
**CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY**

March 27, 2023

4:15 PM

IDA Board Meeting

This meeting to be held via Zoom and in-person

- I.** Call to Order

- II.** Approval of Minutes for Meeting of February 27, 2023

- III.** CEO Report

- IV.** Treasurer's Report

- V.** Unfinished Business

Review and Discussion on Internal Controls Report by Member Ray Stevens

- VI.** New Business

2022 Audit Report/Paris Report discussion led by Al Maikels, CPA

- VII.** Adjournment

Next meeting: Monday, April 24, 2023 at 4:15 PM

**CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY**

February 27, 2022

4:15 PM

IDA Board Meeting

This meeting was held in person

Board Members Present:

Chairperson Michael Stammel
Vice-Chairperson John DeFrancesco
Secretary Andrew Kretzschmar
Hon. Raymond Stevens
Hon. William Bulnes

Agency Staff in Attendance:

Jack Bonesteel - CEO/Treasurer
Shannon E. Wagner, Esq - Special Agency Counsel
Madeline Rizzo – Executive Assistant to CEO

Absent: None.

The Regular Meeting of the IDA was called to order at 4:15 PM by Chairperson Stammel. The Regular Meeting was held in person as permitted pursuant to New York State General Construction Law Section 41.

I. Minutes

Minutes of the February 27, 2023, IDA Meeting were reviewed. Motion by Mr. Stevens, second by Mr. DeFrancesco, to approve the Minutes as printed. Motion carried unanimously.

II. CEO Report

Status report as given by the CEO.

The CEO reported that the three pending CRIDA projects are progressing. The BBL Barnett LLC project is awaiting word on acceptance into the Brownfield Cleanup Program. The CRIDA is still awaiting a SQER finding report for the McManus Partners LLC Project, and the Railroad Place Apartments LLC project is on schedule for construction to start in April. The Albany Business review wrote a cover story on the Resurgence of Rensselaer and the role the CRIDA played. The CEO also commented on a recent Times Union Newspaper article that was critical of IDAs, and the CEO defended the work IDAs do to reduce the cost for developers and increase municipal revenue overtime.

Motion by Mr. Bulnes, second by Mr. Stevens, to approve the CEO Report. Motion carried unanimously.

III. Treasurer's Report

Status Report given by the Treasurer.

January Month End bank balance of \$303,421.56

Motion by Mr. Kretzschmar, second by Mr. Stammel, to approve the Treasurer's Report.
Motion carried unanimously.

IV. Unfinished Business

Review of Internal Control Report compiled by Board Member Ray Stevens.

V. New Business

Discussion of 2022 Legislation related to IDAs

VI. Adjournment

A motion was made by Mr. DeFrancesco, second by Mr. Blunes, to adjourn the meeting at 4:45 PM. Motion carried unanimously. The next meeting of the IDA is scheduled for 4:15 pm on Monday, March 27, 2023.

City of Rensselaer Industrial Development Agency (CRIDA)
2022 Assessment of the Effectiveness of Internal Controls
December 31, 2022

A. Major Business Functions:

Mission Statement:

“The City of Rensselaer Industrial Development Agency (CRIDA) exists to assist in the enhancement and diversity of the economy of the City of Rensselaer (the City) by acting in support of projects in the City that create jobs, retain jobs, and/or that promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York.”

For the year ending December 31, 2022, there have been no changes to funding sources, mission or the business objectives. Monthly Board of Director meetings include a review of the financial status; legal and/or regulatory updates; new business activity; and other routine matters. Meetings are open to the public and listed in advance on the agency website, as well as public notices. Minutes of all CRIDA meetings and supporting documents are maintained on the agency’s website.

B. Risks Associated with CRIDA Operations:

Management review of risk exposure and each IDA operating function utilizes the New York State – Office of the State Comptroller-Agency Budget Office (ABO) guidance manual “Practice of Internal Controls”. This guide is used as a resource to improve internal controls and procedures required by change in operations and financial environment. This guide is a written internal excel worksheet of 197 recommended internal controls for local IDA’s which are utilized to randomly examine 10 IDA operating functions. For 2022, a total of 65 internal controls (33%) were selected as a representative sample to examine the risks of CRIDA operations. Each internal control is assigned a corresponding risk level (high, medium, or low) and frequency of review. The internal control written assessment is documented for each selected control to determine if management controls are adequate, or if corrective action is required.

For dual control purposed, the internal control review is assigned to a CRIDA Board member, whom is also a member of Audit, Finance, and Governance/Compliance committees. Each internal control is reviewed and documented by the internal control reviewer and submitted to the CEO/Treasurer annually, or more frequently if any risks are identified. Internal controls are reviewed throughout the year for any corrective actions.

No Corrective Actions were identified for the year 2022.

