

Jefferson County Local Development Corporation
800 Starbuck Avenue, Suite 800, Watertown, New York 13601
Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915

Notice of Board Meeting

Date: October 24, 2019

To: Chairman David Converse
W. Edward Walldroff
Robert Aliasso
Kent Burto
John Jennings
Richard Duvall
Gregory Gardner
Paul Warneck
William Johnson
Lisa L'Huillier
Christine Powers

From: Donald C. Alexander, CEO

Re: Notice of Board of Directors' Meeting

The Jefferson County Local Development Corporation will hold their Board Meeting on **Thursday, November 7, 2019 at 8:00 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

pss

c: David Zembiec
Lyle Eaton
Joseph Russell, Esq.
Media

REVISED BOARD MEETING AGENDA

Thursday, November 7, 2019 – 8:00 a.m.

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes of the Meeting of October 3, 2019**
- V. Treasurer's Report for October 31, 2019**
- VI. Committee Reports**
 - a. Alternative Energy Committee**
 - b. Building and Grounds Committee**
 - c. Audit Committee**
 - i. Consider Resolution Number 11.07.2019.01 to Engage Bowers and Company for the 2018-2019 Audit**
- VII. Council Reports**
 - a. Manufacturing**
 - b. Marketing**
 - c. Jefferson County Agricultural Development**
 - i. Request to add new council member**
- VIII. Unfinished Business**
- IX. Counsel**
- X. New Business**
 - 1. Consider Resolution Number 11.07.2019.02 to Write Off Loan for AYDM Associates, LLC**
- XI. Adjournment**

**Jefferson County Local Development Corporation
Annual Board Meeting Minutes
October 3, 2019**

DRAFT

The Jefferson County Local Development Corporation held their annual board meeting on Thursday, October 3, 2019 in the board room at 800 Starbuck Avenue, Watertown, NY.

Present: David Converse, Chair, John Jennings, Paul Warneck, Robert E. Aliasso, Jr., Christine Powers, Kent Burto, Lisa L'Huillier, W. Edward Walldroff, Richard Duvall

Also Present: Joseph Russell, Esq., Francis Tom Iorizzo, and Marcus Wolf from the Watertown Daily Times

Staff Present: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Jay Matteson, Marshall Weir

Excused: Gregory Gardner, William Johnson

Absent: None

- I. **Call to Order:** Mr. Converse called the meeting to order at 8:02 a.m.
- II. **Pledge of Allegiance:** Mr. Converse asked all to stand for the Pledge of Allegiance.
- III. **Privilege of the Floor:** Mr. Converse invited guests to speak. No one spoke.
- IV. **Minutes:** Minutes of the regular meeting held September 5, 2019 were presented. A motion to approve the minutes as presented was made by Mr. Aliasso, seconded by Mr. Jennings. All in favor. Carried.
- V. **Treasurer's Report:** Mr. Aliasso reviewed the financials for the period ending September 30, 2019. A motion was made by Mr. Burto to accept the financial reports as presented, seconded by Ms. Powers. All in favor. Carried.
- VI. **Committee Reports:**
 - a. **Governance Committee**
 - i. **Resolution Number 10.03.2019.01 for Annual Internal Policy and Procedure Review** – Mr. Walldroff said that the committee met in September to review the bylaws, proposed mission statement, policies and procedures. After review and discussion, a motion was made by Mr. Walldroff to approve the attached resolution as presented, seconded by Mr. Warneck. All in favor. Carried.
 - b. **Personnel Committee**
 - i. **Resolution Number 10.03.2019.02 to Establish Percentage for Profit Share for year ending 9/30/19** – Mr. Converse said that the committee met in September to establish a percentage to go towards the retirement plan for fiscal year ending 9/30/19. After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution as presented, seconded by Mr. Jennings. All in favor. Carried.

- ii. **Resolution Number 10.03.2019.03 for CEO Salary Increase and Contract Extension** – Mr. Converse said that the committee met to complete Mr. Alexander’s annual evaluation and extend the current contract for 1 (one) year with a 30-day advance notice period. After review and discussion, a motion was made by Mr. Burto to approve the attached resolution as presented, seconded by Ms. Powers. All in favor. Carried.

