

# Choose Columbia

Columbia Economic Development Corporation

**MINUTES  
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION  
AUDIT and FINANCE COMMITTEE  
Wednesday, January 18, 2017  
4303 Route 9  
Hudson, New York**

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Audit and Finance Committee was held at their offices located at 4303 Route 9, Hudson, NY 12534 on January 18, 2017. The meeting was called to order at 8:39am by Rick Bianchi, Audit and Finance Committee Chairman.

Attendee Name	Title	Status	Arrived
Rick Bianchi	Committee Chairman	Present	
Tish Finnegan	Committee Member	Present	
Tony Jones	Committee Member	Present	
James Lapenn	Committee Member	Excused	
John Lee	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	Counsel	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Present	9:00am
Nick Olivari	Register Star	Present	

**Election of Chair:**

*Mr. Jones made a motion, seconded by Mr. Lee to re-elect Mr. Bianchi as committee chair. Carried.*

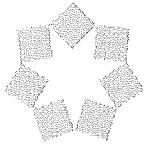
**Self-evaluation/Discharged Duties:**

Mr. Tucker stated the self-evaluation of each committee represented best practice. He stated the form had been developed using the charter as a guide. He asked the committee review the self-evaluation document, and make any changes. Mr. Jones suggested the committee utilize the document as it reflected the committee duties as outlined in the charter. *Ms. Finnegan made a motion, seconded by Mr. Lee to approve the document as presented. Carried.*

Mr. Tucker requested the committee members complete the self-evaluation and return it to Mrs. Drahushuk for compilation and review at the next committee meeting.

**Charter Review:**

Mr. Tucker reviewed the charter with the committee. Mr. Bianchi suggested a statement be added to the charter requiring the review of SBA reserve accounts. *Mr. Jones made a motion, seconded by Mr. Lee to approve the charter with an additional bullet under Powers and Duties of the Audit and Finance Committee*



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*stating: Annually review both the CEDC and SBA loan funds, including loan policies, lending limits and reserves. Carried.*

## **Minutes:**

*Mr. Jones made a motion, seconded by Mr. Lee to approve the minutes of the October 20, 2016 meeting as presented. Carried.*

## **Review Financials:**

Mr. Tucker stated the conversion to the newest Quickbooks version had been completed. He informed the Committee the old data had been entered into the new system creating a three year financial history. All historic financial data has been backed up and stored. He stated budgets for the subsidiaries would be entered in order to present a complete picture. He stated the transition to the new system had experienced a few issues, which have been resolved. Mr. Jones stated the changes made the CEDC financials more transparent. He reviewed the 2016 financial packet with the committee.

Mr. Tucker stated in 2017, his goal is to begin to have half of the loan interest income moved to the loan fund. This would help to continue to insure that the fund is self-perpetuating. He reminded the committee, CEDC had been awarded \$300,000 in new SBA funds to be loaned in Columbia and Greene counties. *Ms. Finnegan made a motion, seconded by Mr. Lee to recommend the financials to the CEDC full board for approval. Carried.*

## **2016 Audit:**

Mr. Bianchi referred to the engagement letter received from Pattison, Koskey, Howe & Bucci, and asked if the ABO required the audit to be submitted by March 31<sup>st</sup>. Mr. Tucker confirmed that was the deadline for submission of the audit as well as the submission of the PARIS report. He stated the Audit Committee and the CEDC Board are required to review and approve the documents prior to the deadline. Mr. Jones asked about the timing of a request for proposals for auditing/accounting services. Mr. Tucker stated that the current three year contract for Audit Services expires in December 2017. Mr. Tucker stated a special Audit and Finance Committee could be required to review the 990's and the Char 500. *Mr. Lee made a motion, seconded by Mr. Jones to approve the engagement letter consistent with the three - year schedule. Carried.*

## **Insurance:**

Mr. Tucker stated the renewal dates for the CEDC, IDA and CRC insurance policies were not consistent. He stated no competitive bidding for insurance had taken place in the recent past. He had solicited 3 written quotes, in accordance with CEDC's procurement policy, from the current providers, as well as two local firms, Fingar Insurance and MetzWood Insurance. All were provided with the same material upon which to place the quotes. He stated the new renewal date would be February 1<sup>st</sup> on all policies. He anticipated the quotes to be submitted at the same time on Wednesday, January 25<sup>th</sup>.



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## **Risk Assessment:**

Mr. Tucker stated he had reviewed the draft document very carefully. He had updated the last column in most areas, leaving some to be verified by Mr. Vanderbeck. He stated one area addressed the FDIC limit on bank accounts. Mr. Tucker stated banks were required to obtain a collateral assignment. Mr. Bianchi stated the banks would provide a letter upon request which should remedy the risk concern. Mr. Tucker stated he felt CEDC did a good job of segregation of duties.

Mr. Tucker referenced page 9, concerning the monitoring of the strategic plan. He stated the subcategorization of funds would allow for adequate monitoring. Addressing page 11, Mr. Tucker stated the legal firm who had drafted the employee manual, was in the process of developing a performance review process complete with goals and objectives. He anticipated it would be complete by the end of February. He noted the remainder had been marked "continue as it has been doing".

Mr. Bianchi asked if Mr. Vanderbeck would be reviewing the risk assessment document as part of the audit process going forward. Mr. Tucker stated he will make sure a review was done annually. Mr. Bianchi suggested it begin in the 2016 audit. Mr. Tucker stated he would convey to Mr. Vanderbeck, the engagement letter was approved by the committee with the understanding that the accounting firm would add that the risk assessment would be analyzed.

Mr. Tucker stated the consolidation of the financials had effectively enabled CEDC to combine some bank accounts. He noted the SBA required separate bank accounts be maintained for each loan from the SBA with an associated the loan loss account. The number of accounts would decrease from 19 to 10 with the majority of those remaining being SBA accounts.

*With no other business to come before the committee and no public comment, Ms. Finnegan made a motion, seconded by Mr. Lee to adjourn the meeting. Carried.*

The meeting was adjourned at 9:40am

*Respectfully submitted by Lisa Draushuk*