



CityPlace 50 W. Main Street, Suite 8100
Rochester, NY 14614
Phone (585) 753-2020 - FAX (585) 753-2029

Minutes

Monroe County Industrial Development Corporation

March 8, 2016 Meeting

Board Members in attendance: H. Abdul-Wahid, J. Barker, D. Brooks, C. Campbell, D. Halladay, P. Hin, C. Johnston, A. Laniak, R. Lasch, D. Mendick, J. Morse, P. Pecor, Z. Phillips, J. Rizzo, L. Ryan, P. Smith, S. Strassenburgh, K. Wilsey

Others: L. Birr, M. Doyle, S. Keefe

Also Present: R. Shepard of The Bonadio Group

Excused: P. Johnson, T. Brown, J. Goodyear and D. Zorn

There being a quorum, S. Strassenburgh called the meeting to order and opened public forum. There being no public forum items, the meeting commenced.

2015 Draft Audit Report: Randy Shepard of the Bonadio Group (“Bonadio”) presented the Board with MCIDC financial statements for the period ending December 31, 2015 and the Independent Auditor’s report as of December 31, 2015. Bonadio issued a clean, unmodified opinion. The Statements of Net Position were reviewed and discussed. The Board discussed investments and Bonadio reported that 2015 investment practices both followed stated policies and complied with ABO regulation guidelines. The Balance Sheet and Income Statement were reviewed and loans and bond amounts were discussed. R. Shepard discussed the possible re-classification of outflows to reflect fees spent on outside programs. The Internal Control Report and Compliance Report show no material weaknesses in internal controls or compliance for 2015. Notes to Financial Statements were reviewed and are consistent with past statements. Bonadio noted that the final audit is subject to receipt of final K-1s for verification purposes.

The Audit and Finance Committees recommended Board approval of the audit as presented by Bonadio subject to receipt of outstanding K-1s with no substantive changes. Upon motion made by H. Abdul-Wahid, seconded by D. Mendick, and unanimously carried, the Board approved the presented audit.

The Board went into Executive Session on motion by H. Abdul-Wahid, seconded by D. Brooks and by unanimous vote of the members for consideration of the following SBA 504 requests previously approved by the Loan Committee:

Professional Services

Project: building purchase

Total project amount - \$137,000; SBA 504 amount: \$59,000

Existing jobs - 1 FTE; Projected jobs - 2 FTEs

D. Halladay presented the loan. After discussion and consideration, on motion by H. Abdul-Wahid, seconded by P. Hin, and unanimously carried, the loan was approved.

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Professional Services

Project: building construction

Total project amount - \$1,500,000; SBA 504 amount - \$616,000

Existing jobs - 15 FTE; Projected jobs - 25 FTE

D. Halladay presented the loan. After discussion and consideration, on motion by P. Pecor, seconded by D. Mendick, and unanimously carried with one abstention by P. Smith, the loan was approved.

The Board considered an increase in loan amount for an SBA loan previously approved by the Board on January 12, 2016 for a building purchase for a service project. The Board discussed an increased project amount from \$570,000 to \$610,000 and the SBA loan increase from \$236M to \$248M. After discussion and consideration, on motion by P. Pecor, seconded by A. Laniak, and being unanimously carried with one abstention by P. Smith, the loan increase was approved.

A motion to terminate Executive Session was made by H. Abdul-Wahid, seconded by J. Rizzo, unanimously approved, whereupon Executive Session was concluded and the public meeting resumed.

Approval of Minutes: The draft minutes of the January 12, 2016 Meeting of the Board Members were presented. Upon motion made by D. Mendick and seconded by J. Rizzo, the approval of the minutes was unanimously carried.

Audit and Finance Committees Report: P. Hin advised the Board that the Audit and Finance Committees met on March 1, 2016 to review and discuss the financial statements with Bonadio, review and recommend any revisions to written policies and procedures related to financial practices of MCIDC, review the Committee's self-evaluations, and review and re-adopt the Committees' charters, all in compliance with reporting requirements.

