



**Tuesday, September 4, 2018,
GCEDC – Andrews Conference Room
Audit & Finance Committee Meeting
8:30 a.m.**

MINUTES

ATTENDANCE

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

1. CALL TO ORDER / ENTER PUBLIC SESSION

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

1a. Executive Session:

P. Battaglia made a motion to enter executive session at 8:34 a.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by T. Bender 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.
2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held buy such public body, but only when publicity would substantially affect the value thereof.

1b. Re-Enter Public Session – T. Bender made a motion to enter back into public session at 9:19 a.m., seconded by A. Young and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES:

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

2b. Meeting Minutes: July 31, 2018

P. Battaglia made a motion to approve the July 31, 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

A. Young - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. \$33M 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 five Grant Utilization Request Forms (GURF) have been submitted and authorization has been received to release those funds. The requests have taken approx. 10 days to receive approval. GURF #6 was submitted and approval was received after 5 days.

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

- Accounts Receivable decreased as the Agency collected the MedTech Centre Property Management payment and the Economic Development Program Support Grant for the second quarter.
- Restricted Cash decreased as qualifying expenditures were made using the STAMP ESD Imprest account and the County \$4M.
- Staff worked with Five Star Bank and the Bank of Castile to increase interest rates for several of the Agency's bank accounts.

T. Bender made a motion to recommend approval of the July 2018 Financial Statements to the full Board as presented, the motion was seconded by A. Young. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
A. Young - Yes

The item was approved as presented.

3c. GCEDC 2019 Budget - L. Farrell reviewed the 2019 budget with the committee and the following was noted:

- All items that changed since the committee had seen it last were highlighted.
- The County contribution was included at the 2018 level (\$193,513).
- We have been covering funding gaps with grants from the GGLDC to support the Economic Development Program as well as property management transfers from GGLDC's MedTech Centre.
- No land sales were included in the budget to be conservative, although sales efforts continue for all parks.
- Land Sales and Cost of Sales were reduced to remove the LeRoy land sale from 2018 projections.
- The Batavia Pathway to Prosperity (BP²) fund was added to account for funds coming in and out.
- Added the undrawn fees on the KeyBank Line of Credit for STAMP.
- 2018 projected construction costs were reduced for expenses related to the road at the LeRoy Food & Tech Park.

- On a consolidated basis, the 2019 budget shows a net loss of approx. \$495K which will be covered by previous years revenue.

T. Bender made a motion to recommend approval of the 2019 GCEDC Budget, the motion was seconded by A. Young. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
A. Young - Yes

The item was approved as presented.

3e. Loan Policy Review- The GCEDC has the following revolving loan funds:

1. RLF#1
2. RLF#2
3. GAIN Loan Fund

L. Farrell and M. Masse reviewed the loan policies with the Committee. RLF#1 funds are unrestricted and can be used for any purposes, including internal borrowing and operational costs. GCEDC's RLF #2 will be closed out once the loan with Yancey's is disbursed which is anticipated to happen by the end of September. The GAIN Loan fund policy was defined by the grant disbursement agreement between the GCEDC and ESD.

P. Battaglia shared that in his opinion, the interest rate is quite low (80% of prime; floor of 3%). If these funds are truly for gap financing, the interest rate isn't the incentive and it may not be necessary to give such a deep discount. Even at prime, customers would still be getting a reduced rate.

The Committee suggested amending the interest rates for RLF # 1 and RLF #2 to be prime with a floor of 3%, readjusted annually (in January).

P. Battaglia made a motion to recommend amending the interest rates for RLF # 1 and RLF #2 to be prime with a floor of 3%, readjusted annually; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
A. Young - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 10:03 a.m., seconded by A. Young and passed unanimously.