- c. **Nominating Committee**
 - i. **Resolution Number 10.03.2019.04 for Election of Officers for 2019-2020 FY** – Ms. L’Huillier said that the committee met on September 12 to nominate officers for the new fiscal year. She said that the current slate of officers agreed to serve another year. She also said that Mr. Aliasso has expressed interest in being reappointed after his term expires at the end of this year. She said that staff should inform the County Legislature. After review and discussion, a motion was made by Ms. L’Huillier to approve the attached resolution as presented, seconded by Mr. Jennings. All in favor. Carried.

- d. **Alternative Energy Committee** – In Mr. Johnson’s absence, Mr. Warneck updated the board. Mr. Warneck said that there have been several meetings with OYA and there is a proposed Inducement Resolution on the IDA agenda today. He also said that meetings with the affected taxing jurisdictions (ATJ’s) have occurred and noted a hiccup because the Town of Orleans was not invited, but that has now been settled. He said that the ATJ’s are on board with the PILOT Agreement. He noted that OYA has been easy to deal with because they came to us with all of their local approvals. He said that it falls under the UTEP and will not be a deviation.

Mr. Warneck said that introductory meetings with two other companies are being scheduled.

Mr. Alexander said that he and Mr. Johnson attended a meeting in Chaumont last night regarding the proposed Norbut Solar Project. He said approximately 30 community members were in attendance.

Mr. Alexander said he asked Attorney Russell and his firm (Barclay Damon) to look into procurement laws regarding school aid.

- e. **Building and Grounds Committee** – Mr. Burto said that the committee has been meeting with the CPA to develop a pro-forma at 146 Arsenal Street, Watertown and with a potential client to whom we presented a proposal to since they are interested in a majority of the building. The potential client will make a presentation to the IDA board later today.

VII. Council Reports:

- a. **Manufacturing** – Mr. Zembiec said that the safety training is underway. He said that he will be brainstorming with manufacturers across the region on October 16th, attending Manufacturing Day October 17th, and the Fort Drum Employer Tour on October 18th.

Jefferson County Local Development Corporation
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October 3, 2019

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b. **Marketing** – Mr. Weir reported on the following:

- Rebrand Outreach – Mr. Weir said that he is going to rebrand our outreach materials.
- Video – Mr. Weir said that the script is being worked on by the voice over actor and should be available within the month.
- Regional Council – Mr. Weir mentioned that three CFA Applications that we assisted with were selected as priority projects (EZ Stak, MetalCraft, and Thousand Islands Agribusiness).
- Trip to California (Food Summit) – Mr. Weir said that he learned about upcycling which takes waste stream and turns it into a value-added product. He also said that regenerative (all natural/organic – good product, good for soil) was discussed. Mr. Weir said the conference focused a lot on the future for technology, living wages for employees, etc.

Adjourn Temporarily – Mr. Converse asked for a motion to temporarily adjourn this meeting to open the IDA board meeting for a potential client presentation. At 8:45 a.m., a motion was made by Mr. Warneck to temporarily adjourn the annual meeting, seconded by Mr. Walldroff. All in favor.

Reconvene – At 9:58 a.m. Mr. Converse reconvened the annual board meeting.

- c. **Ag** – Mr. Matteson sent out his report prior to the meeting. He said that the trip to California for the Food Summit was an excellent program to attend. He talked about the Impossible Burger which is plant based and said that there may be a potential local connection.

Mr. Matteson said that his action item is to figure out how we can provide a pathway for local industry. He said that his concern is that animal agriculture is going to be portrayed as bad for the environment with new marketing based on the vegetarian diet (i.e. impossible burgers). He said that he would like to recognize potential threats and be able to adapt and handle them. Mr. Jennings said the focus should be on identifying products for what is actually used in them. Mr. Matteson said that he plans to bring together the Ag ad hoc committee and Ag Council for these discussions.

Mr. Matteson announced the creation of the Agricultural Issues Guidance Team that will deal with critical issues and help formulate responses to help overcome negativity and to provide a better structure for talking points and identify tools the industry can use to roll out messages.

Lastly, Mr. Matteson said that Paul Mason is now the chairperson of the Ag Council.

VIII. **Unfinished Business:** None.

IX. **Counsel:** None.

**Jefferson County Local Development Corporation
Annual Board Meeting Minutes
October 3, 2019**

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X. New Business:

- 1. Resolution Number 10.03.2019.05 to charge off Administrative Services Billing to In-Kind Services** – After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution as presented, seconded by Mr. Warneck. All in favor. Carried.

Other -

- **Comptroller Audit (JCIDA)** – Mr. Alexander said the audit is underway and is expected to last several months.

