

To: *Audit/Finance Committee Members*
Re: *Minutes of June 6, 2016*

Present: Mitch Amado – Treasurer/Chair of Committee
Jim Siplon –Member
Judy Calogero – Representative, City of Glens Falls
Arleen Girard – EDC Chair

Absent:

Staff/guests: Ed Bartholomew, President/CEO
Jennifer Switzer, Director of Finance/CFO.
Kevin Truax, CEO - Keena

On June 6, 2016 the Audit & Finance Committee of the Economic Development Corporation met in the Conference Room at EDC Offices located at 234 Glen Street in Glens Falls, New York. The following items of business were discussed:

- I.** **Welcome & Call to Order:** Chairman Mitch Amado called the meeting to order at 11:05 a.m.

- II.** **Approval of March 11, 2016 Minutes:** The group reviews the minutes distributed previous to today’s meeting. A motion is made by Jim Siplon, seconded by Judy Calogero and carried unanimously to approve the minutes of the March 11, 2016 Audit & Finance Committee as presented.

- III.** **Discussion/presentation by Keena PEO services.** The group engages in a general discussion about the current services provided by Keena and alternatives for services provided. Mr. Kevin Truax, CEO of Keena is invited to speak to the group. Kevin begins with a discussion of his professional background and history as he has only been with Keena for about 8 weeks. He then discusses the PEO vs ASO services. EDC has a PEO service contract in which EDC and Keena are co-employers of the EDC employees. Each split the responsibilities, EDC takes care of the day-to-day operational duties and employees follow EDC work rules while Keena takes care of the tax filings, overall HR and payroll functions. He then explained that the various liabilities related to employees fall on both entities. Mr. Amado inquired as to whether there is an ideal number of employees for PEO vs ASO. Mr. Truax indicated 50 employees and under is ideal for the PEO service relationship. The PEO services provided allow a small company to be more strategic and not spend as much time on the “back-end” of operating a business (payroll and HR). The group then discussed some concerns with service provided over the

past few years by Keena much of which seemed to be created through a breakdown in communication. Mr. Truax discussed a meeting recently between himself, Mike Niles, Vice President of Keena, Ed and Jennifer at which specific issues were discussed. He then indicated an action-plan had been created to address the various issues. Jennifer indicated this plan had been received and a summary forwarded to the committee members. Mr. Truax acknowledged turnover at Keena had created some difficulties and he has been and is continuing to look at current processes, people and how to improve the level of service. Judy Calogero indicated the board is happy Kevin is on board now and looks forward to working with him. The discussion continued with specifics of the number of current employees at Keen, managed employees, staffing levels. The committee members discussed and requested with Mr. Truax a meeting within the next quarter to review the issues discussed and improvements. Before leaving the meeting the committee members indicated the current contract should be reviewed, Mr. Truax agreed, and all believed a summary outlining the schedule of services provided (deliverables) would benefit both parties. Mr. Truax thanks the committee for their time and leaves the meeting. The committee continues discussion of the current services provided and alternatives available to EDC. The group agrees at this time to monitor progress toward improvement while identifying other firms able to provide services.

IV. **Budget Overview -** Jennifer directs the group to handouts of financial information related to P&L vs budget through May 31, 2016. Treasurer Amado inquires as to whether EDC “banks” favorable revenue increases or expense decreases as they relate to the budget. Ed Bartholomew indicates at this time any favorable budget variances are related to various projects that are not yet underway. A general discussion continues related to specific line items and projects and the status and timeline of these projects. The discussion is then turned to preparation of the 2017 Budget the process used in the past to create, review and adopt the process and any changes to be made. Mr Bartholomew indicates he will be looking to increase the request for funding from the Town of Queensbury, Warren County and City of Glens Falls. Mr. Siplon inquires as to how this request would be received. Mr. Bartholomew replies it could be mixed. A discussion ensues regarding the process to be used, board and/or committee member participation for the increase in the service contracts.

V. The last item discussed before adjournment was the status of EDC’s move to 333 Glen St. Mr. Bartholomew indicated to the group he expected to move the latter part of July first of August. Upon no further business to come before the Audit & Finance Committee, a motion is made by Jim Siplon, seconded by Judy Calogero, and carried unanimously to adjourn the meeting at 12:10 p.m.