



Auburn Industrial
Development Authority

**MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
FINANCE COMMITTEE
Tuesday, November 24, 2015
Cayuga County Chamber of Commerce
2 State St., Auburn, NY 13021**

Board Present: James A. Dacey (Chair & Member of Business)
Robert Byron (Member of Industry)
Tricia Ottley (Member at Large)

Staff: Tracy Verrier, Assistant Treasurer
Andrew Fish, Executive Director
Michelle Prego-Milewski, Acting Secretary

The meeting was called to order at 5:01 pm by Mr. Dacey, who noted there was a quorum present.

Mr. Dacey said that the committee's roles are spelled out fairly well. He also suggested the Mr. Byron become the committee chair.

Ms. Verrier said that the committee will be reviewing the charter.

Mr. Dacey asked about the debt and debt practices pertaining to PILOTs. Ms. Verrier said that there are areas in the documents that talk about the issuance of debt in financial incentives.

Mr. Dacey also asked about the need for subsidiaries, and said that there may not be need for one now but there may be in the future. Mr. Byron asked if AIDA would ever be required to manage a company. Ms. Verrier said that no, it would be used more for property purposes.

Ms. Verrier reviewed each bullet point in the charter with the committee. When discussing the annual review, Mr. Dacey said that some of the material would have to come from the internal audit discussed by the audit committees prior to this meeting. Ms. Ottley added that the charter should include something to simplify or clarify the PILOT process, like attorney Dom Giacona was saying in reference to the Auburn Floors and Walls incentives that required a special meeting. Mr. Dacey referenced the Plaza of the Arts project, saying that the management came back multiple times for the mortgage recording abatement. He said that this could be something that the committee could have handled and made a recommendation on. Ms. Verrier agreed, and said it would depend on the situation.

Mr. Dacey said that one of the problems is that boards change. He said that while AIDA has a strong board at the moment, a future board might need to lean on the committee more if there are weak links or cliques within the larger board.

Under the Composition and Selection

Ms. Verrier stated that the full board will need to approve Mr. Byron as chair of the committee. Ms. Verrier asked the committee how they would like to implement the staggered, three-year terms. Ms. Verrier and Ms. Milewski also reviewed requirements for public notification of committee meetings.

James A. Dacey
Chairman

24 South Street
Auburn, NY 13021

PHONE
(315) 252-3500

FAX
(315) 255-3077

Mr. Dacey said that he would like this committee to review the budget before the full board in future years. Mr. Fish noted that the committee would have to meet before October in order to review the budget.

Investments

Ms. Ottley noted that the IDA doesn't have a lot of investments. Mr. Fish agreed, but said that it was good to have the policy in place. Ms. Ottley asked if the board had ever looked into investments. Mr. Dacey said that it was talked about seven or eight years ago when AIDA had more PILOTs, and the board decided to stay fluid.

Mr. Byron said that Ms. Verrier has the knowledge of the operation to decide what should stay fluid and what could be invested, and the board could get creative with what's left. Ms. Verrier said she could do the analysis, but the board would need to find the right investment tool. She added that many bank investment options like CDs aren't providing good interest rates right now, but that a multiple year investment might look better.

Mr. Ottley asked if the board could invest in businesses in the form of equity. Mr. Fish responded that the public authority's moneys need to be safe and therefore can't be used for speculative investments.

Capital Plan

Ms. Ottley asked if the board had a capital plan in place. Ms. Verrier said that she didn't think so, but if the board wanted to build one the finance committee would be involved. Mr. Dacey said he didn't think that the board was equipped for that level of involvement.

Financial and Procurement Thresholds

Ms. Ottley said she would like to see this annually, because of changes made to UTEP. Mr. Dacey said that that would be one of the things that the board would look at during an internal audit. The committee could set the baseline and key in on certain items.

Mr. Fish said that one of the concerns with fee sharing between CEDA and AIDA would trigger requirements of IDA spending, and wondered if the finance committee could act as an intermediary to make recommendations for how the money should be spent. He said that staff would check with Rob Poyer on this.

Ms. Verrier said she didn't think it was a bad idea to review the charter on an annual basis, but she left it up to the committee. The committee agreed. She said it touches on the authorities' fee schedule, and that it can be reviewed annually at the board's request.

Mr. Dacey suggested that the finance committee work closely with the audit committee as they conduct internal audits each year. He said those audits will help to determine which policies and procedures needs to be reviewed more closely and which are in good shape. Mr. Byron agreed that a lot of things that the finance committee does will come from the internal audit, so there would be an overlap.

Insurance

Ms. Verrier said that the board insurance was provided by the city, and asked if the committee wanted to review it. Mr. Dacey said it should be reviewed every year, and the board shouldn't make the assumption that the city is providing the correct level of coverage. He asked if it should be something that was a part of the internal audit. Mr. Fish said it could be left with the finance committee, and if the board isn't comfortable with it the board can procure its own policy.

Ms. Verrier said it was something that could be reviewed at the spring meeting. She said that she would create a schedule of what the board will review at the spring and fall meetings. Mr. Dacey agreed, and said that the committee could fine tune it as it goes along.

Investment and Procurement

Ms. Verrier asked if the committee wanted to review the policy now or wait until Spring. Ms. Ottley asked if that policy was just adopted. Ms. Verrier answered that the Investment and Procurement policy was adopted in 2014. Ms. Ottley asked if there was a clause for selection criteria, and wanted to know if there was any opportunity to put something in the policy about using local developers. Mr. Dacey and

Mr. Byron agreed. Mr. Fish said that there was a law passed that allows municipalities to use local vendors even if they are not the lowest bid, but was not sure if that law extended to the IDAs. He stated that staff would look into it.

Mr. Fish said that under the current policy, three bids were required, and it was rare that there would not be three local bids.

Mr. Dacey asked how this could relate to office supplies. Mr. Fish said that most of the IDA's procurement isn't supply-based, but rather service-based. He wanted to make sure that the policy included the gist of what the committee was trying to do without hamstringing the board down the road. Mr. Dacey suggested that the board put in a limit, such as \$3,000. Anything above that number would have to be bought locally or bid for locally. He suggested that staff look into it, and it be discussed at the spring meeting.

Discussion of Committee Performance

The committee didn't have any problems with its performance so far, recognizing that there had not been much for them to review this year.

Ms. Verrier recapped the topics for each meeting: Insurance, Procurement Policy and Investment Policy will be discussed at the spring meeting. The Charter and Budget will be discussed in the fall.

Mr. Dacey asked about the committee's reporting requirements. Ms. Verrier said that meeting minutes and a report to the board are sufficient.

Mr. Dacey said that the committee has reviewed the 2016 budget, along with the full board. Ms. Verrier said that a separate meeting to review the budget would be scheduled for next year.

Mr. Byron asked if the budgets from the previous year can be reviewed side by side so it would be easy to scan and see discrepancies. Ms. Verrier said that the 2015 budget was included alongside in the 2016 budget, and that future budgets would be done the same way. Mr. Dacey said that the committee could review a line-by-line budget to identify obsolete items or recommend new ones.

The meeting ended at 6:02.