



Thursday, March 29, 2018
GCEDC – Innovation Zone Conference Room
Audit & Finance Committee Meeting
2:30 p.m.

MINUTES

ATTENDANCE

Committee Members: T. Bender, M. Gray, P. Battaglia (via video conference)
Staff: L. Farrell, M. Masse, E. Richardson, P. Kennett
Guests: T. Carpenter (Clark Patterson Lee), David Brownell (Mostert, Manzanero & Scott, LLP), P. Zeliff (GCEDC Board Member)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 2:32 p.m. in the Innovation Zone Conference Room.

1a. Executive Session:

T. Bender made a motion to enter executive session at 2:32 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.

1b. Re-Enter Public Session – T. Bender made a motion to enter back into public session at 3:20 p.m., seconded by P. Battaglia and approved by all members present.

T. Carpenter left the meeting at 3:00 p.m.

2. CHAIRMAN'S REPORT & ACTIVITIES:

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

2b. Meeting Minutes – March 6, 2018

P. Battaglia made a motion to approve the March 6, 2018 meeting minutes as presented, the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes (via video conference)
M. Gray - Yes
T. Bender - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. \$33M STAMP Grant Draw 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 Grant Utilization Request Form (GURF) was submitted for \$2,999,107 and we received authorization to release those funds on March 5, 2018. GURF #2 for \$643,284.51 was submitted on March 21, 2018 and is currently under review. P. Battaglia reminded L. Farrell to keep the Line of Credit in her thoughts as the agency should look at making changes to it given that undrawn fees are charged. L. Farrell had recommended that the Committee give it a little bit of time before considering the reduction of, or the elimination of, the Line of Credit. Although the GCEDC is charged an undrawn fee, the timing of the GURF approvals may make it necessary to leave the Line of Credit open for at least a short time period. L. Farrell will continue to monitor the process.

3b. Purchase & Sale Agreement: Leroy – The GCEDC has been in discussions with McQuillen, Inc. who is interested in purchasing 5 acres for development of their manufacturing facility at the Leroy Food & Technology Park. M. Masse presented a draft Purchase and Sale Agreement and a resolution authorizing the sale. Approximately 5 acres (+/- .5 acres) of land containing no infrastructure will be sold for \$10,000 per acre for a maximum of \$50,000.

The Committee asked that language be added to the Purchase and Sale agreement that states that McQuillen Inc. will be responsible for putting in their own septic system.

P. Battaglia made a motion to recommend approval of the Purchase and Sale Contract, including applicable closing costs, and Authorizing Resolution No. 03/2018-08 as presented, the motion was seconded by T. Bender.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (THE "AGENCY") AUTHORIZING (i) THE SALE OF CERTAIN AGENCY OWNED REAL PROPERTY TO MCQUILLEN, INC., ON BEHALF OF A TO BE FORMED ENTITY, AND (ii) THE EXECUTION OF A PURCHASE AND SALE AGREEMENT, A DEED, AN EASEMENT AGREEMENT, AND RELATED DOCUMENTS IN CONNECTION THEREWITH.

Roll call resulted as follows:

P. Battaglia - Yes (via video conference)
M. Gray - Yes
T. Bender - Yes

The item was approved as presented.

3c. LeRoy Consolidated Funding Application Grant Disbursement Agreement – The GCEDC has received an Empire State Development (ESD) Grant Disbursement Agreement for the \$420,000 (AA769) grant for the LeRoy Food & Technology Park. The proposed Financial Terms and Conditions of the grant are as follows:

- a. Reimburse ESD for all out of pocket expenses incurred with this project. Pay a commitment fee of 1% of the grant; \$4,200.

- b. Grant must be disbursed by April 1, 2020.
- c. GCEDC staff has requested that the Exhibit C Recapture Terms be revised or removed.

These grant funds will be made in two disbursements. An initial disbursement of an amount equal to 74% of the grant (\$310,000) will be disbursed upon documentation of real estate, infrastructure, site work, architectural, engineering and soft project costs totaling \$310,000, provided we are in compliance with the terms and conditions of the agreement.

A second disbursement of an amount equal to 26% of the grant (\$110,000) will be disbursed upon documentation of real estate, infrastructure, site work, architectural, engineering and soft project costs totaling \$662,142 (\$972,142 cumulative project costs) and upon completion of the project substantially as described in Exhibit A, provided we are in compliance with the terms and conditions of the agreement.

