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Columbia Economic Development Corporation

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

NOTICE OF MEETING

Please take notice that there will be a meeting of the Columbia Economic Development Corporation Audit and Finance Committee held on January 16, 2019 at 8:30am, at 4303 Route 9, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: January 8, 2018

Sarah Sterling

Secretary

Columbia Economic Development Corporation

CEDC Audit and Finance Committee

Agenda

Chairman:

Rick Bianchi

Members:

Tish Finnegan

Tony Jones

James Lapenn

John Lee

1. Minutes, October 17, 2018*
2. Treasurer's Report*
3. Portfolio Review*
4. 2019 County Contract*
5. Audit and Finance Committee Charter*
6. Public Comment

Attachments:

Minutes, October 17, 2018

Treasurer's Report

Portfolio Report

2019 County Contract

Audit and Finance Committee Charter

* Requires action



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MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
AUDIT and FINANCE COMMITTEE
Wednesday, October 17, 2018
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 October 17, 2018. The meeting was called to order at 8:30am by Mr. Bianchi, Chair.

Attendee Name	Title	Status	Arrived
Rick Bianchi	Committee Chairman	Present	
Tish Finnegan	Committee Member	Excused	
Tony Jones	Committee Member	Present	
James Lapenn	Committee Member	Present	
John Lee	Committee Member	Excused	8:40am
F. Michael Tucker	President/CEO	Present	
Andy Howard	Counsel	Present	8:34am
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Excused	
Ed Stiffler	Economic Developer	Present	
Martha Lane	Business Development Specialist	Excused	
Carol Wilber	Marketing Director	Present	

Minutes:

Mr. Bianchi asked Mr. Tucker to clarify his statement in the draft July 18, 2018 minutes Specifically, Paragraph 2, line 1. Mr. Tucker stated it should read “Mr. Tucker reviewed the profit and loss statement with the Committee, noting the administrative revenue was under budget due to the City of Hudson IDA not having closed any projects, as well as the elimination of the \$5,000 CDBG administrative fee transfer.”

Mr. Lapenn asked if Mr. Tucker had researched the \$120,000 loss that had been discussed at the July meeting. Mr. Tucker stated he had not and needed to review the bank accounts. Mr. Bianchi asked if the risk assessment had been completed. Mr. Tucker stated he had scheduled a meeting later in the month with Matt Vanderbeck to update the risk assessment. He noted the Employee Manual had been updated, and now included the newly required New York State Sexual



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Harassment Policy. He stated that would brought to the full board for ratification. He stated the policies and procedures manual was being done by Matt Vanderbeck and would be discussed at the December meeting. *Mr. Lapenn made a motion, seconded by Mr. Jones to approve the minutes with the proposed modification from July 18, 2018. Carried.*

Treasurer's Report:

Mr. Tucker noted current assets were up from the previous year by \$132,000, with total other assets up by \$6,000. He stated he would have Mr. Vanderbeck review the financials with an eye toward appropriate designation of the Ginsberg funds at their meeting. He noted administrative revenue was below budget due to no HIDA projects closing. Mr. Bianchi asked if the Membership/Sponsorship line was aggressive. Mr. Tucker felt it was within a reasonable level and stated it would be maintained in the upcoming year's budget. Mr. Tucker reviewed the use of the Ginsberg funds with the Committee, noting the three new initiatives would be workforce development, housing and a third initiative, not yet determined.

Mr. Tucker stated he would be meeting later with National Grid and CEG regarding shovel ready sites in Columbia County. He stated he was still working with the defaulted Commerce Park landowner. He stated the principal intended to have a site plan approved by December 31st with the building completed by August 2019.

Mr. Tucker reviewed the reserve account balance sheet. He stated he would be considering certificates of deposits, but wanted to complete the risk analysis prior to making a decision.

