



GCEDC Audit & Finance Committee Meeting
Tuesday, June 27, 2023
Location: 99 MedTech Drive, Innovation Zone
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: P. Battaglia, T. Bender, M. Gray
Staff: L. Farrell, L. Casey, M. Masse, J. Krencik, S. Hyde, C. Suozzi, P. Kennett
Guests: D. Cunningham (GGLDC Board Member), M. Brooks (GGLDC Board Member),
J. Tretter (GGLDC Board Member), S. Ott (Lawley), Claire Farzmell (Lawley), B.
Fritz (Lawley)
Absent: P. Zelif

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:33 a.m. in the Innovation Zone.

Presentation – Cyber Insurance – Claire Farzmell reviewed the 23-24 Cyber proposal by providing an overview of the coverage proposed by Travelers, which is outlined on page 24 of the meeting materials. Several declinations were received from companies, stating that they are not in the market for this class of business or could not extend coverage to all entities. Travelers was able to include all entities and maintained the \$1M limit, Cyber Crime sublimit, and \$10K retention as included with our current policy. Claire Farzmell stated that this coverage is a very good option for the Agency.

Susie Ott (Lawley), Claire Farzmell (Lawley) and Bill Fritts (Lawley) left the meeting at 8:48 a.m.

1a. Enter Executive Session

P. Battaglia made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:49 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.

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

1b. Enter Public Session

P. Battaglia made a motion to enter back into public session at 9:07 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: May 30, 2023

T. Bender made a motion to approve the May 30, 2023 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. May 2023 Financial Statements- L. Farrell reviewed with the Committee the significant items of the May 2023 long form financial statements.

- On the balance sheet, restricted cash in the \$8 Million and \$33 Million STAMP imprest accounts decreased by about \$400,000. GURFs were submitted to ESD and expenditures were paid in May. Unearned revenue decreased by about the same amount as revenue is recognized as qualifying expenditures are made.
- In the operating fund, operating expenses that are over budget are related to expenditures that are front loaded. These line items are beginning to level out (i.e. Unemployment Insurance, HSA contributions, Dues & Subscriptions).
- In the STAMP fund, there is approximately \$400,000 of grant revenue, as well as the corresponding expenditures.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds for May.

P. Battaglia made a motion to recommend to the full Board the approval of the May 2023 Financial Statements as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

3b. Assessment of the Effectiveness of Internal Control –Public Authorities Law requires all Public Authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The 2023 Assessment of the Effectiveness of Internal Controls identifies and summarizes the controls in place for major business functions. There are no changes to the detailed control narrative since

approved last year. A list of vendors that the Committee has authorized staff to pay online is included as part of the narrative.

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).

T. Bender made a motion to approve of the Assessment of the Effectiveness of Internal Control as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3c. Key Bank Line of Credit Renewal – The GCEDC has a \$1M line of credit with Key Bank. In previous years we discussed changing this from a committed line to a demand line. This would eliminate the non-usage fee and ultimately afford GCEDC the comfort of having a line in place if needed, however there is no guarantee that the money is available during the negotiated term. Moving forward there will be only internal bank credit reviews/renewals, but no need to sign or update documentation annually unless the terms were to change. Any future modifications to the line are always less expensive and normally faster if there is an existing line. The one caveat to a demand line is the bank can call the line as opposed to the current committed line which has an agreed upon term and maturity date.

P. Battaglia made a motion to recommend to the full Board the approval of the Key Bank demand line of credit renewal at the same terms; the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

3d. Cyber Insurance - There was a presentation given by Lawley on Cyber Insurance at the beginning of the meeting. The Cyber Liability coverage option presented is through Travelers. Travelers offered a quote of \$6,365 for the 23-24 term, which is a significant decrease in premium total over last year. For the 22-23 term, the premium totaled \$10,289.17. Travelers maintained the \$1M limit, Cyber Crime sublimit, and \$10K retention that is included with our current policy, which expires 6/30.

The cost of this policy is \$6,365 and will be split evenly between the GCEDC (\$3,182.50) and the GGLDC (\$3,182.50).

P. Battaglia made a motion to recommend to the full Board the approval of Cyber Insurance with Travelers not to exceed \$3,182.50 as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

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

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 9:15 a.m., seconded by P. Battaglia and passed unanimously.