



Tuesday, October 25, 2016
GGLDC – Andrews Conference Room
Audit & Finance Committee Meeting
3:00 p.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton (Chair), P. Battaglia, M. Gray
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde
Guests: M. Davis (GCEDC Board Member), P. Zeliff (GCEDC Board Member)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

T. Felton called the meeting to order at 3:00 p.m. in the Andrews Conference Room.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE COMMITTEE:

Because of quorum challenges, the Committee went out of order on the agenda to ensure that certain topics were discussed and approved.

3c. GGLDC 2017 Budget – L. Farrell presented both the cash and accrual budgets for the Committee to review. The cash budget was reviewed by the Committee at the last meeting. The main differences between the two budgets are as follows:

- On an accrual basis, you only record interest income from loans, but on a cash basis you show both the principal and interest.
- The cash budget shows grant income when the cash is anticipated to be collected, but the accrual budget recognizes grant revenue when earned.
- On the cash budget, principal and interest paid are recorded while the accrual budget records just the interest expense.
- It is anticipated that the parking lot at MedTech Centre will be resurfaced and re-stripped for approximately \$21,000. This expense is capitalized on an accrual basis.
- PW Minor has two OCR grants, one of which will be paid back and the other is expected to be converted to a grant to the company once certain conditions are met.

M. Gray made a motion to approve the 2017 Budget as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3d. GGLDC 1+3 Budget – L. Farrell presented the 1+3 budget to the Committee for review. It was noted that most line items show a 3% increase year over year unless highlighted. The highlighted line items are those that could be estimated more accurately based upon additional information that is available.

This is simply a forecast and not a formal approval of the budgets for years 2018-2020. This information will be entered into PARIS (Public Authorities Reporting Information System).

M. Gray made a motion to approve the 1+3 Budget as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

P. Battaglia left the meeting at 3:15 p.m. Although there was no longer a quorum, the Committee discussed the remaining items on the agenda.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: October 4, 2016 – An approval could not be made and these minutes will be brought back to the next Committee meeting.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE COMMITTEE:

3a. September Financial Statements – L. Farrell presented the September Financial Statements to the Committee and noted the following:

- Interfund Revenue comes into the Gateway II, Buffalo East Tech Park and Genesee Valley Agri-Business Park funds from strategic investments to cover insurance and site maintenance expenses.
- Accounts payable decreased due to making a quarterly payment on the Economic Development Program Grant of \$75,000 to the GCEDC.
- Unrestricted cash consists mostly of MedTech Centre funds.
- Insurance is paid in advance, should be within budget on a consolidated basis by year end.
- Expenses are within budget; most expenses that are over budget are grant reimbursable expenses.

This item will be brought to the Board directly for approval.

3b. Strategic Investments Analysis – L. Farrell reviewed the Strategic Investment Analysis Summary as included in the Committee packet. The following was noted:

- It was noted that all items in red are not yet approved by the Board.
- Internal borrowing repayments for 2016 has been updated to the exact number anticipated to be received from the EDA Grant.
- \$500,000 MedTech Centre reserve was moved out to 2020.
- Extended the \$300,000 Economic Development Program Grant by one year until 2019. The Board will be asked to approve the 2017 grant at the next Board meeting.
- GGLDC operational costs and site infrastructure maintenance for the parks was increased from \$70,000 to \$75,000 after reviewing actual expenses (includes fire district fees, audit fees, site maintenance, insurance, etc.).
- Pushed the First Wave Tech warrant conversion out to 2020, as we are currently in the process of revising the expiration date.

M. Masse noted that the Workforce Development contract is in red, but a contract has been approved through August of 2017.

3c. Auditor Selection – L. Farrell reminded the Committee that at the last meeting they had discussed whether or not to go out to bid or RFP for audit services. The current partner at the audit firm used has completed three out of a five year partner rotation. The proposed contract for 2016 services has been received and they have increased their fee by \$300. Given that the increase is relatively low and that the current partner could complete two more years of audit services, L. Farrell would recommend that we stay with the current auditing firm.

P. Zeliff commented that he believes that auditors should change or at the very least bids should be received for services every 3 years.

M. Gray noted that it does fall in line with the five year schedule that has been followed and that he understands from P. Battaglia's previous comments that these services are a little bit more specialized than the typical business audit.

L. Farrell reminded the Committee that J. Rizzo and P. Battaglia had discussed, at a Governance Committee meeting, that a 5 or 10 year rotation for audit and legal services may be appropriate.

P. Zeliff commented that private businesses do not go ten years without going out for bids.

L. Farrell reminded the Committee that audit services for an IDA are not the same as a typical business and that she did not feel that the price went up a substantial amount to warrant new bids / RFP.

This item will be brought back to the Committee at a later date.

3f. Economic Development Program Support Grant – L. Farrell reminded the Committee that when they had reviewed the Strategic Investment Analysis she had mentioned that she would be asking for approval of a \$300,000 Economic Development Program Support Grant for 2017. This request will be brought to the full Board for approval.

3g. First Wave Technologies – Removed from agenda.

3h. Genesee County Mowing Contract – M. Masse presented the 2017 proposal for mowing services by Genesee County for the storm water ponds and vacant land at Gateway II, MedTech Centre, and the Ag Park. Genesee County Highway Department performed these services last year and the price increased by \$400 from the previous year, to \$10,400. This amount was included in the 2017 GGLDC budget.

P. Zeliff asked if any other bids were received for these services.

M. Masse responded that he had not requested any other bids, but in his experience he has found that the Highway Department is able to keep costs substantially lower and can provide all of the bush hogging services required at the sites and meet the insurance requirement.

This item will be brought to the Board directly for approval.

ADJOURNMENT

As there was no further business, M. Gray made a motion to adjourn at approximately 3:34 p.m., seconded by T. Felton and passed unanimously.