2019 Budget:

Mr. Tucker reviewed the proposed 2019 budget with the Committee. He stated he had removed the City of Hudson IDA project fee from the line. Grant income reduction reflected the three grants that would be paid off mid-year. He increased Loan Income by \$10,000. Memberships and sponsorships remained the same as in 2018's budget. He noted new income would include the \$75,000 received from the Ginsberg's land. Mr. Tucker stated the Microloan T/A line reflected the assistance awarded by the SBA. Conference and training remained the same as in the 2018 budget. Consulting fees were increased as were program expenses. Facility expenses were increased as was insurance, new initiatives and total office expenses. Mr. Tucker stated Microbiz expenses went down with some of the expenses being shifted to the consulting line. He stated payroll was on a separate worksheet. Mr. Jones suggested the draft budget be distributed to the full board prior to the meeting next week. *Mr. Jones made a motion, seconded by Mr. Lee recommending the 2019 proposed budget to the full board for approval. Carried.*



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Mr. Bianchi asked Mr. Tucker about the 2018 audit schedule. Mr. Tucker stated the plan was to keep the fee the same, noting it should be more efficient this year. He stated he planned on streamlining PARIS reporting. Mr. Bianchi suggested the engagement letter be reviewed by the committee, and suggested the committee meet one more time in 2018.

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

The meeting adjourned at 9:35am

Respectfully submitted by Lisa Drahushuk

9:26 AM

01/08/19

Accrual Basis

Columbia Economic Development Corp
Balance Sheet Prev Year Comparison
As of December 31, 2018

	Dec 31, 18	Dec 31, 17	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Checking and Savings	2,342,591.14	2,039,145.98	303,445.16	14.9%
Total Checking/Savings	2,342,591.14	2,039,145.98	303,445.16	14.9%
Other Current Assets				
Due from PFL	99.66	0.00	99.66	100.0%
Accounts Receivable	69,715.09	31,866.30	37,848.79	118.8%
Allowance for Bad debt SBA	-36,153.73	-42,291.54	6,137.81	14.5%
Other loans receivable	0.00	16,468.33	-16,468.33	-100.0%
Prepaid expense	4,769.40	1,373.40	3,396.00	247.3%
SBA Loans Receivable	391,400.77	352,613.17	38,787.60	11.0%
Total Other Current Assets	429,831.19	360,029.66	69,801.53	19.4%
Total Current Assets	2,772,422.33	2,399,175.64	373,246.69	15.6%
Fixed Assets				
Property & Capitalized Assets	9,926.51	9,176.51	750.00	8.2%
Total Fixed Assets	9,926.51	9,176.51	750.00	8.2%
Other Assets				
Allowance for Bad Debt Loans	-115,005.32	-119,630.67	4,625.35	3.9%
Comm. Pk Land Sale Recv.	28,491.69	37,182.98	-8,691.29	-23.4%
Grants Receivable	237,346.86	272,767.80	-35,420.94	-13.0%
Loans Receivable	643,739.12	654,631.79	-10,892.67	-1.7%
Total Other Assets	794,572.35	844,951.90	-50,379.55	-6.0%
TOTAL ASSETS	3,576,921.19	3,253,304.05	323,617.14	10.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000-01 - *Accounts Payable	12,095.98	15,459.26	-3,363.28	-21.8%
Total Accounts Payable	12,095.98	15,459.26	-3,363.28	-21.8%
Other Current Liabilities				
due to CRC	0.00	5,000.00	-5,000.00	-100.0%
Accrued Expenses	7,504.12	9,657.28	-2,153.16	-22.3%
Deferred Revenue	4,546.01	5,464.00	-917.99	-16.8%
Land Deposit	3,300.00	3,300.00	0.00	0.0%
Total Other Current Liabilities	15,350.13	23,421.28	-8,071.15	-34.5%
Total Current Liabilities	27,446.11	38,880.54	-11,434.43	-29.4%
Long Term Liabilities				
Loans Payable to SBA	563,880.57	539,740.05	24,140.52	4.5%
Long term Deferrd Revenue	37,346.86	72,767.80	-35,420.94	-48.7%
Total Long Term Liabilities	601,227.43	612,507.85	-11,280.42	-1.8%
Total Liabilities	628,673.54	651,388.39	-22,714.85	-3.5%
Equity				
Invested in Capital Assets	9,926.51	12,933.52	-3,007.01	-23.3%

