

## **GMVLB Executive Committee Meeting Minutes**

Location: Common Council Meeting Room, 1 Kennedy Plaza, Utica, NY  
Date: **Wednesday, May 29th, 2019**  
Time: **12:00PM**  
Conf. Call Info: **NOTE CALL-IN #1-(563) 999-1074 with ID#756734**

Attendance: Karl Gustafson, Brian Thomas, Joe Marino, Tolga Morawski, Charlie Chambers, Keeley Hines, Jacob Skeval (call-in)

-Karl G. called the meeting to order at 9:08 AM

### **-Audit Presentation**

- Keeley H. presented in person and Jacob S. called in
- Reviewed pages 17 and 18 of the 2018 Audit Report provided by Keeley H.
  - Trial balances at the end-of-year were not complete as far as grant expense tracking
- Reviewed page 19
  - Two allowable expenses under grant admin and programmatic expenses
    - Spreadsheet broke out the expenses for admin costs from inception to date.
    - As of 12/31/18, they found that roughly \$110K was left for admin costs for 2019, and by that estimate we could be out of funds for admin costs
    - Karl G. noted that in the future the Land Bank will need to monitor grant expenses more closely
      - We have a unique situation with LISC due to our make-up as a Land Bank.
      - Helene C. as administrator is well aware of our situation
      - Keeley noted that management should have identified the short fall at the end-of-the-year and sought to review/revise the grant budget and/or commit to certain income (from sales, etc.)
      - Charlie inquired with Keeley if she had seen other Land Banks in a similar situation
      - Keeley agreed that we are unique particularly considering the lack of donated staff/time/financial support from the municipalities/FGUs where we operate
      - Joe M. felt that the audit findings were predictive for next year, and not an accurate examination of the current year. He went on to say that if we were able to sell a property or bring in additional revenue this year that there wouldn't be a going concern for 2019.
      - Keeley agreed
      - Joe then stated that he did not feel that this is a material weakness and should, therefore, be removed from the audit
      - Tolga added that there was a transition with accounting firms from Bowers & Co. to Gustafson & Wargo in mid-October. He noted that the relationship with Bowers was not ideal as they were geared more towards larger land banks.

- Joe added that it took approximately 5 months to get to the point where we could agree on a QuickBooks format
- Charlie, from Gustafson & Wargo, agreed that it took a little time for him to get caught up to speed with the Land Bank and our accounts, and there was a quick turn-around for him to produce documents for the audit
- Joe asked Charlie to perform quarterly reconciliations in addition to Jocelyn's monthly reconciliations in an attempt to catch any errors sooner
  - Charlie agreed, but noted that most of the delay was due to inventory valuation which had not been decided upon until 2018 and it took a little time for him to get his head around the Land Bank processes and regulations.
  - The Land Bank values its properties at the end of each year, so with the timing of everything this was the greatest source of delays
- Karl inquired that if issues #1 and #3 were largely resolved, what could be done about issue #2
  - He went on to say that if the Executive Committee meeting was held next week, instead of today, and a property had sold in the meantime the issue would be moot
  - Keeley agreed
  - Jacob stated that as we continue to get more grants, each with their own rules and restrictions...
  - Keeley noted that she recognizes that we have a significant number of properties compared to last year, in the big scheme of things; it is a very small amount. The \$12K material difference doesn't give us a lot of room to deal with...
  - Karl asked Charlie regarding going forward...
- Keeley then went on to present pages 1-3
  - Page 3 is typically completed by management, but Bonadio will continue to assist with this as the Land Bank comes out of the start-up phase
  - Joe M. noted that the Land Bank is in much better shape compared to last year
  - Keeley noted that there were 5 properties that were still not showing up as being owned by the Land Bank
    - Tolga noted that he has been working with the attorney to get this addressed ASAP
  - What is still needed?
    - Approval from Helene to exceed admin costs
    - Letter from Chuck Tallent regarding the properties that are being transferred to the Land Bank
  - Brian T. noted that we are past the deadline for Public Authority reporting requirements
  - Joe M. asked if the going concern letter would go away?

-Keeley responded that it would go away if Helene gives approval to exceed the administrative costs

\*Joe M. had to leave at 10:16 AM but stated that he would be on the call with Helene on Monday at 3:30 and that he would draft a rebuttal letter and share

-Charlie noted that Bonadio is a good firm with valid concerns, but they are really geared towards are much bigger, more complex, Land Bank

**Old Business:**

- Jocelyn's health insurance reimbursement
- Fee for estimate of Bylaws and Policies review
- Letter from Jim Grooms regarding amish insurance
- John McGlone discussion
  - FOIL to Brian as Secretary

-The meeting adjourned at 10:53 AM

Respectfully submitted by:  
Jocelyn Mosher