



Meeting Agenda – Audit and Finance Committee

Genesee Gateway Local Development Corp.

Tuesday, February 28, 2017

Location: GCEDC Conference Room, 1:00 p.m.

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	T. Felton	
2-6	2. Chairman's Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: January 17, 2017 & January 31, 2017	T. Felton	Vote
7 8-11	3. Discussions / Official Recommendations to the Board: 3a. Pre-Audit Discussion 3b. Allowance for Uncollectible Accounts 3c. H. Sicherman Contract	Mostert, Manzanero & Scott L. Farrell L. Farrell	Discussion Disc / Vote Disc / Vote
	4. Adjournment	T. Felton	Vote



Tuesday, January 17, 2017
GGLDC – Andrews Conference Room
Audit & Finance Committee Meeting
9:00 a.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton (Chair), P. Battaglia, M. Gray
 Staff: L. Farrell, M. Masse, P. Kennett, E. Richardson
 Guests:
 Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

T. Felton called the meeting to order at 10:06 a.m. in the Andrews Conference Room.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business - Nothing at this time.

2b. Minutes: November 29, 2016

M. Gray made a motion to approve the November 29, 2016 meeting minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton	Yes
P. Battaglia	Yes
M. Gray	Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. D&O Insurance Renewal – Lawley Genesee has provided a proposal for renewal of the current D&O Policy with Travelers. The renewal price is \$445 less than the current policy. The current policy expires on 2/23/17. L. Farrell reminded the board that the committee reviewed several options for D&O Insurance in 2016. At that time the deductible was increased from \$1,000 to \$10,000. This expense is split 50/50 by the GCEDC and the GGLDC and is within budget for 2017.

M. Gray made a motion to renew the D&O Insurance; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton	Yes
P. Battaglia	Yes
M. Gray	Yes

The item was approved as presented.

3b. November 2016 Financial Statements - L. Farrell presented the November Financial Statements to the Committee and noted the following:

- Received \$304.5K in EDA grant funds in November as reimbursement for GVAB improvements. The project for this grant changed and L. Farrell doesn't expect to receive \$15,162 of this grant receivable. She will be working on proper recording to reverse this receivable.
- Interfund Revenue comes into the Gateway II, Buffalo East Tech Park and Genesee Valley Agri-Business Park funds from strategic investments to cover insurance and site maintenance expenses.
- Unrestricted cash consists mostly of MedTech Centre funds.
- Insurance is paid in full and will be within budget on a consolidated basis by year end.
- Expenses are within budget; most expenses that are over budget are directly related to grants.

P. Battaglia made a motion to recommend approval of the November 2016 Financial Statements; the motion was seconded by M. Gray. Roll call resulted as follows:

T. Felton	Yes
P. Battaglia	Yes
M. Gray	Yes

The item was approved as presented.

3c. Yancey's Fancy Revolving Loan Fund Request – Yancey's Fancy has requested up to \$420,000 from RLF #2. The company has an outstanding loan with the GCEDC and 2 other outstanding loans with the GGLDC that will be paid off in the process of incurring this new debt. The loan would bear an interest rate of 3%, with a five year amortization maturing in approximately March of 2022.

Staff has recommended for approval to the full Board a \$420,000 loan to Yancey's Fancy. This loan will consist of up to \$234,000 from RLF#2, with the balance being a refinance of the two existing loans outstanding with the Genesee Gateway Local Development Corp. (GGLDC). This is contingent upon Yancey's Fancy paying off the existing loan outstanding with the GCEDC.

P. Battaglia made a motion to recommend approval for the Yancey's Fancy \$420,000 Loan; the motion was seconded by M. Gray. Roll call resulted as follows:

T. Felton	Yes
P. Battaglia	Yes
M. Gray	Yes

The item was approved as presented.

3d. Workforce Training Program Contract – ABC Grant Funds - \$7,500 - The GGLDC has received a proposal to utilize the majority of the remaining grant funds from the America's Best Communities Award in the amount of \$7,500 to set up a Certificate based program in LeRoy High School and Byron-Bergen High School for Professional Skills Training. This will be a one-time set up that can be made part of the school's normal curriculum and can be sustainable with no further funding.

Staff has recommended to approval of a contract for \$7,500 with Loren Penman who will prepare the curriculum for the program.

M. Gray made a motion to recommend approval of a contract for \$7,500 with Loren Penman; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton	Yes
P. Battaglia	Yes
M. Gray	Yes

The item was approved as presented.

