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CITY OF YONKERS
INDUSTRIAL DEVELOPMENT AGENCY

GOVERNANCE COMMITTEE MEETING

December 16, 2014

10:00 a.m.

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PRESENT: PETER KISCHAK, ACTING CHAIRPERSON
JOY CARDEN, Member
SUE GERRY, Member
KEN JENKINS, IDA President.
DEEPIKA MEHRA, IDA CEO
JAIME MCGILL, IDA

LYNN FARRELL-MILEO
830 Bronx River Road
Bronxville, NY 10708
914-776-1318

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2 MR. KISCHAK: I call the meeting of
3 the IDA Governance Committee to order. Roll
4 call?

5 MS. MEHRA: Pete Kischak.

6 MR. KISCHAK: Here.

7 MS. MEHRA: Joy Carden.

8 MS. CARDEN: Here.

9 MS. MEHRA: Sue Gerry.

10 MS. GERRY: Here.

11 MS. MEHRA: We have a quorum.

12 MR. KISCHAK: Approval of the minutes
13 for May 13, 2014 meeting?

14 MS. CARDEN: I make a motion.

15 MS. GERRY: Second.

16 MR. KISCHAK: All in favor?

17 (Chorus of Ayes)

18 MR. KISCHAK: Review and discussion of
19 old business and IDA Sponsorship Policy.

20 MR. JENKINS: There is a handout for
21 the members of the Governance Committee on the
22 Sponsorship Policy. So there is discussion on
23 that. So if you see the red lines or the
24 deletions or the additions for current
25 Sponsorship Policy which is consistent with the

1
2 New York State law regarding sponsorships and
3 charitable giving and the use of discretionary
4 funds of the IDA. So that's really what this is
5 around. Many, many organizations come to the IDA
6 and ask us to support their activities and we
7 have a framework that we are allowed to sponsor
8 those events. Even though there are many great
9 organizations but policy helps us to direct those
10 folks appropriately. So these changes that are
11 in here that are the red line changes for the
12 Sponsorship Policy assist us on helping to
13 clarify some of the gray areas. So it's in front
14 of you for review today.

15 MS. GERRY: Explain how that would
16 clarify the changes, how that would impact how we
17 feel with requests only because the old language
18 relates to our mission, our powers and the other
19 is aligned with our mission, so I'm not sure how
20 that brings clarity.

21 MS. MCGILL: The read lines we had here
22 was anything you had mention in the minutes, but
23 Greg would still have to obviously address any
24 additional language.

25 MS. GERRY: You said there was

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something in the New York State law?

MR. JENKINS: We were trying to align to what Comptroller's opinion.

MR. YOUNG: With the Authorities Budget Office, that's why I specifically wrote, enumerated powers, because it came from an ABO opinion. I liked the old language, they used that phrase, that's why I used it.

MR. JENKINS: These modifications here were from the discussions at the last meeting. So you can undo, these are red lined for that reason.

MS. GERRY: I am only concerned when our lawyer tells us he likes the old language, I don't see the too much difference between the old and the new. I'd rather stick with what the lawyer says, it's more strict?

MR. YOUNG: I would prefer it be more stringent.

MS. GERRY: Is everyone comfortable with that?

MR. KISCHAK: So we are voting that down?

MR. YOUNG: We are not modifying it.

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MS. MCGILL: I think we have to accept the draft without modifications.

MR. YOUNG: Right.

MR. JENKINS: These are other changes which are only with events, only entities and events relate to.

MR. KISCHAK: You're deleting?

MR. JENKINS: Yes.

MR. KISCHAK: You're leaving, related to?

MR. JENKINS: You're leaving in mission, so the i.e. part, enumerated powers, business related and mission?

MR. YOUNG: Mission goals.

MR. KISCHAK: Delete those?

MR. JENKINS: So the modification, sponsorships only of entities or events that relate to --

MR. YOUNG: The Agency's enumerated powers, i.e. business related.

