

County of Chautauqua Industrial Development Agency (CCIDA), Chautauqua Region Economic Development Corporation (CREDC) & Chautauqua County Capital Resource Corporation (CRC)

**AUDIT & FINANCE COMMITTEE MEETING**

201 W Third, Jamestown, NY

September 21, 2023

11:40 a.m.

Please Note: Due to technical difficulty with computer equipment we were unable to livestream or zoom this meeting.

**CCIDA Staff Present:**

Mark Geise, CEO

Richard Dixon, CFO

Kayla Strandburg, Controller

Jeanette Lo Bello – CCIDA Staff

**Committee Members Present:**

Gary Henry

Sagan Sheffield-Smith

**Also Present:**

Bob Murray – Harris Beach

---

Gary Henry

Good Morning. I would like to call to order the Audit & Finance Committee meeting for the CCIDA, CREDC and CRC. It's currently 11:40 a.m. on September 21, 2023. We will call the meeting to order. We will start with approval of the minutes from the February August 22, 2023 which we should have already received. Do we have a motion to accept the minutes?

Sagan Sheffield-Smith

So moved.

Gary Henry

Thank you. I'll second it. All in favor say Aye.

Board

Aye. Unanimous.

Gary Henry

Opposed? The minutes have been approved. We will move right into New Business which we are going to review policy. I don't know if Bob is going to do that or if you (Mark) would like to talk.

Mark Geise

Our outside attorney, Bob Murray from Harris Beach has been working with us for well over a year, drafting these policies-some of which are new and some of which are restated. We will be reviewing those policies today and prior to the Board Meeting. We will do one last final review before there is a Resolution that goes before the full Board. With that, Bob would you like to run through these six policies?

Bob Murray

Sure Mark. Thank you. Good Morning everybody. There is a charter and then five policies.

Mark Geise

Yes.

Bob Murray

So, under the Public Authority Law as amended in 2009 and then 2015 I think, or 2011 Evert authority including the IDA are supposed to have both an Audit and Finance Committee. Under your by-laws you already have an Audit Committee and to comply with the law, rather than creating a step or stand-alone Finance Committee, we thought it would make sense to have one committee, the same folks-audit committee would continue to do what you do. Under the Public Authority your Finance Committee is supposed to review any and all debt issuances. Any of your tax exempt Bond issuances that you do, you are supposed to run through your Finance Committee and the Finance Committee is supposed to make a recommendation to the Board with respect to taking on the debt. That law is probably a little too broad because it's really meant to cover like a bridge authority or some authority that is borrowing money on its own behalf. I am pretty sure that most of your borrowing for projects and perspective Bond issuances its conduit financing. You're not the obligee under any of the borrowing so always non records. In any event you are supposed to run things through your Finance Committee. Now, you will have the committee and this charter is pretty much the template charter that the Authority Budget Office recommends. We tinkered with it a little bit but there is nothing crazy in here. When we approve this at the Board we will confirm that the Audit Committee members are hereby deemed to be members of the Audit & Finance Committee. Then, going forward when you appoint your new members at your annual meeting they will be appointed to the same committee. So, this is definitely required and we are complying with the statute here-will be shortly. The Charter-doesn't really change any of your governance- the only thing might be is when you have your bond issuances. Do you just want me to keep going on here Mark?

Mark Geise

Yup. Any questions? No. Ok go ahead.

Bob Murray

The next policy is Board Member Compensation, Reimbursement and Attendance Policy. That is a new policy. It is required under the Public Authority Law. There is no board member compensation. This policy is just complying with the law. The IDA wasn't dinged for anything that is falling under this per say-some of the criticisms leveled at the IDA- reimbursement for certain expenditures related to business development -this policy kind of address how members can be reimbursed for expenditures. Statuary required policy - Mark, Rich and I - this thing has probably made two or three turns before it

was presented to you last month for the first time. This formalizes some procedures but it's not going to have any significant or noticeable impact on your day-to-day operations but we are compliant with the law.

Mark Geise

It does talk about the agency and its affiliates shall serve without salary but may be reimbursed for reasonable expenses incurred in performance of the agencies duties, like travel, conferences, meals, entertainment, etc... (Example was given).

