

LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION
FINANCE COMMITTEE MEETING

October 11, 2022

Immediately following the LCLGRDC Governance Committee meeting

Clinton County Municipal Center, Board of Legislature
137 Margaret Street Plattsburgh, NY 12901

Washington County Municipal Center, 2nd Floor Classroom
383 Broadway Fort Edward, 12828

AGENDA

1. Approval of March 30, 2022 minutes
2. Treasurer's Report
3. Finance Committee Charter review (any proposed changes to forward to the Board?)
4. Annual review of financing guidelines and investment policy (any proposed changes to send to the Board at Jan 10, 2023 meeting?)
5. Self-evaluation
6. Other

LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION

FINANCE COMMITTEE MEETING

March 30, 2022 Immediately following Governance Committee meeting
LCLGRP offices 1 Lower Amherst Street, Lake George, NY 12845 and Zoom

AGENDA

1. Approval of October 12, 2021 minutes
 2. Financial Report
 3. Other
-

Chairman Nolette called the meeting to order at 10:05 am.

MEMBERS PRESENT

Albert Nolette
Meg Wood
Dave O'Brien

ALSO PRESENT

John Strough
Beth Gilles
Glen Cutter
Beth Hunt

APPROVAL OF OCTOBER 12, 2021 MINUTES

Chairman Nolette asked for a motion to approve the October 12, 2021 Finance Committee minutes.

Motion made by Mr. O'Brien.

Seconded by Ms. Wood.

Hearing no additions or corrections and no opposed, motion carried.

FINANCIAL REPORT

Mr. Nolette went over the financial report that was provided to the Committee. The checkbook stands at \$64,802.00 and he reiterated the future cash flow issues plaguing the Corporation. Future cash flow is dependent on the loan payables for the four remaining loans. Ms. Gilles noted that Joe Brand is behind on his loan payments, and they are working with his attorney to get payments back on track. She noted that we may have to begin the back payment notice process soon. Mr. O'Brien noted how disappointed he is in the back payments on the Joe Brand loan.

Mr. Nolette asked for a motion to move the financial report to the full board for approval.

Motion made by Mr. O'Brien.

Seconded by Ms. Wood.

Hearing no discussion or opposed, motion carried.

Hearing no other business, Mr. O'Brien moved to adjourn the meeting. Seconded by Ms. Wood. Meeting adjourned at 10:08 am.

Respectfully submitted by Beth Gilles, Director, LCLGRP.

DRAFT

FINANCE COMMITTEE CHARTER

Purpose

Pursuant to Article 7, Section 1 of the Corporation's bylaws, the purpose of the finance committee is to oversee the Corporation's debt and debt practices and to recommend policies concerning the Corporation's issuance and management of debt.

Duties of the Finance Committee

It shall be the responsibility of the finance committee to:

- Review proposals for the issuance of debt by the Corporation and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the Corporation.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Corporation, and to oversee the work performed by these individuals and firms on behalf of the
- Meet with and request information from Corporation members, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the Corporation's expense, such outside counsel, experts and other advisors as the finance committee may deem appropriate.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Corporation and its subsidiaries.
- Annually review the Corporation's financing guidelines and make recommendations to the board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a pledge of revenues, financial covenants or debt service reserves.
- Report annually to the Corporation's board how it has discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

Composition of Committee and Selection of Members

The finance committee shall consist of not less than three independent members of the board of directors, who shall constitute a majority on the committee. If the board has less than three independent members, non-independent members may be appointed to the committee provided that the independent members constitute a majority of the committee. The Corporation's board shall appoint the finance committee members and the finance committee chair. Members shall serve on the committee at the discretion of the board. Members appointed to the committee shall have the background necessary to perform its duties.

Meetings

The finance committee shall meet at such times as deemed advisable by the chair, but not less than twice a year. The committee must meet prior to any debt issuance planned to be undertaken by the Authority.

Members of the finance committee are expected to attend each committee meeting, in person or videoconference. The finance committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present or participating through videoconference shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to finance committee members along with briefing materials ten (10) business days before the scheduled finance committee meeting. The finance committee may act only on the affirmative vote of a majority of the members or by unanimous consent. Minutes of these meetings shall be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

In addition to these duties and responsibilities, the board may wish to authorize the finance committee to perform the following additional duties:

Review the Corporation's Annual Budget

The finance committee shall:

- Review the Corporation's proposed annual operating budget as presented by Corporation management for the upcoming fiscal year.
- Recommend the annual budget to the board for approval after incorporating necessary amendments.
- Monitor and report to the board on the Corporation's compliance with its adopted budget during the fiscal year (actual versus estimated budget) on a monthly/quarterly basis.