C. CRIDA Internal Control Systems in Place

The internal control systems include the policies, practices, legal guidelines, and other actions adopted by the agency, which when followed, provide reasonable assurance that both board members and staff understand and properly carry out their responsibilities; professional and ethical conduct is observed; and that the agency meets its purpose and mission.

To achieve these internal control goals; management and staff complete required formal training; review and understand internal policies and procedures in place to ensure that the agency is effective and able to address the risks that are relevant to its operations. Dual controls are effective as a result of written internal control reviews; CEO/Treasurer monthly reports to the Board of Directors; legal guidance; and regular training and conference attendance by board and staff members.

In addition to day-to-day internal control practices by staff, the agency also follows the guidelines of the NYS Comptroller Office for Internal Control Practices and recommended policies and procedures.

D. Effectiveness of the Management Internal Control System

The management process to determine if internal controls are effective is accomplished through a combination of board members oversight, review of documents and records presented at board meetings by the CEO/Treasurer; and a formal written process of written internal controls to determine risk levels. A formal external audit is directed annually by the Board of Directors to examine the correctness of financial management, bank account(s); and accounting compliance.

These combined assessments, control structure, and procedures are deemed adequate to mitigate risk and provide both the board of directors and management with information that provides reasonable assurance that operating practices are understood and executed properly to protect taxpayer assets and funds.

Management Review: Effectiveness of Internal Review processes and procedures for the year ending 12-31-2022 include:

1. No changes have occurred with respect to funding sources, mission or objectives of the CRIDA during 2022
2. A review of 2022 CRIDA functions finds no change to the differing levels of involvement and approval by the Board of Directors/Committee's. An Internal Control System, consistent with the NYS Comptroller's guidance for internal controls has been in place since 2021.
3. All Cash Disbursements are processed under dual-control and signed by both the CEO/Treasurer and Chairman/Mayor for expenses and PILOT disbursements.

4. The CRIDA Board of Directors have addressed internal controls through review and adoption of policies and procedures, which are posted on the CRIDA web site. Policies, procedures and guidelines are designed to ensure the IDA's mission is carried out in full and to minimize operational risk
5. Public meeting rules are in place and regularly followed. The Chair of the Board of Directors is regularly engaged as are other board members. The CEO/Treasurer regularly reviews the financial status at monthly scheduled board meetings
6. CRIDA CEO/Treasurer has significant background and experience to help identify financial or legal risks. Consistent reporting by management is provided to the Board of Directors monthly
7. Maintenance of CRIDA website by management is in accordance with the NYS Comptroller – ABO guidance
8. Minutes of CRIDA Board Meetings, as well as supporting documents, are maintained on the agency's website to provide full transparency
9. Legal requirements are adhered to on a monthly basis via publically advertised and open meeting/agenda posted onto the CRIDA web site, Facebook live streaming; and as may be required advertised in the approved local newspaper legal notice
10. The use of external parties, including Legal and CPA Accountant are additional levels of internal control. As such, risks are deemed to be low for all activities and functions
11. Public meeting and disclosure requirements are in effect and regularly followed
12. Annually, the Board of Directors approve an external financial audit that provides an opinion on the financial statements and also includes the audit related assessment of internal controls. External audits are current and conducted on-time to the Board of Directors by its external auditor
13. Annually, the Board of Directors adopt and accepts PARIS reports
14. Annually, the Board of Directors and staff complete NYS formal training requirements to understand IDA objectives, functions, policies, procedures and guidelines
15. Annually, The Board of Directors confirms the regular CRIDA meeting schedule; election of agency officers; appointment of Chief Executive Officer and staff; appointment of accounting and auditing firm, appointment of agency counsel, appointment of agency special bond counsel; appointment of agency bank account(s); confirmation of agency policies; appointment of contract officer; appointment of investment officer; appointment of Finance, Governance and Compliance, and Audit Committees

16. Annually, the Board of Directors reviews and adopts the annual budget

E. **Internal Control – Corrective Action**

The internal control structure for the CRIDA is designed to identify weaknesses and provide a framework adopted by the Board of Directors and monitored by management to ensure that any vulnerability and corrective action(s) are addressed and reported on a timely basis.

No Corrective Actions were identified for the year 2022.

Internal Control Assessment:

To satisfy the requirement of Sections 2800 (1) (a) (9) and 2800 (2)(a)(9) of Public Authorities Law, the City of Rensselaer – Industrial Development Agency has conducted a formal, documented process to assess the effectiveness of their internal control structure and procedures, and certify that that internal controls are reasonably adequate for the year ending December 31, 2022.

This statement certifies that the City of Rensselaer – Industrial Development Agency followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2022. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk. No risks were identified for the year ending December 31, 2022.

Prepared By: Raymond Stevens, Board Member

Signed: _____

Date: March 27, 2023

Approved By: John J. Bonesteel, Chief Executive Officer/Treasurer

Signed: _____

Date: March 27, 2023