



GGLDC Audit & Finance Committee Meeting

Tuesday, January 31, 2023

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: D. Cunningham, T. Felton, P. Battaglia, T. Bender
Staff: L. Farrell, M. Masse, L. Casey, J. Krencik, P. Kennett, C. Suozzi (Video Conference), S. Hyde
Guests: M. Gray (GCEDC Board Member), P. Zelif (GCEDC/GGLDC Board Member), M. Zimmerman (Harrison Studios/Video Conference), S. Ott (Lawley), Caitlin Celis (Lawley), Claire Farzmell (Lawley), B. Fritz (Lawley/Video Conference)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 8:30 a.m. in the Innovation Zone.

Presentation – Lawley – Representatives of Lawley Insurance provided a detailed review of the renewal of the Agency's Directors & Officers/Employment Practices Liability Insurance with Travelers. The current policy expires on February 23, 2023. Lawley did send our information to market, but they received various declinations due to class of business/amount of real estate development and/or the recently settled claim.

Susie Ott (Lawley), Caitlyn Celis (Lawley), Claire Farzmell (Lawley) and Bill Fritts (Lawley/Video Conference) left the meeting at 9:03 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 9:04 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 T. Felton and approved by all members present.

M. Zimmerman (Harrison Studios/Video Conference) left the meeting at 9:08 a.m.

1b. Enter Public Session

T. Bender made a motion to enter back into public session at 10:05 a.m., seconded by P. Battaglia and approved by all members present.

S. Hyde left the meeting at 10:05 a.m.

T. Felton briefly left the meeting beginning at 10:05 a.m.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business –

T. Bender made a motion to add agenda item 3e – Caccamise Loan; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Absent (briefly left meeting)
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham – Yes

The agenda item was added.

2b. Minutes: January 10, 2023

T. Bender made a motion to recommend approval of the January 10, 2023 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Absent (briefly left meeting)
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham – Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. D&O Insurance Renewal - Lawley Insurance has provided us with a proposal for renewal of our current Directors & Officers/Employment Practices Liability Insurance with Travelers. The renewal price reflects a price of \$20,925 which would be split 50/50 between the GCEDC and GGLDC. This is an overall price increase of only \$2,739 (\$1,369.50/entity) compared to the current policy. The current policy expires on 2/23/2023.

Lawley did send our information to market, but noted that they received various declinations due to class of business or the recently settled claim.

The cost of this policy would be split between the GCEDC and GGLDC (\$10,462.50/entity). Each entity has included \$9,005 in their 2023 budget for this expense.

Lawley included a proposal for a mid-term re-write on cyber insurance to address the gap in coverage for the new STAMP entities. Our current carrier is not able to include the STAMP entities on our current policy due to the nature of operations. They were able to get another option for us, but retention is increased from \$10,000 to \$25,000 and the premium is double. There may be alternative options available at renewal. Given the lack of activity currently in the Water and Sewer Works Corps, staff's recommendation is to readdress this at renewal (7/1). The Committee agreed with this approach.

P. Battaglia made a motion to recommend to the full Board the approval of the D & O Insurance Renewal with Travelers to be split 50/50 between the EDC and LDC as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Absent (briefly left meeting)
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

T. Felton returned to the meeting at 10:08 a.m.

3b. December 2022 Unaudited Financial Statements - L. Farrell reviewed the December 2022 unaudited financial statements with the Board. The following was noted:

- On line 14 of the balance sheet, *Grants Receivable - DHCR* decreased by about \$4,400. We received a draw from OCR in December.
- Accounts payable decreased. The MedTech Centre Property Management Fee and Economic Development Support Grant was paid to the EDC for the 4th quarter.
- Rent received in advance increased by about \$40,000 mostly due to MedTech Centre tenants.
- In the operating fund, approximately \$107,000 was recorded as CDBG/Genesee CARES grant revenue. Grant funds were disbursed to the participants and program delivery/administration fees were paid to H. Sicherman & Co.
- Most line items for MedTech Centre are within budget. We are where we would anticipate for the year.
- There may be some journal entries (i.e. additional payables) made between the presentation of unaudited and audited financial statements.

T. Felton made a motion to recommend to the full Board the approval of the December 2022 Unaudited Financial Statements as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3c. Strategic Investments Update – Strategic Investments – L. Farrell reviewed the Strategic Investments Analysis with the Committee.

She noted that there have not been many changes since the last review, but noted the following:

- The analysis has been updated to reflect actual activity for 2022.
- Some activity that was anticipated to occur in 2022 has been pushed out to 2023.
- The \$20,000 non-refundable land sale deposit from La Fermiere is shown on the analysis.
- In 2022, solar projects have provided \$50,000 of funding for Workforce Development and the overall Economic Development program.
 - o Opportunities on the last page include four additional solar projects that have been approved by the Board. These will not be reflected as a source of funds until they close.
- The Batavia Micropolitan Area Community Redevelopment Fund reserved amount of \$134,000 has been pushed out to 2023. This reserved amount is the balance of the original \$500,000 commitment for the Revolving Loan Fund. This amount could be released if needed.
- The start-up costs of \$100,000 for the Water Works Corp and Sewer Works Corp, previously approved by the Board, have been moved to 2023 because checks have not been cut yet related to this authorization. Staff wants to ensure that this transaction is accounted for appropriately and is seeking guidance from Freed Maxick.
- Reserves for the Workforce Development Consultant have been removed for 2023, as the activity will be undertaken by the GCEDC in 2023. A placeholder of \$30,000 for the workforce development consultant remains for years 2024-2026 in case the County does not continue to provide additional funding to support Workforce Development initiatives as it is currently.
- In addition to the solar projects discussed previously, other opportunities include the La Fermiere land sale and the MedTech Park Housing Project land sale.
- Per the Plug Power Community Investment Agreement, \$900,000 per year for 20 years will be collected. These funds will be tracked in a separate strategic investment funds analysis intended for infrastructure improvements.
- At the end of 2022, there is a cumulative cash balance of about \$3.5 million. At the end of 5 years there is a projected cash balance of about \$2.5 million.

3d. Genesee CARES Funding Reallocation – To date, the GGLDC Audit & Finance Committee has approved \$1,400,000 in Genesee CARES Business Recovery Program Grants to 35 small businesses in Genesee County. There is \$7,000 in unallocated funding available.

Having exhausted all eligible project requests, it is the recommendation of The Harrison Studio to commit these remaining funds to a project that previously received only partial funding toward an eligible project.

The Spa at Artemis was the final project awarded funding in the first round of OCR grant funding, receiving an award of \$65,000 toward an eligible \$75,000 of grant funding under the program's first-come, first served process.

The Harrison Studio has reviewed the satisfactory completion of the project and can confirm that the additional funding can be awarded through an extension of the original grant agreement with the project.

With the approval of the above-mentioned project, the GGLDC will exhaust the Genesee CARES funding from New York State Office of Community Renewal.

P. Battaglia made a motion to approve the Genesee CARES grant funding of \$7,000 to the Spa at Artemis; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3e. Caccamise Loan – After review and discussion regarding the status of this loan, the Committee gave guidance to staff to write of the Caccamise loan as uncollectible.

P. Battaglia made a motion to recommend to the full Board the approval to write-off the remaining balance of the Caccamise loan as uncollectible; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 10:19 a.m., seconded by P. Battaglia and passed unanimously.