, that was a little confusing to me the way the application was sent us.

[00:46:58] Speaker2

Right. So this is Greg Raines. We own the property currently, the building. And we're indicated we're conveying it into a new entity because we're doing basically a financial restructuring and none of the operations will change. We are not obviously well, we're not creating the jobs. That's all being done by the hospital. But ultimately we bear that risk. So if the jobs aren't created by the hospital, that falls on us, but we're not.

[00:47:26] Speaker1

So we're just just realize that it has to be updated. It reflect that you're on the hook for the jobs.

[00:47:33] Speaker3

Yeah. It's not reflected.

[00:47:34] Speaker2

In what we're doing. I know there's going to be a new document for the new policy of of the IDA that will obviously continue to be on the hook and continue to reaffirm the clawback arrangement that in the event that obviously the jobs aren't created, which will be come from the hospital if they're not created, were ultimately ones on the hook and responsible for the clawback.

[00:47:58] Speaker3

We verify, too, that the job numbers they've put in this application are what they should be. There they are what was agreed to before. There are no changes to employment. Okay. Thank you.

[00:48:12] Speaker2

Just for the record, page 76 of the application does talk about the transfer of the project site on page 76 and show. You now need to work with them. If we approve this, you need to work with them to revise the legal documentation.

[00:48:32] Speaker4

Right. I have drafts and the the one change in the clawback agreement is the change in 80% to a 90%. I mean, to be clear, what's going on here is they're buying the project site. A new entity is buying the project site, and they want the IDA documents to travel along with that conveyance.

[00:48:51] Speaker1

Well, they will. But anything that's been updated that in the past people were grandfathered because they had it. Now you'll have to meet the regulations that are in place now, which is why this is good to be here out front. So everything will be updated. You get a chance to review it and look at it. And I don't know what your other options are, but you go from there. Good stuff to satisfy you.

[00:49:18] Speaker3

One thing that was really important, I think, for the public to know was that they're also going to be on the hook for 90% employment rather than 80% like they were before because of the changes. And they're are aware of that.

[00:49:30] Speaker1

And like I just said, so anything any policy that's been updated, they're subject.

[00:49:35] Speaker2

To.

[00:49:35] Speaker3

Correct.

[00:49:37] Speaker1

Ownership. And attorney, did we do you justice?

[00:49:41] Speaker2

We appreciate it. Thank you, Mr. Chairman.

[00:49:44] Speaker1

I appreciate you guys taking time this morning. And but I got to tell you, it helps in the long run. And again, thank you for being forthright and out there. So what are we going to do here, Rose? Anything?

[00:49:58] Speaker3

There's a resolution. I'm going to let Joe talk on page 106 to approve this. Joe, can you run through this for the board, please?

[00:50:08] Speaker4

We'll do. Rose. Thank you. So if you go to page 106, we we recite beginning on page 107 the prior history. We originally did this project back in 2003. It's been transferred several times and that's described in those various whereas paragraphs beginning on page at the bottom of page 108, Section one, we make some findings that there's no environmental impact here, there's no change in the project. B We're not granting any new benefits. And because we're not granting any new benefits, there's no need for for holding a public hearing in section two. We approve the assignment of the documents following satisfaction of these various conditions, which are similar to what we condition other assignment and assumption transactions, including as Rose that indicated compliance with our existing documents, compliance with annual reporting, compliance with pilot payments, etc.. So that's all outlined in section two. Section three authorizes the execution of documents. Section four authorizes any other action related to the undertaking of this. And then Section five indicates the resolution takes effect immediately. And with that, I'll open it up for any comments or questions.

[00:51:39] Speaker1

Any questions, comments? Anyone. No. We need a roll call vote. Rose.

[00:51:48] Speaker3

Yes, please.

[00:51:49] Speaker1

I make a motion to take a roll call vote on the change of ownership and reflect the updated rules and regulations of the pilot program. Do I get a second? Second. Michael. All those in favor of taking a vote signify by saying I. I. Post carried. Thank you. Please, Rose.

[00:52:10] Speaker3

Who motioned. I'm sorry. I looked down. Jimmy Okay. I thought it was you. Jimmy Thank you. James Malcolm.

[00:52:19] Speaker1

Yes.

[00:52:20] Speaker3

Diane Eynon. Yes. Faye Storms. Yes. Michael Hamm.

[00:52:25] Speaker2

Yes.

[00:52:26] Speaker3

Orlando Reese.

[00:52:27] Speaker2

Yes.

[00:52:28] Speaker3

Daniel Savona absent with notice and Richard Jones.

[00:52:31] Speaker2

Yes.

[00:52:32] Speaker3

Fantastic. It's been adopted.

[00:52:35] Speaker4

Sorry. Rose, could you tell me who seconded? I misunderstood that.

[00:52:39] Speaker3

Resolution. Yeah, I got you. James. Jimmy motioned and Mike seconded.

[00:52:45] Speaker2

Got it. So.

[00:52:51] Speaker1

Thank you again.

[00:52:52] Speaker2

Great. Thank you.

[00:52:54] Speaker1

All right. Unless you want to hang out and see what we do the rest of the day.

[00:52:58] Speaker3

Thank you very much. Enough fun for one day. Thank you, Bob.

[00:53:01] Speaker2

Thank you, guys. All right. Thank you.

[00:53:04] Speaker1

It's 1048. I'll entertain a motion to adjourn. I'd like to come back at 11:00 for the CRC. Can I get that motion, please?

[00:53:13] Speaker3

I'll make that motion.

[00:53:14] Speaker1

For a second. All those in favor I opposed. Carried. Thank you. 11 a.m.. We'll be back on.

[00:53:24] Speaker2

Hey, Jim.

[00:53:25] Speaker1

Oh, man.

[00:53:27] Speaker3

You knew it was coming.

[00:53:29] Speaker2

Rose, you're going to keep this open, right?

[00:53:30] Speaker3

Yes, sir.

[00:53:32] Speaker2

Thank you.

[00:53:33] Speaker1

Well, Rose, it. Turn the recording off.

[00:53:38] Speaker3

Yeah, I'm working on it.

END OF TRANSCRIPT



Automated transcription by Sonix
www.sonix.ai