Executive Committee Meeting  
June 15, 2021

I. Call to Order
Meeting called to order at 10:00 a.m. by Bud Gladstone via Zoom Call.

Members Present, via Zoom:  Dave Cammer  Richard Giles  Karl Gockel  Bud Gladstone  Fred Huneke  Jeff Graff  Tom Hutson

Others Present, via Zoom:  Ryan Naatz  Amy Faulkner  Marilyn Wyman  John Riedl

Ryan asked to add discussion regarding Ag Program Guideline and thresholds to the agenda under Program Report.

II. Approval of Minutes
Motion to approve the minutes of the May 18, 2021 meeting as presented.
Motion: Tom Hutson  
Second: Dave Cammer

Approved

III. Executive Director’s Report – Ryan Naatz
A. Operations Report
i. Payment Request/Financial Status
  Amy provided updates on the status of payment requests:
  - CAT 403 #24 – with OEA. They have questions about Related Party transactions and have also asked for clarification on a few transactions on the bank statements provided.
  - CAT 403 #25 – this is prepared but cannot be submitted until OEA completes their review of #24.
  - CAT 487 #7C - submitted on 4/12/21 - $0.00 payment however DEP has informed WAC that OEA will be issuing a Line H deduction of approximately $190,000.
  - CAT 487 #7E - received funds of $1,614,933.28 on 4/21/21
  - CAT 487 #8C – uploaded to Teams on 5/3/21 - $0.00 payment
  - CAT 487 #8E – Anticipated funds of $2,131,346.00 – now on ‘Stop Clock’ regarding Related Party and NMC issues

Af: 6/15/21
CAT 487 #9E – Worksheet completed, waiting on 8E to advance
CAT 487 #9C – Worksheet completed, waiting on 8C to advance

- Fred asked what the time frame is on releasing the Line H deductions: there are two line H deductions for CAT 487 currently. Jeff responded that he has asked for a status of the deduction from 6E but has not received a response. He added that he believes the response timeline is tied a bit to the outcome of the audit and issues of managing conflicts of interest. Bud added that these line H deductions will exacerbate WAC’s cash flow issues; YPTC is working on reports that will be able to better illustrate the impact of the line H deductions.
- Ryan provided a cash balance update that reflects there is enough funding to carry program costs for approximately 30 days. He is hopeful that the due to due from can be zeroed out by the end of the calendar year. WAC will be unable to meet the CAT 450 repayment deadline; Ryan and Amy have reached out numerous times. Due to the delay in the CAT 403 budget realignment approval we were unable to submit payment request #24 in a timely manner. Ryan is meeting with both the ACCO and David Warne today and will hope to have a resolution on the CAT 450 repayment.

ii. YPTC Update

- Hatsy provided a brief update to the group on what YPTC has been working on, putting great focus on resolving the due to due from scenario to understand what it will take to resolve. One of the largest challenges is comparing historical payment requests vs. actuals; they continue to work on this. At the same time the research will be used to implement procedural and practice change within the department. YPTC has met with all of the Finance Department staff, found some things that are being done well and some things that definitely need to change. They have recognized a need to improve communications amongst the Finance staff. Working on reporting packages for future meetings as well as a better cash forecasting tool. Bud asked Hatsy for a reading on the Finance Department and if it needs a total changeover; Hatsy mentioned that it is too early to tell that, but there are some processes that need immediate change. For the most part the staff have been very amenable to helping and to making changes, with a bit of pushback in one or two areas. Bill will be assuming the CFO role in a more formal manner at the next Finance Committee meeting. Hatsy added that they will do more research on the PPP loan to determine if WAC should apply for forgiveness; some localities and cities are allowing the PPP to be forgiven even if salaries are covered by other funding streams, but more research needs to be done. If forgiveness is not an option the loan is a 5 year term at 1% interest rate. A formal recommendation will be forthcoming in the next month or so.

iii. FY22 Budget Status

- The FY 22 Organization Budget has been sent to Council for formal approval at the June Council meeting. Jeff stated for clarification that the Ag Program has a $3 million budget; the way to request that is in 10C, however not until the due to due from is resolved will the Ag Program be able to request against that budget. Even though the budget is approved, cash is still an issue. Fred asked if the programs should be continuing to schedule implementation knowing that the money might not be available. Jeff responded that that is a decision for Ryan to make in coordination with the Ag Program. Nutrient Management encumbrances are being addressed in the FY22 Budget, Expense contract.

iv. 44 West Lease Status:

