



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

MINUTES

ATTENDANCE

Committee Members: M. Gray (Chair), P. Zeliff, M. Davis
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde, R. Tabelski
Guests: T. Felton (GGLDC Board Chair), J. Krencik (Daily News), Earl Wells
(e3communications)
Absent: P. Battaglia

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 3:34 p.m. in the Andrews Conference Room.

1.1 Executive Session

P. Zeliff made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 3:35 p.m., for the following reasons:

- 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 M. Davis and approved by all members present.

1.2 Re-Enter Public Session

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

2. Chairman's Report & Activities:

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

2b. Minutes: October 4, 2016

M. Davis made a motion to approve the October 4, 2016 Minutes; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Absent
M. Gray	- Yes
M. Davis	- Yes

The item was approved as presented.

3. Discussions / Official Recommendations of the Committee:

3a. September 2016 Financial Statements - L. Farrell presented the September Financial Statements to the Committee and noted the following:

- In the Operating fund most of the activity is reoccurring and we should expect to be at 75% of budget.
- A large portion of the employer contribution to employee HSA accounts is made at the beginning of the year.
- A majority of the unemployment insurance is paid at the beginning of the year.
- Insurance is paid in advance and should be within budget on a consolidated basis by year end.
- Dues and Subscriptions include Greater Rochester Enterprise (\$50K) and Invest Buffalo Niagara (IBN) (previously Buffalo Niagara Enterprise) (\$25K).
- RLF #1 has 3 active loans. The loan receivable from Savage IO remains in collections. A payment was received from Savage IO through the collections attorney and corresponding attorney fees (professional services expense) was paid on the portion received (25%).
- Allowance for Bad Debt is being increased by \$10K, to be recognized evenly throughout the year.
- RLF #2 has 2 active loans.
- The expenses in STAMP that are unbudgeted correspond with unbudgeted grant income.
- STAMP Land Acquisition Interest is capitalized and the expense will be drawn down on the ESD \$33M Grant.
- The GAIN! Loan fund received \$200,000 in September for a loan to L&M Fabrication. The loan is on hold for now and the funds will be returned or repurposed as we have two loans in the pipeline.
- Decrease in accounts receivable as a quarterly payment of the Economic Development Program Support Grant was received from the GGLDC.
- All expenditures are in line with the budget except where noted.

M. Davis made a motion to recommend approval of the September Financial Statements; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Absent
M. Gray	- Yes
M. Davis	- Yes

The item was approved as presented.

3b. Auditor Selection – Removed from the agenda.

3c. GAIN! Loan Fund Application – Sandvoss Farms, LLC – Sandvoss Farms LLC / First Light Creamery is a NYS Limited Liability Company that processes pasteurized cheese, milk and yogurt from raw goats milk produced on a farm in East Bethany, NY. The company is planning to construct a new refrigeration and storage facility, site work to improve access and traffic flow, a new hoop house for feed and material storage and a new goat nursery facility. Financing for the project includes a National Grid grant, a NYSERDA grant and an equity contribution from the owners in the form of cash.

The Company is asking the Committee to approve a loan from the GAIN! Loan Fund for \$177,139 for acquisition of a piece of equipment. The loan is an odd amount as this should have been the balance of the funds allocated to the GCEDC after all the other GAIN! Loan Funds that were approved. The term of the loan will have an interest rate of 1% per annum and will be amortized over a ten year term (matching the depreciable life of the piece of equipment). The loan will be secured by a first position lien filing against the property being constructed as well as corporate and personal guarantees of the members / owners. The project will allow the company to continue to expand their operations.

M. Gray asked that the staff take a look at the website under loans and update the information to include this loan program and to ensure that the rest of the loan programs are up to date.

M. Davis made a motion to recommend approval of the \$177,139 GAIN! Loan with Sandvoss Farms, LLC / First Light Creamery; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Absent
M. Gray	- Yes
M. Davis	- Yes

The item was approved as presented.

3d. \$5M STAMP Budget Review YTD – M. Masse presented the Committee with an analysis of the \$5M STAMP Budget. Draw #1 and draw #2 have been received, less \$200,000 reimbursement for the Village of Oakfield water tank payment. Draw #3 and draw #4 have been submitted and are awaiting reimbursement. All expenses are paid with the Line of Credit with Key Bank (formerly First Niagara) and repaid once the draws are received.

3e. e3communications Public Relations Contract Renewal – R. Tabelski introduced Earl Wells with e3communications. Mr. Wells has been providing strategic public relations, message development, and media relations assistance since 2012. His firm assists the CEO and the Director of Marketing and Communications with writing, editing, and disseminating press releases, opinion pieces, etc. e3communications also assists in coordinating press events, special events, and public appearances, supplying programs, agendas and talking points. Lastly the company serves as a strategy advisor to our agency in government communications.

The contract has not increased since he started with the GCEDC in 2012. It is \$1,500 per month / \$18,000 for 2017. This contract was budgeted for within the 2017 GCEDC budget under Operations / Marketing.

P. Zeliff made a motion to recommend approval of the e3communications contract for \$1,500 per month for 2017; the motion was seconded by M. Davis. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Absent
M. Gray	- Yes
M. Davis	- Yes

The item was approved as presented.

ADJOURNMENT

As there was no further business, M. Davis made a motion to adjourn at 4:15 p.m., seconded by P. Zeliff and passed unanimously.