

Date:	April 11, 2016	Time: 5:00 PM	
Location:	945 Princess Street, Lobby Boardroom		
Attended:	Shai Dubey, Chair Bo Wandschneider Judith Pineault Niall O'Driscoll	Mayor Paterson Councillor Allen Councillor Turner	Councillor Hutchinson David Carnegie Bill Durnford
Staff:	Donna Gillespie	Carey Bidtnes	
Regrets:	Sandra Gibson		

1. Call to Order: 5:03 PM
2. Approval of Agenda
 - Shai Dubey requested that agenda item 8 occur In Camera.
 - Motion to “approve the agenda with the amendment requested;” moved by Councillor Allen, seconded by Councillor Turner. Carried.
3. Disclosure of Conflict of Interest
 - None to disclose.
4. Approval of the minutes: March 7, 2016
 - a. It was noted that Niall O’Driscoll was in attendance at the March 7, 2016 Board of Directors meeting and requested that his name be added to the attendance list.
 - Motion to “approve the minutes of the March 7, 2016 meeting with the addition of Niall O’Driscoll to the “attended” list; “ moved by Bill Durnford, seconded by Judith Pineault. Carried.
 - b. Board of Directors Special Meeting, March 23, 2016.
 - Shai Dubey noted that given the presentation by legal counsel at the March 23, 2016 meeting, the minutes shall be classified as In Camera. It was requested that all copies of minutes be returned to the secretary.
 - Councillor Hutchinson requested that the time of adjournment be changed to 6:25 pm, to correspond with the loss of quorum at the meeting.

- Motion to “approve the in-camera minutes of the March 23, 2016 with amendments;” moved by Dave Carnegie, seconded by Councillor Turner. Carried.

- c. Finance Committee Meeting, February 17, 2016
 - Peter Kraus spoke to the minutes from the February 17 Finance Committee including the draft audited financial statements in the absence of Sandra Gibson, Chair of the Finance Committee.
 - It was stated that auditors Secker, Ross and Perry presented the draft management letter and draft audited financial statements to the Finance Committee.
 - Secker, Ross and Perry stated that the audit performed at KEDCO is not a spending audit, which would look at the details of spending. The Corporation receives a financial audit which, when carried out to financial auditing standards, provides a credible record of an organization’s adherence to accounting GAP (generally accepted principles) including financial controls and separation of duties.
 - It was noted that Secker Ross and Perry consider the following during each annual financial audit:
 - i) are transactions recorded appropriately: firm representatives select between 50 and 60 transactions to trace an item from end to end.
 - ii) auditors select one risk factor each year to examine more deeply than other items. The Corporation is not notified of said factor in advance of the audit. In 2015 the risk factor was cash management and security of cash at the Visitor Information Centre.
 - Clarification was requested on how Secker Ross and Perry determine the materiality of the Corporation.
 - It was noted that a variance of at least one percent of the total budget or greater than \$30,000 would meet the “materiality” requirement for closer examination at KEDCO. This could be one large transaction or a series of smaller transactions, which together total \$30,000 or more.
 - Peter Kraus clarified that a series of smaller items did not have to be related or transactions that are similar in nature to meet the materiality threshold.
 - Shai Dubey noted that this is to ensure an individual cannot spread unauthorized transactions across budget lines or departments.

- Peter Kraus brought forward some areas of interest to the Board of Directors on behalf of the Finance Committee:
 - i) In 2014, the Corporation moved their financial operations to the City of Kingston. Not only are the Corporation's financial controls in place and complete, the City's financial controls are also applied to KEDCO transactions. KEDCO's financial transactions must comply with two systems of controls.
 - ii) There are two items flagged by the auditors in the management letter:
 - a. Human Resources files are fully compliant with KEDCO's policies and procedures. However, within the City's system, the City's Finance Department was not provided with human resources documents related to accruals prior to the funds being released.
 - b. The financial statements and management letter as presented are in draft format. The Finance Committee has requested that the auditors include additional notes on items with significant variances.
- Donna Gillespie stated that the documentation referred to was a new and unique situation involving accruals over two fiscal periods. It has now been flagged and the process change will be implemented in any future cases.
- Councillor Hutchison requested clarification on the voucher system in place.
- Peter Kraus noted that there is a system in place currently and all invoices require approval by the Board Chair or Chair of the Finance Committee prior to being submitted to the City for payment.
- Mayor Patterson joined the meeting, 5:33 pm.
- Peter Kraus stated that this was the final year for the contracted auditing services with Secker Ross and Perry. He requested Board feedback on how the Corporation will proceed in order to procure an auditor for 2016.
- The discussion centered around the following considerations:
 - i) Does the Board have capability to extend the contract by one year in light of the review process?
 - ii) Is it possible to engage the City's auditing firm; to become another "department" that is included in the City's audit?
 - iii) Is it possible to do an "open RFP" which stipulates a contract for a period of between one and five years?