9:26 AM

01/08/19

Accrual Basis

Columbia Economic Development Corp
Balance Sheet Prev Year Comparison
As of December 31, 2018

	<u>Dec 31, 18</u>	<u>Dec 31, 17</u>	<u>\$ Change</u>	<u>% Change</u>
Net assets Restricted	292,231.89	307,991.06	-15,759.17	-5.1%
Unrestricted Net Position	2,299,757.26	2,270,079.22	29,678.04	1.3%
Net Income	346,331.99	10,911.86	335,420.13	3,073.9%
Total Equity	<u>2,948,247.65</u>	<u>2,601,915.66</u>	<u>346,331.99</u>	<u>13.3%</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,576,921.19</u></u>	<u><u>3,263,304.05</u></u>	<u><u>323,617.14</u></u>	<u><u>10.0%</u></u>

9:29 AM

01/08/19

Accrual Basis

Columbia Economic Development Corp
Profit & Loss Budget vs. Actual
 January through December 2018

	Jan - Dec 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Administrative Revenue	49,000.00	64,000.00	-15,000.00	76.6%
Columbia County	460,000.00	460,000.00	0.00	100.0%
Goat Genetics Grant	10,000.00			
Grant Income	37,958.56	40,819.00	-2,860.44	93.0%
Land Sale Revenue	339,088.48			
Loan Income	61,087.74	48,029.20	13,058.54	127.2%
Membership/Sponsorship	62,183.65	85,000.00	-22,816.35	73.2%
Other Income	10,670.27	37,827.80	-27,157.53	28.2%
SBA Incoming	22,500.00			
SBA Microloan T/A	82,778.90	67,999.97	14,778.93	121.7%
Total Income	1,135,247.60	803,675.97	331,571.63	141.3%
Expense				
Commerce Park Land Expenses	0.00	10,000.00	-10,000.00	0.0%
Conferences and Training	1,431.00	2,500.00	-1,069.00	57.2%
Consulting -TSI	128,004.00	120,000.00	8,004.00	106.7%
Consulting Fees	31,917.59	17,600.00	14,417.59	182.4%
Direct Program Expenses	13,156.69	10,000.00	3,156.69	131.8%
Employer Payroll Taxes	27,298.88	27,500.00	-201.12	99.3%
Facility	31,730.13	31,730.13	0.00	100.0%
Fringe Benefits	42,247.22	50,000.00	-7,752.78	84.5%
Insurance	3,171.00	3,500.00	-329.00	90.6%
Inter-Fund Expenses	22,500.00			
Interest Expense	497.59	500.25	-2.66	99.5%
MicroBiz Expenses	27,610.28	19,750.00	7,860.28	139.8%
New Initiatives	62,410.91	35,000.00	27,410.91	178.3%
Office Expense				
5080-01 · Comp./Equip & Leasing & Maint.	12,764.91	15,000.00	-2,235.09	85.1%
5060-02 · Telephone & Fax	4,308.19	4,000.00	308.19	107.7%
5060-03 · Internet	1,385.70	2,000.00	-614.30	69.3%
5080-04 · Office Supplies & Printing	5,353.86	5,000.00	353.86	107.1%
5060-05 · Dues & Subscriptions	5,447.49	6,500.00	-1,052.51	83.8%
5060-06 · Postage	1,088.85	500.00	588.85	217.8%
5080-07 · Misc. Office Expenses	7,608.33	5,500.00	2,108.33	138.3%
5060-08 · Web Site	2,457.25	5,000.00	-2,542.75	49.1%
Total Office Expense	40,414.58	43,500.00	-3,085.42	92.9%
Other expense and activities	15.00			
Other Expenses	15,000.00	15,000.00	0.00	100.0%
Payroll	295,577.20	315,250.00	-19,672.80	93.8%
Professional Fees	30,229.05	32,250.00	-2,020.95	93.7%
Public Relations/Marketing	15,704.51	17,500.00	-1,795.49	89.7%
Total Expense	788,915.61	751,480.38	37,435.23	105.0%
Net Ordinary Income	346,331.99	52,195.59	294,136.40	663.5%
Net Income	346,331.99	52,195.59	294,136.40	663.5%

