

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**ST. LAWRENCE COUNTY IDA LOCAL DEVELOPMENT CORPORATION**

**ST. LAWRENCE COUNTY IDA CIVIC DEVELOPMENT CORPORATION**

**ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION**

**~ Meeting of March 27, 2014~**

CALL TO ORDER: Vice-Chairman LaBaff called the meeting to order at 8:30 AM at the IDA office, Ernest J. LaBaff Industrial Building, Canton.

ROLL CALL:

Blevins .....	Absent	Hall .....	Present
LaBaff.....	Present	McMahon .....	Present
Peck .....	Present	Staples .....	Absent
Weekes .....	Present		

Others: SLCIDA Staff (Patrick Kelly, Thomas Plastino, Richard Williams and Natalie Sweatland); Andrew Silver, Esq., Agency Counsel.

PUBLIC NOTICE: Public notifications sent March 14, 2014 to, at a minimum: St. Lawrence County’s newspapers designated for the publication of local laws and other matters required by law to be published; additional local media sources and websites.

PUBLIC COMMENT: None

APPROVAL OF MINUTES: Peck/Weekes motion to approve the minutes of the February 27, 2014 meeting. Carried unanimously.

FINANCIAL REPORTS: None

STAFF REPORT:

Mr. Kelly reports on the following:

- Agenda: Mr. Kelly notes that the bulk of the meeting packet was due to the inclusion of both the audits and the annual reports.
- ACCO: Mr. Kelly notes that the company’s project included financial assistance in the form of sales and use tax exemptions. At the conclusion of the 2013 Fiscal Year, SLCIDA staff determined that, after a review of the company records, the company had mistakenly reported the SUT benefit received. It was that issue and a review of the project status that prompted the company to request an increase in SUT benefit. The SLCIDA will be asked to authorize an additional \$40,000 in SUT exemption, for a total exemption of \$90,000. The company originally estimated creation of 30 jobs, and has reported a job creation of 63 full-time jobs.

REPORTS OF COMMITTEES: Audit/Finance

Mr. Kelly notes that the final audits were received on March 26, adding that there were some interpretive issues which caused a delay in finalizing the reports, more specifically how we deal with grant expenditures and revenues. 2013 was unique, as we had some activity whereby we spent funds as a grantee, but had not completely fulfilled the grantor’s reimbursement criteria/standards.

Mr. Plastino notes that examples of grant funding included the Railroad Rehabilitation and the Massena Industrial Park (Lots 18 & 19 Improvements), and the Canton Industrial Park grants. He adds that grants are not face-value items; they include performance standards. For the Canton Industrial Park grant, we

outlayed \$8,400 to date on preliminary work relative to the park's expansion, and we will ask for reimbursement in 2014.

Mr. Kelly explains that auditors felt that we should accrue grant revenues immediately upon award; however, it was our belief that while an entity may award a grant to us, it is more reflective of actual revenue to accrue the funds when certain performance criteria are met. Meeting that criteria may take months, or even years. And even then, there is no guaranty from the awarding entity that the grant funds they designated for us are still available. This also has a reverse effect, in that, with the St. Lawrence River Valley Redevelopment Agency's CDEIP funds, for example, we, as the grantor, will not expense the funds until we verify/validate the grantee's expenditures.

Mr. Plastino notes that on the SLCIDA's Statements of Activities, the SLCIDA has expended approximately \$345,000 for rail repairs, and we hope to receive the reimbursement payments from the State in 2014.

Mr. Hall adds that the SLCIDA expects to get the money, but there is no guaranty it will get it and that has an impact on tracking for accounting purposes. Mr. Kelly emphasizes the risk that the SLCIDA is taking on the rail rehabilitation project.

Mr. McMahan comments that the expectation is that we're being reimbursed; but the reality is that the project is subject to risk. Mr. Hall notes that, as a board member, his expectation is that the money will come back to the SLCIDA.

Mr. Plastino notes that some grants extend over two or three years, and we felt that accruing the awards as revenue gave a misleading description of the SLCIDA's financial status.

Mr. Plastino reports that all four audits were clean audits, with a note that one non-material recommendation from 2012 has been corrected in 2013.

OLD BUSINESS: None

NEW BUSINESS:

Resolution IDA-14-03-06: Accepting FY2013 SLCIDA Audit. Mr. Plastino provides a brief overview of the 2013 audit, noting that cash declines were attributable mostly to building costs and increased post-employment benefits, the latter being tied in with the SLCIDA's most recent actuarial study. Other major events include decreased legal fees and increased office supplies. Motion to approve Resolution IDA-14-03-06 by Mr. McMahan, seconded by Mr. Peck. The motion is carried by unanimous vote.

Resolution LDC-14-03-03: Accepting FY2013 Audit. Mr. Plastino notes that the St. Lawrence County IDA Local Development Corporation's (SLCIDA-LDC) 2013 [Consolidated] Audit includes the financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) and the Greater Massena Economic Development Fund (GMEDF). The marketing grant through National Grid resulted in increased expenses, \$82,650 of which were reimbursed by National Grid. Motion to approved Resolution LDC-14-03-03 by Mr. McMahan, seconded by Mr. Peck. The motion is carried by unanimous vote.