MR. JENKINS: And the final change, the last paragraph, changing the date.

MS. MCGILL: To today.

MR. JENKINS: We are not modifying any

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2 policies and procedures today, right? Still has
3 to be reviewed. So, December 30th, 2013, you may
4 consider just saying the last adopted by the
5 Board and not have the date because then you
6 don't have to update this every time. That's up
7 to the members.

8 MS. GERRY: That keeps us current. We
9 keep referencing if anybody wants to go look
10 back. I know we find old labor contracts 1999,
11 no there was one in 2001, 2007.

12 MR. JENKINS: Okay. With those
13 changes, Mr. Chairman.

14 MR. KISCHAK: We voted on it and it's
15 accepted.

16 MR. YOUNG: Yes. Next is IDA
17 scholarship program?

18 MR. JENKINS: On the scholarship
19 program, the new process is going to be one where
20 the Board of Education was going to pay full
21 scholarship amounts directly to the school. The
22 correspondence to be used solely for tuition
23 books and activities directly related to the
24 student's education. If a student discontinues,
25 any unused portion would be returned to the Board

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of Education and the Board of Education is responsible for submitting an audit, a report for accounting to IDA annually.

MS. GERRY: What do they do with the money when it comes back?

MR. JENKINS: What happens right now, they have it in an account so they hold it in a separate account as it is right now and they pay from that particular line. So from their internal procedures it's not different from their side. What they told us they get the money back in and they don't distribute it. So now what they would do is send it to the school and if the student doesn't complete for whatever reason then it comes back to the Board of Education and they have to report that back.

MS. GERRY: That will come back to us?

MS. CARDEN: It comes back to us?

MS. MCGILL: Comes back to us.

MS. GERRY: I don't want them just to report, I want them to give us the money. This year all the wonderful kids many of them never showed up for school.

MS. MCGILL: I think there were only

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one or two.

MS. GERRY: My Recollection those that were awarded some of them didn't show up and some of them didn't stay in school.

MR. JENKINS: Some of them wanted to change to different institutions and there was some questions about that type of institution they would go into.

MR. KISCHAK: So what happened with that?

MS. GERRY: We decided to change our policy so we get the money back.

MR. KISCHAK: If they get a scholarship, they are going to a college and they get the scholarship then they change their minds, the money comes back to the IDA?

MS. GERRY: It will now.

MR. KISCHAK: If they decide to go to another school will it still go to them?

MS. MCGILL: We handle it on a case by case basis.

MR. KISCHAK: If they weren't going at all, but if they were going to another school it would go to that school?

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2 MR. JENKINS: The issue was that we
3 didn't know what happened to it. That was really
4 what the issue was. What happened, the
5 scholarships would be issued, the Board of
6 Education would get the dollars and then we
7 didn't know what happened to it. So what
8 happened was in following up with that there was
9 an understanding the Board of Education would put
10 it back into the scholarship pool and we, the
11 Board members, would not know about that. More
12 importantly, the funding source wouldn't know
13 that at all. So this unused scholarship balance
14 would be returned back to the general pool. So
15 it goes back from the schools perspective if it
16 was issued to the school it would be returned to
17 the Board of Education and then come back to the
18 IDA.

19 MS. GERRY: We have a written policy
20 for what we are talking about?

21 MR. JENKINS: That's what we are trying
22 to do now.

23 MS. GERRY: So you will present one at
24 the next governance meeting?

25 MR. JENKINS: We'll have it all

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outlined on a step by step basis. Again, really calling from Fiona over to the Board of Education to try to track things that happened. Whenever there was one off instance there would be questions on, well, is this okay to do this with the money? And that was not a good procedure.

MS. GERRY: That was kind of like where is that kid?

MR. JENKINS: We'll present that. If there is any questions or additional things?

MS. CARDEN: So if a kid decides over time to go back to school and we have the money then that kid can come back to us for the money and would it be given back to them?