Oversee the Corporation's Investments

The finance committee shall:

- Annually review the Corporation's investment policy and evaluate allocation of assets.
- Review and recommend to the board approval of the Corporation's annual investment report.
- Annually review the Corporation's audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors.
- Monitor the economic performance of the Corporation's pension plans.

Assess the Corporation's Capital Requirements and Capital Plan

The finance committee shall:

- Assess the financial requirements of the Corporation's capital plans. The assessment is to include current and future capital needs, a justification of why such capital expenditure is required and an explanation of funding sources for capital projects such as grants, issuance of debt or specified pay-as-you-go resources.
- Review the financial aspects of major proposed transactions, significant expenditures, new programs and services, as well as proposals to discontinue programs or services and making action recommendations to the board.

Review Financial and Procurement Thresholds

The finance committee shall:

- Review and make recommendations to the board regarding any proposed procurements submitted to the committee.
- Review and recommend changes to the Corporation's thresholds for procuring goods and services and procurement policy.
- Review and recommend changes to the Corporation's fee schedules.
- Review the scope and terms of the Corporation's insurance policies and liability coverage on an annual basis.

Adopted January 14, 2020

Lake Champlain – Lake George Regional Development Corporation

Finance Committee Self-Assessment Form

2022

This Board Committee Self- Assessment form is intended to assess the performance of the members of the Finance Committee in the discharge of their responsibilities as prescribed in the LCLGRDC By-Laws and the Board Charter and determine ways to enhance the board committee's future effectiveness.

The assessment is focused on three (3) key areas:

1. Committee Composition
2. Committee Responsibilities
3. Operating Practices

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

<u>Scale</u>	<u>Category</u>
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	More Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

If you rate an item with 1 (Not at all Satisfied; Poor) or 2 (Slightly Satisfied; Needs Improvement), please state your reason on the space provided for comments and suggestions so it can be addressed.

Assessment Criteria	1	2	3	4	5	Comments/Suggestions
	NS	SS	S	MS	VS	
A. Committee Composition						
The finance committee has at least three (3) voting Directors.						
All three of the Committee members are Independent Directors.						
B. Committee Responsibilities						
It reviews, reports and makes appropriate recommendations to the Board regarding the financial operations of the company.						
It reviews and recommends all major financing transactions of the Corporation.						
It reviews the annual budget of the Corporation.						
It reviews and recommends the establishment of and changes to financial and treasury policies.						
It reviews annually the Charter of its Committee and recommends appropriate changes or improvements to the Board.						
C. Operating Practices						
The Committee meets at least and not less than two (2) times every year and allow sufficient time to properly discuss and resolve issues.						
At least ten (10) calendar days’ notice is given in writing, specifying the place, date and time for the meeting and the general nature of the business to be transacted at the meeting.						
The Committee meets prior to the issuance of any debt.						
Members consent and a quorum is ensured before business is conducted.						
All relevant discussions, issues and agreements during the meeting are minuted and reviewed and concurred by committee members.						
Members are kept up-to-date on Corporation business.						

Assessment Criteria	1	2	3	4	5	Comments/Suggestions
	NS	SS	S	MS	VS	
The Committee chair reports after each meeting to the Board on the Committee's activities, major issues discussed and recommendations for board action.						
It conducts an annual self-assessment of performance and reviews, with the Board, its performance results and the areas for improvement.						

Completed by: _____

Date of Completion: _____

Signature: _____

INVESTMENT POLICY FOR THE LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION

I. SCOPE

This investment policy applies to all moneys and other financial resources available for investment on behalf of the Lake Champlain Lake George Regional Development Corporation (the "Corporation") or on behalf of any other entity.

II. OBJECTIVES

The primary objectives of the Corporation 's investment activities are, in priority order,

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirement (liquidity); and
- to obtain a reasonable rate of return (yield).

