

Lake Champlain Lake George Regional Development Corporation

March 25, 2019 1:00pm

Lake Champlain – Lake George Regional Planning Board office, Lake George, NY

SPECIAL MEETING MINUTES

Agenda:

1. Establishment of Governance Committee (3 members)
2. Establishment of Audit Committee (3 members)
3. Establishment of Finance Committee (3 members)
4. Director paperwork – Fiduciary duties, financial disclosure, Independent Director
5. Measurement Report
6. Approval of Organizational Chart
7. Adoption of Attendance Policy
8. Adoption of Code of Ethics
9. Adoption of Compensation Policy
10. Adoption of Defense and Indemnification Policy
11. Adoption of Fee Policy
12. Adoption of Internal Control Procedures Policy
13. Adoption of Investment Policy
14. Adoption of Loan and Credit Policy
15. Adoption of Procurement Policy
16. Adoption of Whistleblower Policy
17. Training Requirements
18. 2017 Audit
19. 2019 Budget
20. PARIS Report

Attendance:

Beth Hunt, Secretary
Harry Booth, Board member
John Strough, Vice-Chairman
Pete Keenan, Board member
Dave O'Brien, Chairman
Al Nolette, Treasurer, via GoTo Meeting Videoconference
Ron Jackson, Board member
Beth Gilles, Board member
Carrie Yakush, LCLGRP staff

Lake Champlain – Lake George Regional Development Corporation (RDC) Chairman, Dave O'Brien, called the meeting to order at 1:00 P.M. at the LCLGRP office, Lake George, New York.

ESTABLISHMENT OF GOVERNANCE COMMITTEE:

Chairman O'Brien states the committee is established from any members of the Directors. Chairman O'Brien proposes himself, Harry Booth and John Strough. A motion to establish the Governance Committee was made by Pete Keenan and seconded by Harry Booth. Motion passed.

ESTABLISHMENT OF FINANCE COMMITTEE:

Chairman O'Brien suggests Al Nolette, Ron Jackson and himself. A motion to establish the Finance Committee was made by John Strough and seconded by Pete Keenan. Motion passed.

ESTABLISHMENT OF AUDIT COMMITTEE:

Chairman O'Brien nominates Beth Hunt, Pete Keenan and John Strough. A motion to establish the Audit Committee was made by Harry Booth and seconded by John Strough. Motion passed.

DIRECTOR PAPERWORK – FIDUCIARY DUTIES, FINANCIAL DISCLOSURE, INDEPENDENT DIRECTOR:

Director Gilles states that the required Board of Directors' paperwork as required by the ABO, including the Acknowledgement of Fiduciary Duties and Responsibilities, Certificate of Independent Director and Annual Statement of Financial Disclosure, has been completed by Beth Gilles, Dave O'Brien, Ron Jackson, Beth Hunt, and Pete Keenan. Still need signed documents from John Strough and Harry Booth. Please submit by end of day.

MEASUREMENT REPORT:

Director Gilles states as a requirement from the ABO the RDC must create a report annually that includes the RDC's mission statement and the measurements that have been completed. The mission statement is the same as what is stated in the by-laws. Regarding measurement, the RDC gave one loan to New Way Lunch in 2018. According to their paperwork there were 14 existing year-round jobs with 5 new jobs projected. A loan to the Coldwell House matured in 2018 and was paid off. The end of the year portfolio includes six loans totaling \$510,000 with a principle balance totaling \$253,631.67. New members were elected as well as new board of directors and adopted new by-laws. Mr. Nolette asks if the transfer of the New Way Lunch loan to RLF 1 has any bearings. Because it was transferred in October of 2018, Mr. Nolette suggests there should be a note showing the transfer activity. A motion to accept the Measurement Report as amended made by Pete Keenan, seconded by Al Nolette. Motion passed.

APPROVAL OF ORGANIZATIONAL CHART:

Chairman O'Brien reviewed the chart that was included in the meeting packet. A motion to adopt the Organizational Chart as presented was made by Beth Hunt and seconded by John Strough. Motion passed.

ADOPTION OF ATTENDANCE POLICY:

Chairman O'Brien read the policy given in the meeting packet. No changes necessary. A motion to adopt the Attendance Policy as presented made by John Strough and seconded by Pete Keenan. Motion passed.

ADOPTION OF CODE OF ETHICS:

Beth Gilles reviews the policy in the meeting packet. Motion to adopt the Code of Ethics as presented made by Harry Booth and seconded by Pete Keenan. Motion passed.

ADOPTION OF COMPENSATION POLICY:

Chairman Dave O'Brien reviewed the policy in the meeting packet. Motion to adopt the Compensation Policy as presented made by Harry Booth and seconded by Beth Hunt. Motion passed.

ADOPTION OF DEFENSE AND INDEMNIFICATION POLICY:

Chairman O'Brien and Director Gilles reviewed the policy handed out in meeting packet. Motion to adopt the Defense and Indemnification Policy as presented made by Pete Keenan and seconded by John Strough. Motion passed.

ADOPTION OF FEE POLICY:

Chairman O'Brien and Director Gilles reviewed the policy handed out in meeting packet. Motion to adopt the Fee Policy as presented made by John Strough and seconded by Beth Hunt. Motion passed.

ADOPTION OF INTERNAL CONTROL PROCEDURES POLICY:

Director Gilles reviewed the policy handed out in the meeting packet in length and the Director's discussed. Only one of our loans sends checks. The rest are on direct deposit. Mr. Nolette states the RDC currently pays legal fees, accounting fees and debt Service to USDA. Due to their roles in processing bills and payments, both Mr. Nolette and Beth Gilles abstained from the vote. Motion to adopt the Internal Control Procedures Policy as presented made by Harry Booth and seconded by Beth Hunt. Motion passed.

