

**HUDSON RIVER-BLACK RIVER REGULATING DISTRICT
AUDIT COMMITTEE MEETING**

Inlet Town Offices
160 Route 28
Inlet, NY 13360

Remote Call-in Location

Ocean Pearl Clubhouse
3920 Ocean Pearl
Atlantic Beach Blvd. (A-1-A)
North Hutchinson Island, FL 34949

May 14, 2019

10:00 AM

CALL TO ORDER

Committee Member Hayes called the meeting to order at 10:00 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Committee Member Albert Hayes; Committee Members Jeffrey Rosenthal; and Kenneth De Witt; as Ex-Officio, Board Chair Mark Finkle; and Executive Director John C. Callaghan; General Counsel Robert Leslie; Chief Engineer Robert S. Foltan; Administrator John Hodgson; Chief Fiscal Officer Richard J. Ferrara; and Compliance Officer Stephanie Ruzycky. As noticed, and in compliance with NYS's Open Meetings Law, Mr. DeWitt is participating via video conference

MOTION TO ADOPT COMMITTEE MEETING AGENDA

Mr. Rosenthal moved to adopt the meeting agenda. Mr. DeWitt seconded and the motion was unanimously approved.

APPROVAL OF THE DECEMBER 11, 2018 AUDIT COMMITTEE MEETING MINUTES

Mr. Rosenthal moved to approve the Minutes of the Committee's December 11, 2018 meeting. Mr. DeWitt seconded. The Committee approved the motion by unanimous vote.

COMMITTEE BUSINESS

(1) New Business

Motion to Advance to the Full Board & Recommend Engagement of Galleros Robinson to Perform Audit Services for Fiscal Year Ending June 30, 2019 and Option for June 30, 2020 - Mr. Ferrara

Mr. Ferrara recommended the Committee advance to the full Board a Resolution authorizing the Executive Director to execute an agreement to engage Galleros Robinson Certified Public Accountants, LLP (“Galleros Robinson”) to perform the 2018-2019 annual independent audit. He noted that the Board approved Resolution 14-12-05 awarding the audit services contract to KBL, LLP in May 2014, and noted that KBL, LLC has provided satisfactory audit services for fiscal years ending June 30, 2014 through June 30, 2018. Mr. Ferrara explained that through Resolution 18-12-05 the Board approved a sixth amendment to the KBL, LLC contract authorizing performance of the audit services for the period ending June 30, 2018 with an option for the Regulating District to secure audit services from KBL, LLC for the period ending June 30, 2019. Richard Levychin, the lead audit partner performing last year’s audit through KBL, LLC, has moved his practice to Galleros Robinson. Because Mr. Levychin has performed audit services for the Regulating District in each of the last five fiscal years, pursuant to Public Authorities Law §2802(4) he is ineligible to perform the upcoming audit for the fiscal year ending June 30, 2019.

Mr. Ferrara indicated that he has negotiated with Nora Galleros, the partner in charge at Mr. Levychin’s new firm, to ensure that her firm would honor the not-to-exceed charge outlined in the Regulating District’s option under the KBL, LLC contract. Mrs. Galleros would perform the audit. Mr. Ferrara noted that the projected contract not-to-exceed amount (\$23,700) falls within the Board’s discretionary authority and that Galleros Robinson is an MBE and WBE firm. Mr. Ferrara also noted that the firm is amenable to extending an option through which the Regulating District could extend the contract for the performance of the 2019-2020 audit for a not to exceed amount of \$24,885 plus expenses (\$4,000); a 5% increase.

Mr. Rosenthal moved to advance the Resolution authorizing a new contract through which Galleros Robinson Certified Public Accountants, LLP would perform audit services in connection with the annual independent audit for the period ending June 30, 2019 for a not to exceed amount of \$23,700.00, plus expenses up to \$4,000.00 and a one (1) year option for fiscal year ending June 30, 2020, for a not to exceed amount of \$24,885.00, plus expenses up to \$4,000.00. Mr. DeWitt seconded and the Committee approved the Motion to advance the Resolution to the full Board.

ADJOURNMENT

There being no further business to come before the Audit Committee, Mr. Rosenthal moved to adjourn the meeting. Mr. DeWitt seconded it. The motion was unanimously approved. The committee meeting adjourned at 10:02 A.M.

Respectfully submitted,

Richard J. Ferrara
Secretary/Treasurer

Mark M. Finkle
Chairman