BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Audit & Finance Committee Meeting Transcript

Held telephonically, October 7, 2020, commencing at 10:01 a.m. Adjourned at 11:24 a.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Stevens: I'd like to call this meeting of the Broome County IDA Finance Committee to order. Thank you all for being on board. And, the first order of business is to accept the minutes of the March 18th Audit & Finance Committee Meeting. Are there any corrections, questions regarding those minutes? And, if not, I'd like a motion to approve.

Mr. Mirabito: So, move.

Chairman Stevens: Joe moves. A second?

Mr. Crocker. Second. Dan.

Chairman Stevens: Dan. Dan, we recognize your voice.

[Laughs.]

Ms. Duncan: That's nice.

Chairman Stevens: Okay, all those in favor?

Unknown: [I -- in unison.]

Chairman Stevens: Opposed? Minutes approved. That brings us to Public Comment -- and I don't see anybody from the public on board. I assume Mr. Lake is here because he's with NBT. He's not the public. [Laughs.]

Mr. Lake: I am not the general public.

Chairman Stevens: Okay -- and I guess I should say welcome Jeff, to our meeting. Thank you for being here. That's very nice.

Mr. Lake: Thanks.

Chairman Stevens: And, that brings us to the next order of business, which is our Investment Review by Mr. Eaton. So, Brad, I shall turn it over to you.

Mr. Eaton: Thanks, John -- and speaking with Jeff earlier in the week -- you know, I indicated I'd be joining the call here and asked Jeff just to join along for a minute to say a few words at the onset, and then I'll move along to the Investment Report. And, once Jeff has a chance to say a few words, I'll share the screen with you on the report that I'll be working through. And, I just want to make sure [everybody] has a chance to be able to see that, as we're going through it. So, Jeff, why don't you go ahead, and then we'll bring [the] report up.

Mr. Lake: Sure -- and I'll be brief, folks. I was only half kidding when I said I've missed you. When I talked with Brad -- this -- about you having this meeting, I asked if I could jump in, because I wanted to have the opportunity to see you all -- those

are partners that we haven't been meeting with or speaking with as much as we'd like to -- and I just wanted to again, thank you for your continued confidence in NBT -- and in handling your investment portfolios and your needs. So that's really all -- just to say it's good to see you all. I hope to see you all again, soon, and thank you for your continued partnership with us, and confidence in us -- and, the rest goes to Brad.

Chairman Stevens: Well, Jeff, while you're here, I just want to say, as the Chairman of the Finance Committee, and Treasurer, that the service we receive from NBT -- anybody we're dealing with -- it's been excellent, quick to respond. Brad's been outstanding -- he's been very helpful on the investment portfolio -- so, the pleasure is all ours.

Mr. Lake: I appreciate that very much. Thanks, John.

Ms. Duncan: Yeah, and I'll just echo that from internal -- any issues we have -- if we have to reach out to NBT for any reason, whether outside of just our investments -- it's just been a tremendous team to work with, so, we do appreciate that.

Mr. Lake: It is a team sport, and we appreciate your saying so.

Chairman Stevens: Thanks, Jeff.

Mr. Lake: Thanks.

Mr. Eaton: Thanks, John.

Chairman Stevens: I guess it's all yours again.

Mr. Eaton: Okay. So, I'm going to take a moment and attempt to share the screen here with everybody, so that we can see -- here we go. Can everybody see the presentation -- the title page there?

Unknown: [Yes -- in unison.]

Mr. Eaton: Okay. So, as we go through this, admittedly, there'll be a couple reports where the print may be a little bit small and a little bit more difficult to read. So, if there's [sic] any questions, let me know -- but I'll kind of guide everybody through it -- but essentially, what I've included here is an update of the monthly report that I would typically send over to The Agency. And, I share this with John, with Stacey and the team over there. And, essentially, it's a recap of really -- kind of, the activity for the month -- what's been