MR. JENKINS: That's something we'll have to think about. But that's a good question.

MS. CARDEN: Is there a timeline after two years you can't come back it us?

MR. JENKINS: We should put that in. So we'll add that in.

MS. GERRY: One year.

MR. JENKINS: One year.

MS. GERRY: If the Board of Ed could

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2 report to us by the end of the first semester
3 this time each year who went to school, who
4 didn't, dropped out. Next years scholarships we
5 allocate new money back and give them to somebody
6 else.

7 MS. CARDEN: The companies that sponsor
8 it, they give us the money. Do they care what
9 happens? I think I would want to know what
10 happened to a kid.

11 MR. JENKINS: There has not been in the
12 past, at least over the last year, a request from
13 any of the companies to say, what happened past
14 that point? As a matter of fact, when we asked
15 some of the companies to attend, even the
16 scholarships they don't. The other question
17 again is whether it's just an annual scholarship.
18 Some scholarships are four year scholarships so
19 they have to maintain their attendance at the
20 school. So all those things will have to flush
21 out some more and we'll do that for the next
22 governance meeting.

23 MS. CARDEN: Also talk about asking
24 other companies to participate.

25 MR. JENKINS: Thank you, Joy. So right

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next down is soliciting, the next thing is a good segway about soliciting new scholarships, contributions. Jaime has been working with Jim and Jim can share some more. Jim, come up.

MR. CAVENAUGH: Jim Cavanaugh. Thank you. The original scholarship program was started in essence a pilot and the first of those two funding streams has two more years to go and the thought was how do we make it attractive for businesses to help keep it going? The first thing that occurred to us as we talked was should we establish a 501C-3 and make it tax exempt? That does two things. One, it obviously gives any business that wants to fund this scholarship a tax deduction. Right now if they were to fund it it wouldn't be. The second thing is it gives businesses a sense of structure. Particularly business that might have a national presence. If they come into Yonkers they might have a corporate giving program. You approach them and say, you invested in Yonkers, we want you to continue to be a good corporate neighbor. If they have got a corporate giving program, the fact we would have a 501C-3, Board of Directors

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2 it would give them a level of comfort that the
3 money is in fact being used and being accounted
4 for. There is a year-end report. Whatever
5 requirements they might have. You certainly
6 being with a bank are familiar with those kind of
7 things. So the thought was whether the IDA would
8 want to set up that kind of a structure. It's
9 not particularly difficult to set up a 501C-3 and
10 Board of Directors really being on the committee
11 then it would allow the IDA when you go to
12 certain individuals to pump up their level of
13 success.

14 MR. KISCHAK: I think it's a good
15 idea. Perfect example would be Cintas. Cintas
16 wants to come in, like you said, it's a big name
17 brand company, it would be beneficial to them to
18 advertise in the community.

19 MR. JENKINS: Absolutely, obviously
20 whether the big hotel chains or anything else
21 that we have that gives that same level of
22 structure. So what we can do is ask Greg to take
23 a look.

24 MR. YOUNG: I want to do some research
25 on the IDA establishing a 501C-3.

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MR. KISCHAK: I thought it was under the understanding it was a tax deduction for them, anyway?

MR. CAVENAUGH: I don't think so.

MR YOUNG: It is.

MR. JENKINS: We'll have to check from an accounting perspective whether or not that is a tax deduction for them.

MR. YOUNG: The ABO has been pretty specific about subsidiaries and things of that nature. So I want to take a close look at it.

MR. CAVENAUGH: Thank you. There is a lot of potential structure. Whether, again, depending on your research whether in fact it's an actual subsidiary of the IDA or simply an associated independent entity. There is a lot of ways you can do it. I think regardless of whether the existing contributions are tax deductible or not, I think it's important going forward that if you approach a corporation who like Cintas or someone concluded their business with the IDA say, we'd like you to continue to assist us, they need assurance they would get the tax deduction.

