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Minutes

Monroe County Industrial Development Corporation

March 8, 2017 Meeting

Board Members in attendance: H. Abdul-Wahid, J. Barker, D. Brooks, T. Brown, C. Campbell, D. Halladay, P. Hin, C. Johnston, A. Laniak, R. Lasch, P. Pecor, Z. Phillips, P. Smith, S. Strassenburgh
Others: Executive Director J. Adair, M. Geise, L. Birr, B. O'Brien, R. Turner, M. Doyle
Also Present: Munesh Patel, Esq. of Harris Beach, R. Shepard of The Bonadio Group

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

University of Rochester Bond Project: A public hearing was held March 8, 2017 at 7:40 a.m. just prior to this meeting. Attorney Patel introduced the project and Holly Crawford of the U of R. Ms. Crawford presented the project and use of proceeds. The Board considered the bond request under the Board's authority granted by Monroe County Legislature Resolution No. 288 of 2009. On motion by P. Hin, seconded by A. Laniak, abstentions by C. Johnston and P. Smith, the resolution was adopted, a summary of which follows:

BY THIS RESOLUTION, THE MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION (THE "ISSUER") APPROVES THE ISSUANCE OF ONE OR MORE SERIES OF THE REVENUE BONDS (UNIVERSITY OF ROCHESTER PROJECT), SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000, INCLUDING ISSUING A NEGATIVE DECLARATION AND MAKING OTHER SEQRA FINDINGS, AND THE EXECUTION AND DELIVERY OF ALL DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH

Rochester General Hospital Bond Project: A public hearing was held March 8, 2017 at 7:50 a.m. just prior to this meeting. Attorney Patel introduced the project and James Harrison and Paula Tinch of RGH, who presented the project and use of proceeds. The Board considered the bond request under the Board's authority granted by Monroe County Legislature Resolution No. 288 of 2009. On motion by P. Pecor, seconded by D. Halladay, abstention by C. Johnston, the resolution was adopted, a summary of which follows:

BY THIS RESOLUTION, THE MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION (THE "ISSUER") APPROVES THE ISSUANCE OF ONE OR MORE SERIES OF THE REVENUE BONDS (THE ROCHESTER GENERAL HOSPITAL PROJECT), SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$175,000,000, INCLUDING MAKING SEQRA FINDINGS AND THE EXECUTION AND DELIVERY OF ALL DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH

S. Strassenburgh introduced new MCIDC employee Bridget O'Brien, who started the end of February. Bridget addressed the Board and provided a brief description of her prior work experience.

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MCFL PTAC Update and Funding Request: Anna Vulaj Fitzsimmons presented an update of PTAC activity and requested funding for PTAC's fiscal year September 1, 2017 to August 31, 2018, in the amount of \$85,358. Executive Director Adair emphasized the outstanding work of PTAC under the leadership of Anna and work of Matt Burrell, and the benefit they bring to our community. P. Hin reported that the Finance Committee considered this request, has included the amount of \$91,260 in the MCIDC budget based on the prior year budget, and recommends Board approval. Upon motion by H. Abdul-Wahid, second by P. Smith, and unanimously carried, the Board approved funding of \$91,260 to MCFL PTAC from the MCIDC budget.

2016 Draft Audit Report: Randy Shepard of The Bonadio Group presented the Board with the MCIDC 2016 draft audit. Bonadio issued a clean, unmodified opinion. The Statements of Net Position were reviewed and discussed. The Internal Control Report and Compliance Report show no material weaknesses in internal controls or compliance for 2016. 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. D. Brooks, Chair of the Audit Committee 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 P. Smith, and unanimously carried, the Board approved the presented draft audit subject to receipt of outstanding K-1s with no substantive changes. Secondly, upon motion made by P. Pecor, second by P. Smith, all aye, the Board approved the reporting of the draft audit to the Authority Budget Office by March 31, 2017 provided there are no substantive changes per outstanding K-1s. Executive Director Adair thanked Randy for his due diligence in the preparation of the audit and assessment of investment reporting.

