

**Olean Local Development Corporation
101 East State Street
Olean, NY 14760**

Olean Local Development Corporation Meeting Minutes

Thursday, August 20, 2020
8:30 a.m.
Room 119
Olean Municipal Building

Attendance: Members: Mayor Aiello
 JR Bennion
 David Carucci
 Nick DiCerbo, Jr.
 Keri Kerper
 Bob Ring
 Colleen Taggerty
 Meme Yanetsko

Other(s): Kathleen Monroe
 Justin Isaman, BWB (via Go To Meeting)
 Bob Clark, Olean Times Herald

1. Roll Call

Colleen Taggerty called the meeting to order at 8:35 a.m. and requested the roll call show all members present except Fred Saradin, Paul Gonzalez and Rick Moore.

2. Reading and approval of the June 18, 2020 meeting minutes

A motion was made by JR Bennion, seconded by David Carucci to approve the June 18, 2020 meeting minutes. Voice vote, ayes all. Motion carried.

3. Elections

There was no business at this time.

4. Bills and Communications

There was no business at this time.

5. Report from the Treasurer

The Board reviewed the July 31, 2020 Report from the Treasurer.

A motion to accept the Treasurers' Report was made by Keri Kerper, seconded by Meme Yanetsko. Voice vote, ayes all. Motion carried.

i. Fiscal Year End Audit Presentation

Mr. Isaman referred to page one of the Independent Auditor's report for the fiscal year ending May 31, 2020 and explained BWB completed the audit with a clean unmodified opinion.

Mr. Isaman outlined the OLDC's financial position and cash flow. He explained there is a \$2,000 balance in net assets with donor restrictions for future audit services and \$1,072 in expenses incurred for audit and tax filing fees. Mr. Isaman indicated there has been little activity during the time period.

Mr. Isaman explained that on August 17, 2020 the OLDC received notification from the Internal Revenue Agency (IRS) that its tax-exempt status was automatically revoked due to failure to file timely information returns for three consecutive years. He advised the tax exempt status may be reinstated after completion and submission of the Form 1023-EZ to the IRS.

Mr. Isaman advised that note three to the financial statements state that during the fiscal year ending May 31, 2019, the OLDC received \$4,000 as a committed donation for audit services from Program Income received by the City due to a change in NYS Office of Community Renewal guidelines, and there is a \$2,000 remaining unspent balance as of May 31, 2020.

Mr. Isaman explained the fourth note to the financial statements Grant Award refers to the \$416,000 grant awarded from the NYS Office of Community Renewal to assist HK Olean Hotel, LLC with furnishings and fixtures. He noted that due to COVID-19 there have been construction delays that have consequently delayed the receipt of grant funds from the HK Olean, LLC project. Mr. Isaman indicated that construction has resumed with an anticipated completion date of Spring 2021 and the OLDC anticipates receiving funds during the fiscal year ending May 31, 2021.

Mr. Isaman referred to the Management Letter addressing the lack of segregation of duties and suggested implementing a process to assure bank reconciliations are being performed in a timely fashion and the organization put in place a process whereby future tax filings are submitted to the IRS in a timely manner.

In response to Mr. Carucci's question, Mr. Isaman advised the audit firm was not responsible to file the OLDC's tax information returns. He suggested the organization complete and submit the Form 1023-EZ Eligibility Worksheet for reinstatement to the IRS as soon as possible. Mayor Aiello advised the authority would follow the proper requirements and procedures for reinstatement filing as outlined in the Form 1023-EZ instructions. Mr. Isaman requested the OLDC provide a copy of the completed Form 1023-EZ to BWB.

Mr. Isaman completed the audit presentation, and members thanked him for the services performed.

A motion was made by David Carucci, seconded by Keri Kerper to accept and approve the audit, as presented. Voice vote, ayes all. Motion carried.

6. Report of Committees

i. Audit, Finance & Governance Committee Annual Reports

Ms. Kerper referred to the Audit, Finance and Governance Committees Annual Reports prepared on behalf of the subcommittees and explained the committees met prior to the meeting.

After brief discussion, a motion was made by Meme Yanetsko, seconded by Keri Kerper to accept the Audit Committee Annual Report. Voice vote, ayes all. Motion carried.

A motion was made by Keri Kerper, seconded by Meme Yanetsko to accept the Finance Committee Annual Report. Voice vote, ayes all. Motion carried.

A motion was made by JR Bennion, seconded by David Carucci to accept the Governance Committee Annual report. Voice vote, ayes all. Motion carried.

7. Unfinished Business

i. HK Olean Hotel, LLC Project

Ms. Kerper explained that due to supply issues and construction delays resulting from the COVID-19 pandemic, the HK Olean Project anticipated completion date has been pushed to Spring 2021.

8. New Business

i. OLDC Policies and Statements

Ms. Kerper referred to the 2020 Authority Mission Statement and Performance Measurements prepared and advised the goals need to be accepted annually.

After brief discussion, a motion was made by JR Bennion, seconded by David Carucci to accept the Authority Mission Statement and Performance Measurements as presented. Voice vote, ayes all. Motion carried.

Ms. Kerper referred to the updated Whistleblower Policy to include current members of the OLDC and explained the OLDC adopted a Whistleblower policy on January 31, 2013. She requested members sign the updated policy.

A motion to accept the updated Whistleblower Policy was made by Keri Kerper, seconded by David Carucci. Voice vote, ayes all. Motion carried

Ms. Kerper referred to the Assessment of Effectiveness of Internal Controls Statement for the period ending May 31, 2020 and advised the authority has assessed and documented the adequacy of its internal control structure and policies.

A motion to accept the Assessment of Effectiveness of Internal Controls Statement was made by Meme Yanetsko, seconded by Bob Ring. Voice vote, ayes all. Motion carried.

Ms. Kerper referred to the Annual Report prepared for the fiscal year ending May 31, 2020 and explained the Summary Report would be uploaded into the Authorities Budget Office's (ABO) online system.

A motion to accept the 2020 Annual Report was made by Meme Yanetsko, seconded by David Carucci. Voice vote, ayes all. Motion carried.

Ms. Kerper requested board members complete the Confidential Evaluation of Board Members and return to staff at their earliest convenience. She explained the Summary Report would be sent to the ABO.

9. Executive Session

A motion to enter into Executive Session at 8:56 a.m. was made by JR Bennion, seconded by David Carucci. Voice vote, ayes all. Motion carried.

A motion to adjourn from executive session at 9:10 a.m. was made by Keri Kerper, seconded by David Carucci. Voice vote, ayes all. Motion carried.

10. Adjournment

The Olean Local Development Corporation Audit, Finance and Governance Committee meetings have been scheduled for Thursday, December 17, 2020 at 8:15 a.m. The next Olean Local Development Corporation meeting has been scheduled for Thursday, December 17, 2020 at 8:30 a.m. A motion to adjourn was made by Meme Yanetsko, seconded by JR Bennion. Voice vote, ayes all. Motion carried. The meeting ended at approximately 9:15 a.m.