Resolution CDC-14-03-03: Accepting FY2013 Audit. Mr. Plastino reports that there was no new activity from last year. Corrective action taken on the 2012 Recommendation from the Auditor was noted in the 2013 audit. Motion to approve Resolution CDC-14-03-03 by Mr. McMahan, seconded by Mr. Hall. The motion is carried by unanimous vote.

Resolution MIC-14-03-03: Accepting FY2013 Audit. Mr. Plastino reports that the cash assets have increased. St. Lawrence Optical loan was written off. Motion to approve Resolution MIC-14-03-03 by Mr. Hall, seconded by Mr. McMahan. The motion is carried by unanimous vote.

STAFF REPORT (continued):

Mr. Kelly reports on the following:

- Clarkson University: The transfer of the Cheel property to the University is complete.
- Kinney Drugs: The Lease Purchase for the Factory Street property has been completed. Staff will be working on lease termination documents. The project included a job creation credit mechanism, whereby the Company would receive an annual credit of \$20,000 towards the purchase price of the building if certain job requirements were met. The documentation submitted by Kinney Drugs for the final annual credit year has been verified by SLCIDA.
- St. Lawrence Gas: Supplemental public hearings are scheduled for Wednesday, April 2 in the Towns of Brasher, Stockholm, Lawrence and Norfolk. Project cost overruns and delays have resulted in a need to increase the Sales and Use Tax exemption and extend the agent status. Additionally, a review of the project showed that the Company incorrectly utilized St. Lawrence County tax exemptions for Franklin County purchases, and the Company will be submitting corrective ST-340s to New York State Taxation and Finance. Mr. Kelly also notes that the Company met with Don Peck and local officials in Gouverneur on March 19 to discuss a possible gas line expansion along Route 11.
- Hoosier Magnetics: The PILOT documents were executed on Monday, March 24. Hoosier reports that their operation is doing very well.
- Harrowgate: The PILOT project ended effective December 31, 2013, and we are working with Bond, Schoeneck & King to process termination documents.
- Railroad Symposium (Watertown NY): Mssrs. Plastino, Williams and Hall attended the event. Hosted by Jefferson County IDA, the symposium addressed various issues, including improving freight rail infrastructure, which is critical for economic development and included discussion about the project to rebuild the 46-mile rail line from Newton Falls to Carthage.
- Marketing: Staff are currently attending BIOMEDevise trade show in Boston, and recently returned from FabTech trade show in Toronto. SUNY Potsdam and Clarkson University both assisted SLCIDA with providing certain alum with advanced notice of the Boston trade show and economic development opportunities.
- J&L: Mr. Hall notes that he understands the County is expected to take possession of the Jones and Laughlin property on April 7, and that the County's plan is that the SLCIDA would take possession of all or a portion of the property from the County. Mr. Kelly notes that the SLCIDA is working under the assumption that it would only take possession of the 18 acres of property on which the environmental investigation was completed and for which the Record of Decision was approved. Mr. Hall said that the SLCIDA must ensure that there is no long-term liability associated with the 18 acres.

NEW BUSINESS: (continued):

Mr. Kelly explains that staff have been working to finalize the annual reports required by the Authorities Budget Office, and that board members are required to review the reports before being submitted to the State. He goes on to explain that the reports are analyzed and created through a combination of quarterly company reports, site visits and discussions with staff, all with the goal of providing a true and accurate reflection of the job creation and financial goals and performance of each of our projects.

Mr. Kelly continues by explaining that staff sometimes see inconsistencies with original job creation estimates and actual reports that staff receive (whether quarterly or annually) from companies, and we spend a lot of time making sure that our reports contain a defensible and explainable rationale for the employment numbers we provide. Board members review the reports as presented and recommend them for submission.

Resolution IDA-14-03-07: Authorizing an Amendment to Resolution #IDA-13-09-20: [sic] ACCO Project Financial Assistance. Mr. Kelly notes that the project and resolution were addressed during his staff report. Motion to approve Resolution IDA-14-03-07 by Mr. Peck, seconded by Mr. Weekes. The motion is carried by unanimous vote.

Resolution IDA-14-03-08: Authorizing Application to the USDA Rural Business Enterprise Grant Program in the Amount of \$11,700 for the Benefit of Tri-Town Packing Corporation. Mr. Kelly reports that the grant would cover costs associated with a feasibility study, required by the USDA as part of a potential expansion project being considered by the Company. Motion to approve Resolution IDA-14-03-08 by Mr. Hall, seconded by Mr. Peck. The motion is carried by unanimous vote.

EXECUTIVE SESSION: A motion for Executive Session by Mr. Peck and seconded by Mr. Hall to discuss litigation with a specific company, to discuss the finances of a specific company, and to discuss matters leading to the appointment of a particular person. Motion is carried by unanimous vote. The Board goes into Executive Session at 9:45 AM. Peck/LaBaff motion to return to Regular Session at 10:35 AM. Motion carried by unanimous vote.

NEW BUSINESS: Continued

Resolution IDA-14-03-09: Appointing Chief Executive Officer. Motion to approve Resolution IDA-14-03-09 by Mr. Peck, seconded by Mr. Weekes. Motion is carried by unanimous vote.

ADJOURNMENT: Adjourns at 10:36 AM by unanimous consent.

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(Mr.) Lynn Blevins, Secretary