



## **GGLDC Audit & Finance Committee Meeting**

**Tuesday, October 24, 2023**

**Location – 99 MedTech Drive, Innovation Zone**

**8:30 a.m.**

### **MINUTES**

#### **ATTENDANCE**

Committee Members: J. Tretter, M. Brooks, P. Battaglia, D. Cunningham  
Staff: L. Farrell, M. Masse, J. Krencik, S. Hyde, L. Casey, E. Finch  
Guests: Andrew Kennedy & Nick Morelle (Ostroff Associates), K. Manne (GCEDC Board Member), M. Gray (GCEDC Board Member)  
Absent:

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

D. Cunningham called the meeting to order at 9:15 a.m. in the Innovation Zone.

#### **2. CHAIRMAN'S REPORT & ACTIVITIES**

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

**2b. Minutes: October 5, 2023**

**M. Brooks made a motion to recommend approval of the October 5, 2023 minutes; the motion was seconded by J. Tretter. Roll call resulted as follows:**

J. Tretter - Yes  
P. Battaglia - Yes  
M. Brooks - Yes  
D. Cunningham – Abstain

D. Cunningham abstained because he was absent from the Audit and Finance Committee meeting held on October 5, 2023.

**The item was approved as presented.**

#### **3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:**

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

- Line 8, Restricted Cash Grant Funds, increased by \$83K. We received the final draw for the OCR Cares Grant, but funds did not get disbursed to recipients until October. Therefore, these funds were classified as restricted

- In the operating fund, we collected about \$83K of OCR funds related to the Genesee CARES grant. The expenditures are recorded as payables and were recognized as professional services expenses to Sichertman's office and grant expense to be disbursed to grant awardees in October.
- We should be at 75% of budget. Most line items are within budget, except for insurance, which is known to be over budget and approved by the Board.
- Other than the above-mentioned items, there is normal monthly activity.

**J. Tretter made a motion to recommend to the full Board the approval of the September 2023 Financial Statements as presented; the motion was seconded by M. Brooks. Roll call resulted as follows:**

J. Tretter - Yes  
 P. Battaglia - Yes  
 M. Brooks - Yes  
 D. Cunningham - Yes

**The item was approved as presented.**

**3b. GGLDC 2024 Budget** – L. Farrell presented the 2024 budget to the Committee for final review and recommendation to the full Board for approval. Included as separate attachments to the meeting materials were the 2024 draft cash budget and 2024 draft accrual budget. L. Farrell stated at the last Committee meeting that there may be changes made within the MedTech Centre Budget related to lighting and heating/cooling. However, L. Farrell stated that there is more work to be done before staff can present a comprehensive plan for these potential expenditures. Therefore, no changes were made to the cash budget.

The cash budget is converted into an accrual budget. L. Farrell reviewed the significant changes when converting from cash to accrual, including:

- o Only interest income is shown for loan repayments received from companies.
- o Only interest expense is shown for debt service for MedTech Centre.
- o Depreciation expense of about \$193,000 is included.

**P. Battaglia made a motion to recommend to the full Board the approval of the GGLDC 2024 Budget as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:**

J. Tretter - Yes  
 P. Battaglia - Yes  
 M. Brooks - Yes  
 D. Cunningham - Yes

**The item was approved as presented.**

**3c. GGLDC 1 + 3 Budget** – L. Farrell presented the 1+3 budget to the Committee for review. It was noted that most line items show a 3% increase year over year unless there is an asterisk or is shaded. These line items could be estimated more accurately based upon additional information that is available.

Included with the meeting materials are four-year budgets for the GGLDC & GAB, LLC Consolidated, GGLDC Consolidated and GAB, LLC. The GGLDC & GAB, LLC Consolidated 1 + 3 Budget will be entered into PARIS (Public Authorities Reporting Information System) and certified.

**M. Brooks made a motion to recommend to the full Board the approval of the GGLDC 1 + 3 Budget as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:**

J. Tretter - Yes  
P. Battaglia - Yes  
M. Brooks - Yes  
D. Cunningham - Yes

**The item was approved as presented.**

**3d. GCEDC Economic Development Support Grant** – L. Farrell stated that the Economic Development Program Support Grant of \$300,000 was included in strategic investments for 2024.

