

DATED: February 9, 2021

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUDIT COMMITTEE MINUTES February 2, 2021

A meeting of the Audit Committee of the Ulster County Industrial Development Agency was held on Tuesday, February 2, 2021 at 10:30 A.M. via Zoom.

Roll Call:

The following committee members were present:

Dr. Diane Eynon	Committee Chair
Faye Storms	Member
Michael J. Ham	Member

The following committee members were absent with notice:

The following additional Agency members were present:

James Malcolm	Board Chair
Richard O. Jones	Member/Chief Fiscal Officer

Additional Attendees:

Rose Woodworth	Chief Executive Officer
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The meeting was called to order at 10:30 A.M. by Committee Chair Diane Eynon.

PLEDGE OF ALLEGIANCE

The members of the Agency participated in the Pledge of Allegiance to the flag.

ROLL CALL

Roll was called, and a quorum was present.

Committee Chair Diane Eynon deviated from the Agenda to accommodate the guest, Kevin Loewke from Loewke Brill.

NEW BUSINESS

Loewke Brill Q&A

The committee had questions for Kevin Loewke regarding the reporting of local workers and non-local workers. Clarification of how the information is being collected and verified was discussed. Contractors not declaring their subcontractors is a concern the committee has. There was a suggestion of obtaining a list from the project contractor that includes the contractors and independent sub-contractors for the project contractor to sign. A general update was given for the Inness Project.

MINUTES

Motion: Michael J. Ham, seconded by Faye Storms, moved to approve the minutes of the November 9, 2020 meeting. A copy of said minutes is on file.

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

EXECUTIVE SESSION

Motion: Faye Storms, seconded by Michael J. Ham, made a motion to go into Executive Session.

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

The Committee entered into Executive Session at 10:49 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 Committee came out of Executive Session at 11:15 A.M.

No action was taken during Executive Session.

OLD BUSINESS

Committee Chair Diane Eynon asked Rose to provide an update on tracking the Kingstonian time separately. Time for the Kingstonian is labeled as Kingstonian on the time sheets. It needs to be totaled, and an update will be provided at the Board Meeting. The post-closing affidavit for Brooklyn Bottling has been received, but the audited financials have not been prepared or provided yet. Staff will review the post-closing affidavit and proof before refunding the leftover escrow to Brooklyn Bottling.

NEW BUSINESS

4th Quarter Administrative Staff Time

Motion: Michael J. Ham, seconded by Diane Eynon, made a motion to approve the administrative staff time for the fourth quarter of 2020.

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

Project Post-Closing Affidavit Update

Staff will review the post-closing affidavit and proof once Brooklyn Bottling. Henry Stout/Creative Environments (Full Moon) was sent the post-closing affidavit on November 30, 2020, and their accountant is working on it. It is being verified that Saugerties Hospitality and Marlboro Dist. Rte. 9 (PODS) have completed construction and use of their sales tax exemptions so post-closing affidavits will be sent to them as well. Hudson Valley Kingston Development was given a sales tax extension so it is clear that this Project has not yet been closed out. Star Estate was given a sales tax exemption extension and is projected to be completed in April or May. Inness is not complete and is being monitored by Loewke Brill.

4th Quarter Financial Review

The Committee reviewed the financials from the fourth quarter of 2020. The Committee reviewed the Balance Sheet, Accounts Receivable, and General Ledger. While reviewing the Escrow Sheet, it was noted that Brooklyn Bottling is complete, but the CEO is waiting for audited financials to finalize the post-closing reconciliation.

Motion: Michael J. Ham, seconded by Diane Eynon, made a motion to approve the fourth quarter financials.

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

Review of Current Policies

Procurement Policy

The Committee discussed adding a Breach of Contract clause to the Procurement Policy. The CEO will send the draft in the meeting documents to Counsel for review and proper legal wording.

Motion: Faye Storms, seconded by Michael J. Ham, made a motion for the Committee's recommendation of adding Breach of Contract clause to the Procurement Policy to be forwarded to the Board.

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

Background Check Policy

The Committee discussed changing the requirement of existing businesses to provide three years of audited financials. After much deliberation, the Committee agreed that financial burden for burden of audited financials for small businesses was greater than the benefit provided to the Agency.

Motion: Faye Storms, seconded by Michael J. Ham, made a motion for the recommendation of changing the Background Check Policy to state that existing businesses with assets up to \$5 million will have to provide three years of tax returns instead of audited financials to be forwarded to the Board (with the caveat that the Agency reserves the right to ask for more information (including audited financials)).

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

Enforcement of Agency Projects Policy

The Committee discussed changing the Enforcement of Agency Projects Policy to reflect the practices that the Agency already has: The number of days in section 3(B)v and (B)vi should be changed from sixty days to thirty-one days; section 4(A)i should be changed to at least every two years to at least every year; section 4(A)iii should be changed to add a payroll journal or summary that shows gross wages and number of hours summarized by employee; section 5(B)i should be changed to require any Project that has not yet closed to maintain the number of full-time equivalents (FTEs) at the time of application plus 90% of the created FTEs (as opposed to the current standard of 80% retained and/or created FTEs).

Motion: Faye Storms, seconded by Michael J. Ham made motion for all of the above recommendations to be forwarded to the Board.

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

In the interest of time, the remainder of the Agenda was tabled until the next Committee meeting.

PUBLIC COMMENT

None.

ADJOURNMENT

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

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

The meeting was adjourned at 12:16 P.M.

Respectfully submitted,

Diane Eynon, Committee Chair