- XI. Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Aliasso, seconded by Ms. Powers. All in favor. The meeting adjourned at 10:15 a.m.

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 10.03.2019.01
For Annual Internal Policy and Procedure Review

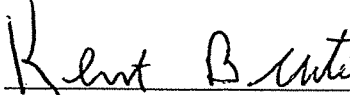
WHEREAS, on September 12, 2019 the JCLDC Governance Committee met to review the current policies and procedures. After review and discussion, they recommended the following internal policies for the Board's consideration:

- Bylaws
- Proposed Mission Statement & Performance Measurements
- Audit and Finance Committee Charter
- CEO and CFO Annual Report Certification
- Certification of No Conflict of Interest
- Code of Ethics
- Compensation, Reimbursement and Attendance Policy
- Conflicts of Interest Policy
- Defense and Indemnification Policy
- Discretionary Funds Policy
- Disposition of Real Property Guidelines
- Equal Employment Opportunity Policy
- Extension of Credit to Board Members and Officers
- Fixed Asset Policy
- Governance Committee Charter
- Independent Director Certification
- Information Security Policy
- Investment Policy with Internal Controls
- Lending/Collection Policy and Procedures
- Policy for Charge Card Expenditures
- Policy Regarding Possession and Use of Electronic Devices
- Procurement Policy
- Real Property Acquisition Guidelines
- Records Retention and Disposition Schedule MI-1
- Sexual Harassment Policy
- Travel Policy
- Whistleblower Policy

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the above internal policies and procedures as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.



Kent Burto, Secretary

A regular meeting of the Jefferson County Local Development Corporation convened on Thursday, October 3, 2019 at 8:00 a.m.

The following resolution was duly offered and seconded, to wit:

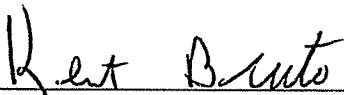
Resolution No. 10.03.2019.02

RESOLUTION OF THE JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION (the "Corporation") TO MAKE A ONE TIME CONTRIBUTION OF \$15,808 (3%) TO THE JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION 401(K) PROFIT SHARING PLAN FOR THE PLAN YEAR 2019.

NOW THEREFORE BE IT RESOLVED BY THE MEMBERS OF THE JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION THAT:

THE JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION MAKES A ONE-TIME CONTRIBUTION TO THE JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION 401(K) PROFIT SHARING PLAN OF \$15,808 FOR PLAN YEAR 2019.

This Resolution is to take effect immediately.


Kent Burto, Secretary

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 10.03.2019.03

RESOLUTION FOR CEO SALARY INCREASE

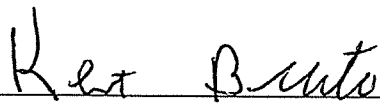
WHEREAS, the Personnel Committee met on September 12, 2019 to conduct the Annual CEO Evaluation and review the expiring contract, and

WHEREAS, the Personnel Committee recommended a 2% salary increase effective September 16, 2019 and a one-year contract extension with a new expiration date of September 30, 2020 that includes a 30-day advance notice period from CEO if he resigns before the expiration of the contract, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the recommendation, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.



Kent Burto, Secretary

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 10.03.2019.04
For Election of Officers

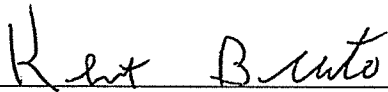
WHEREAS, the Nominating Committee met on September 12, 2019 and recommended the following slate of officers for the 2019-2020 fiscal year:

Chairman	David J. Converse
Vice Chairman	W. Edward Walldroff
Treasurer	Robert E. Aliasso, Jr.
Secretary	Kent Burto, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the slate of officers as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.



Kent Burto, Secretary

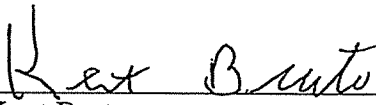
JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 10.03.2019.05
Authorize Charge Off of Administrative Services Billing to In-Kind Services

WHEREAS, CFO Lyle Eaton recommended charging of \$298,512 for the administrative services billing to in-kind services ending 9/30/19, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the recommendation as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.