Submission of 2015 Audit to the ABO: Upon motion made by P. Smith, seconded by P. Hin, and unanimously carried, the Board approved the reporting of the draft audit, upon receipt of outstanding K-1s and no substantive changes, to the Authorities Budget Office by March 31, 2016.

Policies and Procedures Related to Financial Practices: After a discussion of a proposed Loan Policy Risk Rating Guidelines, and upon recommendation by the Audit and Finance Committees, the Board approved the Loan Policy, and re-approved the Procurement Policy, Internal Controls and Financial Accountability, the Investment Policy and Whistleblower Policy, all on motion by H. Abdul-Wahid, second by P. Pecor and unanimous approval.

P. Hin also reported the Committees' recommendations of scheduling a presentation to the Board by Trillium, and the scheduling of a Board Member training session for reading financial statements.

Governance Committee Report: S. Strassenburgh advised the Board that the Governance Committee met on March 1, 2016 to review and discuss the following items: (1) results of the 2015 Performance Measures and Mission Statement (2) Governance Committee's self-evaluation and the Board of Directors' self-evaluation, (3) review of governance practices, (4) PARIS report update, (5) By-laws, (6) Governance Committee charter, (7) recommendation of any revisions to written policies and procedures, and (8) Board Member PAAA training, all in compliance with reporting requirements.

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Board Evaluation - S. Strassenburgh thanked the Members for its 100% response of self-evaluations. The Board approved the submission of the Board of Directors' self-evaluation results to the New York State Authorities Budget Office on motion by D. Brooks, second by J. Barker, and unanimous approval.

Mission Statement and Performance Measures: S. Strassenburgh reviewed the Mission Statement and Performance Measurement Report, in compliance with Section 2824-a of PAL. The Governance Committee recommended Board re-approval of its Public Authority Mission Statement. Upon motion made by H. Abdul-Wahid, seconded by P. Smith, and unanimously carried, the Board approved its Mission Statement.

By-Laws: The MCIDC By-laws were unchanged in 2015 and the Governance Committee recommended re-approval. Upon motion made by P. Pecor, seconded by D. Mendick, and unanimously carried, the Board re-approved its existing By-laws.

Policies and Procedures: After discussion of the Conflict of Interest Policy as recommended by the ABO, the Governance Committee recommended approval of the Conflict of Interest Policy subject to review by counsel regarding the clarification of the nature of disclosure requirement. Approval was made upon motion by H. Wahid-Abdul, seconded by C. Campbell, and unanimously carried.

After discussion, the Governance Committee recommended approval of the new Guidelines for Public Forum as part of the Public Participation policy, and after discussion, approval was made upon motion by D. Mendick, seconded by J. Rizzo, and unanimously carried.

The Board re-approved all other written policies and procedures which were confirmed to be the same as approved by the Board in 2015, upon motion made by P. Pecor, seconded by D. Mendick, and unanimously carried.

Activity and Status Report: L. Birr reported MCIDC activity and status through March 1, 2016.

SBA 504 Portfolio: The SBA loan portfolio was reviewed, and consists of 112 loans with an outstanding total of \$37,088,935. The backlog includes 12 loans, totaling \$11,831,000, resulting in 90 projected new jobs. The Board was updated on the status of Boundary Fence collection efforts and the Kingsbury loan.

MCIDC Loan Portfolio: 15 loans are outstanding, with a balance of \$1,182,842. One loan was repaid in the amount of \$500,000.

Treasurer's Report: The Financial Report was presented by P. Hin. The cash flow basis through year end 2016 shows a positive projected cash balance.

There being no further business to discuss, upon motion made by P. Pecor and seconded by D. Halladay, the meeting of the MCIDC Board was adjourned.

Dated: March 8, 2016

H. Abdul-Wahid, Secretary