3e. H. Sichernan & Co., Inc. Contract Extension - H. Sichernan & Co. was under contract for the 2016 year to assist the GGLDC with various grant applications and compliance reporting, specifically assisting with Office of Community Renewal (OCR) grants. This contract had an original approval of \$15,000 in expenditures that were unreimbursable under grants, with a total expenditure approval of \$25,000. In January of 2017, the GGLDC issued a request for proposals to solicit interest from companies to assist with these programs in 2017. This RFP is a requirement under OCR guidelines. When speaking with H. Sichernan regarding final billing under the existing 2016 contract, it was noted that there was an increase in the anticipated activity, along with their associated time and billing attributable to these tasks, due to three OCR grants that were monitored by the OCR for final closeout. H. Sichernan & Co. worked with OCR during their compliance review to ensure all grant guidelines were met, so that OCR could officially close out those grants. The three grants that were closed out originated in 2009, 2011 and 2012. Since the GGLDC does not have an existing contract in place, we are seeking an extension to H. Sichernan & Co.'s contract through February 28, 2017. We are also requesting an increase in the total contract amount of \$10,000 (total contract now \$35,000) with \$5,000 of that being an increase to the unreimbursable amount (total unreimbursable now \$20,000) to cover the increase in the costs attributable to those grant close outs.

Staff has recommended to extend the contract through February 28, 2017 with H. Sichernan & Co., along with increasing the total contract by \$10,000 (total contract now \$35,000).

P. Battaglia made a motion to recommend approval of the H. Sichernan & Co. contract extension to February 28, 2017 and increase by \$10,000, total contract amount of \$35,000; the motion was seconded by M. Gray. Roll call resulted as follows:

T. Felton	Yes
P. Battaglia	Yes
M. Gray	Yes

The item was approved as presented.

3f. Appraisals for Gateway II, Buffalo East Technology Park, MedTech Park, and Ag Park - The GGLDC has received a proposal to update the existing appraisals that were completed by Shell Associates for all of the corporate parks (Gateway II, Buffalo East Tech Park, MedTech Park and Ag Park). Per Harris Beach, in accordance with PAAA and PARIS, these appraisals should be updated every few years. The last appraisals the GGLDC had completed was in 2010, 2012 and 2013.

Shell Associates has given a quote for \$500 per park, the GGLDC has 4 parks that would be re-appraised, for a total cost of \$2,000. This expense was not budgeted for.

P. Battaglia asked if it would be possible to push it out for 5 years instead of 3 year's.

M. Masse said that he would check with R. Gaenzle, but doing this now would get all of the parks on the same rotation for appraisals going forward.

The Shell Associates contract was recommended by staff for approval not to exceed \$2,000 for park appraisals.

M. Gray made a motion to recommend approval of the contract for \$2,000 with Shell Associates; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton	Yes
P. Battaglia	Yes
M. Gray	Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at approximately 10:45 a.m., seconded by M. Gray and passed unanimously.



Tuesday, January 31, 2017
GGLDC – Andrews Conference Room
Audit & Finance Committee Meeting
3:00 p.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton (Chair), P. Battaglia, M. Gray
 Staff: L. Farrell, M. Masse, P. Kennett
 Guests: P. Zelif
 Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

T. Felton called the meeting to order at 4:35 p.m. in the Andrews Conference Room.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. **Agenda Additions / Other Business** - Nothing at this time.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. December 2016 Unaudited Financial Statements – L. Farrell presented the December Unaudited Financial Statements to the Committee and noted the following:

- Grant receivable (line 15) includes a GVAB EDA Grant Receivable of \$15,162. The scope of the project has changed from its original purpose and we will not be able to receive those funds, therefore L. Farrell will be writing it off.
- Accounts payable (line 53) includes a significant amount of payables that were recorded in preparation of the audit.
- A DHCR grant was received in December for US Gypsum in the amount of \$53,171. Funds were released to US Gypsum under (line 29) grant expense of \$45,000, and the balance was used to pay H. Sichernman administration fees.
- Unrestricted cash consists mostly of MedTech Centre funds.
- Most expenses are within budget; most expenses that are not within budget amounts are directly related to grant revenues.

M. Gray made a motion to accept the December 2016 Unaudited Financial Statements; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
 P. Battaglia - Yes
 M. Gray - Yes

The item was approved as presented.

3b. Strategic Investments Review – L. Farrell reviewed the updated Strategic Investments summary with the committee and noted the following:

- The notes payable with Perry and Partridge related to land purchases have been paid in full in 2016.
- The \$100,000 allowance for bad debt in 2017 will eventually be pushed out to 2018.
- Items printed in red have not been approved by the board yet, but are showing here as a placeholder.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at approximately 4:55 p.m., seconded by M. Gray and passed unanimously.

