



Tuesday, September 5, 2017
GGLDC – Andrews Conference Room
Audit & Finance Committee Meeting
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton, P. Battaglia, D. Cunningham
Staff: L. Farrell, M. Masse, S. Hyde, E. Richardson
Guests: M. Gray (GCEDC Board Member), P. Zelif (GCEDC Board Member), J. Teresi (Tompkins)

1. CALL TO ORDER / ENTER PUBLIC SESSION

1. Call to Order – Enter Public Session - T. Felton called the meeting to order at 8:37 a.m. in the Andrews Conference Room.

Insurance Review Discussion - L. Farrell shared that in November of last year, the committee discussed options of procuring property and general liability insurance quotes from other carriers. At that time, J. Teresi recommended waiting until 2017. Waiting until September 2017 would provide for more lead time to allow companies the proper underwriting time frame to provide competitive proposals and may clear up some uncertainty of what lies ahead for the STAMP site.

J. Teresi shared that the Selective policy includes a \$10M umbrella policy and that the price for 2018 should be about the same as 2017. Selective Insurance covers property, general liability, commercial auto, inland marine, crime and the umbrella policies. They also carry the Agency's workers compensation insurance.

J. Teresi shared that Selective Insurance is aware of the upcoming plans for STAMP and has made concessions regarding the costs associated with the land under development, which is a benefit to the GCEDC.

J. Teresi feels that with there being still much uncertainty surrounding the STAMP site it may be difficult for some companies to submit a quote. Because of the type of entity, there is already a limited pool of carries willing to provide coverage.

P. Zelif asked if there was a risk or down side of going out to bid.

J. Teresi shared that there would be no harm in going out to bid. He's unsure of how much savings the Agency will see when going out to bid. Where premium costs may be lower, other costs, like the one mentioned before related to land being under development, may be higher.

P. Zelif shared that he sees no harm in going out to bid. If the results of the inquiry aren't what we are looking for then we will just continue to stay with Selective for 2018.

The staff will work with J. Teresi to solicit insurance quotes for 2018 and bring them back to the committee for their review.

1a. Executive Session – P. Battaglia made a motion to enter the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:55 a.m., for the following reasons:

1. To discuss 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.
2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

The motion was seconded by D. Cunningham and approved by all members present.

1b. Re-Enter Public Session - P. Battaglia made a motion to enter back into public session at 9:38 a.m., seconded by D. Cunningham and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business –

2b. Minutes: July 28, 2017 –

P. Battaglia made a motion to accept the July 28, 2017 Meeting Minutes as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. July 2017 Financial Statements - L. Farrell presented the July Financial Statements to the Committee and noted the following:

- Unearned Revenue consists mostly of rent received in advance from MedTech Centre tenants.
- Grant Revenue recognized was related to the America's Best Communities Grant.
- 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.

P. Battaglia made a motion to recommend approval of the July 2017 Financial Statements as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

The item was approved as presented.

3b. 2018 Budget Timeline – L. Farrell reviewed the budget timeline with the committee and noted some important upcoming dates.

3c. Assessment of Internal Controls – L. Farrell shared that Public Authorities Law requires all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The meeting packets included the latest version of the GCEDC/GGLDC's detailed internal control narrative that is given to the auditors each year.

The 2017 Assessment of the Effectiveness of Internal Controls identifies and summarizes the controls in place for major business functions. An internal controls assessment was also completed by the GGLDC's auditors during the annual audit. There were no internal control weaknesses identified at that time.

L. Farrell pointed out that to be efficient and cost effective and in accordance with the goal of developing shovel-ready sites to assist in the enabling of IDA assisted projects, the staff of the GGLDC's sole owner, the GCEDC, provides services which enhance the internal controls of the GGLDC. GGLDC administrative tasks are performed by GCEDC employees.

P. Battaglia asked L. Farrell to briefly review the cash disbursement procedures.

L. Farrell explained that when invoices are received, they are given to the Staff Accountant (Betsy) for an initial review, tracking against contracts, addition of supporting documentation and to obtain appropriate approvals from individual staff members. All invoices are then reviewed by the Operations Manager (Penny) and CFO (Lezlie) prior to the disbursement checks being prepared.

P. Battaglia asked what the Agency would be invoicing for.

L. Farrell explained that the Agency's sends monthly invoices for principal and interest on loans made to companies.

P. Battaglia made a motion to approve of the Assessment of Internal Controls as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

3d. Grant Agreement with Genesee County (OCR – Resurgence) – M. Masse shared that Genesee County has completed, submitted and has been approved to receive Federal grant assistance in the amount of \$225,000 from NYS Housing Trust Fund Corporation represented by the NYS Office of Community Renewal through the Community Development Block Grant (CDBG) Fund for providing financing to assist Resurgence Brewing Company, LLC for the establishment of a production brewery and taproom. This agreement lays out the terms and conditions of that funding being received by the County and then disbursed and administered by the GGLDC.

P. Battaglia made a motion to recommend approval of the Grant Agreement with Genesee County (OCR – Resurgence) as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

T. Felton - Yes

P. Battaglia - Yes

D. Cunningham - Yes

The item was approved as presented.

3e. Grant Agreement with Town of Batavia (OCR – Freightliner) – M. Masse shared that the Town of Batavia has completed, submitted and has been approved to receive Federal grant assistance in the amount of \$465,000 from NYS Housing Trust Fund Corporation represented by the NYS Office of Community Renewal through the Community Development Block Grant (CDBG) Fund for the purpose of providing financing to assist Freightliner & Western Star of Batavia, LLC for the establishment of a new truck service and education facility in the Town of Batavia. This agreement lays out the terms and conditions of that funding being received by the Town and then disbursed and administered by the GGLDC.

P. Battaglia made a motion to recommend approval of the Grant Agreement with the Town of Batavia (OCR – Freightliner) as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

T. Felton - Yes

P. Battaglia - Yes

D. Cunningham - Yes

3f. Gallina Development Lease Agreement – M. Masse shared that Gateway GS, LLC (Gallina Development), would like to lease land at the GGLDC's Gateway II Corporate Park to build a spec building on, to market and lease.

P. Battaglia made a motion to recommend approval of the Gallina Development Lease Agreement as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

T. Felton - Yes

P. Battaglia - Yes

D. Cunningham - Yes

The item was approved as presented.

3g. First Wave Technologies Loan – Because they are in default based on the terms and conditions of their loan agreement, the Audit & Finance Committee is requesting staff arrange to have the Principal from First Wave Technologies update the Committee on the financing performance of the Company as it relates to repayment of the loan.

4. ADJOURNMENT

As there was no further business, D. Cunningham made a motion to adjourn at approximately 9:53 a.m., seconded by P. Battaglia and passed unanimously.