Columbia Economic Development Corp
Profit & Loss by Class
January through December 2018

	Land Sale	Total 1 Operating	2 Loan Fund	Total 3 CDBG Fund	Total 4 SBA	TOTAL
Ordinary Income/Expense						
Income						
Administrative Revenue	0.00	49,000.00	0.00	0.00	0.00	49,000.00
Columbia County	0.00	460,000.00	0.00	0.00	0.00	460,000.00
Grant Income **	0.00	0.00	0.00	0.00	0.00	0.00
Goat Genetics Grant	0.00	10,000.00	0.00	0.00	0.00	10,000.00
Grant Income	0.00	0.00	0.00	37,958.56	0.00	37,958.56
Land Sale Revenue	339,068.48	0.00	0.00	0.00	0.00	339,068.48
Loan Income	0.00	0.00	34,497.44	448.28	26,142.02	61,087.74
Membership/Sponsorship	0.00	62,183.65	0.00	0.00	0.00	62,183.65
Other Income	0.00	8,084.92	350.00	705.28	1,530.07	10,670.27
SBA Incoming	0.00	0.00	0.00	0.00	22,500.00	22,500.00
SBA Microloan T/A	0.00	82,778.90	0.00	0.00	0.00	82,778.90
Total Income	339,068.48	672,047.47	34,847.44	39,112.12	50,172.09	1,135,247.60
Expense						
Conferences and Training	0.00	1,431.00	0.00	0.00	0.00	1,431.00
Consulting -TSI	0.00	128,004.00	0.00	0.00	0.00	128,004.00
Consulting Fees	0.00	31,917.69	0.00	0.00	0.00	31,917.69
Direct Program Expenses	0.00	13,156.69	0.00	0.00	0.00	13,156.69
Employer Payroll Taxes	0.00	27,298.88	0.00	0.00	0.00	27,298.88
Facility	0.00	31,730.13	0.00	0.00	0.00	31,730.13
Fringe Benefits	0.00	42,247.22	0.00	0.00	0.00	42,247.22
Insurance	0.00	3,171.00	0.00	0.00	0.00	3,171.00
Inter-Fund Expenses	0.00	22,750.00	-250.00	0.00	0.00	22,500.00
Interest Expense	0.00	0.00	0.00	0.00	497.59	497.59
MicroBiz Expenses	0.00	27,610.26	0.00	0.00	0.00	27,610.26
New Initiatives	0.00	62,410.91	0.00	0.00	0.00	62,410.91
Office Expense	0.00	40,414.58	0.00	0.00	0.00	40,414.58
Other expense and activities	0.00	0.00	0.00	0.00	15.00	15.00
Other Expenses	0.00	0.00	15,000.00	0.00	0.00	15,000.00
Payroll	0.00	295,577.20	0.00	0.00	0.00	295,577.20
Professional Fees	0.00	30,229.05	0.00	0.00	0.00	30,229.05
Public Relations/Marketing	0.00	15,704.51	0.00	0.00	0.00	15,704.51
Total Expense	0.00	773,653.02	14,750.00	0.00	512.59	788,915.61
Net Ordinary Income	339,068.48	-101,605.55	20,097.44	39,112.12	49,659.50	346,331.99
Net Income	339,068.48	-101,605.55	20,097.44	39,112.12	49,659.50	346,331.99

Loan, Current Outstanding Loan Portfolio & Reserve Account Balances - December 31, 2018