Kent Burto
Secretary

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Income Statement for the One Month Period Ending October 31, 2019

Prepared by Lyle Eaton, October 30, 2019

UNRECONCILED

	Current Year Budget	Year-to-Date Total	Current Month	Previous Month	Balance Remaining
Revenues					
Admin Fees	\$ 600,377.00	50,031.41	\$ 50,031.41	49,752.00	550,345.59
JC Grant Marketing	275,400.00	22,950.00	22,950.00	22,950.00	252,450.00
JC Grant Ag Program	138,720.00	11,560.00	11,560.00	11,560.00	127,160.00
RLF Interest Income	45,000.00	3,507.49	3,507.49	2,181.82	41,492.51
Interest Income	4,200.00	0.00	0.00	315.04	4,200.00
Grant Income NYS-HAB	14,102.00	0.00	0.00	1,400.00	14,102.00
Miscellaneous Income	500.00	2,456.02	2,456.02	0.00	(1,956.02)
AG Conference	5,000.00	0.00	0.00	0.00	5,000.00
Total Revenues	1,083,299.00	90,504.92	90,504.92	88,158.86	992,794.08
Expenses					
Salaries	538,205.00	41,670.65	41,670.65	62,301.53	496,534.35
Benefits	219,819.00	15,405.36	15,405.36	34,000.97	204,413.64
Operations					
Marketing Program	360,744.00	22,905.36	22,905.36	27,775.06	337,838.64
AG Program	191,822.00	20,758.78	20,758.78	15,396.13	171,063.22
Office Expense	10,000.00	1,147.06	1,147.06	1,444.92	8,852.94
Payroll Processing	1,800.00	196.59	196.59	128.78	1,603.41
Office Rent	17,600.00	1,420.24	1,420.24	1,420.24	16,179.76
Project Loan Rent	55,943.00	0.00	0.00	4,661.87	55,943.00
Office Cleaning	12,000.00	0.00	0.00	2,450.00	12,000.00
Telephone	6,000.00	256.34	256.34	418.04	5,743.66
Equipment Rental	3,400.00	278.97	278.97	278.97	3,121.03
Equipment Maintenance	5,500.00	54.70	54.70	2,098.96	5,445.30
System Maintenance	3,600.00	214.45	214.45	214.45	3,385.55
Electric Service	3,600.00	0.00	0.00	289.09	3,600.00
Gas Service	3,200.00	0.00	0.00	24.52	3,200.00
Business Support	5,000.00	0.00	0.00	0.00	5,000.00
Manufacturers Comm. Expense	500.00	0.00	0.00	0.00	500.00
Workforce Development	2,500.00	5,060.00	5,060.00	0.00	(2,560.00)
Safety Training	14,102.00	0.00	0.00	0.00	14,102.00
Travel/Promotion/Meals	6,000.00	0.00	0.00	1,198.28	6,000.00
Staff Training & Seminars	3,000.00	490.00	490.00	450.00	2,510.00
Depreciation Distillery Equip.	14,143.00	1,178.57	1,178.57	1,178.57	12,964.43
Depreciation F&F	8,518.00	709.85	709.85	745.26	7,808.15
Dues & Publications	5,000.00	3,580.00	3,580.00	275.00	1,420.00
Commercial Insurance	800.00	0.00	0.00	0.00	800.00
In Kind Services To JCIDA	0.00	0.00	0.00	298,512.00	0.00
Legal Unrestricted	1,000.00	0.00	0.00	0.00	1,000.00
Accounting & Auditing	6,000.00	0.00	0.00	0.00	6,000.00
Fees Expense	300.00	0.00	0.00	0.00	300.00
Grant Expense NYS-HAB	0.00	0.00	0.00	1,400.00	0.00
Reallocated Program Expenses	(431,199.00)	(42,177.19)	(42,177.19)	(34,420.26)	(389,021.81)
Miscellaneous - Unrestricted	300.00	0.00	0.00	0.00	300.00
Total Operations	1,069,197.00	73,149.73	73,149.73	422,242.38	996,047.27
Total Revenue	1,083,299.00	90,504.92	90,504.92	88,158.86	992,794.08
Total Expenses	1,069,197.00	73,149.73	73,149.73	422,242.38	996,047.27
Net Income Over Expenditures	\$ 14,102.00	17,355.19	\$ 17,355.19	(334,083.52)	(3,253.19)

