

MINUTES OF MEETING HELD OCTOBER 29, 2018

AUDIT/FINANCE COMMITTEE OF WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

A meeting of the Audit/Finance Committee of the Warren County Local Development Corporation (LDC) was held on October 29, 2018 at 9:00 a.m. in the Committee Room at the Warren County Municipal Center.

The following Committee Members were present:

Frank Thomas
Craig Leggett

The following Committee Members were absent:

Matthew Simpson

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Jennifer Switzer, CFO, Warren County Local Development Corporation
Ronald F. Conover, Chairman, Warren County Board of Supervisors
Kevin B. Geraghty, Warren County Supervisor
Andrea Hogan, Warren County Supervisor
Eugene Merlino, Warren County Supervisor
Peter McDevitt, Warren County Supervisor
Claudia Braymer, Warren County Supervisor
Brad Magowan, Warren County Supervisor
Douglas Beaty, Warren County Supervisor
Michael Wild, Warren County Supervisor
Ryan R. Moore, County Administrator
Tammie DeLorenzo, Assistant to the County Administrator
Amy Lavine, Assistant County Attorney
Kristy Miller, Confidential Secretary to the Warren County Administrator
Robert Henke, Chairman, Washington County Board of Supervisors
Wayne LaMothe, Warren County Planner
Travis Whitehead, Queensbury Resident
Don Lehman, *The Post Star*

Mr. McDevitt called the meeting to order at 9:00 a.m. and began with the first item on the agenda regarding the review and recommendation of approval of the 2019 Budget and 2019-2022 Budget & Financial Plan to the Board of Directors. Ms. Switzer explains that the documents provided are the 2019 Budget along with the 2019-2022 Budget and Financial Plan and advised that it is a deficit budget due to no dollar value to the contract between Warren County and Warren County LDC, which creates a \$50,000 decrease in revenue. She continues to explain that there are couple additions to the usage of the expenses, with one being the service fee for the loan software and the other being additional money for collateral materials and

advertising. She then directs attention to the uses/expenses and points out the \$50,000 contract between Warren County LDC and Warren County EDC (Economic Development Corporation). She reiterates that this is a deficit budget of \$49,965.

Ms. Switzer continues with the 2019-2022 Budget & Financial Plan and explains that this is a look back but also a look forward from the proposed 2020 through 2022 Budget, which in order to be compliant with the Public Authorities Accountability Act it has to be filed with the ABO (Authority Budget Office) by November 1, 2018.

Mr. Leggett asks Ms. Switzer to explain the \$50,000 contract and Ms. Switzer advises that there is a contract between Warren County and the Warren County LDC to administer the LDC in the amount of \$50,000, but that for the 2019 budget year there will still be a contract between Warren County and Warren County LDC with a no dollar value. She explains that when looking at the current cash balance, net assets and what has been accrued in interest payments over the last three years, is what will be utilized to offset the \$50,000. She continues to explain that for the last three years a portion of the \$50,000 was accrued interest that she has been depositing into the loan fund in an attempt to use those funds for capitalization of the loan fund. She apprises that in order to have a decrease in the contract between Warren County and the Warren County LDC some of the interest will have to be utilized to support the expenses for the LDC in 2019. Ms. Switzer indicates that this will have to be looked at again next year, as the interest that is collected from the current loans is only about \$24,000-\$25,000 and with the LDC's operating expenses that is not enough to sustain the loan fund.

Mr. Thomas questions that whether the reduction of the \$50,000 is an effort to reduce the EDC (Economic Development Corporation) budget and Ms. Switzer states that the EDC (Economic Development Corporation) budget was reduced and directs attention to the uses and advises that there is still a professional service contract between the Warren County LDC and Warren County EDC (Economic Development Corporation) for \$50,000. She explains that the current \$50,000 contract between Warren County and Warren County LDC is the \$50,000 that the LDC is not taking from the County, which in turn will reduce the County's budget by \$50,000. She reiterates that the County is not funding the Warren County LDC, but the Warren County LDC will still have a contract with EDC (Economic Development Corporation) for 2019.

Supervisor Magowan defers to Ms. Switzer regarding the 2019 Requested Budget for Marketing in the amount of \$12,500 with the Adopted Budget being \$1,500 in 2018 and then the Variance Requested to the 2018 Budget being \$11,000 and the Projected Actual being \$1,000, which is confusing. Mr. Switzer explains that the draft budget is requesting \$11,000 more in Marketing and some being collateral materials due to the fact that as of right now there is no real Marketing Plan for the loan fund. She continues to explain that with over \$600,000 that is available to loan, it becomes a plan of how to get the money out and back into the small businesses. Ms. Switzer advises that the 2018 Adopted was \$1,500 and the Variance to what was requested in 2019 is \$11,000 and she is only projecting that \$1,000 will be spent for the end of 2018.

Privilege of the floor was extended to Mr. Whitehead, Queensbury Resident, and he explains that when he made note that there was a lot of extra fund balance in both the LDC and

the EDC (Economic Development Corporation) accounts, he specifically indicated that his concerns were with the EDC (Economic Development Corporation) account because the LDC account could be used for loans, with it being another topic of why there is over \$600,000 sitting there not being used. He continues to explain that he sees that \$50,000 is being taken from something that could be lent out for the benefit of the community and putting it into the EDC, which does not seem to have a mechanism to get that money directly back into the community. He states that he was a little surprised to see that it was done this way, with the \$50,000 coming out of the LDC and \$49,000 out of the EDC, making more sense if \$99,000 came out of the EDC.

