



**Tuesday, October 3, 2017**  
**GCEDC – Andrews Conference Room**  
**Audit & Finance Committee Meeting**  
**8:30 a.m.**

**MINUTES**

**ATTENDANCE**

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

**1. CALL TO ORDER / ENTER PUBLIC SESSION**

M. Gray called the meeting to order at 8:30 a.m. in the Andrews Conference Room.

**1a. Executive Session:**

Motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105 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.
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.

**1b. Re-Enter Public Session** - P. Battaglia made a motion to enter back into public session at 9:33 a.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** – September 5, 2017

**P. Battaglia made a motion to approve the September 5, 2017 Meeting Minutes; the motion was seconded by T. Bender. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - 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 #1-10, draws #11-13 are still in process. L. Farrell and M. Masse are working with the State to set up an imprest account to save on interest and undrawn fees charged by the bank related to the line of credit.

**3b. GCEDC 1+3 Budget** – L. Farrell presented the 1+3 budget to the Committee for review. The 1+3 Budget is required to be entered into the NYS Public Authorities Reporting Information System (PARIS) online. It was noted that most line items show a 3% increase year over year unless highlighted. The highlighted numbers are items that could be estimated more accurately. Genesee County contributions were conservatively kept the same over the years. The Economic Development Grant coincides with the Strategic Investment analysis. The PIF grant income and expense follows the PIF schedule. No grant activity is included past 2018.

L. Farrell informed the Committee that she would be breaking out line 40 into two separate line items, PIF Expense and CBA Pass-Through.

**P. Battaglia made a motion to recommend approval of the GCEDC 1+3 Budget as presented, motion was seconded by T. Bender. Roll call resulted as follows:**

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

**The item was approved as presented.**

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

- Unrestricted Cash decreased; the Agency received a portion of the ESD \$33M grant funds that were used to pay down the line of credit in August (\$521,813).
- Restricted cash increased due to the receipt of the GAIN! Loan funds for Sandvoss; the loan was disbursed in October.
- Unearned Revenue includes Empire Pipeline project origination fee collected in December 2016, but not earned until the company receives approval from FERC (Federal Energy Regulatory Commission). The cash is currently recorded as restricted funds and will be released once approval is received.

- RLF #1 funds are recorded as internally reserved cash as there are no longer restrictions on the use. Currently the funds are used for loans and internal borrowing, to save on interest expense.
- Restricted cash loan funds include funds that are committed to Yancey's Fancy. Once these loan funds are repaid, through a GGLDC loan, they will be defederalized. About \$178K of the GAIN! Loan funds are committed to Sandvoss for a loan. The balance of the funds are restricted for the use of future loans.
- Workforce Development grant funds are restricted and the grant revenue will be recognized as we make qualifying expenditures.
- 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 Property Insurance, Unemployment Insurance and Workers Compensation Insurance is paid towards 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 early in the year.
- All other expenditures are in line with the budget, except where noted.

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

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

**The item was approved as presented.**

**3d. Auditor Selection** – L. Farrell reminded the Committee that the auditor engagement partner with Mostert, Manzeno & Scott LLP has been rotated every five years and we have one more year with the current partner before we would have to switch partners again. The current partner that we have been using has retired, but they do have someone who can fulfill the position. The advantage of using them is that they are familiar with what we do and how we do it. They have also been able to continually meet the reporting deadlines that are imposed on our entity.

L. Farrell recommended staying with the current auditor for at least one more year, at which time we could go out to bid for these services.

M. Gray asked if it makes sense to go out to bid now since we would be switching partners anyways.

P. Battaglia thought that it might be too late in the game to go out to bid. He added that the company has been very affordable, so it might make more sense to go out to bid in the Spring.

L. Farrell stated that she would request an engagement letter to be brought forward at the next meeting.

**3e. 2018 Land Lease Rates** – M. Masse presented the land lease rates to the Committee and asked if there were any recommendations for 2018. The Committee was reminded that the GCEDC saves money by not having to pay for bush hogging and that farming also helps to eliminate the progression of wetlands.

After some discussion the Committee agreed that the rates would stay the same in 2018 at \$60 per acre except if the lease rate was stated differently in the purchase option agreement.

**P. Battaglia made a motion to recommend approval of the 2018 Land Lease Rates; the motion was seconded by T. Bender. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - 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 10:15 a.m., seconded by T. Bender and passed unanimously.