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2 MR. YOUNG: From that point of view I
3 agree, makes it much more appealing.

4 MR. CAVENAUGH: You have certain
5 standards of accountability.

6 MR. JENKINS: In addition, the reason
7 we thought of this conversation with Jim, Jim
8 said, hey we have to figure out a better way of
9 helping to market this. Two ways, one attract
10 new folks to get engaged in that, but as well as
11 the people that have been participating that have
12 been doing great work that haven't decided to
13 come to the scholarship event. Maybe part of the
14 reason why because it's not a high level of
15 marketing surrounding that.

16 MS. GERRY: My question is, aside from
17 marketing I'd like to understand what we can do
18 legally because as an IDA if we can solicit all
19 of the entities that are listed on our chart of
20 active and all those businesses if that's legal,
21 and the complexities of setting up a nonprofit
22 under the IDA, probably have really good tools
23 for marketing but the legal parameters of
24 fundraising and context of an IDA format is the
25 bigger question. I guess what I would like it

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2 know, have we done any surveying of other IDAs or
3 looked at any regarding what they are doing for
4 scholarship funds or whatever models might be
5 appropriate under IDA, a market that is under
6 such scrutiny now?

7 MR. JENKINS: That is what Greg was
8 going to do from ABO, from a legal perspective,
9 the rationale of starting the conversation with
10 how do we get more people with based on the Board
11 members request to say, hey, we should take these
12 folks and we wanted to have a structured way of
13 doing that. So having the policy in place,
14 answering all the legal questions that have to be
15 answered, as well then being able to figure out
16 how to get that out, whether it's just a phone
17 call, but that was how we wanted to start to make
18 sure there was a structure in place that was
19 legal and that was repeatable on both sides for
20 accountability to the ABO, as well as to the
21 companies that are sponsoring these things.

22 MS. GERRY: I would wonder if five
23 companies, same five groups every year that give
24 the scholarships, if we ask board members to help
25 commit to making 10 phone calls in a year to 10

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2 companies. That's legal and appropriate, then
3 that's the best.

4 MR. JENKINS: Absolutely a great
5 question with the understanding that, again
6 trying to make sure we had a policy in place
7 because again all the Board members have been
8 very consistent in saying, hey, these folks came
9 in and how we got these scholarships in the past
10 was that phone call or a chat on the side. There
11 is a little gray area there that says we have
12 these benefits and someone shouldn't feel like
13 they had to do that.

14 MS. GERRY: People come in and are very
15 forthcoming about their need for a PILOT
16 assistance and tax abatement which has a direct
17 impact on our school district. So legally, are
18 we allowed to say, okay, here's your PILOT,
19 you're contributing to the school district,
20 contribute to our scholarship fund, there is more
21 legal questions than not. We ask them to
22 consider green buildings, this, that. I know
23 it's a side issue but they are asking for an
24 abatement of their school district taxes.

25 MS. CARDEN: I guess it would depend

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when you have that conversation when you ask them maybe after you're giving them the PILOT, and by the way, as opposed to before, they don't get it. Okay, trying to use it sort of a negotiation tool.

MS. GERRY: So if it's legal, why not ask?

MR. KISCHAK: Some of the companies time is ending, like Hyatt.

MR. CAVENAUGH: You have two more years to figure this out.

MS. MCGILL: One more.

MR. CAVENAUGH: So this is the time you can hopefully replace that \$25,000 a year. Next year you're going to be missing.

MR. JENKINS: So we have Greg looking at the legal aspects that we talked about from a framework perspective.

MS. MCGILL: We can additionally work with a survey.

MR. JENKINS: We asked Brian McMann to do, that he did send out that e-mail for us to the IDAs saying, hey, what are you doing? Wasn't a lot of information that came back from that.

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2 Again, there were some legal issues around that.
3 Again, don't want to say, oh, yeah, as soon as
4 they did this we ask them on the side.