CEDC Loan Fund	Bank Relationship	TYPE	Available to lend	Total Available	Current CEDC Outstanding Loan Balances	Total CEDC Outstanding Loan Balances
	Kinderhook Bank	SV	-			
	Kinderhook Bank	SV	-			
	Kinderhook Bank	CK	43,219.00	43,219.00		
CEDC Loan Fund (Small Cities)	Kinderhook Bank	CK	-			
	Kinderhook Bank	SV	945,229.00	945,165.00	641,915.00	
SBA Micro Loan Fund					Current SBA Loan Portfolio Balance	
	Key Bank	RLF3	27,040.00			
	Key Bank	RLF 4	62,748.00			
	Bank of Greene County	RLF 5	104,720.00			
	Bank of Greene County	RLF6	157,703.00	352,211.00		
	SBA - Available Funds		-			1,033,316.00
				1,340,595.00	391,401.00	
Reserve Accounts	Bank Relationship	TYPE	Available	Total Reserves		
CEDC Loan Fund			115,005.00			
SBA Loan Funds			36,154.00	151,159.00		
SBA Loan Funds	Key Bank	LLR 3	21,067.00			
	Key Bank	LLR 4	13,037.00			
	Bank of Greene County	LLR 5	39,686.00			
	Bank of Greene County	LLR 6	45,269.00	119,059.00		
Water Tower Reserve			71,817.00	71,817.00		
				342,035.00		

CEDC LOAN STATUS REPORT

RECIPIENT	Town	LOAN TYPE	ORIG. LOAN AMOUNT	ORIGIN. Loan Date	Loan Bal	# of YEARS	INTEREST		MONTHLY PAYMENT	DAY DUE	PAST DUE IF > 30	Last PYMT	CHANGE DATE
							RATE	RATE					
LOAN FUND 12/31/18													
BROWN'S CAR SALES, LLC	Stockport	CDBG	\$12,500	09/08/17	9,909.00	5	6.00%	\$241.66	31			11/09/18	09/08/22
ACW MILLWORK & CABINETRY	Claverack	CDBG	\$50,000	06/20/18	46,978.00	7	5.00%	\$706.70	20			12/17/18	06/20/24
ALULA WOODWORKS	Claverack	CDBG	\$13,350	05/24/18	12,004.00	5	6.50%	\$261.21	24			12/21/18	05/24/23
BRIGHT DORSEY, LES COLLINES	Hillsdale	CDBG	\$14,222	03/21/18	12,351.00	5	6.00%	\$274.96	21			12/10/18	03/21/23
EAST CHATHAM FOODS	Canaan	CDBG	\$15,000	08/04/16	8,424.00	5	7.25%	\$298.79	4			12/03/18	08/04/21
GERMANTOWN LAUNDROMAT, LLC	Germantown	CDBG	\$25,000	09/14/18	24,101.00	6	5.00%	\$402.68	14			12/13/18	09/14/24
G.G. & G FLOWER COMPANY	Hudson	CDBG	\$15,000	10/10/18	14,558.00	5	5.00%	\$283.07	10			12/10/18	10/10/23
HUDSON CHATHAM WINERY LF	Ghent	CDBG	\$32,045	08/02/13	3,852.00	6	3.00%	\$486.88	2			12/31/18	08/02/19
HUDSON ATHENS RETAIL	Hudson	CDBG	\$25,000	09/13/17	20,390.00	6	5.00%	\$402.62	13			12/18/18	09/13/23
HUDSON CRUISES, INC.	Hudson	CDBG	\$50,000	06/15/14	43,928.00	10	7.00%	\$387.65	15			12/12/18	06/15/24
J.E.M. WOODWORKING #2	Ghent	CDBG	\$32,067	06/01/15	14,889.00	6	6.50%	\$539.04	1			12/06/18	06/01/21
LINDA MARRISH (THE POND)	Ancram	CDBG	\$100,000	10/13/17	95,204.00	10	5.00%	\$750.00	13			12/28/18	10/13/27
MARIOS HOME CENTER	Kinderhook	CDBG	\$100,000	10/01/09	8,305.00	10	2.25%	\$931.37	1			11/28/18	10/01/19
OLDE HUDSON	Hudson	CDBG	\$40,000	12/02/15	22,307.00	6	7.75%	\$696.46	2			12/13/18	10/01/19
NICK JENNINGS	Kinderhook	CDBG	\$10,000	04/13/17	6,979.00	5	6.00%	\$193.33	13			12/28/18	03/15/23
OLD KLAVERACK BREWERY	Claverack	CDBG	\$15,132	09/15/18	14,168.00	15	7.25%	\$324.20	1			03/15/23	07/01/22
PAUL CALCAGNO	Kinderhook	CDBG	\$60,000	12/15/14	13,090.00	2	7.00%	\$1,232.02	15	\$2,464.00		12/31/18	09/25/19
PARR INABAR CORP.	Hudson	CDBG	\$35,000	04/23/13	2,302.00	6	7.00%	\$596.72	23			12/19/18	04/23/19
RONNYBROOK	Ancram	CDBG	\$25,000	02/06/14	5,777.00	7	7.50%	\$432.25	6			12/10/18	03/06/20
SUH6 ENTERPRISES, LLC	Copake	CDBG	\$25,000	10/13/17	20,707.00	6	5.00%	\$402.62	13			12/14/18	10/13/23
STATE 11 DISTILLERY	Claverack	CDBG	\$25,000	02/24/17	18,175.00	6	5.25%	\$405.53	24			11/30/18	02/24/23
PHOENIX SERVICES	Greenport	CDBG	\$128,698	05/01/15	103,057.00	15	5.00%	\$1,017.74	1			12/06/18	05/01/30
2 DUKES & A PRINCESS	Chatham	CDBG	\$25,000	03/28/18	22,269.00	6	5.00%	\$402.62	28			12/31/18	03/28/24
WANDERING FOOL	Livingston	CDBG	\$25,000	06/28/18	23,191.00	6	5.00%	\$402.62	28			12/13/18	06/28/24
41 CROSS STREET HOSPITALITY	Hudson	CDBG	\$75,000	12/13/17	75,000.00	13	5.00%	\$312.50	13			11/13/18	06/13/26
TOTAL			\$973,014.44		\$641,915.00			\$12,385.24			\$2,464.00		
ANGELLO'S DISTRIBUTING	Clermont	SC	\$100,000	01/01/06	27,052.00	15	6.00%	\$843.86	1			12/26/18	01/01/21
HUDSON VALLEY CREAMERY 184	Livingston	SC	\$184,000	05/01/12	10,295.00	7	5.00%	\$2,600.64	1			11/19/18	05/01/19
HUDSON VALLEY CREAMERY	Livingston	CDBG	\$100,000	01/01/12	-	7	5.00%	\$1,413.89	1			11/19/18	01/01/19
			\$384,000		\$37,347.00			\$4,838.39					