Approval of Minutes: The draft minutes of the February 14, 2017 Meeting of the Board Members were presented. Upon motion made by P. Hin and seconded by D. Brooks, the approval of the minutes unanimously carried.

Audit Committee Report: D. Brooks advised the Board that in compliance with reporting requirements, the Audit Committee met on March 7, 2017 to (1) review and discuss the draft audit with Bonadio, (2) review and adopt its Charter, (3) review the Committee's self-evaluations, and thereby make the determination that the Audit Committee has discharged its duties and obligations in accordance with its Charter, (4) review the Internal Controls Policy and the Whistleblower Policy and thereby recommend no changes. In addition, the Audit Committee reported that the IRS audit of a 2010 bond issue is still pending, and that the IRS is in receipt of all requested audit information. The audit is not yet completed, as there may be additional follow-up questions. We are waiting to hear back from the IRS.

Finance Committee Report: P. Hin advised the Board that in compliance with reporting requirements, the Finance Committee met on March 7, 2017 to review and discuss proposed amendments to the MCIDC 2017 budget, to include items for SBA requirements with resultant expense increases of \$20,000 for training, \$6,000 for travel, and the addition of \$12,000 for loan review under professional fees. The net increase is \$38,000. Upon motion by H. Abdul-Wahid, second by P. Smith, all aye, the Board approved the proposed amendments to the MCIDC 2017 budget. P. Hin further reported that the Committee (1) made review of and adopted its Charter, (2) reviewed the Committee's self-evaluations, and thereby made the determination that the Finance Committee discharged its duties and obligations in accordance with its Charter, (3) reviewed the Investment Policy and recommends no changes, (4) reviewed and recommends to the Board a revision to the Procurement Policy to increase the dollar amount for the proposal requirement from \$10,000 to \$20,000, as recommended by Harris Beach, and as is the policy of the County, and (5) reviewed the allocation of MCIDC deposits and discussed investments.

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Governance Committee Report: S. Strassenburgh advised in compliance with reporting requirements, the Governance Committee met on March 7, 2017 to (1) review and discuss the Mission Statement and Measurement Report, and the By-laws, (2) confirm that all Board Members have completed the Fiduciary Duty forms for verification in the PARIS Report, and the Financial Disclosure forms to be filed with the Board of Ethics, (3) adopt its Charter, (4) review its self-evaluations, and thereby made the determination that the Governance Committee discharged its duties and obligations in accordance with its Charter, (5) review the written policies and procedures and recommend no changes, and (6) review and recommend the approval of the confidential Board Evaluation Report.

The following Board actions were completed:

Board Evaluation: Upon motion by H. Abdul-Wahid, second by P. Hin, the Board approved the confidential Board Evaluation Report and of providing the results to the ABO by March 31, 2017.

Committee Charters: Upon motion by H. Abdul-Wahid, second by P. Smith, the Board approved the Charters of the Audit, Finance and Governance Committees.

By-Laws: Upon motion made by P. Pecor, seconded by P. Hin, and unanimously carried, the Board re-approved its existing By-laws.

Policies and Procedures: Upon consideration of the Finance Committee's recommendation for a change to the Procurement Policy, approval was made upon motion by P. Pecor, seconded by D. Brooks, 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 2016. Upon motion made by P. Pecor, seconded by C. Campbell, and unanimously carried.

Mission Statement and Performance Measures: Upon consideration of the Governance Committee's recommendation thereof, the Board approved revisions to its Public Authority Mission Statement upon motion made by H. Abdul-Wahid, seconded by P. Smith, and unanimously carried.

Activity & Status Report: Executive Director Adair reported MCIDC activity and status as of March 1, 2017.

Treasurer's Report: The Financial Report was presented by P. Hin. The cash flow basis through year end 2017 shows a positive projected cash balance.

Other Business: The Board unanimously approved granting to Executive Director Jeffrey R. Adair all check signing privileges for all MCIDC accounts and depositories.

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

Dated: March 8, 2017



H. Abdul-Wahid, Secretary