

Combined Regular Audit Committee Meeting Minutes  
*Wayne County Industrial Development Agency*  
*Wayne Economic Development Corp.*  
*Wayne County Civic Facility Development Corp.*  
March 22, 2022  
9:00 a.m. Zoom  
9 Pearl Street, Lyons, New York 14489

In attendance were Scott Johnson, Julie DiLella, and Ken VanFleet. Guests in attendance were Maura Sprague and Chris Johnston from auditor, EFPR Group. Staff present were Brian Pincelli, CEO; Jamie Corteville, CFO; and Deb Hall, Clerk.

1. Mr. Pincelli called to order the combined Audit Committee meeting for WCIDA, WEDC, and WCCFDC at 9:03 a.m.
2. Chairs of the Committee were designated as Ms. DiLella (representing WCIDA and WEDC) and Mr Johnson (representing CFDC). All approved by voice vote.
3. Motion to approve the January 25, 2022 minutes from Mr. VanFleet and seconded by Ms. DiLella. Discussion from Ms. DiLella noted that item 5 regarding feedback to the issue of late fees should be amended to show her concerns about late fees. Changes will amend the original minutes from “Feedback was positive and details were appreciated,” to read “Feedback showed concern for this practice but details of the statutory formula were appreciated.” Approved as amended by voice vote.
4. Auditors Ms. Sprague and Mr. Johnson gave an overview of the audit process and agency staff communication. Ms. Sprague commended Ms. Corteville for her work in preparing documents and explanation for audit. EFPR will expect to issue an unmodified opinion on the financial statements for all agencies. Some items discussed were:
  - EDC is required to file Form 990 by May 16.
  - Any estimates for IDA Agency (fixed assets) or EDC (uncollectible loans and depreciation expense of fixed assets) are considered appropriate.
  - No significant difficulties were encountered during the audit.
  - CFDC audit was reviewed first. No MD&A (Management Discussion and Analysis) required for this agency. Ms. Sprague noted the change of agency insurance expense. All net assets are without donor restrictions. Report completed in accordance with Government Auditing Standards.
  - IDA audit was reviewed next. MD&A and pension schedules were included. Supplementary statements were included to address PILOT projects.
  - This year’s statements are comparative to show loan activity that was transferred to the WEDC. Mr. Pincelli addressed the history of why this transfer was done.
  - Financial statements show activity over the past 3 years. This format is required. Cash flows now show operating and non-operating activities. Capital assets showed acreage owned in 2021 that was later sold in 2022, which will be shown on 2022 statements. Pension footnotes were reduced because the IDA has no current employees.
  - Accounting standards noted. County contractual services for economic development through the IDA were also noted. Loan fund transactions were noted. Total number of PILOTs were noted at 37. Pension details will continue to be shown for a total of 10 years, with no inflows or outflows.

AUDIT COMMITTEE CONTINUED...

- It is now required to show 10 year schedule of activity but this was only implemented in 2014. EFPR completed audit testing on PILOT accounts. Ms. DiLella asked to see comprised the Property and Equipment depreciation schedule. Ms. Sprague and Ms. Corteville reviewed.
  - EDC audit was reviewed next. MD&A was removed. Increase cash flows, loans and prepaid expenses were explained. Deferred contract advances relates to BOCES facility. Revenues and expenses were itemized and detailed. It was noted that legal expenses were inflated in 2021 due to pending lawsuit. Revenue recognition was noted as rental income and grant revenue. Ms. Sprague noted that it was good to see proportional program expenses to program income.
  - EFPR finished presentation and will be on the call for the Board meeting on March 23.
5. Mr. Pincelli reviewed in detail some of the budgeted IDA revenue and expense changes with ongoing decreases in revenue from the county and a reduced number of PILOTs. IDA still in possession of one parcel of property in the Town of Ontario which currently has an LDA under consideration. Ms. Corteville discussed loans and asset depreciation. Mr. Pincelli discussed the BOCES Conference Center 2014-2024 lease and potential renewal with revenue that pays down their bond. He discussed the properties on and around the Conference Center and leading over to Silver Hill Industrial Park, with potential for future development.

A Recommendation to Approve Audits as Presented from Mr. Van Fleet, second from Mr. Johnson. All approved.

6. Ms. Corteville presented the 2021 Annual Report and Certified Financial Report to PARIS for all agencies. She made a quick reminder that some Board members need to update their required training. Specifically she showed where she makes annual changes in each PILOT customer's details. Ms. DiLella noted the exemption savings and benefits for each project in comparison to the number of jobs created since inception and salaries in the County was a great detail to review. Mr. Pincelli noted that all these benefits and jobs reporting is public information and is gathered from each PILOT customer each year. He also reviewed the process which the staff undergoes before bringing PILOT applications to the Board. WEDC loans show details of the agreement as well as pass through for SOAR. All agency activity is reported to PARIS.

A Recommendation to Approve these reports was made by Mr. Van Fleet with second by Ms. DiLella. All approved.

7. Mr. Pincelli confirmed the next committee meeting date of Tuesday, October, 25, 2022 at 9 a.m.
8. Motion to adjourn was made by Ms. DiLella with a second from Mr. VanFleet. Meeting adjourned at 10:44 a.m.

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1. Mr. Pincelli called to order the Finance Committee meeting for WCIDA, WEDC, and WCCFDC at 10:45 a.m.
2. Chairs of the Committee were designated as Ms. DiLella (representing WCIDA and WEDC) and Mr Johnson (representing CFDC). All approved by voice vote.
3. The Committee approved the January 25, 2022 minutes by a motion from Ms. DiLella with second by Mr. VanFleet. Approved by voice vote.
4. Ms. Corteville explained the Relocation Grant program from 2019 relative to the Hansford Parts job requirements which shows the company down by one position at year end. This original funding was granted to help the company grow and acquire another company. The unmet job requirement could trigger a claw back provision. A Letter from Hansford explains the situation. Mr. Van Fleet commented that maybe an exception or discretion to these requirements can be made for extenuating circumstances. Mr. Pincelli confirmed that there is discretion at the Board level relative to the explanation. Committee discussed how these agencies can help in workforce development. Mr. Pincelli explained that workforce development is a “tangled web” of funding and agencies and that the department is working with the County Workforce Investment Board liaisons to continue finding ways to bridge the gap. Ms. DiLella suggested that there could be cross promotion of these jobs in the local paper or proof that the companies are seeking employees. Mr. VanFleet noted that his company finds success online. Ms. Hall reported that the integrated marketing program will focus on using billboards, Facebook, and press releases to drive traffic to the Economic Development website where agency loan or PILOT companies could be invited to show job openings.
5. The next combined Finance Committee meeting is scheduled for October 25, 2022 at 9:00 a.m.
6. Motion to adjourn the meeting came from Ms. DiLella with second from Mr. Johnson. The Committee meeting adjourned at 11:06 a.m.