going on. We typically would include a cash flow report, some holdings, some maturity reports, and those sorts of things, so we can see what's going on within the portfolio. And, it gives an indication -- to kind of -- what I look at on a regular basis when I'm reviewing the investments. So, what I've done is I've taken the -- essentially, the traditional monthly report, and I updated it to really give us a better snapshot of where we stand here on October 7th, as opposed to 9/30. So there -- obviously, there's been a lot of changes in things here in the US that directly affects your portfolio -- and, most importantly, what we really want to talk about is the impact of the drastically-reduced interest rate environment. As most of you know, going through 2018, 2019 -- you know -- the economy was humming along -- interest rates -- it had gotten really to the point where the Fed Funds Rate was around to 225, 250. That played very well into your portfolio, because you've got a relatively short-term portfolio with a maximum maturity of five years. We typically were running a duration of about two and a half years, so right -- really, in that sweet spot -- and things were really moving along well. When we got to the last quarter of

last year, there were a couple of Fed -- a couple reductions to the Fed Funds Rate -- really just to try to balance the level of economic growth. We were seeing a bit of a slowdown; the Fed was trying to prevent a recession. They made a couple of moves that really seemed to be working -- and all of a sudden, we get to March of 2020. The Coronavirus makes its way across the ocean and all of a sudden, we're hit with it -- with a pandemic situation, where the Fed had to intervene -- and, essentially, throw that Fed Funds Rate down to zero. So, what we're seeing is a gradual change in the impacts in the portfolio as securities mature, and we've got to find new securities to replace them with. John knows very well what I'm talking about -- we speak a couple times a month, at least -- about the strategy that we've got to try to replace those securities. But, as we know -- and I'll talk much more about it -- it's certainly -- it's virtually impossible to find anything out there in the market -- certainly anything that's acceptable to your investment policy that we can buy, to replace those yields. So, we'll talk about strategy, we'll talk about the impact that those lowered rates have had on

the portfolio and what we expect that further impact to be over the next couple of years.

You'll see on the title page -- Jessica Blake is a trust officer who is my partner, really, on this portfolio -- does a lot of work behind the scenes. Jessica was not able to be here -- she's met with a group in person before, but she was not able to be on a call this morning -- so, I just wanted to acknowledge that. What we're looking at here is really just a summary of what the investment portfolio looks like -- a really -- our asset allocation -- we do not hold cash or money market in this portfolio on that -- as by the investment policy, or by the state restrictions. Essentially, for those who don't know, what we do is -- on a daily basis, any income that comes over to the portfolio, we automatically sweep that into what we call the transition account, which is a deposit account. When we have a maturity, we manually move those proceeds over to the transition account. And then, when we find a reinvestment opportunity, we pull those funds back over from the transition account into this portfolio. So really, our goal here is to always maintain a zero balance and the money market periodically, depending upon the

cutoff date. If we get a maturity that comes due on the very last day of the month, and we miss the sweep time, you may find a little bit of cash in there -- but then, automatically the next day, we'll get that cash moved right out. So, you'll see, as of the end of business yesterday, the current market value of this portfolio was $7,000,386.00 -- or three -- $7,386,674.83, versus our cost basis of about 7.2 million, which means that we've got some unrealized capital gains of roughly $140,000.00 in the portfolio right now. If we move over to the right-hand column, we'll see that the income -- [it] is expected that with the securities we currently hold -- we would expect over the next 12 months to earn income of about $143,500.00. This is important, because this is what we're going to see declining with that rating -- with the rate decreases that we've seen. So, our total yield right now is about 1.94%. That's down from a little over 2%. And, our allocation is 100% of fixed income, and that is entirely US Treasuries at the present time. We do have the ability to purchase some Federal Agencies and certain CDs that have home offices in New York State; however, just given the interest rate environment that we've seen over the

past several years, there hasn't been much available on the CD side, and, certainly not anything that would pay yield high enough to warrant the extra risk that we'd be taking by buying those. So, we did hold some CDs early on, as they had matured -- just the climate was changing -- and there really wasn't anything attractive to replace those with -- so we've been sticking with treasuries.

The next page here is just our maturity ladder. And, you'll see that -- what we have [is] a five-year maximum maturity. By policy, our furthest maturities out right now go out to 2023. The reason being -- is that -- given the rate of variant that we've seen over the past several years, there's been no additional reward -- the yield curve has been very flat. So, there's been no additional reward to going out any further than 2023. So yes, you could try to find a maturity -- 2024, maybe 2025 -- if you're able to go out that far, but the yield of the spread was only a couple basis points -- in doing that. So, you take on additional risk by going out further on the yield curve, for taking that additional time in maturity. So, one of the things that we've got to talk about, and one of the concerns we've got -- and

