



# CITY OF UTICA

Utica Industrial Development Agency  
1 Kennedy Plaza, Utica, New York 13502  
(315)792-0195 fax: (315)797-6607

**DAVID R. ROEFARO**  
MAYOR

**JOSEPH HOBICA**  
CHAIRMAN

December 2, 2008  
Utica Industrial Development Agency Meeting  
8:30 a.m.

**Members Present:** Emmett Martin, Jack Spaeth, John Buffa, Angela VanDerhoof

**Excused:** Joe Hobika, Sr.

**Also Present:** Scott Hosler & Dick Zweifel (Gruver, Zweifel & Scott – Agency auditors), Laura Ruberto (Bond, Schoeneck & King – Agency transaction counsel)

**CALL MEETING TO ORDER:** The meeting was called to order by the Assistant Secretary at 8:45 p.m.

**APPROVAL OF MINUTES:** A motion was made by Mr. Buffa and seconded by Ms. VanDerhoof to approve the minutes of the October 8, 2008 meeting. With no discussion, the motion passed unanimously.

A motion was made by Ms. VanDerhoof and seconded by Mr. Buffa to approve the minutes of the October 16, November 6, and November 12, 2008 meetings (the October 16 and November 6 meetings were recessed until November 12). With no discussion, the motion passed unanimously.

**OLD BUSINESS: Harza Building:** Agency members discussed the status of the Harza Building. Agency members asked if the Agency or City of Utica had received a letter from ESDC confirming the \$1.0M grant for the roof and other expenses associated with the building. Mr. Spaeth was not aware of any such letter. Questions also arose as to the status of the JDA debt. Agency members then requested Mr. Spaeth to contact Ken Tompkins (NYS Regional Economic Development Director) to secure answers to these questions.

#### **NEW BUSINESS: Auditing Standards**

Mr. Hosler and Mr. Zweifel advised the Agency that new accountability rules have been enacted through the Public Authority Accountability Act (PAAA); they reviewed some new auditing standards the Agency must conform to. As part of the Act, internal control policies and conflict statements need to be in place. Mr. Spaeth informed the Agency that Harris Beach, PPLC had prepared many of the PAAA required items and that these were on the City of Utica's website. Ms. Ruberto, through Bond, Schoeneck & King's Public Finance Department, will review these policies and put together a 'road map' to ensure the Agency is in conformity.

In light of the financial issues of the Agency due to the Harza Building, and the audit to be performed in the coming months, Mr. Buffa raised the question to Mr. Hosler and Mr. Zweifel if this presents a 'going concern' from an auditing standpoint; and was the Agency in the same position last year. Mr. Hosler responded that last year (2007), the Agency had a letter from the past administration outlining its intent to fund any short fall in monies based on the operation of the building so the 'going concern' was not an issue. This year (2008) is a different story in that Agency does not have letter from the City of Utica intending to fill any shortfalls. It was

discussed that the Agency will be forced to turn the Harza Building back over to New York State should no buyer come forth. This will need to happen immediately as the Agency is in a serious financial position.

Mr. Hosler discussed timing for the completion of the 2008 audit and that it should ideally be completed by the end of January 2009. He suggested that if the Agency's accountant (Barone, Howard and Co.) provided the year end financial information to them earlier, they would be able to complete the audit in a timely manner.

As such, Agency members requested Mr. Spaeth to send a letter to the accountant to ensure the financial information was sent to the auditors within the first week of January 2009.

#### **NEW BUSINESS: Accounting**

A continuance of the audit conversation moved into a discussion of our accountant's performance and the fees entailed. Mr. Spaeth outlined the general services of Barone, Howard and Co. He added that the Agency would only need a bookkeeper to prepare needed checks and financial statements. The Agency members concurred and requested Mr. Buffa and Mr. Spaeth to work on a scope of work for accounting services. Mr. Spaeth will then prepare a Request For Proposal.

Agency members at the last meeting requested financial statements from the accountant. Mr. Spaeth contacted John Howard by email and conversation to secure however they were not sent. As such, Agency members would like monthly financial statements.

#### **NEW BUSINESS: Utica College**

Laura Ruberto introduced the Utica College project. The College desires to construct a 23,000± square foot building situated at 1600 Burrstone Road and acquire and install machinery and equipment for the purpose of providing a Center for Identity Management and Information Protection. Utica College has come to the Agency only for the relief of the Mortgage Recording Tax. As the compliance fee was not disclosed to the College upon application, the Agency suggested waiving the fee. Adron Trust Company will provide the financing.

A motion was made by Mr. Martin and seconded by Mr. Buffa to authorize the Chairman to execute any and all documents associated with the financial transaction. The motion passed unanimously.

#### **OTHER BUSINESS:**

**Agency Insurance Policies:** The Agency has Directors and Officers Insurance and insurance on the Harza Building currently through Preferred Mutual Insurance Company. Mr. Martin, who arranged for the coverage, was requested by Agency members to prepare a Request For Proposals for the upcoming year.

**Agency Fee Structure:** It was suggested that the Lease fee structure that the Agency charges clients for UIDA involvement be discussed in the near future.

**Agency Counsel:** The issue of who currently acts as Agency Counsel was discussed. Mr. Spaeth responded that the Agency does not have acting counsel while Linda Romano from Bond, Schoeneck & King acts as the Agency's Transaction Counsel. Ms. Ruberto added that Ms. Romano acts as Agency Counsel and Transaction Counsel for the Oneida County IDA. It was suggested that perhaps Ms. Romano perform the same duties for this Agency. No vote was taken. It was suggested that a letter be sent to Joseph Hobika Jr., who was acting as Agency Counsel, requesting any and all UIDA files and records to be returned to the Agency.

**ADJOURNMENT:** There being no further business brought before the Agency, Mr. Martin made a motion to adjourn which was seconded by Mr. Buffa and the meeting was adjourned at 10:30 a.m.