



Auburn Industrial
Development Authority

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, March 22, 2017
First Floor Meeting Room
Chamber of Commerce, 2 State Street, Auburn, NY 13021

Board Present: Ronald LaVarnway (Member at Large)
Terry Cuddy (Council Member)
Roger Beer (Member at Large)

Board Excused:

Staff & Guests: Tracy Verrier, Executive Director
Joseph Sheppard, Assistant Treasurer
Elaine Buffington, Buffington & Hoatland

The meeting came to order at 4:35pm.

NEW BUSINESS

Ms. Buffington presented an overview of the 2016 Financial Audit to the Committee stating that the report was a clean opinion and that there were two findings made that have since been corrected. Ms. Buffington then gave an overview of the Management Discussion and Analysis letter explaining that the engagement of a consulting firm for environmental review was added and that Ms. Verrier completed the letter with the assistance of the auditors. She then provided an overview of the Statement of Net Position noting that there was a decrease in \$340,000 from fiscal year 2015 as a result of not as much undisbursed PILOT payments along with an increase of expenses by \$60,000. She expressed concern that the available cash was getting down to a low level and that the Board should be mindful of the allocation of funds, future budgeting, and the lowering of cash returns.

Mr. Beer asked if the discussion of spending levels occurred last year. Mr. Cuddy explained that the decision was made last year to hire both Bergmann and support CenterState CEO to assist in the generation of income down the road. Ms. Verrier explained that the funds granted to CenterState CEO were a part of the Upstate Revitalization Initiative (URI) that was awarded last year and that hopefully they will begin to see a return on their investments soon. Mr. Beer stated that the Board should want to increase their available funds to allow for more flexibility. Ms. Verrier explained that to increase available funds, a loan has been made accessible from the City to defer the costs of the Bergmann studies being done in the Technology Park and that the Board needed to decide if it still wanted to take advantage of it.

Ms. Buffington continued, stating that there were receivables still outstanding at the time the Audit was completed and that the Environmental studies had been capitalized and added to the organizations inventory. She also noted that old equipment had been removed from the assets of the organization.

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Chairman

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Ms. Buffington then stated that there was a significant increase in professional fees, mainly because of the Cell Tower litigation, noting that this was a large unexpected expense and has resulted in an operational loss for the year.

Mr. Beer noted that operational funds were being utilized to acquire fixed assets. Ms. Verrier then stated that she would speak to the City about having the Loan disbursed if the Board would still like to receive it. Ms. Buffington then expressed confusion about paying for the environmental studies on land that the city owns, in addition to AIDA owned parcels. Ms. Verrier provided a brief background of the loan stating that it was being provided by the City to make all parcels more attractive. She added that she had held off on pushing for a closing to see if income from current projects would make the loan unnecessary, and agreed to ask about the interest rate on the loan to see if it could be made more favorable or waived.

Ms. Buffington then provided an overview of the notes to the financial statement. She explained that Note 7 had to do with the lease agreement with Crown Castle.

Ms. Buffington then discussed the two findings explaining that the first finding was regarding an over payment made to the County in connection with the McQuay PILOT due to the renegotiation of it. She noted that as soon as the overpayment was discovered and brought to Mr. Sheppard's attention, the County was contacted and the funds had been reimbursed. Ms. Verrier explained that the PILOT bill had been adjusted and that Mr. Sheppard mistakenly disbursed the amount from the original invoice. She stated that new checks would be put into place on future disbursements, especially with regard to payments that had been adjusted.

Ms. Buffington then provided an explanation of the second finding, explaining that the information that the auditors were provided detailing the outstanding bond balance for Bluefield Manor was incorrect and that they have received the proper information. Ms. Verrier stated that Bluefield Manor mistakenly provided the incorrect information when the balance was requested. Ms. Verrier continued, stating that statements will be requested from Bluefield Manor in the future to verify reported amounts.

Mr. Beer asked if these findings were truly material weaknesses and needed to be reported as such. Ms. Buffington stated that they went back and forth between deciding if they were or not and eventually decided that they were as there was a significant breakdown of internal controls in the case of the disbursement and that the bond is a significant portion of AIDA's assets.

ADJOURNMENT

Meeting adjourned at 5:00pm.