

MINUTES
Greene County Industrial Development Authority
November 25, 2020

The meeting was called to order at 9:00 A.M. Those present were as follows:

Mike Belding, Chairman
George Scull, Vice Chairman
Greta Mooney, Board Member
Crystal Simmons, CDBG/HOME Director
Kayla Reyes, GCIDA Associate

By Phone:

Linda Chambers, Board Member
Phil Hook, Board Member
Jeremy Kelly, Planning Director
Richard Cleveland, Chief Clerk CDBG
Ernie DeHaas, GCIDA Solicitor

Public:

Charles, Cypher & Cypher
Song, Cypher & Cypher

I. 'If a potential conflict, you are duty bound to disclose'

II. Cypher & Cypher Audit

Mr. Rupert presented the 2018 Audit Report. Mr. Rupert explains the balance sheet and profit & loss that show the GCIDA total assets of \$899,000.00. This amount is made up of cash of \$324,000, however, most of that cash amount is restricted by the Strategic Impact Program. This is the money that was granted out to recipients. The unrestricted amount of cash is actually very small. Mr. Rupert continues to break down the total asset amount, explaining that the total liabilities makes up about \$98,000.00 and \$457,000 for the Revolving Loan Fund. There is a reserve fund that was created for the Strategic Impact Program that allows recipient to be granted the loan if compliant to the agreement. The net position for the Authority is \$416.00, made up of working capital, the contingency fund in the event of unexpected expenses, and it gives the Authority the ability to plan for tomorrow with its program. Mr. Rupert reviewed the management letter written to the Authority, outlining a few suggestions. One, for the Strategic Impact Program there is no definition of full-time hours, there was also no verification of how many employees' businesses had prior to the loan, and there appeared to be a variation in the loan amount to the number of jobs created, it was not consistent. Two, it would be beneficial to create consistency by adding the Chart of Accounts to QuickBooks. Mr. Rupert stated the 2019 Audit Report is just waiting to confirm if there is a forgiveness of debt for the two SIP recipients, which Mrs. Reyes explained would be determined later on in the meeting. Mr. Rupert finished the report by thanking Ms. Simmons, Mrs. Morris and the GCIDA. Mr. Belding stated that Mr. Rupert's comments were right on point with the Strategic Impact Program and that Mrs. Reyes has been going through the SIP compliance in a timely and chronological order to get that up to date. Ms. Simmons also added that as far as the chart of accounts goes, Mrs. Reyes and Mrs. Morris are looking into that to allow a smooth transition into QuickBooks.

Mr. Belding requests a motion to accept the 2018 Audit Report and Management Letter.

Motion to approve- Mr. Scull

Second- Ms. Chambers

All in favor.

IV. Approval of Minutes – October 28, 2020

Mr. Belding requests a motion to approve Meeting Minutes from September 23, 2020.

Motion to approve- Ms. Chambers

Second- Mr. Scull

All in favor.

V. Treasures Report

a. **Balance Sheet** as of October 31, 2020

b. **Profit & Loss** as of October 31, 2020

Mrs. Reyes stated that there was nothing abnormal to report.

Mr. Belding requests a motion to approve Treasures Report.

Motion to approve- Mr. Scull

Second- Mrs. Mooney

All in favor.

VI. Approval of Checks for Payment- General Acct

I. Approval of Checks for Payment- General Acct

a. DeHaas Law, LLC

i. Invoices through October 31, 2020- \$437.50

ii. Nemat v GCIDA- \$300.00

b. Direct Results

i. GCIDA flyer & Facebook ad- \$30.00

c. The Cincinnati Insurance Companies - \$1,271.00

EPA Account:

d. AMO Environmental Decisions, Inc. - \$19,148.65

i. Petro-T3 Site Assess/Reporting - \$10,646.25

ii. Hazard-T3 Site Assess/Reporting - \$8,502.40

Mrs. Reyes explains the breakdown of each invoice. The DeHaas Law invoices for services through October as well as service on the Nemat vs GCIDA case. The Direct Results invoice was actually from May for the small business assistance flyers we had printed for the Emergency Loan Program. The Cincinnati Insurance invoice for the annual premium amount for the policy on the office in the County Office Building as well as Mather property. Mrs. Reyes continued that for the EPA account there are two invoices from AMO Environmental Decisions for site assessments and reporting which Mr. Firely can provide more updates on later on. Ms. Simmons states that the second invoice from AMO is actually an invoice that should have been billed to CDBG.