AGREEMENT

DRAFT

THIS is an Agreement made the _____ day of _____, 2019, by and between **COLUMBIA ECONOMIC DEVELOPMENT CORPORATION** (hereinafter "CEDC"), with address at 4303 Route 9, Hudson, New York 12534, and the **COUNTY OF COLUMBIA** (hereinafter "County"), with address at 401 State Street, Hudson, New York 12534, as follows:

WHEREAS, the County desires CEDC to function as the lead economic development agency for the County of Columbia, and

WHEREAS, CEDC is committed to strengthening the county's tax base through economic development work and job creation, focused both on helping resident businesses grow and expand, and bringing compatible new businesses into the county,

WHEREAS, the County and CEDC wish to further collaborate through CEDC's 2018 Strategic Plan to coordinate the roles of CEDC and Columbia County to effectively further economic development in Columbia County,

NOW, THEREFORE, for good and valuable consideration given and received, the parties agree as follows:

SECTION 1. TERM OF CONTRACT

1. This Agreement shall run from January 1, 2019 to December 31, 2019.

SECTION 2. SCOPE OF SERVICES

1. CEDC will be responsible for administering the Community Development Block Grant (CDBG) program, the Small Business Administration (SBA) Loan Program, and the CEDC Revolving Loan Program consistent with the policies, procedures and standards associated with said programs. CEDC will continue to provide entrepreneurial training classes to new business owners, and offer targeted business training to existing business owners. Finally, CEDC will continue seeking to encourage and attract the location of new businesses to Columbia County while also seeking to retain existing businesses.

