



GCEDC Audit & Finance Committee Meeting

Tuesday, February 2, 2021

Locations: Electronically

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia, P. Zelif, T. Bender
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, S. Hyde, C. Suozzi
Guests: D. Cunningham (GGLDC Board Member), C. Klotzbach (GCEDC Board Member), J. Teresi (Tompkins), T. Spezzano, (Tompkins), D. Boyce (Tompkins), R. Dejean (Lawley), S. Ott (Lawley), B. Fritts (Lawley)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:33 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 / video conference call instead of a public meeting open for the public to attend in person.

2. Presentations / Discussions:

J. Teresi, T. Spezzano, and D. Boyce from Tompkins Insurance joined the meeting at 8:34 a.m. to discuss the results of going out to bid for 2021 general liability insurance. All three guests left the meeting at 8:44 a.m.

2a. General Liability Insurance – The Board previously approved extending insurance coverage with Selective Insurance through the end of February 2021 while Tompkins worked on obtaining alternative insurance proposals. Tompkins went out to bid for the Agency's 2021 insurance renewal. Other markets were explored as listed in the Board packet materials, but they were unable to find another carrier that was able to meet the GCEDC's needs at an affordable rate. The total premium proposed by Selective is within the amounts included in the EDC and LDC budgets.

T. Bender made a motion to recommend to the full Board the approval of general liability insurance with Selective as presented; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zelif - Yes

The item was approved as presented.

R. Dejean, S. Ott and B. Fritts from Lawley Insurance joined the meeting at 8:45 a.m. to discuss the renewal of D & O Insurance as well as a proposal for a Cyber Liability policy. All three guests left the meeting at 9:11 a.m.

2b. D & O Insurance – Lawley Insurance has provided us with a proposal for renewal of our current Directors & Officers/Employment Practices Liability Insurance with Travelers. The renewal price reflects an overall price increase of only \$528 (\$264/entity) compared to the current policy. The current policy expires on 2/23/2021.

The cost of this policy would be split between GCEDC and GGLDC (\$5,496/entity) and is within each entity's budget for 2021.

Coverage for the new Water and Sewer Works Transportation Corporations has not been included in this proposal. These entities can be added when we have more information to provide.

P. Battaglia made a motion to recommend to the full Board the renewal of D & O insurance with Travelers as presented; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zelif - Yes

The item was approved as presented.

2c. Cyber Insurance – Lawley Insurance has provided us with a proposal for a Cyber Liability policy. The benefits of having this insurance in place specific to the Agency's potential exposure was discussed in detail by reviewing each line-item of coverage for the proposed \$1M policy maximum. Coverage is outlined on page 19 of the Board packet materials.

This agenda item was tabled until next month to obtain more information.

3a. Enter Executive Session

P. Zelif made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 9:15 a.m. for the following reasons:

1. The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

The motion was seconded by P. Battaglia and approved by all members present.

3b. Enter Public Session

T. Bender made a motion to enter back into public session at 9:37 a.m., seconded by P. Zelif and approved by all members present.

4. Chairman's Report & Activities

4a. Agenda Additions / Deletions / Other Business – Nothing at this time.

4b. Minutes: January 5, 2021

T. Bender made a motion to approve the January 5, 2021 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zelif - Yes

The item was approved as presented.

5. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

5a. \$33M STAMP Grant Review YTD – The status of the \$33M ESD Grant has been provided in the packet for the Committee to review and track progress. There have been no changes since the last Board meeting. The next GURF is in process. The balance of the grant funds is \$19.6M at year-end.

5b. \$8M STAMP Grant Review YTD – The status of the \$8M ESD Grant has been provided in the packet for the Committee to review and track progress. There have been no changes since the last Board meeting. The next GURF is in process. The balance of the grant funds is \$4.2M at year-end. L. Farrell also noted that at the last Board meeting she had shared that she requested the balance of grant funds (\$4M) to be released. The Comptroller's office approved the release of \$2M on 1/4/2021 after an audit of previous GURF documentation had been completed. We are still waiting to receive these funds into the imprest account.

5c. December 2020 Unaudited Financial Statements - L. Farrell reviewed with the Committee the significant items of the December 2020 long form financial statements and noted the following:

- On Line 11, there is a cash balance of \$215,000 related to the \$8M grant. We are waiting to receive approximately \$2M into the imprest account.
- On Line 15, on Real Estate Development, \$50,000 is related to the LeRoy Park. We cannot draw down until a much larger amount of money is spent. On STAMP, we are working on draws to receive reimbursements of \$33,000 from National Grid.
- On Line 18, there is a balance of \$26,000 for pre-paid expenses. In December, the annual New York State Retirement invoice was paid. This payment covers through March 31, 2021.
- Accounts payable increased. There is \$98,000 in payables so far. This will likely increase as we have not received all invoices for December yet.
- On the operating fund, we closed on three solar projects, including Townline Batavia Solar and both Knapp Solar projects. We received \$169,000 in origination fee revenue into the EDC. On the LDC side, we received \$75,000 related to these projects. Each solar project paid \$25,000 to the LDC to support workforce development initiatives and/or the overall economic development program.
- Revenues are over budget, while most operating expenses are under budget. We anticipated receiving \$375,000 in origination fee revenue but received \$737,000 in 2020. We are in a

strong financial position going into 2021 as this increased revenue is coupled with decreased expenditures for payroll, travel and conferences and meetings.

- Normal monthly activity on the income statements for all other funds.
- Other potential anticipated adjustments to the financial statements include increased accounts payable, grant reconciling and the GASB 68 audit adjustment related to deferred pension inflows and outflows.

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

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zelif - Yes

5d. Change Order for Corfu WWTF Expansion – In December of 2019, the GGLDC accepted the bid received from STC Construction for a Base Bid amount of \$4,861,000 and authorizing Change Order No. 1 with a deduct amount of \$500,000.

The GGLDC also accepted the bid received from Concord Electric for a Base Bid amount of \$393,000.

The GGLDC committed the cash on hand in restricted BETP account as of 9/30/19 - \$556,001 (plus any interest earned in the account up to the date of disbursement) and future CBA payments (9 years at \$93,000 per year) unless the debt is paid off early).

The work on the WWTF is almost complete, and there are two additional change orders presented today. One change order from STC and one from Concord Electric.

The town of Pembroke has passed a bonding resolution that will cover the increase in cost as a result of the change orders and is not asking the GGLDC for any additional funds. No additional fund commitment is requested.

P. Zelif made a motion to recommend to the full Board the approval of the change orders for STC Construction, Inc and Concord Electric as presented with no additional commitment of funds; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zelif - Yes

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 9:48 a.m., seconded by T. Bender and passed unanimously.