



## GCEDC Audit & Finance Committee Meeting

Tuesday, June 29, 2021

Location: Innovation Zone

8:30 a.m.

### MINUTES

#### ATTENDANCE

Committee Members: P. Battaglia, P. Zelif, T. Bender  
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, S. Hyde, C. Suozzi  
Guests: T. Felton (GGLDC Board Member), D. Cunningham (GGLDC Board Member),  
Susie Ott (Lawley), Bill Fritts (Lawley), Reggie Dejean (Lawley), J. Berardi (J.  
Rental), J. Frey & D. Klotzbach (UGate Store, Inc)  
Absent: M. Gray

#### 1. CALL TO ORDER / ENTER PUBLIC SESSION

P. Battaglia called the meeting to order at 8:32 a.m. in the Innovation Zone.

#### 2. PRESENTATIONS / DISCUSSIONS:

J. Berardi, J. Frey and D. Klotzbach joined the meeting via video conferencing at 8:32 a.m.

J. Berardi presented prior to the presentation from J. Frey and D. Klotzbach.

**2b. J. Rental** – J. Berardi of J. Rental recently built a facility that is over 60,000 sq. ft. on 19.5 acres at Apple Tree Acres. J. Rental would like to acquire approximately 6-8 additional acres at Apple Tree Acres. The acreage would include about 300 ft of road frontage. J. Rental plans to build another facility for its operations. The facility will be about 50,000 sq. ft. The additional facility will add about 15 new jobs.

J. Berardi left the meeting at 8:41 a.m.

**2a. UGate Store, Inc.** – J. Frey provided an overview of his project. He currently operates his business on a leased property in Akron. He would like to acquire property in Corfu for his business that buys used mowing equipment from municipalities, golf courses and professional turf dealers across the country. The equipment is repaired and then sold nationally and sometimes internationally to retail buyers. It is not a parts business. The project would advance in three phases. The first phase would require a capital investment of approximately \$225,000 to \$275,000 and would add 1-2 additional employees. The second phase would require a capital investment of \$200,000-\$250,000 with the addition of 2-2.5 employees. The final phase would require a capital investment of \$150,000 - \$200,000 with the addition of 10 employees.

J. Frey and D. Klotzbach left the meeting at 8:50 a.m.

B. Fritts, S. Ott and R. Dejean joined the meeting at 8:51 a.m.

**2c. Cyber Insurance Updated Proposal-** At the June 3, 2021 Board meeting, the GCEDC approved a \$1,000,000 Cyber Liability Insurance Policy with Corvus/Hudson for approximately \$9,000 to be split

between the GCEDC and GGLDC. However, when Lawley requested binding of coverage with Corvus/Hudson, they came back with a revised premium of more than \$12,000, which was based on their review of the items needed to bind, including their application. Although nothing had changed from what was already provided, Corvus/Hudson held firm on the revised premium.

Lawley was able to work with HSB Specialty Insurance Company to secure an alternative Cyber option. They are offering this coverage for approximately \$8,000. Their terms are similar to the proposal with Corvus/Hudson. Lawley reviewed all subjectivities with them and feel that this policy is a very solid alternative for the GCEDC to consider.

B. Fritts, S. Ott and R. Dejean left the meeting at 9:01 a.m.

### **3a. Enter Executive Session**

P. Zelif made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 9:03 a.m. for the following reasons:

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. Discussions regarding proposed pending or current litigation.

The motion was seconded by T. Bender and approved by all members present.

### **3b. Enter Public Session**

P. Zelif made a motion to enter back into public session at 9:15 a.m., seconded by T. Bender and approved by all members present.

## **4. Chairman's Report & Activities**

**4a. Agenda Additions / Other Business** – Nothing at this time.

### **4b. Minutes: June 1, 2021**

**P. Zelif made a motion to approve the June 1, 2021 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Absent  
T. Bender - Yes  
P. Zelif - Yes

**The item was approved as presented.**

## **5. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:**

**5a. Cyber Insurance Updated Proposal-** There was a presentation given by Lawley on Cyber Insurance at the beginning of the meeting. Details of the presentation are outlined in agenda item 2c.

The cost of this cyber liability insurance policy is \$7,937.75, which will be split evenly between the GCEDC and GGLDC. This is an unbudgeted expense, but there is room within the Government Relations budget line item to cover this.

**P. Battaglia made a motion to recommend to the full Board the approval of a Cyber Liability Insurance Policy with HSB Specialty Insurance Company for approximately \$4,000; the motion was seconded by T. Bender. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Absent  
T. Bender - Yes  
P. Zelif - Yes

**The item was approved as presented.**

**5b. May 2021 Financial Statements** - L. Farrell reviewed with the Committee the significant items of the May 2021 long form financial statements.

- There are no significant changes on the Balance Sheet.
- In the operating fund, no projects closed in May and payroll is under where we anticipated to be at this time. There are a few line items that are over budget related to expenditures that are front loaded (i.e. Insurance and HSA contributions) as well as unemployment insurance. There was an unemployment rate increase adjustment for 2021 that was unbudgeted.
- In the real estate development fund, the stormwater pipe at Apple Tree Acres was installed. This expense has been paid.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds.

**T. Bender made a motion to recommend to the full Board the May 2021 Financial Statements; the motion was seconded by P. Zelif. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Absent  
T. Bender - Yes  
P. Zelif - Yes

**The item was approved as presented.**

**5c. Audit & Finance Committee Charter** – P. Battaglia noted that the Committee discussed the Charter in executive session during a Committee self-evaluation discussion. L. Farrell stated that there are no recommended changes at this time.

As there were no changes, a vote of approval was not necessary.

**5d. Committee Self Evaluation** – A new memo will be drafted for the Governance Committee as the Committee Self-Evaluation comes out of the Committee Charter Review.

**5e. Assessment of the Effectiveness of Internal Controls** – This agenda item was tabled.

**5f. Access Agreement for Liberty Pumps** – The GCEDC has received a request from RJ Properties/Liberty Pumps to enable construction vehicle access, as well as employee ingress and egress,

across GCEDC owned property as they do some construction work on their site. They would like to request a temporary construction access off Route 19 for the construction work, and that the employees could utilize the GCEDC property to connect to Apple Tree Avenue. Pursuant to Real Property Actions & Proceedings Law Section 881 and case law the GCEDC is entitled to charge rent and recoup our attorney fees. That is not included in the agreement as staff feels that this is enabling an expansion of a long-standing existing manufacturer in Genesee County.

**P. Zelif made a motion to recommend to the full Board the approval of the access agreement with no charges for rent or attorney fees for Liberty Pumps; the motion was seconded by T. Bender. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Absent  
T. Bender - Yes  
P. Zelif - Yes

**The item was approved as presented.**

#### **4. ADJOURNMENT**

As there was no further business, P. Zelif made a motion to adjourn at 9:22 a.m., seconded by T. Bender and passed unanimously.