



GCEDC Audit & Finance Committee Meeting

Thursday, August 5, 2021

Location: Innovation Zone

10:30 a.m.

MINUTES

ATTENDANCE

Committee Members: P. Battaglia, P. Zelif, T. Bender
Staff: L. Farrell, M. Masse, P. Kennett, J. Krencik, C. Suozzi
Guests: T. Felton (GGLDC Board Member), J. Jakubowski
Absent: M. Gray

1. CALL TO ORDER / ENTER PUBLIC SESSION

P. Battaglia called the meeting to order at 10:30 a.m. in the Innovation Zone.

1a. Enter Executive Session

T. Bender made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 10:30 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. 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. Zelif and approved by all members present.

1b. Enter Public Session

P. Zelif made a motion to enter back into public session at 10:45 a.m., seconded by T. Bender and approved by all members present.

2. Chairman's Report & Activities

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

2b. Minutes: June 29, 2021

P. Zelif made a motion to approve the June 29, 2021 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. June 2021 Financial Statements - L. Farrell reviewed with the Committee the significant items of the June 2021 long form financial statements.

- Large expenses were paid from the STAMP fund in June. L. Farrell is working on drawing down the next tranche of funds on the \$33M grant to replenish these funds.
- Received the project origination fee installment from HP Hood of \$279,645. The final payment will be received in 2022.
- In the operating fund, no projects closed in June 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.
- The STAMP fund paid \$3M to National Grid on a cost reimbursement agreement to re-route a power line that bisects the STAMP site.
- 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 June 2021 Financial Statements; the motion was seconded by P. Zeliff. Roll call resulted as follows:

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

The item was approved as presented.

3b. 2022 Budget Timeline – L. Farrell stated that the budget does not have to be submitted into PARIS until November 1, but the County requires the GCEDC to submit the 2022 budget in early September. To meet this deadline, the Committee is asked to recommend approval of the 2022 budget to the full Board at the next Committee meeting. Today, L. Farrell will review assumptions of the Budget with the Committee.

3c. 2022 Budget Input / Assumptions – L. Farrell reviewed the budget worksheets and first draft of the budget in detail with the committee, along with 2021 projections and a cash outlook through 12/31/21. The following are some of the significant items noted:

- The 2022 accrual-based budget was approached conservatively.
- Budgeted for the same level of contribution from Genesee County for 2022 with no increase to funding being requested.
- Origination fee revenue projected for 2021 exceeds what was budgeted for. There are also several projects that are classified as opportunities for this year.

- Budgeted for a \$300K Economic Development Program Support Grant from the GGLDC.
- Budgeted for the estimated balance of the ESD \$33M, ESD \$8M, and Genesee County \$4M STAMP funds to be expended in 2022.
- Anticipate a land sale at Leroy Food & Tech Park in 2021.
- Operating insurance expense is expected to be over budget for 2021 due to the additional cyber coverage.
- Many expense line items are lower than budgeted for in 2021 due to COVID.

L. Farrell asked the Committee to contact her if they have any other suggestions or questions regarding the drafted budget. The next time the committee meets and reviews the budget again, they will be asked to recommend it to the full board for approval. Any changes made to the budget assumptions will be reviewed in detail at that time.

J. Jakubowski joined the meeting at 11:20 a.m. and left at 11:30 a.m.

3d. Assessment of the Effectiveness of Internal Controls – L. Farrell shared that Public Authorities Law requires all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The 2021 Assessment of the Effectiveness of Internal Controls identifies and summarizes the controls in place for major business functions. A list of vendors that the Committee has authorized staff to pay online is included as part of the narrative. Travelers Insurance was added to the list of vendors that the Committee reviewed last year.

The Committee is asked to review and approve the Assessment of the Effectiveness of Internal Controls annually (this is not brought to the full Board for approval).

P. Zeliff made a motion to approve the Assessment of the Effectiveness of Internal Controls and the list of vendors that can be paid online; the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

3e. John Jakubowski Contract - John Jakubowski has provided a consulting agreement for the period of August 15, 2021 through August 14, 2022 to perform the following:

1. Perform consulting services to assist in the development and implementation of workforce development programs and training initiatives relative to the goals of the Company and its affiliates.
2. Consult with the VP of Business Development of the GCEDC and staff relative to the application, development and deployment of its workforce programs.
3. Consult with educational institutions who may serve as partners in the development, implementation and delivery of training programs. Specifically, interface with Genesee Community College and its BEST Center, other institutions of higher learning, the Genesee Valley Educational Partnership and local secondary schools as appropriate.

4. Provide consulting services as requested by the GCEDC / GGLDC.

The contract is based upon actual time spent. Last year we did not expend the entire \$29,500 due to COVID.

This contract is not to exceed \$29,800 in total between the GGLDC and GCEDC and was included in the GGLDC budget to be paid by Strategic Investment funds.

P. Zelif made a motion to recommend to the full Board the approval of the John Jakubowski Contract; 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 11:55 a.m., seconded by T. Bender and passed unanimously.