



**Wednesday, August 5, 2015
GCEDC- Andrews Conference Room
Audit & Finance Committee Meeting
9:00 a.m.**

MINUTES

ATTENDANCE

Committee Members: C. Yunker, P. Battaglia, P. Zeliff, M. Gray
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde
Guests:
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

P. Battaglia called the meeting to order at 9:00 a.m. in the Andrews Conference Room.

Enter Executive Session – P. Zeliff made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 9:00 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.

Re-Enter Public Session

P. Battaglia made a motion to enter back into public session at 9:16 a.m., seconded by P. Zeliff and approved by all.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business – None at this time.

2b. Minutes: July 7, 2015

P. Zeliff made a motion to approve the July 7, 2015 Minutes as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Yes
C. Yunker	- Yes
M. Gray	- Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. GCEDC 2016 Budget Assumptions – L. Farrell went through the draft 2016 budget and the 2015 projections with the Audit & Finance committee. The following was noted:

- The County contribution included in the preliminary budget is at the 2015 level.
- Projecting to close on the OATKA project by year-end as well as other projects that are in the pipeline currently.
- Expenditures were controlled and reduced where possible.
- The GCEDC has covered funding gaps with grants from the GGLDC to support the Economic Development Program as well as property management transfers from the GGLDC's MedTech Centre. The 2016 drafted budget reflects a GGLDC grant of \$375K.
 - o The board asked L. Farrell to look closer at how this is recorded and consider revising how the MedTech Center property management portion of the grant is recorded.
- 2016 Economic Development Program support grant anticipated from the Genesee County Funding Corp. (\$65K).
- Anticipate closing on the IAA land sale by year end and projecting a cash carryover allocation from the sale of \$185K.
- Assuming a 2% increase on base employee wages. Increased hours included for building and maintenance employees related to STAMP property ownership.
- Assuming a 10.4% increase in health insurance based upon Univera's notification letter that was received in June.
- Assuming a 5% increase on all insurance premiums; if a company lands at the STAMP site we will re-evaluate D & O Insurance coverage limits.
- Looking into applying for another National Grid marketing grant for STAMP marketing expenses, but we have to close on the current one before we can apply again, therefore we did not budget for it.
- Once a project lands at the STAMP site, a budget overlay will have to be done and presented to the committee.

The committee expects to see the following changes in the budget:

- STAMP interest (A change in the worksheet was not followed through to the budget line item).
- How the grant from the GGLDC is recorded.
- Addition of the RJ Properties PIF.

3b. June 2015 Financial Statements –

- Current Accounts Receivable consists of a grant project participation fee expected from Baskin (\$8K), Rochester Gas and Electric (\$20K) and Muller Quaker Dairy (\$155K) termed out project participation fees and three months of the Economic Development Program Support Grant (\$75K) from the GGLDC.
- Accounts Receivable non-current consists of Rochester Gas and Electric termed out project participation fee installments to be collected over the next four years.
- Prepaid expenses consist of health, disability and Directors & Officers insurance.
- Deferred Revenue consists of municipal and National Fuel Grant funds received for specific purposes but not yet expended.
- The HSA Benefit line item is high due to a majority of the funds being expended at the beginning of the year.
- The Dues and Subscription line item is high due to paying the membership dues for Greater Rochester Enterprise (\$50K) and Buffalo Niagara Enterprise (\$25K) early in the year.
- Accrued Expenses consists of NYS Retirement contributions and interest on loans from the GGLDC not paid yet.
- Received an \$800K grant from ESD related to STAMP, funds were used to pay down the Line of Credit and pay back internal borrowings.

P. Zeliff made a motion to recommend approval of the June 2015 Financial Statements as presented; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Zeliff - Yes
P. Battaglia - Yes
C. Yunker - Yes
M. Gray - Yes

The item was approved as presented.

3c. ECIDA Consulting Contract for IT Services –

P. Battaglia explained to the committee that he is reorganizing the committee structure and would like everything reviewed by a committee prior to going before the board. Given that, he has asked that the Audit and Finance Committee review all future contractual items prior to recommendation to the full board.

Currently we are paying an hourly rate on an as needed basis for IT consulting services through Erie County IDA (ECIDA). Per the procurement policy, the GCEDC needs board approval for any expenditure over \$5,000. At this time the committee is being asked to recommend approval of IT services not to exceed \$10,000 in 2015.

P. Zeliff made a motion to recommend approval to spend up to \$10,000 for IT services with ECIDA; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Zeliff - Yes
P. Battaglia - Yes
C. Yunker - Yes
M. Gray - Yes

The Item was approved as presented.

3d. John Jakubowski Consulting Contract for Workforce Development – M. Masse asked the board to approve a contract with John Jakubowski for Workforce Development initiatives. The contract is for a not to exceed amount of \$29,800 that will be paid either by strategic investment funds or by grants at a later date. The expense will be approved in both the GCEDC and the GGLDC as it is unknown at this time what entity the future grants will run through to cover a portion of this expense.

P. Zeliff made a motion to recommend approval of a contract with John Jakubowski for workforce development initiatives up to \$29,800; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Zeliff - Yes
P. Battaglia - Yes
C. Yunker - Yes
M. Gray - Yes

The Item was approved as presented.

ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 10:20 p.m., seconded by M. Gray and passed unanimously.