GENESSEE GATEWAY LOCAL DEVELOPMENT CORP.
ANALYSIS OF ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Account	Name	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Management's Collectability Percentage	Potential Amount Uncollectible	Notes
1700-02	Yancey's Fancy	\$ 176,809.54	\$ 152,817.48	\$ 128,095.68	\$ 102,621.96	\$ -	\$ -	-	n/a	-	
1700-00.2C	First Wave	-	412,005.00	412,005.00	412,005.00	412,005.00	371,781.41	325,641.14	100.00%	-	
1701-00	Wellsville	251,071.16	162,856.80	88,213.88	-	-	-	-	n/a	-	
1701-00.2A	Yancey's Fancy	128,444.24	99,196.06	69,357.54	38,916.76	7,861.53	-	-	100.00%	-	
1703-00	PW Minor	-	-	-	-	-	-	367,000.00	100.00%	-	New Loan in 2016
1703-00.1	PW Minor - Deferred Loan	-	-	-	-	-	-	367,000.00	100.00%	-	New Loan in 2016
1703-03	GAB LLC	-	78,347.31	-	-	-	-	-	n/a	-	
1704-00	Oatka	190,633.23	148,094.60	104,697.36	60,424.18	15,257.37	55,790.45	-	100.00%	-	
1705-00	GCEDC	-	-	494,919.50	-	212,813.52	125,000.00	-	100.00%	-	
1705-00.1	GCEDC	-	-	-	-	125,000.00	125,000.00	-	100.00%	-	
1706-22	Yancey's Fancy	-	-	-	133,748.00	113,702.30	93,046.89	71,763.22	100.00%	-	
1707-00	Alpina	-	-	-	214,500.00	163,800.00	120,900.00	70,200.00	100.00%	-	
1708-22	Yancey's Fancy	-	-	-	200,000.00	176,133.90	149,339.56	121,730.27	100.00%	-	
1709-24	13 Jackson Square	-	-	-	-	100,000.00	95,123.47	75,022.84	100.00%	-	
1710-22	PW Minor	-	-	-	-	-	123,066.41	99,482.81	100.00%	-	
	Remove intercompany loans with the GCEDC					(337,813.52)	(180,790.45)	-			
		\$ 746,958.17	\$ 1,053,317.25	\$ 1,297,288.96	\$ 1,162,215.90	\$ 988,760.10	\$ 953,257.74	\$ 1,497,840.28		\$ -	

Adjustment
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1810-00	Reserve for Bad Debts	\$ -	\$ -	\$ -	\$ -	\$ (49,438.00)	\$ (49,438.00)	\$ (149,438.00)			
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Percentage of accounts receivable	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	5.19%	9.98%			
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* Deferred Loan will be forgiven when OCR grant requirements are met and the grant is successfully closed out with OCR.

Note: Loans Receivable are recorded in the Operating Fund, Economic Development Loan Fund and Batavia Metropolitan Area Loan Fund. Reserve for Bad Debts is recorded in the Operating Fund.

GGLDC

Lezlie Farrell – Finance & Operations
Audit & Finance Committee Report
February 28, 2017

3c. H. Sicherman & Company, Inc. Contract

The GGLDC issued a Request for Proposal on 1/4/17 for technical consulting services in the areas of community and economic development. One proposal was received from H. Sicherman & Company, Inc. We are requesting approval of a contract with H. Sicherman & Company, Inc. for 2017 services. Harry Sicherman provides technical services in the areas of economic development, community development, management and administrative services related to the Community Development Block Grant (CDBG) Program.

The GGLDC previously entered into an agreement with H. Sicherman & Company, Inc. for services from 1/1 – 2/18/17 .

Contract charges for 2017 under the proposed agreement, including charges pursuant to the prior agreement entered into, shall not exceed \$25,000.

Contract charges for 2017 that are not reimbursable to the GGLDC from third-party sources, including charges pursuant to the prior agreement entered into, shall not exceed \$15,000.

AGREEMENT

Made this day of , 2017 by and between **GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION**, a New York not-for-profit corporation having its principal offices at 99 MedTech Drive, Suite 106 Batavia, New York 14020 (hereinafter "GGLDC") and **H. SICHERMAN & COMPANY, INC.**, a New York Corporation with offices at 5852 Forest Creek Drive, East Amherst, New York 14051 (hereinafter "Contractor")

WITNESSETH:

WHEREAS, GGLDC issued a Request for Proposals (RFP) dated January 4, 2017 for the provision of technical services in the areas of community and economic development, and

WHEREAS, Contractor, in response to the RFP, submitted a proposal to GGLDC dated January 29, 2017, such proposal being incorporated herein as Exhibit A and made a part hereof (the "Proposal"); and

