

**MINUTES OF JOINT MEETING OF THE  
YONKERS INDUSTRIAL DEVELOPMENT AGENCY  
GOVERNANCE AND AUDIT COMMITTEES  
April 20, 2009**

A Joint Meeting of the Governance Committee and Audit Committee for the City of Yonkers Industrial Development Agency ("YIDA") was held in Yonkers, New York on April 20, 2009. Present were Audit Committee Chairperson, Cecile Singer, along with members of the Audit Committee, Martin Ball and Michael Baratta. In addition, Governance Committee Chairperson Peter Kischak and Joy Lawrence of the Governance Committee were present. A roll call was taken and a quorum was noted for the conduct of business. Also present was CFO Melvina Carter and General Counsel, Dennis E. A. Lynch.

Counsel Lynch indicated that the first agenda item was a review of the draft Corrective Action Plan ("CAP") for the YIDA. Mr. Lynch indicated that this was a proposed draft for consideration and approval by the Committees. Mr. Lynch provided background concerning the Office of State Comptroller Audit and the issues raised by the Comptroller and the proposed responses to address those issues by the YIDA in the CAP. Mr. Lynch indicated that certain of the CAP responses were practices followed by the YIDA previously and now were being incorporated specifically into written procedures. Committee Member Singer indicated that the importance of incorporation into written policy and procedures for purposes of auditing compliance in the future. Mr. Lynch indicated that any other comments by Members of the Committees on the draft would be most welcomed.

The Joint Committee discussion revolved around the fact that when a business makes a decision to relocate or remain in the City, business decision-makers want to do so where employees can live and work in a safe and inhabitable environment. Audit Chairperson Singer remarked that it should be noted the primary reason the YIDA engages in projects to preserve the City's existing housing stock, is that if housing is allowed to deteriorate it will make it difficult to attract industry to Yonkers. The entire idea of maintaining adequate housing stock permits the City to move forward and build an economic base which makes businesses attracted to the City of Yonkers.

Committee Member Kischak indicated that it was important in any procedures to reflect the improvements that YIDA projects have on the quality of life in the City. Committee Member Kischak referenced two recent YIDA projects that helped the quality of life of senior citizens in Yonkers, yet received little attention positively from the media and others. Mr. Lynch indicated that paragraph 1(D) of the CAP addressed that issue and that certainly to the extent the statutory authority of the YIDA permitted those projects to continue in the future it would certainly be important that efforts to address quality of life issues are memorialized in YIDA policies and procedures. Committee Member Singer stressed that any housing project must be authorized by the statutory powers of the YIDA and inquired of Counsel if the CAP met the statutory requirements. Counsel Lynch

indicated in the affirmative. A general discussion ensued by Committee Members concerning the need to identify with reference to the economic issues how attracting investments improves the quality of life throughout the City of Yonkers. The Committee Members also discussed the impact of a vibrant and safe City on attracting business investments. Committee Member Singer referenced the top concern of any business leaders in relocating their business to a City is that the City is attractive as a place of investment and for workers to live and work in. Counsel Lynch noted the "Broken Windows" sociology theory on how the quality of life impacted perceptions of the Community by conditions in the Community.

During that general discussion, a Member of the Media present during the Meeting, Hezi Aris, indicated that proactive measures by the YIDA in addition to reporting by the Media may assist in having the public better understand activities of the YIDA. A general discussion ensued by the Committee Members regarding appropriate steps that could be undertaken in that regard. Mr. Aris indicated that he would be willing to have an appropriate representative of the YIDA on his show with the next available date of June 9, 2009. Counsel Lynch thanked him for providing that information.

Counsel Lynch inquired as to any other comments to the CAP. Committee Member Ball inquired about the allocation of responsibility in the CAP. Committee Member Ball noted that many of the areas of responsibility related to the Chief Financial Officer. Committee Member Ball inquired about the level of work activities that the CAP would be imposed upon the CFO. Ms. Carter responded that the concerns of Committee Member Ball were appreciated, but that the issue of responsibility has been fairly allocated in the CAP and that YIDA employees assist each other in the areas where either CFO Carter or CEO Lynch have ultimate responsibility. Counsel Lynch indicated that the CAP area of responsibility was noted for accountability purposes primarily and not to define activity requirements only.

Committee Member Singer inquired about the verification of information in paragraph "4" of CAP. Counsel Lynch indicated this was a major issue raised with OSC and the response was intended to indicate that the YIDA working with professionals and consultants would appropriately attempt that verification. Committee Member Singer suggested that an engineering consultant might be the appropriate professional to review certain aspects of the costs involved in a project. A general discussion ensued regarding that issue. Counsel Lynch indicated that he would review what professional services are available to the YIDA and as required prepare an RFQ for purposes of identifying consultants.

Committee Member Lawrence and Committee Member Baratta inquired with regard to other issues with the CAP. CFO Carter and Counsel Lynch responded to those requests. There was a general discussion regarding the need to verify any information provided as set forth in paragraph "4" of the CAP. Committee Member Singer noted that an economist may not be the appropriate professional to verify information with regard to plans and other aspects of the application. Counsel Lynch indicated that the YIDA has access already to many professionals and to the extent the YIDA needed to have any

other professionals that an RFQ process could be pursued. Counsel Lynch presented to the Committee Members language that would reflect the foregoing with regard to paragraph "4". The Committee Members present indicated that the proposed changes by Counsel were appropriate. Committee Member Singer suggested that other paragraphs of the CAP be reviewed to have similar language and Counsel Lynch agreed to do so. Counsel Lynch indicated he would circulate a highlighted revised draft indicating the changes made for the convenience of the Board in reviewing the same.

Counsel Lynch indicated if the Committee Members had any other questions. Hearing none, Counsel Lynch inquired if any Committee Member would wish to make a motion to approve the CAP and that motion was made by Committee Member Ball and seconded by Committee Member Singer. The motion to recommend approval of the CAP to the YIDA Board passed unanimously.

Counsel Lynch inquired if any other business was to be considered by the Committee. Hearing no other business, a motion was made by Committee Member Kischak to adjourn the Joint Committee Meeting and that motion was seconded by Committee Member Lawrence and the motion passed unanimously.