we'll talk more about this -- but, the Fed did indicate early on in the pandemic crisis -- after they had cut rates -- that they likely wouldn't be looking any sooner than late in 2021 to begin increasing rates again. Now, that’s changed a little bit -- guidance had been pushed out to 2023 at one point in time. But, most recently what the Fed has said they're looking for is an economy that is able to sustain some growth and to sustain an inflation rate above 2%. So, what that means is they're looking for some inflation, which would be a sign of some economic strength. Certainly, they're looking for improvement in the unemployment rate, and so on. But they're looking not only for a short-term inflation rate of 2% -- which we may see, given certain conditions -- but they’re looking for an economy that can sustain that 2% inflation rate for a period of time. So, they’re really no longer saying -- hey, it'll be 2021, or 2023 -- but we're looking for an economy that can sustain that inflation rate for a period of time. Our concern is that everything that we're seeing right now -- given the circumstances surrounding the pandemic and the changes to the economic environment that we've seen created by that -- we don't expect the Fed to be

able to entertain rates or rate increase [sic] anytime sooner than late 2021, early 2022, or beyond -- because if they're looking for some sustained inflation, they're probably going to be looking at least a couple of quarters of inflation at an annualized rate of 2%, or better -- and, I think that would push us out to at least 2022. So, what's that -- what that means is -- this large gold bar you've got here -- essentially, the bars are -- you know, the blue bar is securities maturing this year in 2020. The gold bar is our securities maturing in 2021. The green bar matures in 2022, and so on. So, [in] 2023, we've also got a few maturities. So, the concern is that if the Fed is not looking at raising rates -- say, until 2022 -- we've got much more than half of the portfolio maturing off, at yields of 2%, or a little under -- and, as John knows -- right now, when we're buying securities, it's difficult to find a treasury or something that would meet the criteria of the investment policy, that is really getting much more than 10 to 12 basis points. So, just -- if you think about that -- and to give you an idea, if we took the entire balance of the portfolio, and we look at, you know -- if we look up here on the right-hand

side up on the top of the page -- you'll see that the income based on maturities is expected to be about $143,000.00. If we were to reinvest that into the current economic climate and the current interest rate climate, we'd be looking at that hundred and forty-three, dropping down to about $17,000.00. So very, very dramatic and a very significant impact. We have seen -- actually, over the past couple days -- a little bit of steepening in the yield curve of a couple basis points -- it doesn't mean an awful lot. There are some things that can lead interest rates to rise a little bit on their own, outside of Fed action, and we hope to see that, as just -- in general, [the] economy continues to improve a little bit -- but it's not going to be an awful lot. So -- you know -- we would be lucky, we think -- you know -- under good economic conditions -- absent a Fed increase -- if we could see something within this five-year maturity range, yielding 25, 30, 40 basis points -- that would be very optimistic. So, essentially, we're looking at a climate -- going forward -- which is going to be very difficult to maneuver, given the circumstances that we're in.

Yeah, the next page is just kind of a recap -- over on the left-hand side towards the bottom -- you'll see in dollar terms what we've got maturing off this year. So, about $800,000.00 in 2020, a little over four million in ’21 -- about a million and a half in 2022, and another $800,000.00 in 2023. The reason we're overloaded here in 2021, again, is -- this was -- over the past couple of years -- this maturity range was really the sweet spot where you could get the best yield, really, at the least amount of risk. So really, we could only get a couple basis points by going out -- to say, five years -- and it just did not make sense. Suddenly, if rates moved up -- you know -- you'd be unable to capture any benefit from that. Again, just an asset allocation to -- showing our entire portfolio is invested in treasuries -- and, here is a glimpse at the actual portfolio. One thing to point out -- is if you kind of, work your way over towards the right-hand side, and you look at the gain/loss column -- generally, the ones where you'll see a small loss or security, to be bought more recently. What we have found is that -- as we've been reinvesting, we've been having to pay premiums to get a little bit more yield. So, we’re able to find some

securities with coupons -- of say, one and a-half [sic], one and three-quarters -- maybe one and three-eighths percent -- pay a premium for them -- which means that you're certainly not going to get that -- you're not going to get that entire coupon, again. We've been fine -- we've been getting about 10 or 11 basis points, maybe 12 basis points on a security with a coupon of 150 basis points. So, we do have limitations on the premiums that we will pay -- typically, not over three percent on a premium. Generally, what we've been finding is we've been paying premiums of one to two percent over the par value, just to be able to get a yield that we believe is the most competitive, at this point in time. So, again, you'll see that -- you know -- the total balance and portfolio, as of yesterday -- about 7.4 million. Really, there's only a couple thousand dollars in the transition account, right now. We swept most of that over, the first couple days in the month when we reinvested. Are there any questions about the composition of the portfolio, or the current rate environment? Before I get into -- I'm going to get into a bit more discussion about the economy and what we expect going forward -- but if there's [sic]

any questions about the portfolio itself, I'd be happy to answer those right now.