5 MR. GRIFFEN: I will work with Ken.
6 This is a suggestion if you're comfortable with
7 him, the YEDC would receive and administer the
8 funds because there is a big push from the
9 Controller's office, that's why you're not
10 getting responses about IDAs not being able to
11 give grants or loans, they are taking it out of
12 context. This is suppose to be a fund just
13 administering locally, it would be correct but
14 lot less funded through YEDC, even though there
15 is one fund continuing with the Hyatt money, the
16 second thought is you have got the right
17 institutions because you can't condition
18 assistance on helping out my favorite charity.
19 It's quite frankly, the Hyatt would look at it it
20 was part of the PILOT negotiations and that was
21 appropriate at the time. I think Hyatt, quite
22 frankly, I think would be interested in some
23 point if you talk to somebody about extending
24 that.

25 MS. GERRY: I think we should explore

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2 all of it. I don't want us to be the one IDA
3 that goes sideways, does something we cannot do
4 legally ourselves in some administrative form.
5 One thing I would mention is that the Leadership
6 Counsel of the city's Strive Initiative is about
7 to select, sign a contract with an anchor entity
8 for managing all of the funds, and certainly as
9 the fiscal agent and data manager for the City,
10 White Strive, which includes a strong component
11 getting our graduates into college and keeping
12 them in, so that's a nonprofit. If we find
13 that's a place to do it as a nonprofit we can use
14 them as our fiscal agent, as well, for that money
15 and the city goals with regard to scholarships
16 and keeping kids in the school and kind of an
17 interesting link.

18 MR. JENKINS: So we have some research
19 to do to continue to flush this out. That's what
20 we'll be doing in time for the next governance
21 meeting. We'll get you some status.

22 MR. JENKINS: The last three items on
23 the review of By-laws, Mr. Chairman, guidelines
24 and procedures, and personnel policies and
25 procedures. Those three items, Mr. Chairman, our

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counsel is reviewing those documents so maybe you would like to put those on hold right now?

MR. KISCHAK: So we'll take a vote to put those three items on hold?

MS. CARDEN: Which ones?

MR. KISCHAK: Review of By-laws, review of guidelines and procedures and personal policies and procedures.

MR. JENKINS: If that suits you, Mr. Chairman, as they role out as opposed to trying to the wait for all three. As soon as there is a draft that Mr. Young has reviewed and said we can share that with the committee, Governance Committee, so you don't get a data dump that may be helpful. If that's what you'd like.

MR. KISCHAK: That's fine.

MS. CARDEN: Are you anticipating a lot of changes?

MR. YOUNG: No, relatively minor.

MR. KISCHAK: Is that including the first one?

MR. JENKINS: I'm sorry, I skipped over that. Healthcare contribution, let's go back. The YIDA staff for January this year is planning

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2 to have a healthcare contribution to be
3 consistent with what is going on in the city. So
4 we want to make sure that that happens. Do we
5 have a breakdown we can share with the Governance
6 Committee?

7 MS. MEHRA: Yes.

8 MR. KISCHAK: I am sure as in the past
9 it would be consistent with the the city.

10 MR. JENKINS: So in front of you right
11 now what we have is -- remember, the IDA also is
12 the entity that manages the WIB itself, whatever
13 policy would be consistent with the WIB,
14 Workforce Investment Board. The chart in front
15 of you Deepika.

16 MS. MEHRA: Just giving a breakdown of
17 what we are currently paying per month, WIB
18 employees as well as IDA. The WIB employees,
19 obviously whatever their payments are we do get
20 reimbursed for it. This chart was created based
21 off of 10 percent employee monthly contribution.
22 So employees will be responsible to pay 10
23 percent of whatever their health benefit charges
24 are. So overall, if you look on the right side
25 for WIB, if employees pay 10 percent into the

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contribution, we would be saving about \$10,000 annually. And with IDA, it's minimal but its about \$3,000 savings annually.