Mr. Belding requests a motion to approve all checks for payment with the exception of ii. Hazard-T3 Site Assess/Reporting - \$8,502.40

Motion to approve- Mr. Scull

Second- Ms. Chambers

All in favor.

VII. Deposits

a. **Revolving Loan Payments: #1 & #2 entered into QuickBooks.**

i. 11/02/2020 - \$1,228.88

1. Pizza-Italia 1 (Oct)- \$321.88

2. Adam Lewis Trucking (Nov)- \$907.00

ii. 11/13/2020 - \$350.00

1. GCLD (Nov) - \$350.00
- iii. 11/24/2020- \$745.07
 1. Wilson Commons (Nov)- \$275.77
 2. Pizza-Italia 1&2 (Nov) - \$472.30

Mrs. Reyes shared the list of payments made on the RLF that were deposited. Mrs. Reyes added that all of the Revolving Loan accounts are up-to-date and current.

Ms. Simmons suggested that Mrs. Reyes discuss the interest transfer prior to moving on. Mrs. Reyes explains that in the Revolving Loan Fund account, there had not been any transfer of interest that was accumulated over the past few years. Just recently the GCIDA approved to transfer around \$3,000.00 from 2017 interest. Now that the 2018 Audit Report has been finalized, there is \$3,386.68 of interest from the RLF and \$2,063.99 in additional interest that we can transfer over to the general account as income.

Mr. Belding requests a motion to approve the 2018 interest transfer of \$5,450.67 from the Revolving Loan Fund account to the general account.

Motion to approve- Mrs. Mooney

Second- Mr. Scull

All in favor.

IX. Brownfields Initiative - Update

- a. Next GC – BRAC Meeting – December 9, 2020 at 10 AM

Mr. Firely gave the update on the sites underway for Phase I. Mr. Firely stated that there were roughly 20 sites that were initially pursued, seven of those were actually approved and underway. There is one site that started assessment but the owner did not follow through, so it was discussed with Ms. Simmons that the site would be closed out and finished up. Mr. Firely explains that Phase I's have to be assessed one per parcel even if the property has the same owner. The Mather site is still underway and a plan to evaluate the master parcel and a letter of intent was mailed to the DEP. Mr. Firely goes on to say that a discussion with the DEP to gather all the information and a plan of action for closure. Mr. Firely stated that the EPA submissions have been done, the annual reports and semi-annual reports have been completed and the project officer is pleased. At this time the Authority needs to decide if it would like to pursue Phase II assessments on the properties which would allow us to do more cost savings by doing multiple sites as one evaluation. Ms. Simmons expressed the need to focus Phase II Assessments on the Locust Ave properties in Mt. Morris because of the upcoming development in the area as well as Mather, which would most likely exhaust the rest of the funding. Mr. Firely also adds that the owner of the Locust Ave properties has received interest in buyers, so it is in our best interest to get that site ready for redevelopment. Ms. Simmons recommends that we approve Phase II Assessments on Locust Ave and that the Authority already approved Phase II for Mather at the previously monthly meeting. Mrs. Mooney asks if these properties are mapped for the board members to review. Ms. Simmons explains that we do have a live map that allows us to review investment areas for development and our site inventory. Mrs. Mooney suggests that in the future when asking for approval on a site to have the map ready so the sites can be reviewed and discussed. Ms. Simmons agreed and shared information on our GC-BRAC meetings, which allow us to discuss sites and Brownfields Initiative plans in more detail. Mr. Scull asks what the status is in Mather from the soil that was transferred from Ryerson. Mr. Firely explains that in Mather there are three separate section of Mather and the section the Authority is focusing on is the twelve-acre portion that is developable land. Mrs. McClure asks if this site is a priority if the zoning is residential and Ms. Simmons explained that the township decided to keep it zoned as residential but will change zoning