Chairman Stevens: Go for it, Brad.

Mr. Eaton: Okay. So, we've got a -- and I'll send this out electronically to the group that's part of the monthly distribution list following the meeting and they can distribute however they would like. Much of this portion on the economy in the market talks about the impact of Coronavirus in the COVID pandemic. A lot of it relates to the impact of the stock market. I don't want to get into that, but I certainly can entertain questions. But what I want to highlight, is a few slides -- that really are the things we're looking for. So, we talk about unemployment -- is a big issue. If we look at this slide, right here -- we look over towards the right-hand, far right-hand side -- is a little bit difficult to see -- but the unemployment rate peaked out at about 15% of the employable base, back in April. And again, when we looked at the pandemic -- shutdown in the economy due to the pandemic -- we recognize that we were going to see some of the worst economic numbers that we've ever seen. And, that's actually what came to fruition. We saw unemployment numbers,

we saw GDP numbers, CPI numbers, all sorts of economic indicators, that turned out to be far worse than actually, the Great Depression. But the one comforting thing to know was that -- you know -- this was a self-induced economic shutdown, so these numbers were created because we had to shut the economy down to try to stem the flow of the virus. In actuality, most economists would agree that the economy has been recovering better than when -- what was anticipated early on. So, if we think about that -- that 15% unemployment rate back in April -- this chart here -- this graph stops in July, when it was 10.2%. But as of September, the unemployment rate was back down to 7.9%. Still very high, when we were coming off a rate that was closer to 2%. But when we think about the historic 50-year average unemployment rate, which is a little over 6% -- you know -- we're getting closer to what that historic [inaudible] was. Problem is that once we get down to that set -- say 7%, or seven and a half percent unemployment rate -- to get back down to say, two, it's going to take quite some time, because we think a lot of these jobs -- especially in the retail, travel and leisure -- you know -- the restaurant industry -- some of those jobs are going to

take a very, very long time to come back, if they ever come back. But what we expect in the employment sector is -- we expect that a lot of those jobs in say, leisure, restaurants, and so on -- while they -- those may never come back -- those jobs may never come back to those sectors, we do feel that there are other areas -- we're seeing signs of that -- other areas where those jobs can transition into. So, whether it be production, that may be brought back to the US from other countries -- which we expect is going to be a strong push. You know, one of the things that the government -- I think -- learned early on in the pandemic -- was that we can't completely rely on production overseas. We were hampered by -- you know, inability to get PPE and all sorts of other equipment at that point in time. So, there's a commitment to bring those -- some of those production jobs back. But what that means is we're going to have a transition in the labor force, very similar to what we saw in the last -- the Great Recession -- where workforces need to be retrained for new types of jobs -- you know -- there's a lot of jobs that are still available out there, but it's going to require people transitioning from one sector of the economy to

another sector -- and that could take a few years. So, while we may get down to say that 7%, 6% -- you know -- optimistically 5% over the next year or so, it's going to take a long time to get back to two [percent].

What that means -- and that will filter directly down to the conversation we're gonna [sic] have about interest rates -- I'll stop briefly here to talk about the shape of the economic recovery. If you think about [it] in general economic terms, there's a few different letters that are used to associate with an economic recovery: one being a V-Shaped Recovery, which is the sharp economic decline followed by a sharp rebound. There's a U-Shaped [Recovery], which is a sharp decline followed by a little bit slower, but then steepening rebound. An L-Shaped [Recovery], which is a sharp decline followed by a very prolonged slow-growth environment, and then, there's some variations of that. And, one of the things that was -- kind of a newer one -- that was put out there during the presidential debate, was a K-Shaped Recovery. And what that is -- that's really looking at more of a micro-look at the recovery itself. It's not one of the classic examples. But, a K-Shaped Recovery is one

