



Friday, July 28, 2017
GCEDC – Andrews Conference Room
Audit & Finance Committee Meeting
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia, P. Zelif
 Staff: L. Farrell, M. Masse, P. Kennett, E. Richardson
 Guests: H. Upson (GGLDC Board Member), T. Felton (GGLDC Board Member)
 Absent: M. Davis

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 9:34 a.m. in the Andrews Conference Room.

2. Chairman's Report & Activities:

2a. Agenda Additions / Other Business – M. Gray will not be at the upcoming Board Meeting, he asked P. Battaglia to present the Audit & Finance Committee information. P. Zelif mentioned that he will not be there as well and asked P. Battaglia to cover STAMP Committee discussions.

2b. Meeting Minutes – July 11, 2017

P. Zelif made a motion to approve the July 11, 2017 Meeting Minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Zelif - Yes
 P. Battaglia - Yes
 M. Gray - Yes
 M. Davis - Absent

The item was approved as presented.

3. Discussions / Official Recommendations of the Committee:

3a. \$33M STAMP Grant Draw Review YTD – L. Farrell informed the Committee that the agency has received draws #1-7 and that 3 more draws have been submitted since March of 2017. She and M. Masse are working with the State to look into setting up an impressed account to save on interest and unused fees charged by the bank related to the line of credit.

3b. 2018 Budget Inputs / Assumptions – L. Farrell reviewed the budget worksheets with the committee and the following was noted:

- Both the accrual based budget and the cash flow projection through 12/31/17 were approached conservatively.
- Budgeted for the same level of contribution from Genesee County in 2018.
- Origination fee revenue includes a projection of 6 additional projects closing in 2017.
- Awaiting FERC (Federal Energy Regulatory Commission) approval for the Empire Pipeline Inc. project. Once approval is received the origination fee collected in Dec. 2016 can be recognized as income and released from restriction.
- Anticipating a land sale at AppleTree Acres prior to 12/31/17 [\$80,889].
- Assuming the balance of the Town of Pembroke grant will be used prior to 12/31/17.
- The GCEDC no longer owns any property at Gateway I.
- The marketing budget has increased in 2018 substantially. There is an opportunity to receive a National Grid Grant to help offset a portion of the STAMP expenses, but it is not currently in place. The plan is to proceed with these expenses with or without the grant.
- L. Farrell reviewed the salary and employee benefits budget workpaper with the Committee. It is anticipated that the Employment & Compensation Committee will be meeting prior to finalizing the budget.

L. Farrell asked the Committee to contact her if they have any other suggestions or questions regarding the budget. The next time the committee meets and reviews the budget again, they will be asked to recommend it to the full board for approval.

3c. June 2017 Financial Statements – L. Farrell reviewed the financial statements and noted the following:

- The HP Hood project closed in June (fee to be collected at \$279.6K per year through 2022, but revenue is recognized when earned at the time of project closing).
- Unearned Revenue includes the Empire Pipeline Inc. project origination fee that was collected in December 2016, but will not be earned until the company receives approval from FERC (Federal Energy Regulatory Commission).
- The line of credit with Key Bank is related to the STAMP grant receivable with ESD.
- STAMP grant receivable includes expenses related to the \$33M ESD STAMP grant for engineering, environmental, legal, etc.
- The HSA benefit is high YTD due to a majority of the employer contribution being paid at the beginning of the year.
- A majority of the unemployment insurance and workers compensation insurance is paid at the beginning of the year.
- Dues and Subscriptions are over budget due to the funding commitment to Greater Rochester Enterprise (\$50K) paid in full, and Invest Buffalo Niagara (\$12.5K) being paid.
- The expenses in STAMP that are unbudgeted correspond with unbudgeted grant income.
- RLF #1 has 2 active loans. The loan receivable from Savage IO remains in collections.
- RLF #2 has 1 active loan.

