



**Monday July 9, 2018,
GCEDC – Andrews Conference Room
Audit & Finance Committee Meeting
1:00 p.m.**

MINUTES

ATTENDANCE

Committee Members: T. Bender, M. Gray, P. Battaglia
Staff: L. Farrell, M. Masse, E. Richardson, P. Kennett, S. Hyde
Guests: T. Felton (GGLDC Board Member), D. Cunningham (GGLDC Board Member)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 1:00 p.m. in the Andrews Conference Room.

It was requested that item 3a be presented prior to executive session because of time constraints.

3a. City of Batavia Funding Request – S. Hyde shared that Matt Worth, Interim City Manager, sent a request to the GCEDC Board of Directors for funding support of \$10k to be a portion of a “match” by local partners to apply, via CFA, for an Empire State Development (ESD) “matching grant” for strategic planning/feasibility study activities as it relates to the Batavia City Centre campus.

Summary information related to the request is reflected below:

- This request has emerged from the Batavia City Centre property planning sub-team consisting of GCEDC (S. Hyde, R. Tabelski), the Batavia City manager (M. Worth) and the Batavia Development Corporation (BDC) (P. Cipollone, J. Pacatte). The formation of this sub-team and GCEDC “active” participation was discussed back in January 2018 with the GCEDC board of directors.
- Batavia City Council is aware of this activity and has approved funding of the grant writing expense with LaBella Associates along with its portion of local match of up to \$10K.
- Total CFA request to ESD will be in the \$40K - \$60K range.
- CFA application deadline to NYS is 4PM, 7/27/2018.
- Scope of Work: The CFA application for ESD strategic planning/feasibility funding looks to explore enhancement options associated with the Batavia City Centre campus and associated costs.

S. Hyde shared that this request largely ties to the phase 2 discussion of the GCEDC strategic assessment process that was discussed last month with the GCEDC board of directors. \$10K was appropriated to support phase 2 activities once better defined. Since Batavia City Center campus enhancement is a transformation strategic implementation project tied to the GCEDC strategic assessment process and activities that GCEDC is engaged with and better defines key activities as it relates to the Phase 2 GCEDC strategic assessment, he requests the GCEDC board consider approval of the \$10K local matching funds to go along with the City’s funding commitment of same supporting this grant application for funding to NYS to enable the Batavia City Centre planning study.

M. Gray asked if this is a divergence from the phase 2 with Rockefeller Institute for Government (RIG) that was discussed last month.

S. Hyde shared that was correct, the \$10K appropriated for a potential phase 2 study with RIG discussed last month will now be used for this request. There may be a need for a phase 2 study in 2019. It would depend on the report from phase 1 whether a phase 2 study would be needed. We could include another \$10K in the 2019 for this potential study.

P. Battaglia made a motion to recommend approval of \$10K to the City of Batavia for matching funds supporting a grant application for funding to enable the Batavia City Centre planning study, the motion was seconded by T. Bender. Roll call resulted as follows:

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

1a. Executive Session:

T. Bender made a motion to enter executive session at 1:20 p.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by P. Battaglia and approved by all members present:

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.

S. Hyde left the meeting at 1:30 p.m.

1b. Re-Enter Public Session – P. Battaglia made a motion to enter back into public session at 1:40p.m., seconded by T. Bender and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES:

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

2b. Meeting Minutes – June 5, 2018

P. Battaglia made a motion to approve the June 5, 2018 meeting minutes as presented, the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3b. \$33 M STAMP Grant Review YTD – L. Farrell reminded the Committee that the imprest account has been set up and on January 12, 2018 Empire State Development (ESD) deposited \$15,100,934 into the account. The first four Grant Utilization Request Forms (GURF) have been submitted and authorization has been received to release those funds. The requests take approx. 10 days to receive approval.

3c. May 2018 Financial Statements - L. Farrell presented the May Financial Statements to the Committee and noted the following:

- Restricted Cash increased as the County remitted \$4M to the GCEDC per a Water Supply Agreement, to be put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. These funds will be paid back to the County using the Empire Pipeline CBA funds.
- Operating revenue includes L&M Specialties project origination fee and Economic Development Program Support Grant from the GCFC and GGLDC (quarterly payment).
- Accounts Payable decreased as 2017 STAMP related expenses were paid.
- Unearned Revenue decreased as eligible expenses were incurred.
- Land lease rent was received in May.
- Closing costs were incurred related to the J Rental land sale at Apple Tree Acres.

T. Bender made a motion to recommend approval of the May 2018 Financial Statements to the full Board as presented, the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3d. 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's detailed internal control narrative that is given to the auditors each year. L. Farrell noted that language was added to the internal control narrative about the process for online payments. A list of vendors that can be paid online was reviewed and approved by the Committee.

The 2018 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 GCEDC's auditors during the annual audit. There were no internal control weaknesses identified at that time.

P. Battaglia made a motion to approve the Assessment of Internal Controls and the list of vendors to be paid online as presented, the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

3e. GCEDC Budget Timeline – L. Farrell shared a budget timeline with the Committee to ensure that the budget is approved by the Board prior to the September deadline for submission to the County.

3f. KeyBank Line of Credit – L. Farrell shared that herself and M. Masse had a call with KeyBank regarding the currently line of credit. KeyBank provided the GCEDC with three scenarios and explained that increasing the line of credit in the future should be quite easy and could likely be done in two to three weeks.

L. Farrell shared that they do not see a need to have the limit at more than \$1M at this time.

M. Gray suggested lowering the limit to \$5M, if the undrawn fee could be waived, otherwise lower the limit to \$1M and see if they will decrease the rate to Libor+150.

L. Farrell shared that she will reach out to KeyBank and report to the Committee at next month's meeting.

3g. Site Access License Agreement – M. Masse shared that in connection with a project at the Leroy Food & Technology Park, LanCor Development is seeking to start earthwork, grading and construction prior to closing on the land purchase. M. Masse reviewed a Site Access Agreement that will allow the company to begin work while the land sale closing gets completed, which is anticipated to happen by the end of July or early August.

P. Battaglia suggested that the deposit for the land (as outlined in their purchase and sale agreement) be received prior to signing this agreement.

P. Battaglia made a motion to recommend approval to the full Board of a Site Access Agreement with LanCor Development, contingent upon the company paying their deposit for the land, as presented, the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 2:12 p.m., seconded by P. Battaglia and passed unanimously.