Bob Murray

The next one is the Credit Card Policy. That is a new policy. It's a required policy. Mark, Rich and again have probably turned this document two or three times. We tried to formalize how the agency obtains, record keeps, and uses its credit cards. This is responsive to some of the issues raised by the Authority Budget Office and this policy now will formalize how the credit cards are used and records are kept. Rich and Mark made changes mid-stream right after the audit to already implement some of these procedures already. This policy should certainly help with the record keeping and making sure the cards are not otherwise as alleged and improperly used by the ABO. Now there is a formal policy. I don't there is anything in here that is going to impact the day-to-day operations of the agency or make things difficult for the agency. It's formalizing pretty much your past practices. Rich, anything I missed?

Rich Dixon

You did a nice job with that Bob.

Mark Geise

Also, supported by documentation, right?

Bob Murray

Yes.

Mark Geise

Also, any direct purchases made with the credit card require a different accounting sort of on your behalf as opposed to just paying it, right? You have to get the receipts?

Kayla Strandburg

Yes. Correct?

Mark Geise

Reconcile.

Rich Dixon

We stopped the automatic payment. The invoice comes and each statement is sent to the individual and they send all the receipts to Kayla and then she processes the payment. If there are any discrepancies she lets me know.

Mark Geise

Any questions on that one?

Mark Geise

Next, Investment and Deposit Policy.

Bob Murray

Again, this is statutorily required. These policies are covering the IDA and all of its affiliates. This is very standard to the policy that we use with all our other IDA clients. Its putting to paper what Rich has been correctly doing for Rich, for twenty years? How long have you been there?

Rich Dixon

It's been a while.

Bob Murray

There was no allegation in the ABO audit that investments and deposits were improperly placed but we did notice when we were helping with the audit response that there were some policies missing that were otherwise required. We just formalized what Rich and Mark have been doing. This now puts us in compliance with the Public Authorities Law.

Mark Geise

Any questions?

Rich Dixon

Bob, just to make clear – The first paragraph here-first sentence of this-requires the County of Chautauqua Industrial Development Agency quote the agency but then down below it says in the fourth paragraph unless otherwise indicated all references to the agency herein should also include the affiliates. It's safe for me to assume that in any of the documents we are going to put forth –when we say agency from now on we are referring to the IDA, CREDC and CRC – is that correct?

Bob Murray

In these policies that's what I tried to do.

Rich Dixon

That make sense. Thank you.

Bob Murray

The next policy is the Accounting Policy. I know Rich was working on that last week. We gave some comments to you guys.

Rich Dixon

We have not changed it Bob. I just wanted to go through it here this morning a little bit. So, the first comment that you made to it was there should be a preamble that confirms that the policy applies to all three entities so we are going to put that wording in there that you have in the other policies that all three of the entities will be covered herein referred to as the agency and the basis of accounting would then refer to everybody in the agency. Your third comment –again we will make sure that the agency is including CREDC and CRC.

Mark Geise

Why don't we have them do it?

Rich Dixon

Bob, if you just want to fix all that that's great. Ok?

Bob Murray

Yeah. Absolutely. Let me pull up my red line. I apologize. The next time I come to the meeting. It may be a little easier. You've just addressed two of my comments. I will make all these changes and turn them around in time for the board meeting.

Mark Geise

Great.

Bob Murray

My third comment – Rich does everybody have these in front?

Mark Geise

Yes.

Bob Murray

Alright. My next comment was budget development for the agency and I said should this be expanded to include CREDC and CRC? But I think it is.

Rich Dixon

Yes. Absolutely.

Mark Geise

Your last one – Yes. Your Administrator Director is me the CEO. I am CEO and Administrative Director. You can change that to CEO of you want.

Rich Dixon

I see you took a lot of stuff out Bob. Do you want to talk about that for a minute?

Bob Murray

Yeah. I know why you were putting all that in there. I don't think we need – we are getting to the just of it-I tried to be succinct with explaining some of the PILOTs and I don't think we need to get to how we quite get to the PILOT. I know why you're doing it Rich. I sense your exasperation.

Rich Dixon

Well Kayla conferred. She thought it was a little wordy as well. I'm fine with all that.

Mark Geise

I'm good too with it. Are you guys good with it?

Kayla Strandburg

Short and sweet.