III. DELEGATION OF AUTHORITY

The Corporation 's responsibility for administration of the investment program is delegated to the Treasurer or in his stead the Chairperson who shall administer the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

IV. PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Corporation to act effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with property execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. DIVERSIFICATION

It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

VI. INTERNAL CONTROLS

It is the policy of the Corporation for all moneys collected by any officer or employee of the Corporation to transfer those funds to the treasurer or his designee within five (5) days of receipt, or within the time period specified in law, whichever is shorter.

The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

VII. DESIGNATION OF DEPOSITORIES

The banks and trust companies authorized for the deposit of monies shall be designated at the Corporation 's annual meeting.

VII. COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, '10, all deposits of the Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of "eligible securities" with an aggregate "market value" as provided by GML '10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy; or
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements; or
3. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims - paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

IX. SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its depository bank or trust company.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the depository bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

X. PERMITTED INVESTMENTS

As authorized by General Municipal Law, '11, the Corporation authorizes the treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Obligations issued pursuant to Local Finance Law '24.00 or '25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Corporation;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.
- Certificates of Participation (COPs) issued pursuant to GML '109-b.
- Obligations of this local government, but only with any moneys in a reserve fund established pursuant to GML "6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6k, 6-l, 6-m, and 6-n.

All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Corporation shall designate financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with any such financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

Adopted March 25, 2019

LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION

PROCUREMENT POLICY

Adopted March 25, 2019

I. PURPOSE AND AUTHORITY.

The purpose of this procurement policy (the "Policy") is to outline the procurement policy of the Lake Champlain – Lake George Regional Development Corporation (the "Corporation") applicable to procurements of goods and services paid for by the Corporation for its own use and benefit.

II. SECURING GOODS AND SERVICES.

All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods will be purchased at the lowest price and that favoritism will be avoided except for in the following circumstances: Purchases costing less than \$1,000; goods purchased from agencies for the blind or severely handicapped pursuant to Section 175-b of the State Finance Law; goods purchased from correctional institutions pursuant to Section 186 of the Correction Law; Purchases under state contracts pursuant to Section 104 of the General Municipal Law; Purchases under county contracts pursuant to Section 103(3) of the General Municipal Law; or Purchases pursuant to subdivision 4 of this Policy.

III. METHOD OF PURCHASE.

The following method of Purchase will be used when required by this Policy in order to achieve the highest savings:

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$1,000-\$3,000	3 Written Quotes
\$3,001 and above	3 Written Requests for Proposal
<u>Estimated Amount of Public Works Contract</u>	<u>Method</u>
\$1,000 - \$3,000	3 Written Quotes
\$3,001 and above	3 Written Requests for Proposal

(B) Number of Proposals or Quotations. A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

(C) Documentation. Documentation is required of each action that is taken in connection with any procurement. Documentation and an explanation is required whenever a contract is awarded to other than the lowest responsible offeror. This documentation will include an explanation of how the reward will achieve savings or how the offeror was not responsible. A determination that the offeror is not responsible shall be made by the purchaser and may not be challenged under any circumstances.

IV. CIRCUMSTANCES WHERE SOLICITATION OF ALTERNATIVE PROPOSALS AND QUOTATIONS NOT IN BEST INTEREST.

This Policy may contain circumstances when, or types of procurements for which, in the sole discretion of the directors of the Corporation, the solicitation of alternative proposals or quotations will not be in the best interest of the Corporation. In the following circumstances, it may not be in the best interests of the Corporation to solicit quotations or document the basis for not accepting the lowest bid:

(A) Professional Services. Professional services or services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgement, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Corporation, e.g., legal and accounting services, impact liability issues of the Corporation and its directors, including securities liability in circumstances where the Corporation is issuing bonds. These qualifications and the concerns of the Corporation regarding its liability and the liability of its directors are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Corporation shall take into consideration the following guidelines: (a) whether the services are subject to state licensing or testing requirements; (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (c) whether the services require a personal relationship between the individual and the directors of the Corporation. Professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); services of a physician; technical services of an engineer engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or art work; management of Corporation-owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

(B) Emergency Purchases. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the public. This section does not preclude alternate proposals if time permits.

(C) Purchases of Secondhand Goods. If alternate proposals are required, the Corporation is precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.

(D) Goods or Services Under \$1,000. The time and documentation required to Purchase through this Policy may be more costly than the item itself and would therefore not be in the best interests of the taxpayer. In addition, it is not likely that such de minimis contracts would be awarded based on favoritism.

V. POLICY REVIEW.

This Policy will be reviewed annually.