where different portions of the population -- based upon affluence and other sorts of things -- will recover at different rates. So, a K-Shaped [Recovery] -- we think of the downturn, very sharp, and then, the recovery being those with -- you know -- typically the higher wage-earners, those in the sectors that are not as affected -- you know -- the lower-wage industries that we're seeing right now -- will recover more and more quickly, while some of those lower wage portions of the economy will actually decelerate over the next year or two. So, that's when the candidate -- Vice Presidential [Candidate] Joe Biden was talking about a K-Shaped Recovery -- that's what he was referring to. But we actually see from a bigger picture -- a macro look is more of what we consider to be like a W-Shaped or Staggered V, where parts of the economy are opening up at different times, so that general trend is upward, but it's going to be a little bit choppy.

I'm going to go straight to a couple charts on interest rates to kind of show you what we're looking at right now and where some of our concerns are, and then we can back up to any of these others, if people have questions. So, here we are -- historically-low interest rates. This is the yield on

a 10-year Treasury. We think about the nominal yield, and, as we think about -- the, actually -- the current interest rate, as of June 30th 2020, the 10-year Treasury was trading at a yield of about 66 basis points. When I talked a moment ago, about the curve steepening a little bit over the past few days, we saw that 10-year Treasury creeping up to somewhere in the 70s. So, it's up about 10 basis points, since then. As we see the economy generally improve over time, I do expect that may increase a little bit. But again, that's a 10-year Treasury -- that's five years beyond the maximum maturity we would be looking at.

So, let's take a look at a different yield curve -- and let's take a look at -- well, this is the differences [sic] in the yield curve over the past several years -- past five years, really. So, that light blue line versus 9/1/2020. That's what the current yield curve looks like. So, yields [are] very, very low -- very, very flat yield curve -- going all the way out to about three years and then gradually starting to increase. So, on a five-year treasury, ideally, maybe you could get a yield of say, 20 to 25 basis points. However, those are for trades that are being done in the hundreds of millions of

dollars. You know, when we're looking at a few hundred thousand dollars, which are generally the larger trades we do, you've got to trim some of that off, so maybe you're getting about half of that, or maybe a little bit more. So, what we're looking for -- is we're looking for that curve to steepen a little bit at the shorter end to give us some additional benefit. These other lines are just what the yield curve looked like -- say, the red line. If we look a year ago, short-term rates -- one month -- a little over 2%, gradually declining. And when I talked about us trying to stay a little bit short of two years at that time, again, that was because the best yields that we were finding, were right around that one-year spot. And again, there was no risk -- if you went out to five years, you'd actually be getting less yield -- at that point, we had an inverted yield curve. So, what we expect to happen as the economy continues to improve, we expect that light blue line to start steepening, and we're hoping to see it start steepening around that two-year mark, which is what we're generally expecting to see -- although it won't be a significant increase until the Fed raises rates.

When we think about where we are, going forward, and what to expect, and how this may impact the portfolio, we want to look at what's called the Forward Yield Curve. So, what we're looking at here, the dark line, at the bottom -- kind of trending upward -- is actually the Current Yield Curve. Well, this was actually as of August 28th, so a few weeks ago. The one-year forward is essentially what the market expects the yield curve to look like one year from now, based on the current environment and some expectations going forward, and then the blue line, is the five-year forwards. Okay, five years down the road, where does the market expect interest rates to be? So, that one-year forward curve is not terribly encouraging. We do see a slight increase over where we are right now, from basically the one-month out to the two-year and that's just expected to be general economic improvement, along with a steepening of the curve, to go along with that. So, [in] three years, we would expect to see a little bit of steepening -- five years a little bit more -- seven years and on out. And, then five years down the road -- what's expected right now is to have a Fed Funds Rate of a little above 1%, and maybe a bit of a flattening --

that curve isn't quite as steep, but the good news is -- it's certainly higher out to five years than where it is right now. So, the most challenging environment, or the biggest challenges we're going to have in managing the portfolio, is if we look one year out, where we've got a big chunk of the portfolio maturing, where are we going to be able to reinvest that? And what we're looking at is -- say one year out -- you know, if we've got a couple million dollars that have rolled off, or several million dollars that rolled off, we've got to reinvest -- we're going to be looking somewhere in this -- probably two-year to five-year range. And, what I would expect -- is if the yield curve does steepen, and we have some opportunities to maybe go out to 3, 4 years -- and it's pretty steep at this point -- we might look at maturities there. But, we don't want to overload the portfolio with maturities at three to five years, when we do expect that at some point along the way, the Fed is going to increase rates -- you know, we don't want to lock-in a yield of 50 basis points, if we expect that a year down the road, the Fed is going to increase rates by another hundred basis points or fifty basis points or whatever might happen to be.