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION

AG Program Expense Statement for the One Month Period Ending October 31, 2019

Prepared by Lyle Eaton, October 30, 2019

UNRECONCILED

	Current Year Budget	Year-to-Date Total	Current Month	Previous Month	Balance Remaining
Operations					
AG Annual Meeting	\$ 5,000.00	0.00	\$ 0.00	0.00	5,000.00
AG Office Expense	1,000.00	218.18	218.18	0.00	781.82
AG Advertising	4,000.00	0.00	0.00	750.00	4,000.00
AG Printed Material	1,000.00	0.00	0.00	0.00	1,000.00
AG Membership/Dues	400.00	99.00	99.00	0.00	301.00
AG Business Attraction	3,500.00	0.00	0.00	0.00	3,500.00
AG Subscriptions	200.00	0.00	0.00	0.00	200.00
AG Travel/Meals/Lodging	4,000.00	35.66	35.66	1,639.02	3,964.34
AG Web Site Development	2,000.00	34.94	34.94	34.94	1,965.06
AG Misc Program Expenses	1,000.00	64.17	64.17	0.00	935.83
Local Food Guide	800.00	0.00	0.00	0.00	800.00
Salary Overhead	87,203.00	13,285.56	13,285.56	6,512.52	73,917.44
FICA Overhead	5,232.00	778.16	778.16	381.34	4,453.84
Medicare Overhead	1,221.00	182.00	182.00	89.18	1,039.00
Health/Dental Ins Overhead	27,221.00	2,314.72	2,314.72	2,316.77	24,906.28
Retirement Overhead	7,848.00	797.12	797.12	390.76	7,050.88
Indirect Labor Allocation	35,391.00	2,949.27	2,949.27	2,894.94	32,441.73
Non Labor Allocated Overhead	4,806.00	0.00	0.00	386.66	4,806.00
Total Operations	191,822.00	20,758.78	20,758.78	15,396.13	171,063.22

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION**Marketing Program Expense Statement for the One Month Period Ending October 31, 2019**

Prepared by Lyle Eaton, October 30, 2019

UNRECONCILED

	Current Year Budget	Year-to-Da te Total	Current Month	Previous Month	Balance Remaining
Operations					
Advertising Expense	\$ 41,600.00	500.00	\$ 500.00	4,509.00	41,100.00
Canadian Marketing	15,000.00	0.00	0.00	0.00	15,000.00
Euro Marketing	10,000.00	0.00	0.00	0.00	10,000.00
Printed Material	3,000.00	0.00	0.00	0.00	3,000.00
Seminars Workshops Publicatio	2,000.00	0.00	0.00	0.00	2,000.00
Travel/Meals/Promotion	3,000.00	0.00	0.00	1,484.97	3,000.00
Public Relations	3,000.00	0.00	0.00	0.00	3,000.00
Web Site Dev & Promo Design	5,000.00	535.00	535.00	300.00	4,465.00
Events Sponsorship	10,250.00	0.00	0.00	0.00	10,250.00
Survey Monkey	200.00	0.00	0.00	33.00	200.00
Drum Country Business	5,000.00	0.00	0.00	0.00	5,000.00
Mkt Misc Expense	250.00	0.00	0.00	0.00	250.00
Allocated Overhead	262,444.00	21,870.36	21,870.36	21,448.09	240,573.64
Total Operations	360,744.00	22,905.36	22,905.36	27,775.06	337,838.64

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION**Manuf. & Business Support Expense Statement for the One Month Period Ending October 31, 2019**

Prepared by Lyle Eaton, October 30, 2019

UNRECONCILED

	Current Year Budget	Year-to-Date Total	Current Month	Previous Month	Balance Remaining
Operations					
Business Support	\$ 5,000.00	0.00	\$ 0.00	0.00	5,000.00
Manufacturers Comm. Expense	500.00	0.00	0.00	0.00	500.00
Workforce Development	2,500.00	5,060.00	5,060.00	0.00	(2,560.00)
Safety Training	14,102.00	0.00	0.00	0.00	14,102.00
Total Operations	22,102.00	5,060.00	5,060.00	0.00	17,042.00

Jefferson County Local Development Corp
Balance Sheet
October 31, 2019

ASSETS

Current Assets		
General Checking	\$	41,631.71
Savings Account		1,238,109.24
RLF Savings		1,578,810.18
RLF Loans Receivable		834,210.61
N Grid Mkt Grant European		12,500.00
Miscellaneous Recievable		9,400.00
Prepaid Expense		2,694.66
		3,717,356.40
Total Current Assets		
		3,717,356.40
Property and Equipment		
Depreciation Distillery		(81,321.33)
Accumulated Depreciation		(41,603.90)
		(122,925.23)
Total Property and Equipment		
		(122,925.23)
Other Assets		
Distillery Equipment		99,000.00
Furniture & Fixtures		70,387.89
WIP Record Storage		5,320.48
		174,708.37
Total Other Assets		
		174,708.37
Total Assets		
	\$	3,769,139.54

