



Tuesday, January 31, 2017
GCEDC – Andrews Conference Room
Audit & Finance Committee Meeting
3:00 p.m.

MINUTES

ATTENDANCE

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

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 3:45 p.m. in the Andrews Conference Room.

1a. Executive Session

P. Battaglia made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 3:45 p.m., for the following reasons:

1. To discuss 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.

The motion was seconded by P. Zelif and approved by all members present.

1b. Re-Enter Public Session

P. Battaglia made a motion to enter back into public session at 3:54 p.m., seconded by P. Zelif and approved by all members present.

2. Chairman's Report & Activities:

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

3. Discussions / Official Recommendations of the Committee:

3a. **December 2016 Unaudited Financial Statements** – L. Farrell presented the December Unaudited Financial Statements to the Committee and noted the following:

- The balance sheet shows \$800K in operating cash which includes \$362K from Empire Pipeline for their project participation fee that was received in December. This fee is also in deferred revenue as it is contingent upon FERC (Federal Energy Regulatory Commission) approval. The \$362K will be reclassified as restricted cash.

P. Battaglia asked if these funds could be used to pay down on the line of credit.

L. Farrell explained that the line of credit could only be used for STAMP expenses, so if we pay it down and then need the funds to cover other expenses they would be unable to draw the funds back down. This makes it very tricky to pay down on the line of credit unless we are absolutely sure that we will not need the funds for other uses. She explained that she is working on short term and long term uses of these funds and will discuss this further once the funds become available for use. It is possible that these funds could be used to pay down the line of credit, if it is clear that we will not need them for something else.

- RLF #1 has \$536K in funds available that are defederalized and can be used however the Board sees fit. Currently we use these funds to borrow from internally on occasion to control interest costs.
- RLF #2 funds are expected to be repaid from Yancey's Fancy, and subsequently transferred to the GGLDC to be re-loaned.
- The GAIN loan fund includes a loan with Cottonwood Farms and Sandvoss.

S. Hyde asked if Gateway I Land (Line 18 on the balance sheet) would be zeroed out now that all the land is sold.

L. Farrell commented that the GCEDC still owns a storm water pond and a piece of property that could be used for a future roadway. We are looking to dedicate this property to the Town of Batavia and we should have a value on the books. Once this property is dedicated we can write it off of our books.

- Accounts payable (line 52 of the balance sheet) includes a significant amount of payables that were recorded in preparation of the audit.
- Project Participation Fees are 31.57% of budget and also under the projected amount as we did not close on Freightliner or Koolatron by year end. If the Empire Pipeline project receives FERC approval soon, we will try to recognize that income in 2016 as the work for the project was completed in 2016. Should this happen the GCEDC will exceed the 2016 Project Participation Fees that were budgeted.
- The marketing expense shows a negative balance for the month of December due to some reclassifying of expenses that were allowable under the STAMP grant.
- RLF#1 includes professional services for legal fees paid in connection with the Savage IO loan that is in collections.
- Real Estate Development, Gateway I, has \$125K in land proceeds from a sale of property at the park.
- Property taxes were paid to the Leroy Central School District in connection with the property purchased in 2016 in the Town of Leroy.
- Most of the STAMP fund activity is related to grants.
- All expenditures are in line with the budget except where noted.

P. Battaglia made a motion to recommend approval of the December 2016 Unaudited Financial Statements; 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.

3b. \$33M STAMP Grant Draw Review YTD – L. Farrell has been working very closely with ESD to ensure that all new protocols and checklists are complete in order to draw down on the \$33M STAMP grant. At this point, Guidepost is no longer involved and documentation and reporting is being reviewed by ESD only. She hopes that the process will start moving faster than it has in the past. The GCEDC is waiting to receive approximately \$910K in grant draws currently.

3c. Invest Buffalo Niagara Funding – R. Tabelski asked the committee to recommend approval of a renewal of the \$25,000 Invest Buffalo Niagara (IBN) marketing support funding. This investment was included within the 2017 budget.

Our agency currently invests in the IBN, a non-profit member supported business development and regional marketing organization, to assist with marketing and business development. IBN is an integral partner in our sales/marketing efforts for the attraction of new companies to our community. Other services beyond regional site selection include marketing and design services, online property listing (CLS system) for development sites, business intelligence including demographics reports and mapping supporting our sales efforts, graphics design services for collateral development, ads, and other marketing materials as well as publicizing and supporting the GCEDC and STAMP throughout the Buffalo metro area as well as the Western New York Regional Council.

P. Battaglia made a motion to recommend approval of the Invest Buffalo Niagara \$25,000 Funding; 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.

3d. Dedication of Gateway I Parcel to Town of Batavia – M. Masse asked the committee to dedicate parcel #8-1-45-116 located in the Gateway Corporate Park to the Town of Batavia. This parcel consists of .47 acres of land and is labeled as a “potential future roadway” on the subdivision map.

P. Battaglia made a motion to recommend the approval of the Dedication of a parcel at Gateway I (#8-1-45-116) to the Town of Batavia; 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.

3e. ECIDA Shared Services Agreement for IT Services - The GCEDC has a shared services agreement with Erie County Industrial Development Agency (ECIDA) for on call IT support services. The GCEDC had this agreement in 2016 and was very pleased with the service and response time to our issues. They were also instrumental in 2016 in assisting us with major IT replacement including our main server, replacement laptops, iPads for the Board and software upgrades. We would like to continue this agreement in 2017. The agreement is at an hourly rate of \$85 per hour, not to exceed \$10,000 in 2017 and was included in the 2017 budget.

P. Zelif made a motion to recommend approval of the ECIDA Shared Services Agreement for IT Services not to exceed \$10,000 for 2017; 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 4:35 p.m., seconded by P. Zelif and passed unanimously.