

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
LOCAL ECONOMIC ASSISTANCE CORP.
City Hall - 9 Glen Street, Glen Cove, NY 11542**

**Minutes of Meeting
November 9, 2022**

The Glen Cove Industrial Development Agency and Local Economic Assistance Corp. held a regular business meeting on Wednesday, November 9, 2022 at Glen Cove City Hall, 2nd floor conference room. Chairperson Panzenbeck called the meeting to order at 6:03 p.m. and the following members were present:

IDA/LEAC MEMBERS:

Pamela D. Panzenbeck, Chairperson
Vice Chair Hartley
James Cappiello
Grady Farnan
John Fielding

Also Present:

Ann Fangmann, Executive Director
Camille Byrne, Secretary
Margo Zoldessy, CFO/Assistant Secretary

ABSENT:

Thomas Hopke
Dave Jimenez

MINUTES:

Chairperson Panzenbeck made a motion to adopt the minutes of the IDA/LEAC meeting held August 23, 2022 and asked for a second. The motion was seconded by Vice Chair Hartley. Motion carried as follows:

IDA MEMBERS

Chairperson Panzenbeck
Vice Chair Hartley
James Cappiello
Grady Farnan
John Fielding
Thomas Hopke
Dave Jimenez

VOTING

AYE
AYE
AYE
AYE
AYE
Absent
Absent

EXECUTIVE DIRECTOR REPORT:

Ann Fangmann provided the members with an update on the following:

- **Garvies Point:** RXR has submitted a draft IDA application for a PILOT covering the 71 additional units for Blocks E&F. As the Board is aware, IDA staff and counsel commenced due diligence, including engaging with Capital Market Advisors (CMA), in mid-September. RXR paid initial fees for the due diligence consultants and IDA staff/counsel/CMA have been working with Haberman (OAT), Camoin Associates (economic impact analysis), National Development Council (sizing the PILOT), and Muncipal (updated Garvies Point Bond revenue projections). As a result of meeting with CMA and preliminary analysis, several key issues were identified and communicated to the Board members for further discussion with RXR. The Chairwoman, Milan, and I will be reaching out to the Board members with further updates and the board Secretary will be in touch regarding scheduling.
- **Janet Lane:** Ms. Fangmann reminded the members that two of the units in one building located on Dickson Street sustained significant damage from a fire. The attorney for Fair Housing owner of the units has been in preliminary discussion with the Chair, Executive Director, and counsel in regard to next steps. More to come; however, the Board members should be aware that per the IDA sublease, Fair Housing is required to rebuild those units back to original condition. If Fair Housing requests an alternative option, it will require a waiver request.
- **UTEP:** From 2019-2021, the Agency participated in an audit by the NYS Comptroller's Office. The findings report was released last year. One of the State's major findings was that our Unified Tax Exemption Policy (UTEP) is lacking. One result of the Agency's current UTEP (which only

cites the PILOT schedule from 485-b of statute), is that the Agency has deviated on all projects in recent history. After performing a cursory review of the UTEPS of the seven (7) other Long Island IDAs, all appear to have a more robust framework for different types of projects that may be undertaken by the Agency. In September, Ms. Fangmann asked for Board members to let her know if interested in joining an ad hoc committee to review our current UTEP and to develop a more comprehensive policy for the Agency. Vincent Hartley and John Fielding expressed interest. The 7 example UTEPs were shared with those members in addition to IDA counsel. A meeting will be set-up soon to further discuss.

- Ms. Fangmann informed the members that there has been an update regarding the PILOT overpayment to Nassau County impacting the City, School District, and Library as a result of the PILOT amounts for our projects (with the exemption of Garvies Point) being misallocated between the taxing jurisdictions. Ms. Fangmann reminded the members that the initial finding regarding the misallocations and overpayment was a result of the NYS Comptroller's audit report on the IDA issued in 2021. Chairwoman Panzenbeck provided the members with the following additional information as to where things stand with Nassau County. It is anticipated that approximately \$800K will be reimbursed to the City of Glen Cove by Nassau County for the PILOT overpayment and the Glen Cove School District also should anticipate approximately \$700K reimbursement by Nassau County; those numbers are under review and subject to change. Chairperson Panzenbeck is hopeful that these monies will be received in early 2023 and it is the intention of the City to apply the reimbursement toward the City tax levy so that there will be no increase to the taxpayers in the 2023 budget.