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable - Unrestr	\$	283.39
Deferred Income Records		41,014.00
JC Grant-Marketing		252,450.00
JC Grant Agriculture Program		23,120.00
Deferred Mkt. Grant European		12,500.00
Deferred AG Tour Fee		600.00
		329,967.39
Total Current Liabilities		
		329,967.39
Long-Term Liabilities		
		0.00
Total Long-Term Liabilities		
		0.00
Total Liabilities		
		329,967.39
Capital		
General Fund Bal - Unrestrict.		3,421,816.96
Net Income		17,355.19
		3,439,172.15
Total Capital		
		3,439,172.15
Total Liabilities & Capital		
	\$	3,769,139.54

Jefferson County Local Development Corp

Receivables

As of October 31, 2019

Customer	Orig Loan	Balance	Issued	Maturity	Terms	Status	Payment
ACADIA ENERGY	1000.00	1000.00	3/22/19		Due on receipt	Default	Ag Sponsorship
AYDM ASSOC,	200,000.00	182,603.43	10/1/14	10/1/2039	5%- 300 Months	Default	1169.18
JAY CANZONIER	100,000.00	53,227.89	4/26/17	12/31/2018	3%- 84 Months	Current	726.73
CURRENT APPS	187,500.00	135,813.28	12/14/11	1/1/2032	5% 240 Months	Current	1,237.42
LCO DESTINY, LLC	600,000.00	132,263.40	9/29/15	10/1/2020	5%, 60 Months	Current	11,322.74
LODGE AT IVES	139,606.89	123,542.42	5/1/17	4/1/2022	5%, 60 Months	Current	1,104.00
SAFETY TRAINING		1,400.00					Grant
NATIONAL GRID-EURO		7,000.00					Grant
WICLDC	200,000.00	126,947.51	12/1/10	1/1/2031	3%, 240 Months	Current	1,109.20
WICLDC-JAIN	98,082.50	79,812.68	9/10/18	10/1/2023	3.5% 60 Months	Current	1,784.29
Report Total		842,610.61					

**Jefferson County Local Development Corp
Aged Receivables
As of Oct 31, 2019**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM	Amount Due
ACADIA ENERGY ACADIA ENERGY	2160	1,000.00
ACADIA ENERGY ACADIA ENERGY		1,000.00
AYDM AYDM ASSOC, INC	1969	182,603.43
AYDM AYDM ASSOC, INC		182,603.43
CANZONIER JAY CANZONIER D/B/A NO	2086	53,227.89
CANZONIER JAY CANZONIER D/B/A N		53,227.89
CURRENT CURRENT APPLICATIONS	11-30-11 LD	135,813.28
CURRENT CURRENT APPLICATIONS		135,813.28
JCIDA JEFF COUNTY IDA		
JCLDC JCLDC	2186	1,400.00
JCLDC JCLDC		1,400.00

Jefferson County Local Development Corp
Aged Receivables
As of Oct 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM	Amount Due
LCO LCO DESTINY, LLC	2013	132,263.40
LCO LCO DESTINY, LLC		132,263.40
LODGE THE LODGE AT IVES HILL	1914	123,542.42
LODGE THE LODGE AT IVES HILL		123,542.42
National Grid EURO N GRID EURO GRANT 437	2152	7,000.00
National Grid EURO N GRID EURO GRANT 437		7,000.00
WIC WICLDC	1907 RLF LOAN	126,947.51 79,812.68
WIC WICLDC		206,760.19
Report Total		843,610.61

Jefferson County Local Development Corp
Cash Receipts Journal
For the Period From Oct 1, 2019 to Oct 31, 2019

