



GGLDC Audit & Finance Committee Meeting

Tuesday, July 30, 2019

Andrews Conference Room

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton, T. Bender, D. Cunningham
Staff: L. Farrell, M. Masse, E. Richardson, S. Hyde, P. Kennett, C. Suozzi
Guests:
Absent: P. Battaglia

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 8:30 a.m. in the GCEDC Andrews Conference Room.

1a. Executive Session:

T. Bender made a motion to enter executive session at 8:32 a.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by T. Felton 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 – T. Felton made a motion to enter back into public session at 8:54 a.m., seconded by T. Bender and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business –

T. Felton made a motion to add item 3h. Chamber Loan Write-Off to the agenda; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

2b. Minutes: July 9, 2019

T. Bender made a motion to approve the July 9, 2019 Meeting Minutes as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. June 2019 Financial Statements – L. Farrell reviewed the June 2019 financial statements with the Committee. The following was noted:

- Restricted Cash increased by approx. \$227K as OCR grant funds were received in June but didn't close on the corresponding loan to Freightliner until July.
- Grant Receivable decreased as OCR reimbursed the Agency for H. Sicherman grant consulting services.
- Accounts Payable increased as this month's Economic Development Program Support Grant and MedTech Centre Management Fee were recorded.
- Grant Revenue increased by approx. \$227K for a grant that supports the loan to Freightliner.
- Other Revenue includes approx. \$1,400 for an insurance refund related to roof repairs on the MedTech Centre building.
- All expenditures are in line with the budget except as noted.

T. Bender made a motion to recommend approval of the June 2019 Financial Statements as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham – Yes

The item was approved as presented.

3b. Strategic Investments Analysis – L. Farrell reviewed the Strategic Investments Analysis with the Committee. The analysis now includes the Freightliner loan repayments as the loan was disbursed in July and the Pearl Solar funding for workforce development and economic development program support. She noted some opportunities for additional funds including the MTC reserve of \$500K that could potentially be removed in the future, an opportunity for Resurgence OCR loan repayments to be received in the future, and Gateway II land sales to Mega Properties, Wellsville Carpet Town (Ashley Furniture) and Gateway GS, LLC to be included as well. New opportunities include an Ag Park Lease and a potential land sale at Buffalo East Tech Park. The analysis currently shows a positive cash flow until 2022.

3c. Purchase & Sale Agreement – BETP - The GGLDC has received a Purchase and Sale Agreement from a potential retail project to acquire approximately 1 acre out of tax parcel 19.-1-74 for \$100,000.

The fund commitment for this land sale includes GGLDC legal fees of up to \$7,000, plus closing costs.

T. Felton made a motion to recommend approval of the purchase and sale agreement with an entity to be formed as presented, with GGLDC legal fees of up to \$7,000, plus closing costs; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham – Yes

The item was approved as presented.

3d. Lease Agreement Ag Park - The GGLDC has been approached by FirstLight Fiber regarding the property at the Route 5 entrance to the Genesee Valley Agri-Business Park. The terms of the proposed lease are 10 years (with an option to renew the agreement for two (2) five (5)-year periods) with a monthly payment of \$1,200 with a 2% escalator clause. It is tax parcel 13.-1-164.1 and is approximately 1.27 acres.

T. Bender made a motion to recommend approval of the telecommunications site lease agreement with FirstLight Fiber for approx. 1.27 acres at the Genesee Valley Agri-Business Park, as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3e. Incentive Proposal – BETP- The GGLDC received the Incentive Proposal (IP) that lists out the terms and conditions of the \$1,461,832 recently awarded for the Corfu Wastewater Treatment Facility (WWTF) upgrade. Highlights of the IP are as follows:

1. The grant is to be funded in three draws based on job creation requirements and capital investment. Upon Completion of the project and capital investment and current job level, 75% of the grant will be disbursed. The remaining 25% will be disbursed in two draws (13% and 12%) based on job commitment levels.
2. There is a claw back provision on the grant related to job creation.
3. There is a 30% MWBE goal (\$438,549)
4. There is a “Good Faith Efforts” to use NYS Certified Service-disabled Veteran owned Business Enterprises (SDVOB).
5. There is a 1% commitment fee that is due after ESD Director’s approval at the time a Grant Disbursement Agreement is executed.

Once bids have been received, a sources and uses analysis will be completed and brought back to the Board to decide whether or not to move forward with the GDA upon approval.

T. Felton made a motion to recommend approval to execute the Incentive Proposal with Empire State Development for the Corfu WWTF Expansion; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3f. John Jakubowski Workforce Development Consulting Contracting – John Jakubowski has provided a consulting agreement for the period of August 15, 2019 through August 14, 2020 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 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.

This contract was included in the budget and covered by Strategic Investment funds.

T. Felton made a motion to recommend approval of the consulting contract with John Jakubowski for Workforce Development Services not to exceed \$29,800; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3g. Permac Enterprises Loan Request – On September 7, 2017 the GCEDC approved a \$100,000 loan out of RLF #1 to Permac Enterprises, Inc. for their project located in AppleTree Acres. A commitment letter was issued on September 8, 2017 from the GCEDC to Permac. There were delays to Permac's project at AppleTree Acres and the commitment letter expired. Permac has reapplied to the GGLDC RLF #2 seeking \$90,000 as gap financing for their project now that they are ready to proceed with construction.

T. Bender made a motion to recommend approval of a \$90,000 loan to Permac Enterprises, Inc. at a Prime Rate of Interest, adjusted annually in January with a floor of 3% for a 10-year term; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes

P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3h. Chamber Loan Write-off – After a review and discussion regarding the loans purchased from the Genesee County Chamber of Commerce in March, the Committee gave guidance to the staff to write off one loan in the amount of \$7,661.41 as uncollectible.

The Committee requested that the staff refer the remaining non-performing and non-responsive loan to an attorney to start the process of collections on that loan.

T. Bender made a motion to recommend approval to write off \$7,661.41 as uncollectible; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Absent
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business T. Bender made a motion to adjourn at approximately 9:25 a.m. seconded by P. Felton and passed unanimously.