- iv) What is the timeline to appoint the auditors? Is it necessary to appoint at the Annual General Meeting or can it be delayed until the Review Committee reports?
 - Donna Gillespie agreed to speak with City Finance Department about joining the City's audit.
 - Motion to “approve the Minutes of the February 17 meeting of the Finance Committee;” moved by Councillor Allen, seconded by Bill Durnford. Carried.
- 5. Business Arising from the Minutes
 - Mayor Paterson noted that he had met with representatives from Corrections Canada to discuss the potential for site tours. He stated that the meeting was very positive, Corrections is open to continuing discussions.
- 6. Review Draft Financials
 - Please see review in item 4 (c); discussion following review of Finance Committee Meeting Minutes, February 17, 2016.
- 7. AGM 2016
 - In years past the Corporation has hosted events that incorporated the AGM followed by a networking event to highlight the Corporation's accomplishments over the past year.
 - It was noted that at this time, due to the review process, hosting an event off-site would invite criticism.
 - Councillor Hutchinson stated he is in support of promoting the Corporation, however that the AGM meeting portion and networking portion should be separated.
 - Donna Gillespie suggested that KEDCO host an open house in conjunction with the AGM.
 - The Board members discussed and considered options of having the AGM and open house on different dates as well as how to communicate the events to the public.
 - The Board reached consensus that the AGM and open house would be scheduled for early June, and the audited financial statements would be presented at the AGM meeting. Following the meeting, the audited financials will be posted online.
- 8. Review Committee Update – Judith Pineault

- Judith Pineault noted that the final public meeting is scheduled for April 20, but the hard work happens after the meeting.
- She stated that the Review Committee is currently seeking guidance on how to effectively write and to present the report.
- Councillor Hutchison suggested that the Committee retire to write the report following the April 20th meeting, and then set a date for an open meeting to present the draft report.
- Mayor Paterson stated that procedurally, the Committee should present the draft report to the Board of Directors, and then provide it to City Council immediately thereafter.
- Motion to “move in-camera;” moved by Judith Pineault, seconded by Dave Carnegie. Carried.
- Motion to “move out of camera;” moved by Councillor Allen, seconded by Niall O’Driscoll. Carried.

9. (a) CEO Report

- Donna Gillespie stated that the opportunity with Queen’s University Smith School of Business is still active.
- She noted that the Corporation has been working on the federal tariff relief issue with Frulact; the site plan is moving forward, and we should expect an early June ground breaking. The President of Portugal will attend the official opening ceremony in January 2017.
Recruitment has begun with ACFOMI Employment Service as the lead. Frulact estimates that they will be hiring for between 50-75 full time positions.
- Donna Gillespie stated that the City employment lands are generating a lot of interest; there are currently 17 deals in progress.
- It was noted that KEDCO would host a VIA Rail CEO luncheon on April 29 with the announcement that VIA is increasing rail service to Kingston.
- Donna Gillespie stated that Tourism Kingston is attending the Canadian Media Marketplace in San Francisco with a focus on the travel media market. Violette Hiebert, Director of Tourism Kingston, hopes to arrange for a tour of Alcatraz; linking to a local opportunity.

9 (b) Other Business

- Donna Gillespie circulated the report generated from the facilitated session with the Queen’s MBA students, to members of the Board and staff.
- Councillor Allen is working with KEDCO to coordinate a tour of rural businesses, the first tour was in November, the next tour is scheduled for April 23. The tour

will include Sun Harvest Greenhouse, Sunset Farms and the Limestone Creamery.

10. Date of next meeting – May 9, 2016

11. Adjournment – 7:04 PM

Motion to “adjourn the meeting;” moved by Councillor Allen, seconded by Councillor Hutchinson.