So, we're going to have to be pretty nimble in managing the curve and managing our reinvestments as we go out over the next year or so. And, this is really what's in the forefront of our minds. And, we'll continue to monitor these forward curves and the expectations for rates going forward.

Again, this is just a look at global interest rates. All of these -- it's very difficult to read, because of the size of the of the text -- but I'll tell you that everything shaded in red, are countries that are experiencing negative interest rates. So, red is negative. Gray is yields between zero and 1%, which is the majority of -- kind of the developed world right now -- and you'll see that anything above 2% is very difficult to come by -- in fact, only Italy has anything yielding above 2%, and that's their 30-year government bond. So very, very challenging environment, not only here, but all over the world.

Again, you know, other options for the portfolio -- we talked about CDs being an option. One thing we're seeing out in the market for CDs right now is there's [sic] very few institutions that are actually issuing CDs at the moment -- especially in

the markets that we're dealing with -- that we're actively trading on. And, most of those that we're seeing that had anything that's attractive are typically Chinese banks that have some offices in New York State. So, they technically would qualify as an investment for the portfolio, because they do have a hub office, perhaps in New York. But, they're Chinese-based banks, and we've got a lot of concern over the regulatory environment over in China -- and we're certainly not inclined to be buying those issues. So, the expectation is that unless we see something pop up on this -- on the front of Federal Agency Notes that might qualify, we're really going to be looking at treasuries. That's where we have been from a security standpoint -- that's a great place to be. And, there just hasn't been an awful lot of reward-looking elsewhere. One of the things that we've done, kind of in recognition of this -- and I talked to John about this the other day -- is that realizing the difficult environment that we're going to be looking at going forward -- at least for the next couple of years -- we reached out to John the other day and offered to lower our investment management fee, from the 25 basis points that it's

been set at for the past several years, down to 10 basis points. And that's really just in recognition of the fact we understand it’s going to be a very tough environment going forward. The Agency has been a great business partner of ours over the past six years, and we certainly recognize that, and we feel that it's kind of our obligation to partner with you through this -- to kind of help you guys navigate this environment. So, we want . . .

Chairman Stevens: Brad, let me just jump in there and just say to the committee, that change saves us about $11,000.00 a year, approximately.

Mr. Eaton: Right. So, at least -- I mean -- our biggest concern was, we didn't want to find The Agency in a position where your portfolio earnings were completely eaten away or eroded by the fee. So granted, you know -- if we look -- if we expect a year down the road, or a couple years down the road -- kind of, a worst case scenario of your income dropping, say from 140,000, down to say 17 or 18,000 -- like I talked about, you know -- certainly half of that might be taken by fee, but certainly not all of it. So, it's just a -- we understand it can be a tough environment -- we wanted to make sure that you knew

that -- kind of, knew our positioning, and in the valueship that we play in our partnership. It's just -- it's going to be a tough road to haul and we recognize that.

Are there any questions at all about our outlook? Or about the fee in general? Certainly, we -- you know -- that's something we're very upfront about -- what our management fee is, and we show that on our different investment reports that we provide. But if there's any question about that, let us know. Or, let me know.

Chairman Stevens: Nope.

Mr. Eaton: Okay. So, what we'll continue to do on our end -- again, I maintain communication -- regular communication with John based on -- you know -- when we have something mature, I'll bounce my recommendations off of him, which he will forward back to the team, and then, we'll authorize and approve a trade to be done. Again, we don't expect significant improvements to the environment for the next several months. Hopefully, we'll see some little bits and pieces here and there. And we'll continue to monitor it and give you our feedback along the way.

Chairman Stevens: Thanks, Brad.

Mr. Eaton: You're welcome.

Chairman Stevens: Once again, great service. I keep Stacy and Tom well-informed of what's going on. It's not just me. Before we make decisions, Brad and I come to some kind of agreement, but then I pass it by Stacy and Tom, and then give Brad the go ahead. Typically, his recommendations are right on. There's nothing else. Thanks, Brad.