Rich Dixon

We are done with that. Thanks Bob.

Bob Murray

Internal Controls Policy

Rich Dixon

Again, the first comment was – Kayla and I have discussed that – So, incoming check are endorsed for deposit only with the organizations account number when received. Incoming cash will be counted and deposits developed by the authorized person to perform these functions. For example, I am not allowed to do that so do we need to designate the authorized people by title in this? Like the Controller, the Accounting Assistant for the County and Jeanette Lo Bello the Administrative Assistant. Those are the titles. Should we put the titles in there?

Bob Murray

Yeah. We don't need the names. Let's not put the names.

Rich Dixon

Just the titles. Ok.

Bob Murray

I think that would help. Yup.

Rich Dixon

Kayla, we will send you the titles from page one. Ok. Then, the physical controls over cash receipts-they are put into a bag into a locked cabinet. So, Kayla should specify that to you as well. Ok?

Bob Murray

Ok.

Rich Dixon

Again, Mark is the Director so the Administrative Director / CEO

Mark Geise

Or it can just say CEO.

Rich Dixon

CEO-That's the top of page two. Then, the bank signatures-so not all of the board members Bob – there is only three Board Members that have the ability to sign checks. They are the officers and Mark. So, you just need to change that to again the designated check signers – and they will be the same for all three bank accounts. The designated check signers get approved during the Housekeeping Resolution in December. Is that correct Kayla? Or is that not in that Resolution? You appoint those yearly Bob?

Bob Murray

In my practice no. I have only really ever seen it when the bank changes.

Rich Dixon

That's when we do it as well. We follow the same thing so we will just put in there then – just change it to the designated Board Members are the check signers.

Bob Murray

Is it too broad to say any of the agencies board members – should that be filed down a little bit to say –

Rich Dixon

Any of the designated agency board members.

Bob Murray

Ok. That makes sense because it's not everybody it's only a few. Then, those would be who the bank has signatures for. Yup. Ok.

Rich Dixon

Then, Kayla want to shred the voided checks Bob. So, we are going to shred them.

Bob Murray

That was the question. You're going to void them and shred them. That's fine with me.

Rich Dixon

She's old school so we are shredding them.

Rich Dixon

That's all we have Mark on those policies. Nice job Bob, thank you.

Bob Murray

Rich, am I right to insert the Controller in the bank reconciliation- the first half of that paragraph to make the accounts must be reconciled by the Controller?

Rich Dixon

Yes.

Bob Murray

Ok. Great. So, I think that's the six items – the Governance Committee is getting a bunch of other policies as well but these were the policies you need or were more specific or appropriate to be reviewed by the Audit & Finance Committee

Mark Geise

Yup.

Bob Murray

Again, Mark, Rich and I have turned these around a couple of times – and Kayla –I think they are almost ready pending any other comments that you folks might have but I think the idea is next week we will have these presented to the Board for approval.

Mark Geise

Yup. We are going to have the meeting before the meeting.

Bob Murray

Which meeting is that?

Mark Geise



The committees are meeting – we've sent that over to you through invite etc...

Jeanette Lo Bello

9:00 a.m. is the Audit & Finance-9:30 a.m. is the Governance-10:00 a.m. is the Board Meeting – September 26<sup>th</sup> in Dunkirk at the Fredonia Technology Incubator.

Mark Geise

It's in Dunkirk Bob.

Bob Murray

We will formally adopt these at the committee level before the Board Meeting.

Mark Geise

Do you adopt them or do they make a recommendation?

Bob Murray

A motion to recommend adopted by the Board.

Mark Geise

Correct.

Jeanette Lo Bello

Is there a Resolution?

Mark Geise

We will need some kind of Resolution to do that at the committee meeting. Somebody needs to make a motion –so I don't know if we right that out or Gary just makes a motion.

Bob Murray

Yeah, Mark. I am pretty comfortable with the Committee Meeting with just capturing it orally. I don't think we need a written Resolution at the Committee Meeting. You don't need to do six different motions. Maybe in the beginning to the meeting the Chair says we are going to review policies and after we review them all I am going to look for a motion recommend all of the charter and the policies approved in one motion for Board approval.