- The GAIN! Loan fund has 2 active loans.
- All expenditures are in line with the budget except where noted.

P. Battaglia made a motion to recommend approval of the June 2017 Financial Statements as presented, motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff - Yes
P. Battaglia - Yes
M. Gray - Yes
M. Davis - Absent

The item was approved as presented.

H. Upson left the meeting at 10:15 a.m.

T. Felton left the meeting at 10:20 a.m.

3d. Assessment of Internal Controls – Tabled. P. Battaglia tabled this in consideration of time and he wanted to review it in more detail.

3e. John Jakubowski Workforce Development Consulting Contract - John Jakubowski has provided a consulting agreement for the period of August 15, 2017 through August 14, 2018 to perform the following:

1. Perform consulting services to assist in the development and implementation of workforce development programs and training initiatives related to the goals of the Company and its affiliates.
2. Consult with the VP of Business Development of the GCEDC and staff relative to the application, development and deployment of its workforce programs.
3. Consult with educational institutions who may serve as partnership the development, implementation and delivery of training programs. Specifically, interface with Genesee Community College and its BEST Center, other institutions of higher learning, the Genesee Valley Educational Partnership and local secondary schools as appropriate.
4. Provide consulting services as requested by the GCEDC.

Total contract is not to exceed \$29,800 in total between the GGLDC and GCEDC. The GCEDC will only incur expenses under this contract if grant funding becomes available.

P. Battaglia made a motion to recommend approval of the Workforce Development Consulting Contract for John Jakubowski as presented, the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff - Yes
P. Battaglia - Yes
M. Gray - Yes
M. Davis - Absent

The item was approved as presented.

3f. Economic Development Partner Fee: Ellicott Station Project –M. Masse asked the Board to approve a \$25,000 Economic Development Partner Fee payable to the Batavia Development Corp. for

their assistance with the Ellicott Station project. The fee will be paid after the GCEDC receives the origination fee from the company.

P. Battaglia made a motion to recommend approval of the Economic Development Partner Fee for the Ellicott Station Project as presented, the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Zelif - Yes
P. Battaglia - Yes
M. Gray - Yes
M. Davis - Absent

The item was approved as presented.

3g. Extension of \$16M Line of Credit with KeyBank – The GCEDC has an existing Line of Credit with KeyBank that is being used to pay for construction at the STAMP site and is being reimbursed by a \$33 million grant. The terms and conditions of this Line of Credit will remain the same. KeyBank has been waiving the undrawn fee, L. Farrell noted that they will no longer be able to waive this fee going forward. The undrawn fee will be contemplated within the 2018 budget. M. Masse and L. Farrell will continue to work on securing an impressed account with Empire State Development (ESD). This will eliminate or reduce the need for a Line of Credit and reduce the expense for interest and undrawn fees.

The Committee agreed to lower the \$16M Line of Credit down to \$10M as cash flow projections indicate we do not need the full \$16M at this time.

P. Zelif made a motion to recommend approval of the Line of Credit renewal with KeyBank, reducing the amount to \$10M, the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Zelif - Yes
P. Battaglia - Yes
M. Gray - Yes
M. Davis - Absent

The item was approved as presented.

3h. NY Loves Nano SEMICON West Booth Support – The GCEDC, on behalf of WNY STAMP, participated as a member of the NY Loves Nano team for the 2017 SEMICON West trade show. The buy-in fee for the booth was originally estimated to be around \$4,300, however one partner decided not to participate and pushed the fee to \$5,200 total cost. Per the GCEDC procurement policy, all expenditures over \$5,000 must be approved by the board. Half of the cost will be reimbursed through a National Grid STAMP Marketing Grant.

P. Zelif made a motion to recommend approval of the NY Loves Nano SEMICON West Booth Support as presented, the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Zelif - Yes
P. Battaglia - Yes
M. Gray - Yes
M. Davis - Absent

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 10:25 a.m., seconded by P. Zelif and passed unanimously.