SECTION 3. REPORTING

1. CEDC shall furnish the County within fifteen (15) days of receipt of a request any information, requested related to CEDC's performance of its duties under this agreement,
2. CEDC shall furnish the County's Economic Development Committee (EDC) and the Board of Supervisors, with a Quarterly Report, along with periodic updates, on an as needed or requested basis.
3. CEDC shall make a presentation at the County's EDC monthly meeting.

SECTION 4. CONTRACT SUM AND PAYMENT

1. The County shall pay CEDC the sum of Four Hundred Sixty Thousand and no/100 Dollars (\$460,000) for the 2019 calendar year in connection with providing the services set forth in this Agreement. Payments will be made as follows:

One Hundred Fifteen Thousand and no/ 100 Dollars (\$115,000.00) on or before January 31, 2019;

One Hundred Fifteen Thousand and no/ 100 Dollars (\$115,000.00) on or before April 30, 2019;

One Hundred Fifteen Thousand and no/ 100 Dollars (\$115,000.00) on or before July 31, 2019;

One Hundred Fifteen Thousand and no/ 100 Dollars (\$115,000.00) on or before October 31, 2019.

SECTION 5. INSURANCE AND INDEMNIFICATION

1. CEDC shall indemnify and hold harmless the County from and against any and all claims and demands whatsoever, including costs, litigation expenses, counsel fees and liabilities in connection therewith arising of injury or death to any person whomever or damage to any property of any kinds by whomsoever owned, caused in whole or in part, directly or indirectly, by the acts and/or omissions of CEDC, any person employed by the CEDC, its contractors, subcontractors, or any person directly employed by them or any of them, while engaged in the scope of services set forth in this Agreement. This clause shall not be considered to limit, or otherwise impair, other rights or obligations of indemnity, which exist in law or equity for the County's benefit.

2 CEDC shall maintain professional liability and general liability insurance issued by a company authorized and licensed to do business in the State of New York. The minimum amount of such coverage shall be \$1,000,000 for single injury, and \$1,000,000 for damage to property. The CEDC Certificate of Insurance shall name the County as a Certificate Holder and shall be in such form as approved by the County Attorney.

SECTION 6. GENERAL PROVISIONS

1. In performing the scope of services specified by this Agreement, CEDC is acting as an independent contractor and is not in any manner related to or an affiliate of the County.

2. CEDC shall comply with all applicable laws, ordinances and regulations, including but not limited to nondiscrimination and labor laws.

3. The parties recognize that the assets of CEDC are owned exclusively by CEDC and not by the County. CEDC may utilize said assets in such manner as determined by its Board of Directors.

4. This Agreement is not assignable by either party without the prior written consent of the other.

MATT

On the _____ day of _____, in the year Two Thousand Nineteen, before me, the undersigned, personally appeared TONY JONES personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of Individual
Taking Acknowledgment

STATE OF NEW YORK)
) ss.:
COUNTY OF COLUMBIA)

On the _____ day of _____ in the year Two Thousand Nineteen, before me, the undersigned, personally appeared MATT MURELL, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of Individual
Taking Acknowledgment

AUDIT AND FINANCE COMMITTEE CHARTER, Columbia Economic Development Corporation

Purpose

Pursuant to Article IV, Section 1 of the Corporation's bylaws, the purpose of the Audit and Finance Committee shall be to:

- Assure that the corporation's board fulfills its responsibilities for the corporation's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting;
- Provide an avenue of communication between management, the independent auditors and the Board of Directors;
- Oversee the corporation's debt and debt practices and to recommend policies concerning the corporation's issuance and management of debt.

