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Chairman

Joseph P. Richardson
Secretary

Sam NeJame
Assistant Secretary

Brian T. Stenson
Treasurer

Victoria Stanton Sweeney
Member

Mark Hennessey
Member

Stephen P. Rosenblatt
Member

TOWN OF BETHLEHEM

Albany County - New York

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MINUTES FINANCE COMMITTEE MEETING February 3, 2011

A meeting of the Town of Bethlehem Industrial Development Agency Finance Committee was convened in public session in the Bethlehem Town Hall, 445 Delaware Ave., Delmar, NY at 3:30p.m., on Wednesday, February 3, 2011.

Attendance was recorded as follows:

Committee Members Present	Committee Members Absent	Counsel Present	Town Staff Present
Frank Venezia Victoria Stanton Sweeney Brian Stenson			Suzanne Traylor Thomas Connolly Terry Ritz Robin Nagengast

Chairman Venezia called the meeting to order at 3:35p.m.

APPROVAL OF MINUTES

A motion was made by Chairman Venezia, seconded by Ms. Sweeney, to approve the minutes of the Finance Committee Meeting held January 26, 2011. Mr. Stenson abstained due to absence.

CHARTER/RESOLUTION

The Finance Committee reviewed the draft charter, a two page document that outlines the duties of the committee and frequency of meetings. There was a brief discussion which resulted in a couple of small edits.

Upon motion made by Mr. Stenson, seconded by Ms. Sweeney, the following resolution was unanimously adopted by all Members:

Resolved, that the Finance Committee approves the Finance Committee Charter. (Attachment A)

Vista Fee

The Finance Committee should recommend a fee for issuance of the bonds for the Vista infrastructure project. There was a discussion of what should be included in the fee and how to estimate costs. It was agreed the fee will have three components:

- 1) an application fee of \$50,000 for pre-closing expenses with \$10,000 non-refundable and with the unexpended balance of \$40,000 to be refundable.
- 2) an Agency fee in the neighborhood of \$200,000 to \$250,000.

3) an annual administrative fee of 5 basis points on the face amount of the bonds until the bonds are paid in full.

Mr. Stenson advised that he views the Agency fee as having two main uses, both unrelated to the costs of the project: 1) to pay the Town pursuant to the Service Agreement and 2) to provide a seed fund for economic development activities.

There was further discussion about project costs and the costs of bond issuance. Ms. Traylor offered to research annual fees charged by other agencies and Mr. Connolly offered to ask some bankers what they might charge to help make a determination.

Chairman Venezia tabled the topic until more information is available.

Mr. Connolly advised the Committee that the Agency's Procurement Policy states that public works projects over \$20,000 require a public bid process and to award the project without a bidding process would require amending the Agency's Procurement Policy.

[Ms. Traylor excused herself.]

Financial Consultant

Chairman Venezia said that pursuant to the procurement policy he had approved hiring financial consultant Jeanine Rodgers Caruso for up to \$1,000 of billable hours to advise the Agency on the financial structure of the Vista project. Mr. Connolly requested that the Committee engage Ms. Caruso for an additional \$4,000 of billable hours for a total amount of \$5,000. Chairman Venezia reviewed the applicable section of the Agency's procurement policy and discussed the financial consultant's credentials and past work experience with the Town.

Upon motion made by Chairman Venezia, seconded by Mr. Stenson, the following resolution was unanimously adopted by all Members:

Resolved, that the Finance Committee approves retaining financial consultant Jeanine Rodgers Caruso for financial advice for an additional \$4,000 of billable hours not to exceed a total of \$5,000 of billable hours.

Non-Agenda Discussion

Mr. Stenson had circulated an email to the Committee with a list of additional questions about the Vista project that may fall under the Finance Committee's purview. Mr. Ritz advised the Committee there is a Town staff meeting February 10 regarding Vista. There was a discussion of what the next steps are for the conceptual document that was approved by the Agency on January 14 and also what is the timeline of the approvals through the 20/20 Implementation Committee and the Town Board.

MOTION TO ADJOURN

A motion to adjourn was made by Chairman Venezia, seconded by Ms. Sweeney, and approved by all Members at 5:07p.m.

Respectfully submitted,
Robin Nagengast

**TOWN OF BETHLEHEM
INDUSTRIAL DEVELOPMENT AGENCY
DRAFT FINANCE COMMITTEE CHARTER**

Purpose

The members of the Town of Bethlehem Industrial Development Agency (“Agency”) established the Finance Committee to oversee the Agency's debt and debt practices and to recommend policies concerning the Agency’s issuance and management of debt.

Duties of the Finance Committee

It shall be the responsibility of the Finance Committee to:

- Review proposals for the issuance of debt by the Agency and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the Agency.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Agency, and to oversee the work performed by these individuals and firms on behalf of the Agency.
- Meet with and request information from Agency staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the Finance Committee may deem appropriate.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Agency and its subsidiaries.
- Annually review the Agency’s financing guidelines and make recommendations to the board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a pledge of revenues, financial covenants or debt service reserves.
- Undertake such other responsibilities as may be requested by the Agency's board.

Composition of Committee and Selection of Members

The Finance Committee shall consist of not less than three independent members of the board of directors, who shall constitute a majority on the committee. If the board has less than three independent members, non-independent members may be appointed to the committee provided that the independent members constitute a majority of the committee. The Agency’s board shall appoint the Finance Committee members and the Finance Committee chair. Members shall serve on the committee at the discretion of the board. Members appointed to the committee shall have the background necessary to perform its duties.

Meetings

The Finance Committee shall meet at such times as deemed advisable by the chair, but not less than twice a year. The committee must meet prior to any debt issuance planned to be undertaken by the Agency.

Members of the Finance Committee are expected to attend each committee meeting, in person or via telephone or videoconference. The Finance Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present or participating through telephone or videoconference shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to Finance Committee members along with briefing materials five (5) business days before the scheduled Finance Committee meeting. The Finance Committee may act only on the affirmative vote of a majority of the members or by unanimous consent. Minutes of these meetings shall be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.
