



Tuesday, February 2, 2016
GGLDC – Andrews Conference Room
Audit & Finance Committee Meeting
4:00 p.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton, P. Battaglia, M. Gray
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde
Guests: P. Zeliff
Absent: W. Hinchey, C. Yunker

1. CALL TO ORDER / ENTER PUBLIC SESSION

T. Felton called the meeting to order at 4:35 p.m. in the Andrews Conference Room.

2. CHAIRMAN’S REPORT & ACTIVITIES

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

2b. Minutes: January 14, 2016 -

M. Gray made a motion to approve the January 14, 2016 Minutes as presented; the motion was seconded by C. Yunker. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
M. Gray - Yes
W. Hinchey - Absent
C. Yunker - Absent

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE COMMITTEE:

3a. D&O Insurance Renewal –Lawley Genesee presented the options to both the GCEDC and the GGLDC Audit & Finance Committee. After much discussion it was decided that both committees would recommend approval of the Travelers D&O policy with a \$10,000 retention.

P. Battaglia made a motion to recommend approval of the Travelers D&O Policy with a \$10,000 retention: the motion was seconded by M. Gray. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
M. Gray - Yes
W. Hinchey - Absent
C. Yunker - Absent

The item was approved as presented.

3b. Extend Revolving Loan from GCEDC – The GGLDC has a \$121,913 balance on a loan from the GCEDC that was originally used toward the acquisition of land at the Buffalo East Tech Park. The GGLDC makes prorated payments based upon land sales at the Park. Over the years the GGLDC has made 2 principal payments. The original loan amount was for \$200,000.

Instead of extending the loan, the GCEDC has agreed to repay the two loans that are outstanding from the GGLDC. One has a principal balance of \$125,000 and the other has a principal balance of \$55,790. The GGLDC can then use these funds (strategic investment funds) to pay off the balance of its loan with the GCEDC (\$121,913.33 principal balance).

P. Zeliff made a motion to recommend that the GGLDC borrow from Strategic Investment funds to pay off principal and accrued interest on the GCEDC loan that was used for the Buffalo East Tech Park; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton	- Yes
P. Battaglia	- Yes
M. Gray	- Yes
W. Hinchey	- Absent
C. Yunker	- Absent

The item was approved as presented.

3c. Strategic Investments Update - L. Farrell reviewed the Strategic Investment Worksheet in detail with the GGLDC Audit & Finance Committee. The following was noted:

- The 2015 column is the actual activity that came in and out of the Strategic Investment funds.
- This includes the adjustment made for the 1st Wave Technologies loan amortization schedule recently approved.
- Possibly create an allowance for bad debt of \$100,000 on this analysis.
- Alpina land sale installments will be received through 2018.
- The Internal Borrowing / Repayments include funds that are expected to be paid back. This item is highlighted in 2016 to identify a possible risk as these funds may not be available until 2017.
- The STAMP Water Tower Project is expected to be funded by the first \$5M portion of the \$33M to be received from NYS. This item can be removed from the Strategic Investment worksheet.
- Short term loan to the GCEDC for the Leroy land purchase is expected to happen in 2016. S. Hyde mentioned that he has had conversations with Vinnie about the GCEDC ESD grant that will be used to pay off this loan and he is confident that the GCEDC will be able to pay back these funds in 2017.

T. Felton asked L. Farrell to make the changes as discussed and bring it back to the next Audit & Finance Committee meeting.

3d. Unaudited December 2015 Financial Statements – L. Farrell reviewed the unaudited December financial statements and noted the following:

- Most items that are over budget have a corresponding grant receivable. For instance Professional Services Misc. Ops (line 26) has a corresponding grant receivable (line 14).
- Professional Services Ops (line 25) is over budget due to \$9,300 in expenses to H. Sicherman that have been or will be reimbursed by OCR grants (line 13).

L. Farrell noted that the auditors will be coming on February 22 and that we will try to schedule a pre-audit meeting.

P. Battaglia made a motion to recommend approval of the Unaudited December 2015 Financial Statements; the motion was seconded by M. Gray. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
M. Gray - Yes
W. Hinchey - Absent
C. Yunker - Absent

The item was approved as presented.

ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at approximately 5:10 p.m., seconded by M. Gray and passed unanimously.