based on the proposed development. Mrs. McClure adds that as far as priority sites the Authority should pursue areas with interested buyers and commercial use. Ms. Simmons stated that Mather property does have an interested buyer with interest in commercial endeavor. Mrs. Mooney asked if there was potential on the three Locust sites that would need a Phase I from PennDOT that we could piggy back off of, but Mr. Firely stated that it would depend on if the plan would require going through the property. Mr. Kelly stated that he would reach out to transportation to see if those plans would encroach on any of the properties. Mr. Belding states that this would be beneficial to check on to ensure we do not duplicate efforts.

Mr. Belding requests a motion to approve Phase II on Locust Ave.

Motion to approve- Mr. Hook

Second- Mr. Scull

All in favor.

Mr. Scull adds that he would like to view the map that Mrs. Mooney suggested. Mr. Belding stated that next month is our GC-BRAC meeting and we can spend an hour reviewing those at that time.

X. Old Business

a. SIP

iii. MRIE Compliance Review

Mrs. Reyes gave a review of MRIE's SIP compliance report, stating that per the Sip agreement dated July 10, 2018 for \$50,000, MRIE was to create seven additional jobs at 1.5x the minimum wage. She explains that compliance needs to be determined between July 2018 and July of 2019 as well as July 2019 and July 2020. Mrs. Reyes explains that the Controller for MRIE had sent over their annual reports from 2018-2020 with a list of the seven employees. However, two of those seven employees had a hire date the preceded the application date. Which would mean that these employees would not count as new jobs created and MRIE did not hit their goal number of seven as outlined in their agreement. Mrs. Reyes goes on to say that after speaking with the CEO and Controller at MRIE, it is understood that employees have periods throughout the year where they are laid off and rehired based on work flow and that one of these employees were a rehire. However, this was not disclosed up the agreement. Mr. Scull states that the number seven was agreed upon and should not be considered on our end as a reason for leniency. Mr. Hook shared that MRIE had been transporting sand to Michigan and the specific type of sand they were transporting has died out and switched to a cheaper, local sand. Mrs. Reyes mentioned the part of the agreement that outlines that a breach in the agreement that was out of the business' control can be forgiven at the Authority's discretion. Mr. Belding asks to consider if the attempt was genuine, the effect of the demand for sand declining, and the effect of COVID. Mr. Hook suggested that because the program has already been implemented inconsistently that to continue being inconsistent would look bad and would rather see this program implemented as the agreement. As for COVID being a factor, Mr. Hook points out that the decline in the industry started before March. According to the documentation provided, they were never in compliance. Mr. Belding states that upon approval of being non-compliant the Authority will issue a letter to MRIE to recoup two-thirds of the loan amount

Mr. Belding requests a motion to determine MRIE as non-compliant for July 2018-July 2019 and July 2019-July 2020 and recoup two-thirds of the loan amount.

Motion to approve- Mr. Scull

Second- Mr. Hook

All in favor.

i. Pizza-Italia Compliance Review

Mrs. Reyes gave an over of Pizza-Italia's SIP compliance report. She explains that because Pizza-Italia was a new business, it was much easier to confirm jobs created as it started at zero. Pizza-Italia was to create and maintain four jobs at 1.5x minimum wage per their agreement signed Jul 10, 2018. According to the payroll documentation provided by the business they had six employees from July 2018-July 2019 all at \$11 an hour and four employees for July 2019-July 2020 at \$11 an hour. Mrs. Reyes stated that it was clear that Pizza-Italia had reached and maintained compliance for both years.