FINANCE REPORT:

Margo Zoldessy provided the members with a financial report for the period January through September 2022 as follows:

IDA Budget to Actual (Jan thru Sept'22)

Revenue for the period of Jan thru Sept'22 as compared to the budget is as follows:

- Total Revenue of \$ 176k as compared to the annual budget of \$511k
- Escrow Revenue included

Expenses for the period of Jan thru Sept'22 (as compared to the Annual Budgeted Amount) are as follows:

- Salaries and benefits incurred for \$116k as compared to the annual budget of \$162k
- Professional Expenditures incurred for \$ 140k compared to the annual budget of \$343k

Note: Prof Fees include Accountant fees, Legal Fees and Escrow Fees; Escrow Expenses included

- Other expenses incurred for the amount of \$ 2.3k compared to the annual budget of \$4k
- Other expenses include Advertising, Publications, and office expense

There is a YTD operating loss of \$ 80k.

Note: Much of the revenue comes from project closings and has the ability to fluctuate throughout the year.

GCLEAC Budget to Actual (Jan thru Sept'22)

Revenue Admin Fees \$47,000 as compared to the annual budget of \$2,000

- Escrow Revenue for \$45k incurred for Bond Restructure

Expenses:

- Admin Fee IDA \$2,000 as compared to the annual budget of \$2,000
- Other Expenses \$3,500 as compared to the annual budget of \$3,000

NOTE: \$500.00 was incurred for legal fees

- Interest Income \$182 as compared to the annual budget of \$1.5k

There is a YTD Loss of 3k

Unfinished Business - Auditor RFP: EFPR Group, who has served as the IDA/LEAC auditors for the past five (5) years, has chosen not to submit a proposal to continue auditing services for the 2022 audit. An RFP was released in July 2022 and five responses were received. Those responses were distributed to the audit/finance committee for review as well as the IDA/LEAC Executive Director and CFO who determined that two of the respondents were most qualified to conduct auditing services applicable to our governmental agencies: Cullen & Danowski and PKF O'Connor Davies. Upon an in-depth review of the proposals submitted and reference check, the IDA/LEAC Executive Director and CFO felt strongly that PKF O'Connor Davies is most qualified and further discussions with the partners took place to negotiate their fees and that information was shared with the audit/finance committee. The finance committee concurs that board approval should be made to accept the proposal of PKF O'Connor Davies.

RESOLUTIONS:

As there were no further questions from the board members concerning the auditor RFP, Chairperson Panzenbeck made a motion to adopt Resolutions 6(a) and 6(b):

6(a) Resolution of the Glen Cove IDA authorizing the Chairperson and/or Executive Director to accept the proposal of PKF O'Connor Davies to provide auditing services for the IDA audit.

6(b) Resolution of the Glen Cove LEAC authorizing the Chairperson and/or Executive Director to accept the proposal of PKF O'Connor Davies to provide auditing services for the LEAC audit.

Motion was seconded by Vice Chair Hartley. Motion carried as follows:

<u>IDA/LEAC MEMBERS</u>	<u>VOTING</u>
Chairperson Panzenbeck	AYE
Vice Chair Hartley	AYE
James Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
<i>Thomas Hopke</i>	<i>Absent</i>
<i>Dave Jimenez</i>	<i>Absent</i>

As there was no further business to come before the board, Chairperson Panzenbeck made a motion to adjourn the meeting and asked for a second. The motion to adjourn was seconded by Vice Chair Hartley. Motion carried as follows:

<u>IDA/LEAC MEMBERS</u>	<u>VOTING</u>
Chairperson Panzenbeck	AYE
Vice Chair Hartley	AYE
James Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
<i>Thomas Hopke</i>	<i>Absent</i>
<i>Dave Jimenez</i>	<i>Absent</i>

The meeting adjourned at 6:18PM.

Respectfully Submitted,

Camille Byrne, Secretary
Glen Cove IDA/LEAC

Adopted 01/24/2023