



**Tuesday, July 31, 2018,
GCEDC – Andrews Conference Room
Audit & Finance Committee Meeting
8:30 a.m.**

MINUTES

ATTENDANCE

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

1. CALL TO ORDER / ENTER PUBLIC SESSION

P. Battaglia called the meeting to order at 8:33 a.m. in the Andrews Conference Room.

1a. Executive Session:

T. Bender made a motion to enter executive session at 8:33 a.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 – P. Battaglia made a motion to enter back into public session at 8:58 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: July 9, 2018

P. Battaglia made a motion to approve the July 9, 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:

3a. \$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 \$15.1M 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. GURF #5 has been submitted and is awaiting approval.

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

- Unrestricted Cash increased approx. \$240,000 as HP Hood paid the 2018 installment of their project origination fee that had been termed out.
- Restricted Cash decreased as qualifying expenditures were made using the STAMP ESD Imprest account and the County \$4M.
- Operating revenue includes Xylem and Gateway GS project origination fees.
- Accounts Payable decreased as 2017 STAMP related expenses were paid.
- Unearned Revenue decreased as eligible expenses were incurred and grant revenue was recognized.
- A \$25,000 payment was made to Cornell University for Workforce Development Training.

P. Battaglia made a motion to recommend approval of the June 2018 Financial Statements to the full Board 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.

3c. 2019 Budget Inputs / Assumptions – L. Farrell reviewed the budget worksheets and first draft of the budget in detail with the committee and the following was noted:

- Both the 2019 accrual-based budget and the cash flow projection through 12/31/18 were approached conservatively.
- Budgeted for the same level of contribution from Genesee County in 2019.
- Origination fee revenue includes a projection of 5 additional projects closing in 2018.
- Anticipating land sales at Apple Tree Acres and LeRoy Food & Tech Park prior to 12/31/18.
- The GCEDC no longer owns any property at Gateway I.
- The marketing budget has increased in 2019 substantially for 2019. There is an opportunity to receive a National Grid Grant to help offset a portion of the STAMP marketing expenses, but that funding is not currently secured. The plan is to proceed with these expenses with or without the grant.
- L. Farrell reviewed the salary and employee benefits budget workpapers with the Committee.

L. Farrell asked the Committee to contact her if they have any other suggestions or questions regarding the drafted 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. Any changes made to the budget assumptions will be reviewed in detail at that time.

3d. 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.

3e. KeyBank Line of Credit Update – L. Farrell shared that the last time the Committee met, they had discussed reducing the KeyBank Line of Credit from \$10M to \$5M, if the unused fee could be waived, or \$1M if the corresponding interest rate could be reduced.

L. Farrell shared that in her discussions with KeyBank, they were not able to guarantee that the unused fee could be waived. L. Farrell suggested reducing the line of credit to \$1M, with an unused fee of up to \$2,000 (20 basis points) annually, and an interest rate of LIBOR +200. The line of credit renews on August 31st.

L. Farrell reminded the Committee that the staff does not foresee a need for more than \$1M in the near future, but that KeyBank assured them that the process to increase the line of credit would take approx. 2-3 weeks.

P. Battaglia made a motion to recommend approval of renewing and reducing the KeyBank Line of Credit to \$1M, 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.

3f. Award of Bid – LeRoy Food & Tech Park Roadway Construction – M. Masse shared that the GCEDC opened bids for the roadway construction on July 25, 2018. A total of seven (7) bids were received. The low bidder was Keeler Construction of Albion, NY with a Base Bid amount of \$216,899.50. Clark Patterson Lee (CPL) has previous working experience with Keeler Construction, including the STAMP Main Access Road and Left Turn Lane project. CPL feels that the bid received is a true representation of the costs to complete this project and that the contractor is qualified to complete the contract.

CPL recommends that the Board accept the bid received from Keeler Construction for a Base Bid amount of \$216,899.50.

M. Masse shared that he will work with CPL and the contractor in reducing costs within the contract to try and stay within budget for this project.

P. Battaglia made a motion to recommend approval of the contract with Keeler Construction for the Entrance Roadway at the LeRoy Food & Tech Park, not to exceed \$216,899.50, 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.

3g. Workforce Development Consulting Contract – John Jakubowski – J. Jakubowski has provided a consulting agreement for the period of August 15, 2018 – August 14, 2019 to perform the following:

1. Perform consulting services to assist in the development and implementation of workforce development programs and training initiatives relative 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 partners in development, implementation and delivery of training programs. Specifically, interface with Genesee Community College and it's 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/GGLDC.

The total contract amount is not to exceed \$29,800 in total between the GCEDC and GGLDC. The contract will be funded by the GGLDC Strategic Investment funds unless other funds become available in the GCEDC.

P. Battaglia made a motion to recommend approval of the contract with John Jakubowski for Workforce Development Consulting Services, not to exceed \$29,800, 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 10:21 a.m., seconded by P. Battaglia and passed unanimously.