M. Masse asked the Committee to recommend approval of the Leroy Consolidated Funding Grant Disbursement Agreement and the \$4,200 commitment fee plus any out of pocket expenses of ESD not to exceed \$6,000. The approval is contingent upon the revision or removal of Exhibit C.

P. Battaglia made a motion to recommend approval of the LeRoy Consolidated Funding Application Grant Disbursement Agreement, contingent upon the revision or removal of Exhibit C, the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes (via video conference)
 M. Gray - Yes
 T. Bender - Yes

The item was approved as presented.

3d. Mowing Contracts – The GCEDC asked companies for bids to mow the properties we have acquired at STAMP and the entrance signs to Gateway I and Apple Tree Acres. The results of the bids are as follows based on 13 mows in the season:

STAMP

1. \$5,479 – S&S Trucking
2. \$9,126 – Scalia's Landscaping
3. \$6,500 McKenzie Landscaping

Gateway I and Apple Tree Acres

1. \$260 – McKenzie Landscaping
2. \$260 – Scalia's Landscaping
3. \$557 – S&S Trucking

M. Masse noted that a requirement of the bid was to provide proof of insurance coverage and worker's compensation. McKenzie did not provide that. The bid that Scalia's provided was one bid for all properties, and they were not willing to split them up or segment them.

M. Masse asked the Committee to recommend approval of a contract with S&S Trucking not to exceed \$7,000 for mowing services at STAMP, Gateway I and Apple Tree Acres.

P. Battaglia made a motion to recommend approval of the Mowing Contract with S & S Trucking as presented, the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes (via video conference)
M. Gray - Yes
T. Bender - Yes

The item was approved as presented.

3e. Additional Construction and Inspection Contract Administration Costs: Clark Patterson Lee –
This item was tabled.

3f. LeRoy Main Entrance Road Engineering Services: Clark Patterson Lee – The GCEDC has been in discussions with a company who is interested in purchasing 5 acres for development of their manufacturing facility at the LeRoy Food & Technology Park. As part of this project the GCEDC will need to design, engineer, and permit 360 linear feet of main entrance roadway. Clark Patterson Lee has provided a proposal in the amount of \$38,700 to complete this work.

M. Masse asked the Committee to recommend approval of a contract with Clark Patterson Lee for \$37,800 for engineering services at the LeRoy Food & Technology Park contingent upon the commitment of the project to construct at the Park. The contract will be covered 50% by a National Grid grant and the remaining funds will come from project sources.

P. Battaglia made a motion to recommend approval of the \$37,800 contract with Clark Patterson Lee contingent upon commitment of the project to construct as presented, the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Abstained (via video conference)
M. Gray - Yes
T. Bender - Yes

The item will be presented to the full Board for approval without recommendation.

David Brownell (Mostert, Manzanero & Scott, LLP) joined the meeting at 3:10 p.m.

1a. Presentations: 12/31/17 Audit- David Brownell of Mostert, Manzanero & Scott, LLP reviewed the audit with the committee and answered questions in regard to the audit. The management letter states that no material deficiencies in internal controls were identified during the audit. It is their opinion that the audited financial statements present fairly, in all material respects, the financial position of the GCEDC as of December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

One thing that did change from the previous year was how the grant income and related expenditures were reclassified. This activity was reclassified from non-operating to operating in 2017.

L. Farrell noted that there were a few changes to the statements since the Committee saw the unaudited numbers. Dedication of the land at Gateway I was recorded and substantial payables and grant receivables to off set those expenses have been recorded.

The Committee asked to speak to the auditor in executive session.

L. Farrell, M. Masse, E. Richardson and P. Kennett left the meeting.

Executive Session:

T. Bender made a motion to enter executive session at 3:38 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.

1b. Re-Enter Public Session – T. Bender made a motion to enter back into public session at 3:45 p.m., seconded by P. Battaglia and approved by all members present.

P. Battaglia made a motion to recommend approval of the 12/31/17 Audit as presented, the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes (via video conference)
M. Gray - Yes
T. Bender - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 3:45 p.m., seconded by T. Bender and passed unanimously.