**P. Battaglia made a motion to recommend to the full Board the approval of the GCEDC Economic Development Support Grant as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:**

J. Tretter - Yes  
P. Battaglia - Yes  
M. Brooks - Yes  
D. Cunningham – Yes

**The item was approved as presented.**

**3e. Strategic Investment Updates** - L. Farrell reviewed the Strategic Investments Analysis with the Committee.

She noted the following:

- There is \$75,000 from solar projects. Previously, there was \$25,000 from solar projects. We collected two \$25,000 payments from RPNY Solar 6 and RPNY Solar 7 projects. The grant payments from these solar projects support workforce development initiatives and the overall economic development program.
- Batavia Home Fund Seed funding was approved by the GGLDC Board and those funds were recently transferred to the GCEDC.
- The balance of the reserved funds for Workforce Development is about \$106,000. We plan to spend about \$15,000 of those funds in 2023 and the balance of \$91,000 has been pushed out to 2024.
- There was about \$10,000 of interest income reported with the last strategic investment update. There is about \$61,000 of interest income now, which is due to the CDs. We renewed the CDs for another 3 months.
- At the end of 2027, there is a projected cash balance of about \$2 million in strategic investments.

**3f. 2024 General Cleaning Services** - During 2022, staff reached out to four cleaning companies to obtain quotes for 2023 cleaning services. Commercial Cleaning Services of Western New York Inc. was awarded the contract.

Commercial Cleaning Services of Western New York Inc., the current company being used, has been offering a competitive price and we are satisfied with the services. New quotes were not obtained for 2024 services. We anticipate getting quotes for cleaning services every three years.

**Fund Commitment:** \$16,500, plus reimbursement for supplies; MedTech Centre site maintenance; included in the proposed 2024 GGLDC Budget.

**Board Action Request:** Staff is requesting a recommendation from the Board to continue this contract for 2024 cleaning services at a cost not to exceed \$16,500 for the year, plus reimbursement for supplies.

**P. Battaglia made a motion to recommend to the full Board the approval of the 2024 General Cleaning Services with Commercial Cleaning Services not to exceed \$16,500 plus reimbursement for supplies as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:**

J. Tretter - Yes  
P. Battaglia - Yes  
M. Brooks - Yes  
D. Cunningham – Yes

**The item was approved as presented.**

**3g. Commercial Cleaning Services Additional 2023 Services** - Commercial Cleaning Services of WNY, Inc. (CCS) has provided the GGLDC with a quote for waxing of the floors and the cleaning of the tile/grout in the bathrooms. Although this expenditure is not over \$5,000, total payments to this company will be over \$5,000 when combined with the general cleaning services that the company already provides. The GGLDC approved a contract with Commercial Cleaning Services of WNY Inc., for general cleaning services not to exceed \$14,500 for 2023. These additional services are \$1,199.64 (floor waxing) and \$495 (tile/grout cleaning). We have requested quotes for these services in the past, but this company has been offering a lower rate as a current customer. The quotes received are at the same rate as last year.

**Fund Commitment:** The total expenditure for these services should not exceed \$1,700 and will be paid out of the GGLDC, under MedTech Center site maintenance. This amount is lower than what was budgeted for these services for 2023.

**Board Action Request:** Approval of the floor maintenance proposal with Commercial Cleaning Services of WNY, Inc. not to exceed \$1,700.

**J. Tretter made a motion to recommend to the full Board the approval of the floor maintenance proposal with Commercial Cleaning Services not to exceed \$1,700 as presented; the motion was seconded by M. Brooks. Roll call resulted as follows:**

J. Tretter - Yes  
P. Battaglia - Yes  
M. Brooks - Yes

D. Cunningham – Yes

**The item was approved as presented.**

**3h. 12/31/23 Audit Services** - Last year the GCEDC and its affiliated entities issued a joint Request for Proposals (RFP) for Professional Auditing Services. The RFP requested services for three audit years from January 1, 2022 to December 31, 2024, with an option of contracting for an additional two years (2025-2026). The Board approved a 3-year engagement with Mostert, Manzanero & Scott, LLP. L. Farrell noted that the fee for 2023 audit services will increase from \$10,000 to \$10,300. The engagement letter includes an option to add on a Single Audit if necessary for an additional fee.

**P. Battaglia made a motion to recommend to the full Board the approval of the engagement letter with Mostert, Manzanero & Scott, LLP for 12/31/23 audit services not to exceed \$10,300 as presented, with Single Audit services added if necessary; the motion was seconded by J. Tretter. Roll call resulted as follows:**

J. Tretter - Yes  
P. Battaglia - Yes  
M. Brooks - Yes  
D. Cunningham – Yes

**The item was approved as presented.**

#### **4. ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at 9:37 a.m., seconded by M. Brooks and passed unanimously.