



Tuesday, February 28, 2017
GCEDC – Andrews Conference Room
Audit & Finance Committee Meeting
1:00 p.m.

MINUTES

ATTENDANCE

Committee Members: P. Zelif, P. Battaglia, M. Gray
Staff: L. Farrell, M. Masse, P. Kennett, E. Richardson, R. Tabelski, S. Hyde, C. Suozzi
Guests: T. Felton (GGLDC Board Chair), Dennis Scott & David Brownell (Mostert, Manzanero & Scott, LLP)
Absent: M. Davis

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 1:05 p.m. in the Andrews Conference Room.

1a. Pre-Audit Discussion - Dennis Scott and David Brownell of Mostert, Manzanero & Scott, LLP joined the meeting to discuss the audit and any questions or concerns that the Committee might have. D. Brownell informed the Committee that they are on day two of their audit field work and that it is going well. They do not have any concerns at this point. They mentioned that the staff and board does a good job of ensuring oversight and eliminating risk given the size of the entity.

This year the GGLDC will need a Single Audit. A Single Audit is required when federal expenditures exceed \$750,000 in a fiscal year. The GGLDC had over \$800K, mostly due to the PW Minor OCR grant and corresponding loans to the company.

D. Brownell stated that annual audit questionnaires have been mailed out to some of the staff and board members.

P. Battaglia noted that the Audit Committee took a keen interest in the internal controls processes in 2016.

M. Gray commented that the walk-through process was very helpful in understanding the notations made on invoices and the internal process that is followed before a check makes it to them for signature.

D. Brownell asked the Committee if there were any areas that they felt that they should pay particular attention to or had concerns about. They are looking at STAMP a great deal and the new Leroy Park.

L. Farrell mentioned that a \$310K receivable was picked up for the ESD grant that is anticipated to reimburse the GCEDC for the purchase of land in Leroy.

D. Scott reminded the Committee that per GASB 68 and 71, pension expense has been recorded differently and will show up on the financial statements under deferred pension outflows and deferred pension inflows. This is the GCEDC's unpaid portion of the unfunded pension.

D. Brownell commented that they noticed that the Committee had reviewed the loans receivable in 2016 and had adjusted the uncollectable accounts accordingly.

P. Battaglia informed the auditors that the Committee had asked M. Masse to request receipt of the financial statements from loan recipients within a certain timeframe so that they could use that information to help them determine what the amount should be for uncollectable accounts.

L. Farrell reminded the Committee that the audit and all NYS reporting must be completed by March 31st. There is a Board meeting scheduled on March 30th for approvals. Currently Freed Maxick is in the process of putting together the draft Financial Statements.

As the Committee had no other questions for the auditors, D. Scott and D. Brownell excused themselves from the meeting.

D. Scott & D. Brownell left at 1:20 pm.

1b. Executive Session - P. Zelif made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 1:20 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.
2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof. The motion was seconded by P. Battaglia and approved by all members present.

C. Suozzi left the meeting at 2:08.

1c. Re-Enter Public Session - P. Battaglia made a motion to enter back into public session at 2:08 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.

2b. November 29, 2016 & January 31, 2017 Meeting Minutes –

P. Battaglia made a motion to approve the November 29, 2016 & January 31, 2017 meeting minutes; 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.

3. Discussions / Official Recommendations of the Committee:

3a. \$33M STAMP Grant Draw Review YTD – L. Farrell presented a review of the grant draws that have been requested from the \$33M STAMP Grant year to date. Last week the GCEDC received \$200K for the water tower payments that was made (final payment on draw #2) and \$100K from draw #3. We have not received approximately \$23K on draw #3 related to the interest expense on the Line of Credit. Draws #4, #5, and #6 should be in order and it is anticipated to have much faster turn around times than the previous draws.

3b. Allowance for Uncollectible Accounts – L. Farrell reminded the Committee that the allowance for uncollectible accounts was increased in 2016 from \$46K to \$56K. L. Farrell informed the Committee that she felt like it was a reasonable amount, but asked the Committee if they wanted to make any adjustments.

P. Battaglia commented that it is a cautious number, potentially a little over reserved, but feels like it is at a good number.

P. Battaglia made a motion to keep the Allowance for Uncollectible Accounts as it is for 2017; 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.

3c. Dedication of Gateway I Parcel to Town of Batavia (Storm Water Pond) – The GCEDC would like to dedicate parcel 8.-1-65 located in the Gateway I Corporate Park to the Town of Batavia. This parcel consists of 4.40 acres and is a storm water pond for the roadway.

P. Battaglia made a motion to recommend approval of the Dedication of the Gateway I Parcel to the Town of Batavia (Storm Water Pond); 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. Park Strategies – Lobbying Services Contract Renewal – The GCEDC government relations contract with Fred Hiffa and Megan Osika from Park Strategies (Albany), that provides support from Rick Winter of Richardson Management Group (Buffalo) expires on March 31, 2017.

Park Strategies lobbying services have been effective in helping to advance the mission of the WNY STAMP site as well as assisting the agency find funding opportunities for site infrastructure. Park Strategies works directly with the GCEDC to formulate strategies that maximize our efforts to build-out WNY STAMP and to attract major investment to the site. Park Strategies also ensures that the WNY STAMP project remains top of mind with NYS Legislators, as well as with our Federal representatives in the US Congress and the US Senate. The services provided by Park Strategies include legislative advocacy on behalf of the GCEDC, research and reporting on bill status, and weekly conference calls with staff. Park Strategies will be at the next board meeting to discuss their efforts and answer any questions that the Board may have.

The proposed contract terms and dollar amount are the same as 2016 and this expense was budgeted for in the 2017 budget.

No recommendation was made at this time as the company will be presenting at the Board meeting.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 2:25 p.m., seconded by P. Zelif and passed unanimously.