- Ryan is meeting with Larry Underwood, Bruce Dolph and Frank Bachler; Bud, Fred
and Ryan are also meeting with Dave Warne and Paul Rush at 4 today in Arkville to find some definitive steps to move forward on the lease and short term resolutions.

v. Audit/Bi-weekly Meetings with DEP

- Amy provided an update on the Audit; Padilla has requested a meeting on Thursday to discuss preliminary findings. Ryan added that the bi-weekly meetings were set up to address any perceived issues as Padilla and Company and ACCO originally stated in several discussions that they were concerned that there may be ‘missing money’; Ryan has requested additional information on that numerous times and that discussion seems to have disappeared completely from the agenda of these meetings. There was concern at the level of the ACCO regarding the Ag Program Guideline and dollar amount threshold for approval of WFP revisions that the Agricultural Program Manager has ($200,000). The ACCO has asked Jeff to communicate to WAC that we consider reducing that threshold from $200K to $50K as well as discuss a cumulative cap. Jeff added that there is concern over the dollar threshold for approval at the staff level within the Ag Program. The ACCO has an interest in immediately fixing a business process within the Ag Program to address concerns on dollar thresholds. In addition there will be more business processes that will likely need to be reviewed and cleaned up. Independent of attempting to fix processes at the programmatic level in the background there have been conversations about changing decision making and committee structure to ensure that spending funds is being done by a Committee of the Board and not by a Committee of the Corporation. Two levels to speak to – one is the Ag Program business process and then separately to ensure that when the approval of the expenditures of funds occurs it is done by the Executive Committee or another Committee of Board. ACCO said long term WAC will have to look to hire a consultant to address these potential issues; but most immediately she wants to see immediate change to a discreet business process within the Ag Program. All new Whole Farm Plans regardless of amount get Committee approval; revisions less than $200K are not brought to the Committee for approval, they are brought for information only. This is for planning estimates within Whole Farm Plans. If any of these BMPs prioritize and are scheduled for implementation in the upcoming work load, then the Ag Committee approves the workload. Jeff added that the Ag Program didn’t look at the $200K as an aggregate, it is based on per revision. Theoretically there could be a farm with an aggregate of millions of dollars but never see additional Committee approval. Bud stated that as WAC is a contractor for DEP, what authority does the ACCO have within our contract to change this process and how does this affect our ability to maintain our contract. Jeff responded that the contract between DEP and WAC states that WAC has to follow federal and state laws and regulations. NYS Not for Profit law requires that a Committee of the Board provide the approval for all financial transactions as those cannot be done as a Committee of the Corporation. Per the current by-laws the Ag Committee does not have the authority to approve the expense of these funds. Amy pointed out that there is a process for modification to guidelines and asked that Jeff provide the request in writing for the Ag Committee to consider. Ryan added that he believes there is agreement, in principle, but there is a process that needs to be followed for the modification to the guideline. Ryan cautioned substituting one arbitrary number ($200,000) with another ($50,000); could the documentation Jeff provides include the basis for the $50,000. Jeff feels that ties back to the thresholds in the procurement procedures and he will include that in the memo. Ryan would ask that the Ag Program Staff do a brief assessment of what this will mean from a workload perspective. This will need to be considered for
all programs, not specific to the Ag Program. Jeff will provide information in writing that will be presented to the Ag Committee in July. In the meantime the Committee would like the Program to pause approval of all revisions until this is resolved.

**Motion to pause approval of all Agricultural Program Whole Farm Plan revisions until the Guideline is resolved.**

**Motion:** Fred Huneke  
**Second:** Karl Gockel  
**Approved**

IV. **Chair’s Report – Bud Gladstone**

**Motion to go into Executive Session to discuss personnel matters.**

**Motion:** Karl Gockel  
**Second:** Tom Hutson  
**Approved**

Ryan Naatz left the meeting at this time.

**Motion to come out of Executive Session.**

**Motion:** Dave Cammer  
**Second:** Fred Huneke  
**Approved**

The Committee will be doing an evaluation of the Interim Executive Director; this will be a condensed version of the Executive Director evaluation as it is specific to an interim director. The Committee agreed that most organizations do not evaluate interim appointments but Jeff feels that it is a necessary task to complete.

The Committee reviewed the proposed Executive Director Position Description and has requested a few modifications. Hatsy will make the modifications and if time permits a vote will be conducted via email.

V. **DEP Report – Jeff Graff**

- Nothing additional to report.

VI. **Adjournment**

**Motion to adjourn at 11:47am.**

**Motion:** Fred Huneke  
**Second:** Dave Cammer  
**Approved**