Mr. Leggett states that usually budgets are seen as balancing out to zero due to the unappropriated fund balance being included and Ms. Switzer explains that this goes back to the difference between not-for-profit accounting and government accounting with basically the same thing being accomplished. She apprises that the difference is that the LDC is utilizing net assets and the government utilizes fund balance in order to support the budget to have the cash flow to make it through the year. She advises that as a Board just like EDC does, they can designate so much of the net assets to specific purposes and accounting wise, you will see the same effect. Mr. Leggett asks if there is a way to show that the LDC does have the net assets to be able to offset the deficit and Ms. Switzer advises that the cash that is available will show on the balance sheet as well as documentation of the interest that was accrued over the last three years and how it will support the cash flow.

Mr. McDevitt asked for a motion for recommendation of approval of the 2019 Budget and 2019-2022 Budget & Financial Plan to the Board of Directors. Motion made by Mr. Thomas and seconded by Mr. Leggett, and carried unanimously.

As there was no further business to come before the Audit/Finance Committee, motion was made by Mr. Leggett to adjourn the meeting, seconded by Mr. Thomas, and carried unanimously. Mr. McDevitt adjourned the meeting at 9:15 a.m.

Respectfully submitted,
Kristy Miller, Confidential Secretary to the
Warren County Administrator

MINUTES OF MEETING HELD OCTOBER 29, 2018

THE MEMBERS OF THE BOARD OF DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

A meeting of the Members of the Board of Directors of the Warren County Local Development Corporation (LDC) was held on October 29, 2018 immediately following the Audit & Finance Committee Meeting in the Committee Room at the Warren County Municipal Center.

The meeting was called to order by Peter McDevitt, Chairman of the Warren County Local Development Corporation at 9:15 a.m.

The following Directors were present:

Peter McDevitt Frank Thomas
Craig Leggett
Eugene Merlino

The following Directors were absent:

Matthew Simpson

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Jennifer Switzer, CFO, Warren County Local Development Corporation
Ronald F. Conover, Chairman, Warren County Board of Supervisors
Kevin B. Geraghty, Warren County Supervisor
Andrea Hogan, Warren County Supervisor
Eugene Merlino, Warren County Supervisor
Peter McDevitt, Warren County Supervisor
Claudia Braymer, Warren County Supervisor
Brad Magowan, Warren County Supervisor
Douglas Beaty, Warren County Supervisor
Michael Wild, Warren County Supervisor
Ryan R. Moore, County Administrator
Tammie DeLorenzo, Assistant to the County Administrator
Amy Lavine, Assistant County Attorney
Kristy Miller, Confidential Secretary to the Warren County Administrator
Robert Henke, Chairman, Washington County Board of Supervisors
Wayne LaMothe, Warren County Planner
Travis Whitehead, Queensbury Resident
Don Lehman, *The Post Star*

Chairman McDevitt called the meeting to order. He asked for a motion to approve the minutes of the September 28, 2018 Regular Board Meeting. Motion made by Director Merlino and seconded by Director Leggett. Motion carried unanimously.

Chairman McDevitt continued with the agenda regarding the review and approval of the September 2018 Financial Statements. Ms. Switzer begins with the Statement of Financial Position as of September 30, 2018 and advises of an amount of cash available to lend being approximately \$780,925, which includes the cash that needs to be moved over into the operating fund for the 2019 Budget. She explains that the Accounts Receivable amount of \$20,833.30 is the outstanding payments for the contract between Warren County and Warren County LDC along with the Accounts Payable amount of \$8,333.32 being the outstanding payments for the Service Contract due to the EDC (Economic Development Corporation). She moves on to the Statement of Activities Budget vs. Actual for September 2018 indicating nothing out of the ordinary and points out the above-mentioned contracts along with the loan interest that was received in the month of September. Ms. Switzer continues with the Statement of Activities Budget vs. Actual for January through September 2018 and provides a reminder that the Miscellaneous Income is the fees from the spring MAP (Microenterprises Assistance Program) session along with an account closer. She advises that additional revenue will be added to that particular line item for the fall session of the MAP (Microenterprises Assistance Program) classes.

Chairman McDevitt asked for a motion to approve the September 2018 Financial Statements. Motion was made by Director Leggett and seconded by Director Thomas. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the Financial Report for September 2018.

Ms. Switzer continued with the agenda and advises that there has been a recommendation from the Audit & Finance Committee for approval of the 2019 Budget and the 2019-2022 Budget and Financial Plan and is requesting from the full Board of Directors approval of that recommendation. Chairman McDevitt asked for a motion to approve the 2019 Budget and the 2019-2022 Budget & Financial Plan. Motion was made by Director Merlino and seconded by Director Leggett. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the 2019 Budget and the 2019-2022 Budget & Financial Plan.

Chairman McDevitt continued with the agenda regarding the review of the Loan Portfolio and Mr. Bartholomew advises that no executive session would be necessary at this time.

Ms. Switzer reiterates that the fall MAP (Microenterprises Assistance Program) session is going on right now with a good size group, which will continue through first week of December and she will provide more detail as to the amount of participants from Warren County for the spring session.

As there was no further business to come before the LDC Board, motion was made by Director Thomas to adjourn the meeting, seconded by Director Leggett, and carried unanimously.

Chairman McDevitt adjourned the meeting at 9:19 a.m.

Dated: November ____, 2018

Frank Thomas, Secretary