Mr. Eaton: You're welcome -- and just a follow up, as I mentioned, I'll send this presentation out to the monthly distribution group, and you could forward it along to the rest of the team, if you'd like.

Chairman Stevens: Okay.

Ms. Duncan: Thanks, Brad.

Mr. Eaton: Great, thank you.

Chairman Stevens: Thank you.

Mr. Lake: Thank you.

Chairman Stevens: Jeff, again, good to see you. Okay. At this point, Stacy, I think we want to go into Executive Session.

Ms. Duncan: We do. Yeah. So, as we discussed the budget, we certainly discussed some

items of impact to personnel. So, I'm going to have Natalie -- can you make me the host?

Ms. Abbadessa: One second. I'm going to stop recording, or do you want to make a motion first, before I stop recording?

Chairman Stevens: Yes.

Unknown: Good.

Chairman Stevens: We need a motion to go into Executive Session.

Mr. Rose: I'll move.

Chairman Stevens: Second?

Mr. Mirabito: Joe. Second.

Chairman Stevens: All in favor?

Unknown: [I -- in unison.]

Chairman Stevens: Opposed? Okay. You're all set.

[The Committee Convened to Executive Session at 10:34 a.m. on a motion by Mr. Rose, seconded by Mr. Mirabito.]

[The Committee Reconvened from Executive Session at 11:20 a.m.]

Chairman Stevens: So, we're back in regular session?

Ms. Duncan: Yes.

Chairman Stevens: So, we need a motion. I would like a motion to Recommend the Acceptance and Approval of the 2021 IDA Budget to be moved to the full Board in regular session.

Mr. Mirabito: Joe makes the motion.

Ms. Hornbeck: I'm sorry. I just want to make -- can I get who came out of Executive Session? I need first and second out of Executive Session.

Chairman Stevens: I was first. Who was second?

Mr. Crocker: I'll second.

Chairman Stevens: Joe. No, Dan was second.

Ms. Hornbeck: Okay. Thank you.

[The Committee Reconvened from Executive Session, on a motion by Mr. Stevens, seconded by Mr. Crocker.]

Chairman Stevens: Okay. So, the motion is to Recommend the Acceptance and Approval of the 2021 IDA Budget to be moved to the full Board in regular session.

Chairman Stevens: I will move that -- I will approve that motion. I need a second.

Mr. Mirabito: Second.

Chairman Stevens: Thank you, Joe. All in favor, signify by saying I.

Unknown: [I -- in unison.]

Chairman Stevens: No? Motion approved. Next, I would like a motion and Recommendation to the Board [for] the Approval of The Agency to Join the New York State Employees Retirement System, as discussed. I need a motion.

Mr. Crocker: I'll make that motion.

Chairman Stevens: Thank you, Dan. The second?

Mr. Mirabito: I'll second it.

Chairman Stevens: Thank you, Joe. All in favor, signify by saying I.

Unknown: [I -- in unison.]

Chairman Stevens: Opposed? Approved. Okay. I believe that wraps up this half-hour Finance Committee Meeting. If there's [sic] no other business, motion to adjourn?

Mr. Crocker: Motion.

Mr. Mirabito: So, moved.

Chairman Stevens: Okay. Joe, Dan, we are adjourned.

Ms. Hornbeck: Who is first, please?

Ms. Duncan: Joe, and then, Dan.

Ms. Hornbeck: Joe, then Dan. Thank you.

[The Committee Convened to Executive Session at 10:34 a.m. on a motion by Mr. Rose, seconded by Mr. Mirabito.]

[The Committee Reconvened from Executive Session at 11:20 a.m., on a motion by Mr. Stevens, seconded by Mr. Crocker.]

[The meeting was adjourned on a motion by Mr. Mirabito, seconded by Mr. Crocker at 11:24 a.m.]

[Attendees: John Stevens, Dan Crocker, Joe Mirabito, Brian Rose, John Bernardo, Stacey Duncan, Tom Gray,

Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brad Eaton and Jeff Lake.

STATE OF NEW YORK :

COUNTY OF BROOME :

I, CARRIE HORNBECK, Executive Assistant, do certify that the foregoing is a true and accurate transcript of the Broome County Industrial Development Agency Audit & Finance Committee Meeting, held telephonically, on October 7, 2020.

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CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

FIVE South College Drive

Binghamton, NY 13905