

**JOINT
EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE
AND PHYSICAL SERVICES COMMITTEE
MINUTES
(REMOTELY)
MONDAY, OCTOBER 19, 2020
4:15 P.M.**

PRESENT: Paul Ruskiewicz, Chairman (Education and Economic Development)
Barry Cheney, Joseph J. Minuta, James O'Donnell, Rob Sassi,
Joel Sierra, Kathy Stegenga, Laurie R. Tautel

Barry Cheney, Chairman (Physical Services)
Leigh J. Benton, Katie Bonelli, James M. Kulisek,
Michael D. Paduch, Paul Ruskiewicz, Peter Tuohy, Joseph J. Minuta

ALSO

PRESENT: L. Stephen Brescia, Chairman
Michael Amo, Independence Party Leader
Thomas J. Faggione, Legislator
Kevin W. Hines, Legislator
Kevindaryan Lujan, Legislator
John S. Vero, Legislator
Antoinette Reed, Legislative Counsel
Harold Porr, Deputy County Executive
Damian J. Brady, Chief Assistant County Attorney
Eric Ruscher, Director, Real Property Tax Service Agency
Bill F. Bill Fioravanti, Director, Economic Development
Amanda Dana, Tourism Director
Deborah Slesinski, Budget Director

Chairmen Cheney and Ruskiewicz opened the committee meeting at 4:18 p.m. with a moment of silence and followed by the Pledge of Allegiance. All committee members were present.

Mr. Cheney stated that this meeting will be for discussion with Legislators, Deputy County Executive and counsel regarding the proposal for the sale of the Grand Street properties in Newburgh, New York which is subject to executive session.

Mr. Cheney thanked all Legislators who submitted their questions. The questions received responses over the past few days. There were two questions outstanding and it was indicated that the answers were forthcoming.

Ms. Reed interjected and stated that she reviewed the responses received by Mr. Brady and the only response subject to the open meetings law is the outstanding balance on the bonds and any other information regarding the bonding of the acquisition of the buildings. Everything else would be subject to attorney client privilege. The issue regarding

Mr. McCarey is also subject to attorney client privilege as he is no longer a county employee and has since retired.

Mr. Paduch stated that the outstanding balance of the bonds issued appeared to have an error on the principle amount which showed \$33,626 in interest but should be \$333,626. He was concerned because they are looking at a \$1 million proposal and a \$250,000 proposal to purchase the buildings. The county paid \$3.5 million and they already paid \$398,454.35 in interest. He suggested the Legislature do something different to try and get back a better asking price. They should take \$1 million down and let the purchaser pay them back \$100,000 each year for thirty years.

Mr. Cheney interjected and stated that would be subject to attorney client privilege.

Ms. Stegenga requested clarification when the bonds would be paid off in full. There were two answers provided. The recent response they received states that the final payment on all three properties will not be complete until 2034 but when the question was answered originally it was 2025, which is a big difference. There are about \$800,000 in payments already made on principle and roughly \$300,000 on interest. If that is correct, their last payment would be 2034.

Mr. Cheney stated that it appeared to be confusing and asked for more clarification.

Mr. Porr provided rough figures stating that the county paid over \$3 million for the three buildings, they paid about \$1 million of that and there is a little over \$2 million outstanding.

Mr. Brady stated that the schedule they received showing the three different borrowings with the last one being paid off in 2034 is the correct one they should refer to.

Mr. Tuohy asked once the property is sold, does that amount of money go towards the general balance or towards the remaining debt.

Ms. Reed explained that was addressed in Local Law 12 of 2020 where any proceeds from the sale would be used to reduce the bonds and the county would be responsible for the remaining balance of the bonds.

Mr. Paduch clarified that any money they receive from the sale would be put towards the bonds and the remaining amount they would need to pay off.

Ms. Reed confirmed he was correct.

Mr. Paduch stressed that was why they cannot sell for that amount.

Mr. Paduch referenced a question submitted regarding how the sale will address the Maple Building leasing commitments to tenants and the parking issues. The response was due to upcoming vacancies in the Maple Building at the end of the year, the county can consider selling the back parking lot. He questioned how many tenants were in the Maple Building and is this because they no longer want to lease the space.

Mr. Paduch made the motion to go into Executive Session at 4:36 p.m. for attorney client session to discuss the potential sale of the Grand Street properties in the City of Newburgh, seconded by Mr. Minuta. (Physical Services)

Ms. Stegenga made the motion to go into Executive Session at 4:36 p.m. for attorney client session to discuss the potential sale of the Grand Street properties in the City of Newburgh, seconded by Mr. O'Donnell. (Education and Economic Development)

Ms. Bonelli made the motion to come out of Executive Session at 6:08 p.m., seconded by Mr. Paduch (Physical Services)

Mr. Minuta made the motion to come out of Executive Session at 6:08 p.m., seconded by Mr. O'Donnell. (Education and Economic Development)

Ms. Bonelli stated that the next step she would like to take would be to discuss this with the full Republican Caucus and she was sure Minority Leader Paduch would like to do the same. She was prepared to call a caucus meeting whenever necessary based on direction from the County Executive's office and the review team once they have the information and are ready for them to review the revised proposals, if any.

Mr. Cheney clarified that Ms. Bonelli was referring to the best and final offer that Mr. O'Donnell suggested to the proposers to submit. This would allow them the opportunity to review that information.

Ms. Bonelli confirmed that was correct. She will work with them to schedule a meeting as quickly as possible to avoid delaying the project.

On the motion of Mr. Paduch, seconded by Ms. Bonelli, the meeting adjourned at 6:12 p.m. (Physical Services)

On the motion of Mr. Minuta, seconded by Mr. O'Donnell, the meeting adjourned at 6:12 p.m. (Education and Economic Development)