Mark Geise

Yup. Now, I have another question. Do we need to have a Resolution at each of the Board Meetings –so we are having a separate IDA, CREDC and CRC meeting –do we have to have those meetings and pass a Resolution for each one of those? I thought we were having one Resolution that covered all of the IDA and all of its affiliates.

Bob Murray

There is confusion on that Mark. We should have in the minutes of each corporation that each corporation, at the appropriate time, when the meeting was called to order – I think its fine to jointly notice that all the meetings are to be held one after the other – I think is your practice. Call the IDA Meeting to order – that’s the first meeting – we will review the policies a t that meeting and again I will have a written Resolution and that’s not a problem. I think the Chair who presides over the meeting can instruct the committee that hey we are going to review the policies one by one and have a discussion one by one – then at the end there is a written motion adopting all of the policies and charters so we are not going to vote sixteen different times. That’s perfectly fine. Then that meeting is adjourned and then call to order the next Board and because it’s the exact same board members I have no problem with the Chair saying – ok before you are the Charters and Policies that all of you just approved from the prior meeting – you are all the same board members – capture that in the written minutes – assuming nobody has any written questions or concerns and they are the exact same policies I will look for a motion to approve. We can do the next two meetings really quickly – we do not need to explain- we do not need to cut and paste the minutes from the prior explaining each policy – just reference that these were already explained in the prior meeting to all the Board Members –there the exact same policies.

Mark Geise

I think the level of detail that you go through at the IDA Board Meeting is maybe about what you did today at this committee meeting.

Bob Murray

Ok.

Mark Geise

Just a really high level and allow them, if they have any questions between each policy review.

Bob Murray

Ok.

Gary Henry

This is Gary. I have one question. I’m not sure if it’s the Audit & Finance Committee or one of the others but at any point do we need to do something to clean up Rich’s compensation? There was a lot of – I want something like we don’t ever have to worry about Rich – them saying something – its super clear, the Board approved it, we are one hundred percent behind him – there’s no questions. I don’t know where we do that or when we do that.

Bob Murray

Good question Gary. We’ve just been focused on these policies because we kind of have a ninety day clock ticking to come into compliance and we have a couple of other things that we are not doing at this meeting like our Shared Services Agreement and I think those are more of the focus but we should- my opinion is – I don’t think that Rich’s contract was drafted correctly because it doesn’t capture what the Board said. The Board said do X, Y and Z-enter into a contract for X, Y and Z and the contract only said Rich we are hiring you to do X

and Y. That's as wrong a contract as if the Board said hire Rich to do X, Y and Z and the contract said Rich your hired to do X,Y and Z and A, B and C. You can't add things and you can't delete things. The Board speaks by Resolution. The contract needs to reflect the what the Board concluded and if you read that resolution it says Rich's contract will be on the same terms and conditions as the prior contract and that includes mileage reimbursement and car allowance. So, we don't need Board action. If we do a first amendment to Rich's contract dated as of – whatever the date of the contract is Rich – I just can't remember

Rich Dixon

It was a while ago.

Bob Murray

We don't need Board action because it was a draft person error is the way I would characterize it.

Rich Dixon

So you will rewrite that Bob and get it to Gary for Gary and me to sign?

Bob Murray

That's all we'll do. We will do a first amendment to that agreement. If it's more than one page help me to make it only one page. It needs to be one page. Thank you.

Gary Henry

If its five years from now I don't want to go back and say well this – if we just had something right here, we drew it in the sand – we all agree then it's just clean.

Mark Geise

And it does not require board action.

Gary Henry

We are not changing anything- just making it super clear.

Mark Geise

We are fixing the contract.

Gary Henry

The way it was always intended.

Mark Geise

Aligned with the Boards will.

Gary Henry

Exactly.

Bob Murray

The Board already spoke on it and that the contract didn't reflect what the Board requested. Rich, let's get next week's meeting behind us. Please help me to remember to fix that for you.

Rich Dixon

I will.

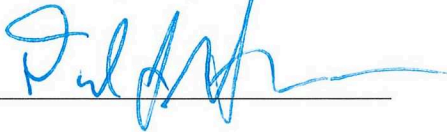
Mark Geise

Is there anything else?

Gary Henry

We will adjourn the Audit & Finance Committee.

The meeting is adjourned at 12:05 a.m.



Secretary



Chairman