

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUDIT COMMITTEE MINUTES August 24, 2020

A meeting of the Audit Committee of the Ulster County Industrial Development Agency was held on Wednesday, August 24, 2020, at 9:30 A.M. at the Legislative Chambers in the County Office Building, 244 Fair Street, 6th Floor, Kingston, NY.

Roll Call:

The following agency members were present:

Diane Eynon	Committee Chair
Faye Storms	Member Absent between 10:43 A.M. and 10:54 A.M.
Michael J. Ham	Member

The following additional Agency members were present:

Daniel Savona	Board Member	Left at 9:42 A.M.
James Malcolm	Chairman of the Board	

Additional Attendees:

Rose Woodworth	Chief Executive Officer
----------------	-------------------------

The meeting was called to order at 9:34 A.M. by Committee Chair Diane Eynon.

Roll was called, and a quorum was present.

MINUTES

Motion: Michael J. Ham, seconded by Faye Storms, moved to approve the minutes of the March 11, 2020 meeting. A copy of said minutes is on file.

Vote: The motion was unanimously adopted (3-0).

NEW BUSINESS

1st & 2nd Quarter Financial Review

The Committee reviewed the financials from the first and second quarter of 2020. The Finance Committee will work to amend the current budget due to additional expenses such as live-streaming. The CEO will find out if the Agency is able to add a contingency fund to avoid completely changing the budget. Regarding Legal Fees, it was noted that work done for a project, as well as Board meetings that have a project on the Agenda, are billed to the Project, not the Agency.

Motion: Faye Storms, seconded by Michael J. Ham, made a motion to go into Executive Session for the purpose of discussing the Agency's current legal contracts.

Vote: The motion was unanimously adopted (3-0).

The Board entered into Executive Session at 9:41 A.M.

Note: Daniel Savona left during executive session at 9:42 A.M.

Motion: Faye Storms, seconded by Michael J. Ham, made a motion to come out of Executive Session.

Vote: The motion was unanimously adopted (3-0).

The Board came out of Executive Session at 10:02 AM.

No action was taken during Executive Session.

The CEO reported that Agency staff is spending a lot of time processing the grant applications. Most applications have been submitted incomplete, so staff has had to e-mail applicants to get missing information, and, in many cases, multiple e-mails have been sent. The Committee discussed asking the Office of Economic Development help the Agency with application intake in conjunction with their loan program.

Monthly Financial Reports for the Board

The Committee discussed adding information to the financial reports that are presented to the full Board each month. The Committee reviewed the Agency's Accounts Receivable. The Committee agreed to send statements to Projects that have outstanding annual fees which are due August 31, 2020. Statements will also be mailed to Projects that have not paid their late reporting fee. The Committee agreed that the Accounts Receivable report should be included in the financial reports to the full Board on a quarterly basis.

RFP for Independent Auditor

The Committee reviewed the RFP that was issued in 2014. The CEO noted that dates and staff will be updated. Dr. Eynon suggested changing the submission wording to allow for electronic submission of the proposal. The CEO will complete a first draft including the changes discussed and send to Board Counsel to review for legality. The Committee reviewed the list of firms that were sent an RFP in 2017. Mr. Ham noted a conflict of interest because of his relationship with Berardi, Gottstine & Miller, CPAs, PC. The Committee discussed sending the RFP to the firms listed as well as putting an ad in the paper. The CEO will check with Board Counsel as to the specific process of sending out the RFP.

Website Review

Dr. Eynon informed the Committee that she and Rose Woodworth attended a training which outlined the information required on the Agency's website for compliance purposes. The Committee reviewed a list of information that needs to be posted as well as a proposal for the estimated time that it will take to bring the website into compliance. The CEO estimates roughly 31 hours to post all documents if the information was readily available. However, because of the age of the Projects, some documentation is located in 30 plus boxes in the office, and the rest is in another estimated 30 boxes at the County building. Any other missing information will need to be requested from Hodgson Russ. The Committee discussed hiring an intern to assist with locating and posting all of the necessary documentation. The Committee also discussed asking the Office of Economic Development for assistance.

Review of Current Policies

- i. Fee Schedule Guidelines: The Committee reviewed the current Fee Schedule Guidelines policy. The Governance Committee referred this policy back to the Audit Committee to change the fee for Transfer of Ownership of an existing Project. The CEO proposed charging 1% of the change in project value. The Committee Chair proposed charging a range of 0.5% to 1% depending on the project itself given the details of the contract. The Committee discussed creating a matrix which outlines years of PILOT remaining, change in property value, staffing changes, and other details but ultimately decided that each project has special circumstances that cannot be captured by a matrix. The Committee agreed to charge a range of 0.5% to 1% at the Board's discretion based on the details of the transfer of ownership. The CEO will ask Board Counsel to draft changes and present to the full Board for consideration.

Note: Faye Storms temporarily excused herself at 10:43 A.M.

Motion: Michael J. Ham, seconded by Diane Eynon, made a motion to accept the changes to the Fee Schedule Guidelines policy as discussed.

Vote: The motion was unanimously adopted (2-0).

- ii. Policy Respecting Uniform Criteria for the Evaluation of Projects: The Committee reviewed the current policy and discussed adding a section for prevailing wage because of a bill that goes into effect in June 2021. The law hasn't been finalized yet so the CEO will speak with the State Comptroller's Office for further clarification.
- iii. Travel and Discretionary Funds Policy: The Governance Committee referred this policy to the Audit Committee and suggested getting a credit card for the office of the CEO to cover incidentals instead of having the CEO pay out-of-pocket and submit for reimbursement. The CEO does not have signing authority so the Board member that signs the check for the monthly credit card payment could review the purchases. The Committee agreed on a credit limit of \$5,000 and noted that the Board will have to approve payment if the amount due is over \$2,500.

Note: Faye Storms returned at 10:54 A.M.

Motion: Michael J. Ham, seconded by Faye Storms, made a motion to add an addendum to the Travel and Discretionary Funds policy regarding securing a credit card for the CEO with a limit of \$5,000.

Vote: The motion was unanimously adopted (3-0).

- iv. Procurement Policy: In light of recent litigation, Michael J. Ham suggested adding wording for breach of contract/failure to render services clause and possibly entering into a Memorandum of Understanding to the Procurement Policy. The CEO will ask Board Counsel to draft a redline of the changes to review at the next Audit Committee meeting.

PUBLIC COMMENT

None.

ADJOURNMENT

Motion: Faye Storms, seconded by Michael J. Ham, moved to adjourn the meeting.

Vote: The motion was unanimously adopted (3-0).

The meeting was adjourned at 11:00 A.M.

p

Respectfully submitted,

Diane Eynon, Committee Chair