



NAME

9-15-21 IDA Finance Meeting

DATE

September 29, 2021

DURATION

18m 50s

7 SPEAKERS

Faye Storms

Rose Woodworth

(All)

Michael Hamm

Orlando Reece

Rick Jones

Bill Kemble

START OF TRANSCRIPT

[00:00:00] Faye Storms

Could we have a pledge of a pledge of Allegiance?

[00:00:04] Rose Woodworth

Yeah.

[00:00:05] (All)

I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

[00:00:20] Faye Storms

Could we have a roll call, please?

[00:00:27] Rose Woodworth

James Malcolm, this is the roll call, I'm sorry, the full board roll call, but James Malcolm is absent. Diane Eynon is absent. Michael J. Hamm?

[00:00:43] Michael Hamm

Here.

[00:00:44] Rose Woodworth

Faye Storms?

[00:00:46] Faye Storms

Here.

[00:00:48] Rose Woodworth

Orlando Reece?

[00:00:49] Orlando Reece

Here.

[00:00:53] Rose Woodworth

Richard Jones.

[00:00:54] Rick Jones

Here.

[00:00:54] Rose Woodworth

And Danny [Savona] is absent with notice as well.

[00:00:59] Faye Storms

Ok, could we take a quick look at the minutes and peruse those?

[00:01:05] Rose Woodworth

Yeah, it's from a year ago, try to remember.

[00:01:07] Faye Storms

I know, it's amazing.

[00:01:29] Michael Hamm

Chair, I move to motion that we accept the minutes from the previous meeting.

[00:01:34] Faye Storms

Can I have a second?

[00:01:36] Rick Jones

I'll second.

[00:01:39] Faye Storms

Thank you. All in favor?

[00:01:41] (All)

Aye.

[00:01:41] Faye Storms

Ok, public comment on any agenda items that I don't think we have, do we?

[00:01:50] Rose Woodworth

Bill, do you have any questions on the financials?

[00:01:56] Bill Kemble

No, not a single one.

[00:01:58] Rose Woodworth

Thank you, sir. Ok, so Rick and I had met and went pretty extensively into how I got the proposed amended budget for 2021. Obviously, it's not a number out of thin air at 776,779. The administrative fees: that reflects the money that we've received so far for those project closings that were from prior projects after the post closing affidavit came in. It includes what I believe the difference is going to be for PODs and Marlboro. It includes all of the projects that we've passed this year, assuming that they, even if they don't close this year, the fees, I believe, still end up on this year's financials. But they all intend to close this year. As far as Romeo, we can only do- we can only assume that it will happen because we approved it. So for now, that's what we have. The annual administrative fees will not change. The application fees assumes no other applications will come in. I don't know if that'll be or not. Miscellaneous fees includes the \$500 that we intend to send to Inness for their project changes with the spa relocation. And then the project administrative fees pass-through is anything- when we have a project that gets passed along to the applicant, so like their public hearing costs or Loewke-Brill when the project closes is a pass-through, or the CPA fees at year end. So the \$100 per project is included in there as well. And then that number should mimic the project expenses pass-through down in expenses. It does not this year it is off two hundred dollars, and that's solely because of an adjustment from prior years. So that's the reason it's off; it's not an error. Investment earnings has changed. If you wanted to look at Page Seven, you can see what was originally budgeted versus what I'm reading off of on Page Six, but it has changed drastically. Originally, we were around like- back in 2019, in the good old days, the investment earnings were around \$8000. Now, I'm hoping that we'll hit \$1640 investment earnings. As far as the expenses, not too much has changed, so administrative fees will remain the same. As of right now, we're below budget, but that'll change by year end when we do annual site visits and continue doing what we're doing, the contracts for services I've left the same. I see no reason to change it at this time, although I'm not sure what it'll end up being spent on, if anything. The legal fees I've left at \$30,000; we don't have any information to change it. Joe's firm is working on a billing software change, so we've been unable to get the bill for the first half of the year so far. Auditing fees, obviously that's going to stay at \$10,000, then the live stream, a decrease to \$10,000d because I don't think that we'll end up having \$12000 in meetings for the year. Website and marketing we're keeping at the \$15,000. Office expense and postage has decreased a little bit. Project expenses pass-through, I already hit that. Dues and fees I kept the same. Insurance needed to increase a little bit because of the increases in our Philadelphia policy. But you see, it was only \$90. Seminars and conferences I've decreased because the fees for the seminars and conferences are much lower when you attend via Zoom, right? They're not charging the 300-400 that it usually costs. It's like \$50 right now, so I've decreased it. I did leave in like \$500 wiggle room in case there happens to be an event in person this year between now and the end of the year. Miscellaneous, I just kept the five hundred dollars, and then the grants is obviously not changing \$38,400. Travel and meals I've obviously decreased drastically because you don't- Probably not going anywhere this year. Does anybody have any questions on the 2021 budget changes?