Powers and Duties of the Audit and Finance Committee

It shall be the responsibility of the Audit and Finance Committee to:

- Oversee the work of any public accounting firm employed by the corporation.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from corporation employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with corporation staff, independent auditors or outside counsel, as necessary.
- Retain, at the corporation's expense, such outside counsel, experts and other advisors as the audit and finance committee may deem appropriate.
- Review proposals for the issuance of debt by the corporation and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the corporation.
- Make recommendations concerning the appointment and compensation of investment advisors and underwriting firms used by the corporation, and to oversee the work performed by these individuals and firms on behalf of the corporation.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the corporation and its subsidiaries.
- Report annually to the corporation's board how it has discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.
- Annually Review both the CEDC and SBA loan funds, including loan policies, lending limits and reserves.

The CEDC board will ensure that the Audit and Finance Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Audit and Finance Committee shall consist of not less than three members of the Board of Directors who are independent of corporate operations. The corporation's board will appoint the Audit and Finance Committee members and the Audit and Finance Committee chair.

Audit and Finance Committee members shall be prohibited from being an employee of the corporation or an immediate family member of an employee of the corporation. In addition, Audit and Finance Committee members shall not engage in any private business transactions with the corporation or receive compensation from any private entity that has material business relationships with the corporation, or be an immediate family member of an individual that engages in private business transactions with the corporation or receives compensation from an entity that has material business relationships with the corporation.

Ideally, all members on the Audit and Finance Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing. The audit and finance committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the corporation.

The Audit and Finance Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of audit and finance committee functions.

Meetings

The Audit and Finance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit and Finance Committee are expected to attend each committee meeting, in person. The Audit and Finance Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit and Finance Committee will meet with the corporation's independent auditor at least annually to discuss the financial statements of the corporation.

Meeting agendas will be prepared for every meeting and provided to the Audit and Finance Committee members along with briefing materials five (5) business days before the scheduled Audit and Finance Committee meeting. The Audit and Finance committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

Responsibilities

The Audit and Finance Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations and whistleblower policies; and (d) miscellaneous issues related to the financial practices of the corporation.

A. Independent Auditors and Financial Statements

The Audit and Finance Committee shall:

- Oversee independent auditors retained by the corporation and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The corporation's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit and Finance Committee. Non-audit services include tasks that directly support the corporation's operations, such as bookkeeping or other services related to the accounting records or financial statements of the corporation, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the corporation's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Audit and Finance Committee shall:

- Review management's assessment of the effectiveness of the corporation's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

C. Special Investigations

The Audit and Finance Committee shall:

- Ensure that the corporation has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the corporation or any persons having business dealings with the corporation or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

D. Review the Corporation's Annual Budget

The Audit and Finance Committee shall:

- Review, amend and recommend the corporation's annual operating budget as presented by corporate management for the upcoming fiscal year.
- Monitor and report to the board on the corporation's compliance with its adopted budget during the fiscal year (actual verses estimated budget) on a monthly/quarterly basis.

E. Oversee the Corporation's Investments

The Audit and Finance Committee shall:

- Annually review and recommend to the board approval of the corporation's annual investment report, investment policy and evaluate allocation of assets.
- Annually review the audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors.

F. Assess the Corporation's Capital Requirements and Capital Plan

The Audit and Finance Committee shall:

- Assess the financial requirements of the corporation's capital plans. The assessment is to include current and future capital needs, a justification of why such capital expenditure is required and an explanation of funding sources for capital projects such as grants, issuance of debtor specified pay-as-you-go resources.
- Review the financial aspects of major proposed transactions, significant expenditures, new programs and services, as well as proposals to discontinue programs or services and making action recommendations to the board.

G. Review Financial and Procurement Thresholds

The Audit and Finance Committee shall:

- Review and make recommendations to the board regarding any proposed procurements submitted to the committee.
- Review and recommend changes to the corporation's thresholds for procuring goods and services and procurement policy.
- Review and recommend changes to the corporation's fee schedules.
- Review the scope and terms of the corporation's insurance policies and liability coverage on an annual basis.

H. Other Responsibilities of the Audit and Finance Committee

The Audit and Finance Committee shall:

- Present annually to the corporation's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the corporation. The Audit and Finance Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.