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Date	Account ID	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
10/3/19	122025 407501 112501	4827	Invoice: 2086 10/19 INTEREST JAY CANZONIER D/B/A NORTH BRANCH FARMS	726.73	592.18 134.55
10/3/19	122025 407501 112501	153645	Invoice: RLF LOAN 9/19 INTEREST WICLDC	1,784.29	1,542.49 241.80
10/3/19	122025 407501 112501	2751	Invoice: 11-30-11 LDCRLF 9/19 INTEREST CURRENT APPLICATIONS	1,237.42	665.97 571.45
10/3/19	122025 407501 112501	2753	Invoice: 1907 9/19 INTEREST WICLDC	1,109.20	787.86 321.34
10/10/19	122025 407501 112501	46657	Invoice: 2013 10/19 INTEREST LCO DESTINY, LLC	11,322.74	10,726.95 595.79
10/10/19	125001 100001	6900	Invoice: 2180 DON ALEXANDER	10.00	10.00
10/17/19	122025 407501 112501	153846	Invoice: RLF LOAN 10/19 INTEREST WICLDC	1,784.29	1,546.99 237.30
10/17/19	122025 407501 112501	2773	Invoice: 11-30-11 LDCRLF 10/19 INTEREST CURRENT APPLICATIONS	1,237.42	668.74 568.68
10/24/19	122025 407501 112501	2782	Invoice: 1907 10/19 INTEREST WICLDC	1,109.20	789.83 319.37
10/24/19	122025 407501 112501	2781	Invoice: 1914 10/19 INTEREST THE LODGE AT IVES HILL	1,104.00	586.79 517.21
10/24/19	125001 100001	7109	Invoice: 2188 JEFF COUNTY IDA	50,031.41	50,031.41
10/31/19	125001 125001 100001	7114	Invoice: 2187 Invoice: 2189 JEFF COUNTY IDA	2,454.42	1,162.62 1,291.80
10/31/19	260200 100101	50573	ANNUAL JEFFERSON COUNTY TREASURER	275,400.00	275,400.00
				349,311.12	349,311.12

**Jefferson County Local Development Corporation
Audit Committee Meeting Minutes
October 10, 2019**

The Jefferson County Local Development Corporation held an audit committee meeting on Thursday, October 10, 2019 in the board room, 800 Starbuck Avenue, Watertown, NY.

Present: John Jennings, Chair, Robert E. Aliasso, Jr., Paul Warneck

Also Present: Donald Alexander, Lyle Eaton, Peggy Sampson, Bryan Olson and Liz Bush from Bowers & Company

Excused: None

Absent: Rich Duvall

I. Call to Order: Mr. Jennings called the meeting to order at 8:16 a.m.

II. Engage Audit Firm:

A pre-audit meeting to engage Bowers & Company to complete the 2018-2019 audit.

Mr. Olson asked the committee and staff members if there were any fraud or illegal acts; no one was aware of any. Mr. Olson asked if there was any litigation; no one was aware of any. Mr. Olson asked if there were any questionable/problem loans. Mr. Eaton said that we may have an issue with AYDM Associates because they are over 90 days past due and are not making any payments. He said that we are in a second position behind the bank (Watertown Savings Bank) and co-proportional with NCA. He said the bank has taken the lead on collections; however, he sent a default letter that was not accepted and returned to us unsigned. Mr. Eaton said that there were no new loans issued.

Mr. Olson said there are new accounting standards for net assets, allocating time for programs/services, and a new footnote for liquidity disclosure. He said the change to net assets won't affect the LDC because we don't have donor restrictions and noted that Mr. Eaton already has a system in place for allocating time for programs/services.

The audit has been scheduled to start on November 4, 2019. Liz Bush will be the lead partner (second year).

Mr. Olson presented the engagement letter. The fee is \$5,600 plus \$300 for information returns. Mr. Eaton will provide Mr. Olson with a list of the loan balances and will present him with a trial balance soon.

A motion was made by Mr. Warneck to recommend approval of the engagement letter to the full board of directors, seconded by Mr. Aliasso. All in favor.

III. Adjournment: With no further business before the committee, a motion to adjourn was made by Mr. Aliasso, seconded by Mr. Warneck. The meeting adjourned at 8:24 a.m.

DRAFT

**JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 11.07.2019.01
to Engage Auditors for Annual Audit**

WHEREAS, the Audit Committee met on October 10, 2019 to meet with Bowers & Company CPAs PLLC, and

WHEREAS, Bowers & Company presented an engagement letter to audit the financial statements for the year ended September 30, 2019. The fee will be \$5,600 for the audit and \$300 for the preparation of information returns, and

WHEREAS, the Audit Committee recommended approval of the engagement letter, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the recommendation as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

Kent Burto, Secretary



BOWERS & COMPANY
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

October 4, 2019

To the Board of Directors
Jefferson County Local
Development Corporation
800 Starbuck Avenue, STE 800
Watertown, NY 13601

We are pleased to confirm our understanding of the services we are to provide for Jefferson County Local Development Corporation for the year ended September 30, 2019.

