



GGLDC Audit & Finance Committee Meeting

Tuesday, September 29, 2020

Location - Electronically

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: D. Cunningham, T. Bender, T. Felton
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, S. Hyde, C. Suozzi
Guests: A. Young (GCEDC Board Member), P. Zelif (GCEDC/GGLDC Board Member),
M. Gray (GCEDC Board Member)
Absent: P. Battaglia

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 9:08 a.m. via conference call / video conference.

Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference call / video conference instead of a public meeting open for the public to attend in person.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business –

T. Bender made a motion to add Agenda item 3g as MedTech Centre Insurance Settlement; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was added to the agenda.

2b. Minutes: September 1, 2020

T. Bender made a motion to recommend approval of the September 1, 2020 minutes; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. August 2020 Financial Statements- L. Farrell reviewed with the Committee the significant items of the August 2020 long form financial statements and noted the following:

- There are no significant changes to the balance sheet except for payables that are due to the EDC that are accrued monthly.
- On the balance sheet, there is \$29,000 in unearned revenue under MedTech Centre which is the insurance proceeds received to cover the roof repair. This money has not been paid out or recognized as revenue.
- In the Batavia Micropolitan Area Revolving Loan Fund, Kego made a \$110,000 loan payment in September, which will be reflected in next month's financial statements.
- In the Economic Development Loan Fund, all loans are on time. Rest and Revive is the only loan that has a deferral through September.

T. Felton made a motion to recommend to the full Board the approval of the August 2020 Financial Statements; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3b. Budget Timeline – The 2021 Budget must be approved and entered into the NYS Public Authorities Reporting Information System (PARIS) online by November 1, 2020. L. Farrell reviewed the timeline to emphasize the need for a quorum at the next Board meeting, which will be held October 29, 2020. Board members are asked to notify staff if they have a conflict.

3c. GGLDC 2021 Budget Assumptions - L. Farrell presented the cash budgets to the Committee. Some of the significant items noted are as follows:

- The financial outlook for the remainder of 2020 was provided with the Committee meeting materials.
- For the GGLDC, the cash budget is completed first. It is then converted to accrual. The Authorities Budget Office requires the accrual budget to be entered into PARIS.
- In the operating fund, we anticipate collecting \$100K (\$25K per project) for economic development support grants from four solar projects. These funds will be placed into strategic investment funds. As part of the Strategic Investments Analysis discussion next month, we need to determine how much should be reserved for Workforce Development initiatives
- As of 8/31/20 there is \$150,000 of CBA funds in the Buffalo East Tech Park fund. We anticipate spending these funds by the end of the year related to the intermunicipal agreement that is in place between the EDC, LDC and the Town of Pembroke for the Wastewater Treatment Facility Construction Expansion.
- As of 12/31/20 we anticipate having a balance of approximately \$1.6M of operational cash for the GGLDC, of which approximately \$350K are unrestricted MedTech Centre funds. Consolidated

with the GABLLC, we anticipate having a balance of approximately \$2.2M of operational cash by the end of 2020.

L. Farrell then reviewed each fund in detail with the Committee. The significant items discussed are outlined in the comments section for each cash budget, included with Committee meeting materials.

L. Farrell asked Committee members to contact her if they have any other suggestions or questions regarding the drafted budget. L. Farrell shared that a final version of the 2021 budget will be brought forward at the next Audit & Finance Committee meeting for approval. Any changes made to the budget assumptions will be reviewed in detail at that time.

3d. Auditor Selection – This discussion mirrors the one that took place for the GCEDC where L. Farrell discussed with the Committee about whether to go out to bid for auditing services this year. It is required that the audit partner on the engagement is changed every five years. The auditing firm does not need to change, only the audit partner. David Brownell with Mostert, Manzanero & Scott, LLC has been the engagement partner on the GGLDC’s audit for the last three years.

The Committee recommended that L. Farrell obtain an engagement letter from Mostert, Manzanero & Scott, LLC for 2020 audit services. If there is not a significant increase in fees, the GGLDC will continue to use this firm and partner, David Brownell, for 2020 audit services.

The Committee also suggested that the staff should go out to bid for auditing services after David Brownell completes 5 years of audits as engagement partner.

3e. Insurance Renewal - This discussion mirrors the one that took place for the GCEDC. In 2019 and 2020, the GGLDC did not go out to bid for the Agency’s insurance renewal. In 2018, Selective was the only company that submitted a proposal out of eleven insurance companies that were contacted.

The Committee recommended that the Agency should do an RFQ for insurance brokers. The selected broker will then request quotes from carriers for the January 1, 2021 insurance renewal.

3f. Land Lease Rates - M. Masse presented the land lease rates that were included in the Committee and Board packets. M. Masse stated that C. Yunker confirmed that the rates were still fair market rate.

T. Felton made a motion to recommend to the full Board approval of the land lease rates as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3g. MedTech Centre Insurance Settlement – The total construction and remediation costs for the water damage totaled \$59,579.79. The final settlement from the insurance company totaled \$55,110.26. The difference is due to depreciation.

T. Bender made a motion to recommend to the full Board the authorization to accept the insurance settlement of \$55,110.26 pending legal review and to execute the Property Damage Release form; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

4. ADJOURNMENT

T. Felton made a motion to adjourn at approximately 9:43 a.m., seconded by T. Bender and passed unanimously.