WHEREAS, the parties hereto are desirous of entering into an agreement for the provision of services by Contractor to GGLDC consistent with the Proposal;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

SCOPE OF SERVICES

Contractor shall provide the following services to GGLDC:

1. The provision of technical assistance necessary for the administration of CDBG projects including assistance in the areas of bookkeeping, record keeping, procurement, environmental review, labor standards, fair housing, reporting, audit, acquisition and relocation, grant closeout, and all other activities of a general administrative nature.
2. Assistance in the development, administration, and implementation of economic development projects, including requirements and systems necessary for compliance associated with the use of federal Community Development Block Grant (CDBG) funds; technical assistance regarding the financing of commercial and industrial projects; provision of credit analysis and loan portfolio management services; and all other factors associated with the provision of public financing for economic development activities.
3. Assistance in the procurement of funding for economic development projects including project and company evaluations, development of analysis and narratives for funding applications, negotiation and recommendations regarding financing terms and conditions, and other assistance required for the completion and submission of funding applications.
4. Assistance regarding the financing and development of real property including specific assistance related to the requirements of federal and state programs.
5. Other economic development services as may be requested by the GGLDC.

REMUNERATION

1. HSC labor will be charged at the following rates through December 31, 2017:

Harry Sicherman\$175.00 per hour
R. Charles Bell\$155.00 per hour
Elizabeth Kraus\$140.00 per hour
Greg Merriam II\$123.00 per hour
Richard W. Lippold\$110.00 per hour
Robert Zabel\$ 99.00 per hour
Rate in travel status\$ 74.00 per hour (all personnel)

The labor rates for services provided in subsequent calendar years will be computed by multiplying the rates in effect for the prior year by 1.03 and rounding up to the next whole dollar amount.

2. Travel by private automobile will be charged at the maximum Federal reimbursement rate.
3. All other expenses will be charged at cost.
4. Contract charges for work performed in 2017, including charges by Contractor pursuant to any prior agreement with GGLDC, shall not exceed the sum of twenty-five thousand dollars (\$25,000.00) without the written authorization of the GGLDC.
5. Contract charges for 2017 that are not reimbursable to the GGLDC from third-party sources, including charges by Contractor pursuant to any prior agreement with GGLDC, shall not exceed the sum of fifteen thousand dollars (\$15,000.00) without the written authorization of the GGLDC.
6. Requisitions for payment shall be presented to GGLDC by Contractor in a standard invoice format and shall include a reasonable description of labor charges and expenses, including copies of receipts where appropriate. Payment shall be made by GGLDC within sixty (60) days of receipt of such requisition. For any delinquent payments due Contractor pursuant to this agreement, GGLDC shall pay to Contractor a late fee equal to one percent (.01) per month of the overdue amount.

MISCELLANEOUS

1. GGLDC and any of its duly authorized representatives shall have access to any books, papers, documents, and records of Contractor which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions.
2. Contractor shall retain all required records that are directly pertinent to this Agreement for four years after GGLDC has made final payment under this Agreement and all other pending matters are closed.
3. Contractor agrees that none of its officers or employees will hold themselves out as, or claim to be, an officer or employee of GGLDC or its agents, and that neither Contractor, nor any of its officers or employees will by reason therefore, make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of GGLDC.

4. Contractor acknowledges and agrees that neither Contractor nor its agents, officers, or employees shall be covered by any Worker's Compensation Insurance policy or Disability Insurance policy maintained by GGLDC, and that Contractor shall be solely responsible for maintaining such coverage to the extent required by law.
5. To the extent applicable, Contractor's services shall be subject to the provisions attached hereto as Exhibit B, "Federal Contract Provisions".
6. Contractor hereby indemnifies the Housing Trust Fund Corporation, its agents, and its employees from and against any and all claims, actions, damages, losses, expenses and costs of every nature, including reasonable attorney's fees, incurred by or assessed or imposed against the Housing Trust Fund Corporation, to the fullest extent permitted by law, arising out of any services provided by Contractor pursuant to this Agreement that are being funded in whole or in part with New York State CDBG funds.
7. This Agreement may be amended or otherwise modified only upon the written agreement of the parties.
8. This Agreement shall supersede all prior agreements, written or oral, between the parties regarding the scope of services herein set forth.

TERM OF AGREEMENT

1. This Agreement shall become effective as of the date first above written.
2. This Agreement may be terminated by either party at any time without cause to be effected by written notification.
3. This Agreement shall terminate no later than December 31, 2017.

AGREED TO:

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

By: _____
Thomas Felton, Chairman

H. SICHERMAN & COMPANY, INC.

By: _____
Harry Sicherman, President