[00:06:29] Rick Jones

Rose, not a question, just a comment, it's really illustrative for the other members of the committee to look at Page Seven, which gives you the trends, if you would, from 2017 up to and including year to date our current year to date or actually the 2020 actual. And so it's very illustrative and there are big swing swings. A lot of them are explainable because of the way in which the board ran prior to Rose coming on board. We really didn't have much in the way of administrative expenses because we didn't have Rose, the PPE administrative expense, so there's a lot of swings in some of the numbers. Rose mentioned the investment income, which is disappointing, but it might wind up even lower than what we're projecting.

[00:07:25] Rose Woodworth

(laughs)

[00:07:27] Rick Jones

Page seven is very, very useful to understand where we've been and where we're going to.

[00:07:32] Rose Woodworth

Yeah. So then going forward, ABO requires us to do a five year budget, which is just crazy because we just keep revising the five years as we're going, right? It's impossible to know. So what we've done, and Rick and I kind of went back and forth, was we maintain what used to be done as far as figuring out the proposed closing fees for the years going forward. It's a five year average and then I just rounded to a nicer number, but it's a five year average. Clearly, 2021 swings, the average a lot. Ok, but at the same time, you do see how, like, maybe Ulster County will start getting more businesses. Maybe more things will happen and all we can do is just base it on averages and kind of go from there. Clearly, we can revisit the budget next year and revise it again before we have to submit to ABO at the end of October. And we can look at changing the future years at that point as well. That's the only really swinging item. I've increased the annual administrative fees because we'll be closing on five new projects this year. Two are coming off, but five are going on. I increased the administrative fees, the pass-through from the earlier budgets and I'm not sure, you know, it's hard to know. It just depends on how much it's going to go through Loewke-Brill and not. But either way, it's a pass-through item, so if the revenue increases, so will the expenses. It has no effect on our budget. 2022 proposed, so obviously I lowered the investment earnings. I'm not foreseeing them going up much next year. Hopefully it will by the time we get to 2023. Administrative fees I put in there for now after talking to Rick, an increase for inflation, if you will. So I increased it by five percent. We've had no change in our rate of pay since we started with you in 2019, so potentially leaving room for a five percent increase. Obviously, that's not set in stone. It depends on whatever contract the board votes on next year. The contracts for services, I hate to say it this way, but it's true, it's a plug number. At the end of the day, there's going to be money left in the budget if we end up hitting \$360,000 in fees that come in next year. So if that happens and we'll have more money to do more good and contract for more services. Legal fees I imagine should maintain this year. Maybe it'll go down, but I don't know. Auditing I did increase to \$15,000; it differs from the RFP and the response that we got back, but after talking to UHY I do feel it's fair and makes sense, and I talked to Diane about it as well. So we thought it was important to at least budget for more next year. And then UHY obviously maintained they would do their best to keep the fee as low as possible. Live stream I budgeted for \$10,000 just because that's about where we were this year, and that seems to make sense. And website marketing I left the same. Office expenses I just put back to the \$1500. I hope it does not, but if the board changes next year, then we'll have to buy more letterhead and we have some more expenses that we didn't have this year. The cost benefit analysis software, I really- this is probably a poor way to say it; I made up a number here, but I wanted to leave some wiggle room. In Inform Analytics only cost us \$900, but I have no idea what new cost benefit analysis software is going to cost. And we really just got the email this week. So I said- or this past week. So how about \$5000 so that we have wiggle room that if should the new software cost more, we've planned to pay for it. Dues and fees- I double checked with New York State EDC and even though our dues amount is based on the amount of revenue we budget for, this is clearly a wild year, and so they said if we don't think that we're going to be back at this level that we can maintain the same dues amount. Meeting room rental, we obviously don't have to deal with anymore. Insurance, I increased by a few hundred dollars in case there are more changes next year. Seminars and conferences, I increased to \$1500, miscellaneous, I left at \$500 and travel and meals, I put back to the \$1500 for next year. And then everything pretty much mimics going forward. The only thing that's changed, from really besides the five year average amount for the revenue, is the CFO fees. Rick is stuck, in my opinion, as CFO for at least twenty twenty two. But then I did put back the budgeted amount for 2023. The reason it's less than what we had proposed before is because 4000 of it would stay coming from the IDA, and then we'd push 2000 to the CRC for a budgeted amount, so the CFO would still potentially get \$6000; it's just that some should be paid by the CRC.

[00:13:10] Rick Jones

And Rick is not getting \$6000 right now, and I don't want...

[00:13:16] Faye Storms

So that's going to be moving forward with that, then you will get pay?