Mr. Belding requested a motion to determine Pizza-Italia as compliant for July 2018-July 2019 and July 2019-July 2020 and to waive two-thirds of the loan amount.

Motion to approve- Mr. Scull

Second- Mr. Hook

All in favor.

i. Ricco DQ - disbursed check \$12,850.00 on 11/16/2020

i. Kiln to Table - Req for disbursement of \$4,600.00

Mrs. Reyes just wanted to provide an update that Tom Ricco, DQ Holdings, LLC did bring in the final prints from K2 engineering and was given his check. Mrs. Reyes also stated that Jennifer Adamson with Kiln to Table had called in and asked to be reimbursed for \$4,600.00. Mrs. Reyes explained that Adamson's SIP account has \$4,828.64 remaining and asked if it would be possible to just release the remaining amount.

Mr. Belding requested a motion to approve Kiln to Table for the final disbursement of \$4,828.64 contingent upon providing additional receipt to cover total expenses.

Motion to approve- Mr. Scull

Second- Ms. Chambers

All in favor.

a. CDBG-CV/FASBA

b. CEDO

Ms. Simmons explains the CDBG grant for COVID and FASBA stands for Forgivable Advance for Small Business Assistance. Ms. Simmons compares FASBA to the SIP, however, we revamped the guidelines and fixed the inconsistencies in SIP. Ms. Simmons explains that she applied for the grant through CDBG, the federal program that she handles. The county applied for the competitive grant funds as well, so if granted we would be awarded \$1 million. The idea is to utilize the Authority to issue and manage the forgivable loan program. The state, DCED will be issuing these grants and they have asked what the relationship is between the IDA and the County or what agreements are in place. As of right now, there is a Cooperation Agreement, but it is outdated and will need updated. Ms. Simmons explains that she and Mrs. Reyes have discussed updating the Cooperation Agreement and now believe it is time to address that. There is already an application made up as well as the program guidelines and this will be ready to go soon. The business grants will be given to those who will create or retain a low to moderate income person (LMI) and that could be one full-time or two or three part-time. For this grant management plan, it outlines how the IDA and the County will be working together, similar to the Cooperation agreement. Ms. Simmons reminded that last month's meeting ran short and we did not have time to discuss everything that we had hoped. One of those being the certified economic development agencies in our area. Ms. Simmons stated that she, Mr. Cleveland and Mrs. Reyes had been looking into what existing

CEDO's have done for Greene County and were unable to retrieve that information, resulting in filing a Right to Know Request form to PIDA. Ms. Simmons explains that she felt the Cooperation Agreement and CEDO went hand in hand because if the Authority wishes to pursue becoming a CEDO it would cause us to look at our internal operation structure and we need that outlined to receive the CDBG-CV funds. Mrs. Reyes showed the Right to Know Request to the board that requested all grants that were applied for, awarded and the businesses who received those funds from all six CEDOs in the region. Mrs. Reyes explained that the lack of communication and information between GCIDA and our CEDOs is causing our local businesses to lose out on opportunities. There have been a number of COVID related business assistance programs that have not been shared with the GCIDA until after the deadlines are over. Mr. Belding agrees that we take initiative to become a CEDO, with our staff and capacity we are more than capable. Mr. Belding added one more topic of discussion under old business, stating that term extensions and reorganization was not done this meeting, but will be on the agenda for next meeting. Mr. Belding stated that he does not wish to continue as the Chairman and to keep that into consideration.

XI. Public Comment -None

XII. Executive Session- None

XIII. Next Meeting – December 9, 2020

XIV. Adjournment

Mr. Belding requests a motion to adjourn the meeting at 10:00 AM

Motion to approve- Mr. Scull

Second- Mrs. Mooney

All in favor.

MEETING MINUTES CERTIFICATION

We, the undersigned, agree that the minutes taken above were approved in their entirety by the Greene County Industrial Development Authority on Dec 9, 2020



Chairman, Greene County Industrial Development Authority



Vice Chairman, Greene County Industrial Development Authority