

## ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### AUDIT COMMITTEE MINUTES

August 28, 2018

Orange County Business Accelerator in New Windsor, New York.  
11:00am- 12:00pm

PRESENT: Edward Diana, Mary Ellen Rogulski, Robert Schreibeis, Joel Kleiman

ALSO PRESENT: Laurie Villasuso – Chief Operating Officer  
Kevin Dowd – IDA Attorney  
Vincent Cozzolino – Managing Director  
Kelly Reilly

#### **Bookkeeping / Accounting Service**

Mr. Kleiman started the meeting off by saying that there was a new company he is pursuing named PKHB to replace the bookkeeping firm. Mr. Kleiman stated that he just received the signed contract and needs Ms. Villasuso to sign it and will date it September 1, 2018. Mr. Kleiman stated that before he pulls the trigger on the new firm PKHB he will need to contact all the banks to give them access to our accounts and to take R & D Bookkeeping off. Mr. Kleiman stated that when the new firm takes over, he will reach out to the auditor (JGS) to come in and audit the books from the beginning of the year until September 2018 instead of waiting for the ¾ review. Ms. Rogulski agreed it was a good idea. Mr. Diana asked what the full name of the firm is, and Mr. Kleiman stated Patterson, Koskey, Howe, Bucci from their Kingston office. Mr. Diana then asked why we are changing, and Mr. Kleiman stated that we are not happy with the service we are getting from the current bookkeeper. Mr., Kleiman also stated that is firm is a bookkeeper as well as CPA. Mr. Diana asked what the money difference is, and Mr. Kleiman stated that he does not have the numbers but PKHB is more expensive but is more capable of doing the job.

#### **Employee Retirement Option**

Mr. Kleiman stated that last year we found out that we were in the wrong compensation plan. Many options have been looked at. Mr. Kleiman stated that they found out what the options are, and then engaged BPAS. BPAS came back and recommended we do a Deferred Compensation Plan based on their analysis vs. going into the NYS Retirement Plan. The main reason is due to the fact that we cannot guarantee to get past service approved. Mr. Kleiman stated for that reason it was best to go with the Deferred Compensation Plan. Mr. Diana asked if Ms. Villasuso agreed and she said yes. Mr. Cozzolino stated that the numbers are in the 2019 Draft Budget to make up for that.

#### **IBM**

Mr. Kleiman started there are 2 things he wanted to bring up. Mr. Kleiman stated that JGS is in the process of doing an annual audit. It is for 3 years but added this year to make it 4 years. Mr. Kleiman stated that he hoped he would have a draft at this meeting, but he does not. Mr. Kleiman stated that at next month's audit committee meeting he will have 3 years of audits along with current year June 2016 – May 2017. Mr. Cozzolino stated the second part of this is that IBM issued us a check which was much lower than what we usually receive. Ms. Villasuso contacted her colleague at IBM and worked things out. IBM has a STE Sales Tax Exemption) of 75 million dollars and they met their threshold, so they stopped making purchases at Sterling Forest and making purchases elsewhere. Ms. Villasuso called Mr. Spinei and asked him if they increased the STE limit would they like to make more purchases in Sterling Forest. Mr. Spinei came back and stated that they were intested in increasing the STE by another 100 million dollars. Mr. Spinei also requested that they reword what is in the STE package by IBM paying a fee on their exemption and not their purchases. Ms. Villasuso stated to Mr. Spinei that she would speak to the audit committee today and if they approve she will get this into the September meeting. Ms. Villasuso stated the current STE ends in 2020 and IBM may want another year since they lost out on some time and does not feel that is a concern. Ms. Villasuso stated that she would call Mr. Spinneli today and let him know.

### **2019 Draft Budget**

Mr. Kleiman went over the IDA, BA, and OCFC budget over line by line. The 2019 Draft Budget was approved by the Audit Committee with two changes: 1. Family and Friends get changed to Orange County Youth Bureau and 2. After the HR meeting (which is next) they approve the Personnel portion, Mr. Kleiman states he would like to come to September meeting with this budget and look for approval. Mr. Kleiman suggest that the Audit Committee approves the budget based on the HR Committee Meeting. Mr. Dowd stated that this budget could be approved conditionally based on the two items above.

Mr. Diana motioned to approve this budge with the two changes and Mr. Schrebeis seconded the motion.

Meeting concludes