

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUDIT COMMITTEE MINUTES October 1, 2019

A meeting of the Audit Committee of the Ulster County Industrial Development Agency was held on Tuesday, October 1, 2019, at 4:00 P.M. at SUNY Ulster, 94 Mary's Avenue, Room 204, Kingston, NY.

Roll Call:

The following agency members were present:

Richard Jones	Committee Chair
Faye Storms	

The following agency members were absent (with notice):

James Malcolm

Additional Attendees:

Rose Woodworth	Agency Staff
Randall Leverette	Chairman of the Board

The meeting was called to order at 4:00 P.M by Committee Chair Richard Jones.

Roll was called, and a quorum was present.

MINUTES

Motion: Faye Storms seconded by Richard Jones, moved to approve the minutes of the March 29, 2019 meeting. A copy of said minutes is on file.

Vote: The motion was unanimously adopted.

UPDATED ANNUAL REPORTING REQUIREMENTS AND CERTIFICATION

The committee reviewed the changes made to the cover letter to be sent to each project regarding annual reporting requirements and the accompanying reporting form. On the cover letter, the date has been changed so that the letter can be mailed out earlier this year. Wording that advises the project that the reporting is mandatory has been added. All four quarters of form NYS-45 are now being requested, instead of just the last quarter, due to form changes. A payroll journal showing the number of hours that employees worked will also be requested. The Committee discussed that some closing documents, usually older ones, are not done by full-time equivalent so the payroll journal will be useful to check the varying contracts. The Committee discussed enclosing the schedule of fees to highlight the due date and inform projects of fees associated with submitting the information late.

The Committee examined the changes made to the reporting form. The most prevalent change was updating the year to 2019. They discussed personalizing the reporting form by adding the number of promised jobs per project but decided to leave the form as presented. Wording similar to the wording on the background check form was added to the end of the reporting form to ensure that a shareholder, owner, or member reviewed and signed the form. The letters will be sent via certified mail.

AUDIT ENGAGEMENT LETTER FROM PKHB

The Committee reviewed the engagement letter provided by Pattison, Koskey, Howe & Bucci, CPAs ("PKHB"), a copy of which is on file. The Agency has a contract in place with PKHB which was negotiated in 2017, and set the fees for the audit for tax years 2017, 2018, and 2019. The fee to complete both 2019 audits is \$12,900. The engagement does not need to be approved by the Committee or the Board since the contract is already in place. The Agency will be working with a new Managing Director for the 2019 audit due to the New York State law that only allows the same Managing Director for five consecutive years. PKHB sent an email to introduce the new Managing Director. Since this is the last year of the contract with PKHB, Agency policy requires it to request bids from at least three accounting firms. A three-year contract is ideal to help mitigate cost.

ANNUAL PROJECT SITE VISITS

The Committee reviewed the Enforcement of Corporation Projects Policy, Section 4, a copy of which is on file. The policy calls for a Certified Public Accountant, at the expense to the project, to verify and certify that the numbers submitted are consistent with payroll data submitted via NYS-45 and Proof of Workers Compensation Coverage. The Executive Director had previously reviewed this section with Agency Counsel, who agreed that this policy, which is signed by each project, gives the Agency the ability to charge projects for the monitoring fees. The policy also states the Agency to request copies of the NYS-45, Proof of Workers' Compensation coverage, proof of Disability Insurance coverage and proof of Unemployment Insurance. The Committee discussed adding information about the new monitoring fee to the letter being sent to each project this month. The Committee discussed requesting bids from CPAs in accordance with the Agency's Procurement Policy. For any public works contracts \$500-\$2,999, two

verbal quotations are required, for anything between \$3,000 and \$4,999, two written or faxed quotations are required and for anything \$5,000 and above, three written or faxed quotations or written request for proposals are required. The Committee estimates the cost for the site visits to total approximately \$15,000, so three written quotations or requests for proposals are required. The Committee considered the possibility of paying for the site visits out of Agency funds, or collecting a larger fee at closing to go towards the cost of site visits. Another option discussed was to have staff conduct the site visits and pay a CPA only to review the payroll information submitted with the PARIS reporting. The Committee requested that Ms. Woodworth submits a quote to conduct site visits as administrative staff at the next Board Meeting. Ms. Woodworth was also asked to obtain three quotes from CPAs to completed the review of information. The Committee pointed out Section 3, Part B, numbers 5 and 6, and the fact that in the past the Agency has not asked projects to furnish a certificate of an authorized representative of the applicant stating that no Event of Default under the Installment Sale Agreement has occurred. The Committee considered using the annual reporting form to satisfy this requirement.

DISCUSSION OF PROCESS OF AUDITING/MONITORING OF CONSTRUCTION JOBS AT PROJECTS

The Committee reviewed a proposal from Loewke-Brill to construction labor.

EXECUTIVE SESSION

Motion: Faye Storms, seconded by Richard Jones, made a motion to enter into executive session to discuss contractual matters regarding the proposal from Loewke-Brill.

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

The Committee entered Executive Session at 5:00 P.M.

Motion: Faye Storms, seconded by Richard Jones, made a motion to come out of Executive Session.

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

The Committee came out of Executive Session at 5:16 P.M.

No action was taken during Executive Session.

Motion: Richard Jones, seconded by Faye Storms, made a motion to accept the material that was presented by the Executive Director as to how Loewke-Brill would conduct the site visits for an applicant that is receiving the tax inducement from the Ulster County IDA. The

motion further recommends that the contents of the material presented be presented to the full Board for their consideration.

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

ADJOURNMENT

Motion: Faye Storms, seconded by Richard Jones, moved to adjourn the meeting.

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

The meeting was adjourned at 5:18 P.M.

Respectfully submitted,

Richard Jones, Committee Chair