



GGLDC Audit & Finance Committee Meeting

Tuesday, January 30, 2024

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: P. Battaglia (Video Conference*), J. Tretter, M. Brooks
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, C. Suozzi, J. Krencik, S. Hyde
Guests: M. Gray, K. Manne, P. Zeliff
Absent: D. Cunningham

*Attending from a physical location identified in the meeting notice as open to the public.

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Brooks called the meeting to order at 9:02 a.m. in the Innovation Zone.

1a. Enter Executive Session

J. Tretter made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 9:03 p.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 P. Battaglia and approved by all members present.

1b. Enter Public Session

J. Tretter made a motion to enter back into public session at 9:28 a.m., seconded by P. Battaglia and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: January 9, 2024

P. Battaglia made a motion to recommend approval of the January 9, 2024 minutes; the motion was seconded by J. Tretter. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes (Video Conference*)
M. Brooks - Yes

D. Cunningham – Absent

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. D&O Insurance – The same discussion that took place during the GCEDC Audit and Finance Committee meeting applies to the GGLDC. The details of that discussion have been added for ease of reference. Lawley Insurance has provided us with a proposal for renewal of our current Directors & Officers/Employment Practices Liability Insurance with Travelers. The renewal reflects a price of \$28,154 which would be split 50/50 between the GCEDC and GGLDC. This is an overall price increase of \$7,229 (\$3,614.50/entity) compared to the current policy. The current policy expires on 2/23/2024.

Lawley did send our information to market, but they have not received response due to the open claims. Because of that, they do not anticipate many carriers offering quotes. One other company was interested but needed to review the claim details before fully considering. A response had not yet been received.

The cost of this policy would be split between GCEDC and GGLDC (\$14,077/entity). The GCEDC included \$10,850 in the 2024 budget for this expense and the GGLDC included \$10,900.

No recommendation was made. The Committee decided to wait until Thursday's full Board Meeting to consider a quote with the requested higher retention of \$25,000.

3b. Cyber Insurance – The same discussion that took place during the GCEDC Audit and Finance Committee meeting applies to the GGLDC. The details of that discussion have been added for ease of reference. Lawley suggested that we consider cancelling/rewriting the Cyber policy so it could potentially be added to the D&O renewal. This would help to streamline the insurance renewal processes in the future and could help with premiums due to multi-line discounts.

Lawley was able to provide a Cyber proposal from Travelers. The price reflected for the term is proposed at \$6,647 which would be split between the GCEDC and GGLDC. This is an overall price increase of \$282 (\$141/entity) compared to the current policy. NOTE: The proposal includes a reduction in retention from \$10,000 to \$5,000.

The current policy expires on 7/1/24. It is recommended that we cancel the current policy and move forward with this proposal.

The cost of this policy would be split between the GCEDC and GGLDC (\$3,323.50/entity). Each entity included \$5,000 in their 2024 budget for this expense.

J. Tretter made a motion to recommend to the full Board the approval of the Cyber Insurance proposal as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes (Video Conference*)
M. Brooks - Yes
D. Cunningham - Absent

The item was approved as presented.

3c. December 2023 Unaudited Financial Statements - L. Farrell reviewed with the Committee the significant items of the December 2023 long form financial statements.

- Anticipated adjustments to the financial statements include changes in accounts payable and, possibly, accounts receivable as well as GASB 87 related to lease adjustments.
- On the balance sheet there are restricted cash grant funds of \$4,000. We received a grant from ESL to benefit the BEA, which is not a 501c3. The GGLDC is just a pass-through and funds will be transferred when the program start date approaches.
- Accounts payable (line 57) decreased. The quarterly payments that were paid to the GCEDC for the MedTech Centre Property Management Fee and Economic Development Support Grant.
- Accounts payable (line 56) increased. There is \$46,500 payable to Gilligan Electric related to the LED lighting installation for MedTech Centre completed in 2023.
- Line 46 and Line 47 are new line items for equity investment in STAMP Sewer Works and STAMP Water Works, respectively.
- In the operating fund:
 - o Line 33, there is negative grant expense. Funds were previously distributed to the STAMP Water Works, Inc. and STAMP Sewer Works, Inc. At the time that these funds were approved for distribution, it was left open-ended as to how they would ultimately be recorded. In preparation for the audit, these contributions have been reclassified as equity contributions from the GGLDC to these entities. This will allow potential repayment to the GGLDC sometime in the future.
 - o Insurance, which has been discussed all year and anticipated, is over budget.
- In the STAMP fund, there is negative grant expense related to the reclassification described above.
- For MedTech Centre, we are where we anticipated to be at year end. This is the case for most line items, excluding insurance, which is known to be over budget and approved by the Board. Additionally, \$46,500 has been capitalized related to the LED lighting installation.
- 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 December 2023 Unaudited Financial Statements as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Yes
 P. Battaglia - Yes (Video Conference*)
 M. Brooks - Yes
 D. Cunningham - Absent

The item was approved as presented.

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

She noted the following:

- The 2023 column is the actual activity for 2023. Therefore, the ending balance on the strategic investments for 2023 match the financial statements.
- The start-up costs of \$100,000 for the Water Works Corp and Sewer Works Corp were previously approved by the Board. Only \$50,000 has been paid to date. \$25,000 was paid to the STAMP Water Works, Inc. and \$25,000 was paid to the STAMP Sewer Works, Inc. The additional \$50,000 has been pushed out to 2024 as a placeholder.

- The \$300,000 Economic Development Support Grant has been approved for 2024; however, years 2025-2027 will still need to come forward to the Board for approval before any transfers could be made.
- For years 2025-2027, there is \$85,000 annually for operations and site infrastructure maintenance. These funds are used for insurance, mowing, Fire District fees/property taxes etc. In 2023, we only spent about \$66,000. We did not have any expenses to Sicherman's office that were not reimbursable by OCR.
- In the MedTech Centre Fund, there is \$700,000 of unrestricted funds that is not included in strategic investments that is dedicated to MedTech Centre.
- There is a balance of \$104,000 of reserve cash on hand from solar project funding that has been committed to Workforce Development.
- Reserves for the Workforce Development Consultant have been removed for 2024, as the activity is being undertaken by the GCEDC in 2024. A placeholder of \$30,000 for the workforce development consultant remains for years 2025-2027 in case the County does not continue to provide additional funding to support Workforce Development initiatives as it is currently.
- Opportunities on the last page of the analysis include:
 - o The CH4 Biogas land sale in Genesee Valley Agri-Business Park.
 - o The J&R Fancher land sale in Buffalo East Tech Park.
- At the end of 2027, there is a projected cash balance of about \$2.2 million.

3e. Workforce Development Fund Update - C. Suozzi reviewed the sources and uses of the 2024 Workforce Development Fund as outlined in the meeting materials. In 2023, we spent approximately \$35,000 out of \$76,000 that was planned.

M. Masse informed the Committee of water damage that occurred in GCC's and UMMC's spaces. Currently, M. Masse is waiting on the cumulative cost for the damage. The Committee stated that they believe GCC should be financially responsible for the repairs as it was a result of their negligence.

4. ADJOURNMENT

As there was no further business, J. Tretter made a motion to adjourn at 9:50 a.m., seconded by P. Battaglia and passed unanimously.