

DATED: June 28, 2021

# UCIDA

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Ulster County Industrial Development Agency

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## ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUDIT COMMITTEE MINUTES June 22, 2021

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A meeting of the Audit Committee of the Ulster County Industrial Development Agency was held on Tuesday, June 22, 2021 at 9:00 A.M. via Zoom.

### **Roll Call:**

The following committee members were present:

Dr. Diane Eynon	Committee Chair	
Faye Storms	Member	<b>Left Meeting at 9:51 A.M.</b>
Michael J. Ham	Member	

The following committee members were absent with notice:

The following additional Agency members were present:

Richard O. Jones	Member/Chief Fiscal Officer
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Additional Attendees:

Rose Woodworth	Chief Executive Officer
A. Joseph Scott, Esq.	Agency Counsel

The meeting was called to order at 9:00 A.M. by Committee Chair Diane Eynon.

### **PLEDGE OF ALLEGIANCE**

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

### **ROLL CALL**

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 17, 2021 meeting. A copy of said minutes is on file.

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

### **EXECUTIVE SESSION**

**Motion:** Faye Storms, seconded by Diane Eynon, made a motion to enter Executive Session for the purpose of discussing personnel matters.

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

The Committee entered Executive Session at 9:06 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 9:48 A.M.

No action was taken during Executive Session.

### **OLD BUSINESS**

None.

### **NEW BUSINESS**

In order to accommodate the schedules of representatives from Loewke Brill, Committee Chair Diane Eynon opted to deviate from the order of the Agenda.

#### **Loewke Brill Contract Revisions**

**Motion:** Faye Storms, seconded by Michael J. Ham, made a motion to recommend to the Board that the Agency change the contract with Loewke Brill to (A) revise the construction labor reporting to include monthly on-site visits instead of bi-monthly on-site visits for all new projects, (B) to include language (to be drafted by Agency Counsel) in the Agency's agreement that binds all the sub-contractors to the General Contractors, holding them

accountable for their labor, and (C) to put a one-year expiration on the contract. In conjunction with the changes to the Loewke Brill contract, the Audit Committee will recommend to the Governance Committee that expiration dates are added to all contracts.

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

### **1<sup>st</sup> Quarter Administrative Staff Time**

**Motion:** Faye Storms, seconded by Michael J. Ham, made a motion to approve the administrative staff time for the first quarter of 2021.

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

### **UHY Audit Invoices**

The Board asked the Audit Committee to review the additional UHY invoice and engagement letter for services to be performed. The engagement letter from UHY stated the fee would be \$10,000 and notification of any significant increase would be done immediately. After the completion of the audit, a second invoice was received, which brought the total due for the audit to 7 ½% more than originally agreed upon. The Agency was not notified of the increase ahead of time

**Motion:** Faye Storms, seconded by Michael J. Ham, made a motion to recommend to the Board that (A) the invoice not be paid until an agreement is made that future engagement letters ensure that the Agency will be notified ahead of time of any potential increase in cost and (B) once the agreement is reached, the Agency will only then pay the rest of the invoice up to the original estimated amount of \$10,000.

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

### **1<sup>st</sup> Quarter Financial Review**

The Committee reviewed financial reports (Statement of Financial Activity: Budget vs. Actual, Statement of Financial Position, Accounts Receivable Aging Summary, Escrow Activity, Adjusting Journal Entries, and General Ledger) from the first quarter of 2021. It was noted that administrative fees in the first quarter are always higher due to annual reporting. However, the Committee recognized that due to the increase in the number of projects this year, administrative staff fees are likely to increase the rest of the year. The Board will continue to review administrative staff fees quarterly. The only adjusting journal entries made were for allocating expenses for administrating PPE Grants and expenses.

**Motion:** Michael J. Ham, seconded by Faye Storms, made a motion to approve the first quarter financials.

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

### **Project Post-Closing Affidavit Update**

Reminder emails were sent to Projects that have not completed their Post-Closing Affidavit with a firm completion deadline of June 30, 2021. The Committee discussed having to make some changes to the Post-Closing Affidavit.

**Motion:** Michael J. Ham, seconded by Faye Storms, made a motion to make the following changes to the Post-Closing Affidavit:

- Require a Final Release/Final Waiver of Claims and Liens and Release of Rights form for all contractors to be returned with the completed Post-Closing Affidavit.
- Set a firm submission date of 60-days from the date of the completion of construction
- Add a spot for the Project's CPA to directly sign the affidavit

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

### **Policies To Be Created**

#### **Cost Benefit Analysis Policy**

The Committee discussed having a third party do a Cost Benefit Analysis or Financial Analysis for projects over a certain dollar amount.

**Motion:** Michael J. Ham, seconded by Faye Storms, made a motion to move the discussion on some creating a policy for requiring a third-party cost benefit analysis report (or some kind of financial report about whatever establish criteria is decided upon) being done for potential projects asking for a certain dollar amount of inducements or with a certain level complexity, such as remote employees and for creating the RFP for the reporting to the Governance Committee.

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

Faye Storms left meeting at 9:51 A.M.

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

### **PUBLIC COMMENT**

There was no public comment.

**ADJOURNMENT**

**Motion:** Michael J. Ham, seconded by Diane Eynon, moved to adjourn the meeting.

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

The meeting was adjourned at 10:49 A.M.

Respectfully submitted,

Diane Eynon, Committee Chair