ADOPTION OF INVESTMENT POLICY:

Director Gilles reviewed the policy provided in the meeting packet. A motion to adopt the Investment Policy as presented made by Pete Keenan and seconded by John Strough. Motion passed.

ADOPTION OF POLICY PROHIBITING LOANS AND CREDIT TO OFFICERS, DIRECTORS AND EMPLOYEES:

Chairman O'Brien reviewed the policy. Director Gilles noted that it says "Regional Planning Board" instead of "Regional Development Corporation," which she will change. Motion to adopt the Policy Prohibiting Loans and Credit to Officers, Directors and Employees as amended made by John Strough and seconded by Beth Hunt. Motion passed.

ADOPTION OF PROCUREMENT POLICY:

Director Gilles reviewed the policy. Discussion ensued about obtaining 3 quotes for anything over \$1000.00. Ultimately it was determined that it will remain as is because the RDC does not make many purchases. Motion to accept the Procurement Policy as presented made by Harry Booth and seconded by Mr. Nolette. Motion passed.

ADOPTION OF WHISTLEBLOWER POLICY:

Through discussion it was noticed that there are two references to Clinton County in the policy that need to be removed. Director Gilles will make the changes. Motion to adopt the Whistleblower Policy as amended made by John Strough and seconded by Beth Hunt. Motion passed.

TRAINING REQUIREMENTS:

Director Gilles states that the ABO has specific training for anyone that's on an LDC, IDA and RDC, and those that have not taken the training need to do so as soon as possible. Director Gilles will be taking the training on April 3, 2019. If a Board Member has already taken the trainings for another organization, that counts for the RDC and she needs copies of anything certifying that the training has been completed. Director Gilles will send out the link to sign up for the training to all the Board Members.

2017 AUDIT:

The 2017 RDC audit was finally received from Marvin and Company on March 23, 2019 after several months of hounding from the RDC Directors. The fact that it took so long to complete is unacceptable. Chairman O'Brien reviewed the audit. THERE WERE NO FINDINGS REPORTED. Director Gilles emailed the Board of Director's a copy of the audit and the letter from Marvin and Company this morning. She will have hard copies for distribution soon. EFPR, the RDC's new auditing firm, can start the 2018 audit now that the 2017 audit is finally complete. Their office is located out by Buffalo and staff will be traveling to the LCLGRP offices to complete both the RDC and RPB 2018 audits once Marvin and Company completes the 2017 LCLGRP audit. Marvin and Company single handedly held up the progress on the RDC in terms of audited financials.

Mr. Nolette asks if the RDC has adopted a sexual harassment policy. Director Gilles stated it has not. Mr. Nolette suggested that the RDC utilize the policy already adopted by the LCLGRP, amended to change "Regional Planning Board" to "Regional Development Corporation." A motion to adopt the same Sexual Harassment Policy as the RPB as amended was made by Al Nolette and seconded by Ron Jackson. Motion passed.

2019 BUDGET:

Director Gilles references the RDC Budgeted Revenues & Expenditures sheet handed out in the meeting packet and asked to get approval back dated to the first of the year. Mr. Nolette stated that he worked on this budget with Director Gilles. She asked that the Board pass a motion to accept the budget retroactive to January 1, 2019. Motion made by Ron Jackson and seconded by Pete Keenan. Motion passed.

Chairman O'Brien discussed the budget in detail. Upon review the RDC does not have enough money to make all of the payments left to USDA. Out of the six loans, one is questionable, one is currently refinancing and four are good. By the end of the year we will not be able to make our payments to USDA unless someone pays off their loan. We are considering refinancing one loan out of the IRP and into the RPB's Revolving Loan Fund (RLF) account, but that is a short-term solution. Chairman O'Brien has been working with Mr. Nolette and Director Gilles to determine whether all the IRP loans can be refinanced into the RPB's RLF. It is in review. Chairman O'Brien needs to find out from both the USDA and EDA if

this is permissible. Chairman O'Brien welcomes any ideas. Mr. Nolette agrees with Chairman O'Brien's assessment.

PARIS REPORT:

Director Gilles reviewed, in detail, the reporting requirements of the NYS Authorities Budget Office in the PARIS system. She went through each page and discussed the information to be reported. Because the report she is currently working on is for fiscal year ending 12/31/2018, many of the governance and board related requirements are not complete, however, as of this meeting the RDC has created all required committees and adopted all required policies. Because the RDC does not have any staff, does not give grants or bonds, does not have any subsidiaries or real property, and does not have any investments or has made a single purchase over \$5,000, much of the reporting doesn't pertain to the RDC. The six loans that the RDC has have been entered into the system, along with all of the other required information EXCEPT FOR THE 2018 AUDITED FINANCIALS. Director Gilles explained that because the RDC just received the 2017 audited financials from Marvin and Company this morning, the 2018 audited financials have not been started. There is financial information required to be submitted in the PARIS system, along with a copy of the actual audit document. THE RDC CAN NOT SUBMIT THE FULL PARIS REPORT BY THE 3/31/2019 DEADLINE BECAUSE MARVIN AND COMPANY TOOK SO LONG DELIVERING THE 2017 AUDIT AND THE RDC DOES NOT HAVE THE REQUIRED 2018 FINANCIAL INFORMATION. RPB STAFF HAS COMPLETED ALL OF PARTS OF THE PARIS REPORT ON TIME.

This information was received by the Board of Director's and once the 2018 audit is complete, the RDC will accept and submit the PARIS report.

Motion to adjourn made by Beth Hunt and seconded by John Strough. Meeting adjourned at 2:07PM.