MR. JENKINS: So currently right now people pay for family coverage or --

MS. MEHRA: Not paying anything right now. Employees are not paying anything, IDA as well as WIB is taking all the charges.

MS. CARDEN: As well as the city employees?

MS. MEHRA: I am not sure about the city.

MR. JENKINS: So what we need to do for our purposes, we want to present this because we do want to make sure that effective in January that we have the contributions that would come in. We did alert all the Employees that this was coming down the pipe but I am not sure we did that in time for the period. What was the time frame?

MS. MEHRA: IDA doesn't need to wait on open enrollment, we can do this any time. However, if our Board decides to approve this we have to notify NYSHIP, it takes about three

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2 months. It's their timeline, 90 days, and then
3 also have to simultaneously alert all our
4 employees and make the changes.

5 MS. GERRY: We should figure out where
6 we want to go as soon as possible. I hope this
7 will be in place by the First of the year.

8 MR. JENKINS: Again, I think the NYSHIP
9 portion of it is more the accounting perspective.
10 It can't be in place, as Deepika just mentioned,
11 for IDA folks, I am not sure WIB is the same
12 thing.

13 MS. MEHRA: WIB has to adopt it with
14 their board.

15 MR. JENKINS: That is really the
16 question. So the only issue open question is
17 whether or not there is a family contribution, 10
18 and 20, I am not sure.

19 MS. GERRY: That's the standard in the
20 city is 10 and 20.

21 MR. YOUNG: Shouldn't it be the same?

22 MS. GERRY: I guess the conversation
23 from this group and the Board as a whole --

24 MR. JENKINS: One of the things we
25 found because our entity, the IDA staff, is small

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2 there is some things that we as the IDA can't get
3 involved in, for example, with the Disability
4 insurance that we have to have at least 10
5 employees to get additional insurance for
6 disability. So we are trying to figure out a way
7 around that. That's another item we asked Brian
8 McMahan about whether or not there was a way,
9 NYSHIP for IDAs, if you will, that they could
10 coordinate and bundle together so that you could
11 get a threshold level, because most IDAs don't
12 have 10 employees. In our case, we have the
13 majority of our staff, four out of the four of us
14 half of our staff doesn't have insurance, we
15 don't take it. But that doesn't mean from a
16 policy perspective we should do something that is
17 inconsistent. So we are trying to make sure it's
18 consistent, we'll make sure that's done. We have
19 a meeting in January so if it suits you, Mr.
20 Chairman and members, we'll make sure that we
21 have a Governance Committee meeting prior to the
22 January IDA meeting so the recommendation could
23 be made if that makes more sense.

24 MR. KISCHAK: That's fine with me.

25 MS. GERRY: Yes.

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2 MR. JENKINS: So we'll get that
3 information. It will be a very quick meeting to
4 deal with that so that we can have that presented
5 at the Board meeting. We'll work with your
6 schedules.

7 MS. CARDEN: So we are trying to adopt
8 this policy to be consistent with the City of
9 Yonkers?

10 MR. JENKINS: Yes.

11 MR. YOUNG: Yes.

12 MR. KISCHAK: Did we need a vote on
13 this?

14 MR. JENKINS: There is nothing to vote
15 on.

16 MR. KISCHAK: Okay, legal updates?

17 MR. YOUNG: None.

18 MR. KISCHAK: Other business? No.
19 Motion to adjourn.

20 MS. CARDEN: Motion.

21 MS. GERRY: Second.

22 MR. KISCHAK: All in favor?

23 (Chorus of Ayes)
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C E R T I F I C A T I O N

STATE OF NEW YORK)
) SS.
COUNTY OF WESTCHESTER)

I, Lynn Farrell, Court Reporter and Notary Public within and for the County of Westchester, State of New York, do hereby certify:

That I reported the proceedings that are hereinbefore set forth, and that such transcript is a true and accurate record of said proceedings

AND, I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand.

Lynn Farrell