[00:13:23] Rose Woodworth

If it's somebody else. I don't know if he'll still be here in 2023, so we just want to anticipate if it's not.

[00:13:30] Rick Jones

That was not me asking for that.

[00:13:33] Faye Storms

No I know, I'm sure.

[00:13:35] Rick Jones

No, it's fine. But you know, an explanation. You know, I do think- Rose and I had a long discussion about this. You do need somebody who is a real CFO/CPA. I understand numbers, but somebody who has the certification, if you would, to deal with public accounting issues as we get bigger and bigger. And I don't feel that I have that kind of expertise. Rose has a lot of that expertise, but she can't be both CEO and CFO, so it needs to be somebody else with comparable capabilities and accreditation. So I just gave Rose a heads up to be aware of that. But that's something as we get bigger.

[00:14:22] Rose Woodworth

Yeah, another thing that Rick and I talked about was a discussion that Randall and I had had a couple of years ago is, you know, we tried, we tried to find a CFO. Nobody wants to do it. And when I say nobody, I mean nobody that we would want to do it, that we could try to find- I asked CPAs, I asked financial advisers and nobody wanted to do it because, to be honest, they couldn't think of enough money that they would get out of it in order to compensate for the liability that's involved. Rick is signing off on like the PARIS reporting right, and the new laws say that Rick could go to jail if we're lying on our PARIS reporting purposely, which we're not. Don't worry, Rick. So for somebody else, you know, it's a huge liability. The way we got the \$6000 number was because Joe Scott said it would be legal and acceptable if Chris O'Connor, who is the CPA and owner of our firm, was was our CFO and then I could still be the CEO. It would be allowed. However, Rick and I don't think that that's necessarily the best move because it feels a little bit conflicting, even if it is legal to have my boss in real life be under me really or next to me in the IDA and be the one checking the numbers that I have here. So we just thought it would be better if Rick was doing it.

[00:15:57] Rick Jones

It has the appearance of being squishy and we should avoid squishiness. So it's not going to work, but it's something to think about down the road. And I'm comfortable, by the way, signing off on the PARIS report report because I was so involved in it about three years ago, so I kind of know the ins and outs.

[00:16:21] Faye Storms

But that's kind of like a full time job, isn't it, Rick? To do it?

[00:16:27] Rose Woodworth

To do it, yeah. But you don't have to do the Paris reporting, you just have to be, you know, you need the 10000 foot overview and to be confident in the numbers, just like a CFO of a company, right? Like if you're a CFO at Disney, you're not sitting there and doing the bookkeeping, but you are aware of what's going on and you know you have controls in place to hopefully prevent any major issues.

[00:16:52] Faye Storms

Yeah, hopefully. Ok, thank you. Was that it, Rose? On the budget?

[00:16:59] Rose Woodworth

That's it for me.

[00:17:00] Rick Jones

Ok. I think we should just mention one more thing. I think we talked about an audit that I had asked you on a quarterly basis to phase point around checking and rechecking. I asked Rose on a quarterly basis to sit down with me and go through I would call it the detailed general ledger of all entries, particularly expense entries, but revenue just to make sure and question each one of them literally being like an auditor, matching up invoices and- invoices and bills with what we actually have running through the general ledger. So I am going to do that on a quarterly basis.

[00:17:41] Rose Woodworth

And that's obviously in addition to what our auditors do because theirs is really more of like a spot check, where Rick wants to be more thorough just so that we can...

[00:17:54] Faye Storms

Have continuity, you know? You know, it's. Yeah.

[00:17:58] Rose Woodworth

So we just need the recommendation for the Finance Committee to move this to the full board so that the board can vote on it at the next board meeting in October, so that I can then submit it to the ABO by the deadline, which is October 31st.

[00:18:12] Faye Storms

Alright, I'd like to have a motion on that.

[00:18:14] Orlando Reece

I'll motion.

[00:18:15] Michael Hamm

I'll make that motion. No, Orlando.

[00:18:19] Faye Storms

Second, please.

[00:18:20] Michael Hamm

I'll second.

[00:18:21] Faye Storms

Thank you. All in favor?

[00:18:25] (All)

Aye.

[00:18:25] Faye Storms

Thank you. Ok. I think that that covers us for this particular one. So I'm going to make- I'm going to have someone make a motion to adjourn this meeting.

[00:18:38] Orlando Reece

I make a motion we adjourn.

[00:18:40] Rick Jones

I'll second.

[00:18:41] Faye Storms

All in favor.

[00:18:43] (All)

Aye.

[00:18:43] Faye Storms

Alright. Ok. I will directly go to the UCCR.

[00:18:49] Rose Woodworth

Ok, hold on one moment.

END OF TRANSCRIPT



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