We will audit the financial statements of Jefferson County Local Development Corporation, which comprise the statement of financial position as of September 30, 2019, and the related statement of activities, functional expenses, and cash flows for the year ended September 30, 2019, and the related notes to the financial statements.

Audit Objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of Jefferson County Local Development Corporation's financial statements. Our report will be addressed to the Board of Directors of Jefferson County Local Development Corporation. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's

internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Jefferson County Local Development Corporation is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Jefferson County Local Development Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will prepare the Organization's federal and state information returns for the year ended September 30, 2019. We will also assist in preparing the financial statements and related notes of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the tax services, financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonaudit services we provide; you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bowers & Company CPA's, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bowers & Company CPA's, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal awarding agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Elizabeth Bush is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately November 4, 2019 and to complete your information returns and issue in a timely manner.

Our fees will be \$5,600 for the audit, \$300 for the preparation of information returns. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

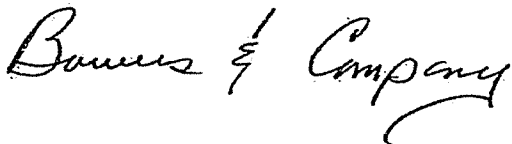
To ensure that Bowers & Company CPAs PLLC's independence is not impaired under the AICPA Code of Professional conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit for Jefferson County Local Development Corporation and that no other person or entity shall be authorized to enforce the terms of the engagement.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We appreciate the opportunity to be of service to Jefferson County Local Development Corporation and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



RESPONSE:

This letter correctly sets forth the understanding of Jefferson County Local Development Corporation.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Jefferson County Local Development Corporation
 B&C Loan File Review
 9/30/2019

Loan: AYDM Associates, LLC

Estimated Collateral Value:	1,900,000.00	Ⓒ
Less: Estimated Costs to Sell	(95,000.00)	Estimated at 5% of selling cost
Net Realizable Value	1,805,000.00	**

** WSB has 1st position. DANC and JCLDC have co-proportional 2nd position

	<u>WSB</u>	<u>DANC</u>	<u>JCLDC</u>	<u>Total</u>
Outstanding Principal Balance	1,793,482.73	276,722.44	182,603.43	2,252,808.60
Outstanding Interest Due	15,313.29	6,877.40	4,539.43	26,730.12
Total Balance Due	<u>1,808,796.02</u>	<u>283,599.84</u>	<u>187,142.86</u>	<u>2,279,538.72</u>
Co-Proportional %	N/A - 1st position	60%	40%	100%
Collateral Applied to Loan	1,805,000.00	-	-	1,805,000.00
Write-Down Required	3,796.02	283,599.84	187,142.86	474,538.72

Ⓒ Balances confirmed independently with respective lenders/BRO

X Interest receivable not recorded on LDC books, only principal balance. Write-off would be for principal balance of \$182,603.42

Proposed Entry:	DEBIT	CREDIT
Bad Debt Expense	182,603.43	
Allowance for Bad Debt		182,603.43

DRAFT

**JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 11.07.2019.02**

**RESOLUTION FOR AUTHORIZING A WRITE OFF AND COLLECTION TO THE
COMMUNITY DEVELOPMENT FUND REVOLVING LOAN FUND TO
AYDM ASSOCIATES, LLC**

WHEREAS, Staff recommends approval to write off this account that has a balance due of \$182,603.43, retroactive to September 30, 2019, and will continue to pursue all legal actions and collection efforts, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the request to write off this account and continue collection procedures, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

Kent Burto
Secretary

Jefferson County Local Development Corporation
 800 Starbuck Avenue, Suite 800
 Watertown, NY 13601
 (315) 782-5865

2019-2020 Board Attendance

Name	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Allasso, Robert	P											
Burto, Kent	P											
Converse, David	P											
Duvall, Richard	P											
Gardner, Gregory	E											
Jennings, John	P											
Johnson, William	E											
L'Huilier, Lisa	P											
Powers, Christine	P											
Waldroff, W. Edward	P											
Warneck, Paul	P											
Totals:	9											
P - Present												
E - Excused												
A - Absent												