



GCEDC Audit & Finance Committee Meeting

Thursday, September 2, 2021

Location: Innovation Zone

4:00 p.m.

MINUTES

ATTENDANCE

Committee Members: P. Battaglia, T. Bender, M. Gray
Staff: L. Farrell, P. Kennett, L. Casey
Guests: D. Cunningham (GGLDC Board Member)
Absent: P. Zeliff

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 4:01 p.m. in the Innovation Zone.

2. Chairman's Report & Activities

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

2b. Minutes: August 5, 2021

T. Bender made a motion to approve the August 5, 2021 minutes; 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.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

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

- The Ellicott Station Project closed in July. We collected \$285,000 in origination fees.
- In the operating fund, there are a few line items that are over budget related to expenditures that are front loaded (i.e. Insurance and HSA contributions). The front-loaded expenses will level-out by year end.
- There were no GURFs submitted in July.
- A large payment was made to Morsch Pipeline for work related to the STAMP off-site water main. This was paid with the County funds and is recorded as a site development expense.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds.

P. Battaglia made a motion to recommend to the full Board the July 2021 Financial Statements; 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.

3b. 2022 GCEDC Budget – At the last Committee meeting, L. Farrell reviewed the budget worksheets and first draft of the budget in detail along with 2021 projections and a cash outlook through 12/31/21. L. Farrell noted that the following changes were made since the budget was last reviewed:

- On page B-5, projected origination fee revenue at 12/31/21 does not include Batavia Senior Housing. It is now an opportunity because it is not moving forward as soon as originally anticipated. Excelsior Solar and Plug Power are also an opportunity and are not included in the projected numbers as a conservative approach was taken.
- On line 36, the New York State retirement contribution increased as more information was available.
- On line 48, Professional Services was previously \$81,000. It has been reduced to \$45,500. Approximately \$30,000 was previously included for Loewke Brill Local Labor Consulting contracts. However, those large projects associated with the Loewke Brill Consulting contracts are not included in origination fee revenue, so the associated expenses have been removed. As we close on those projects there will be a separate line item for recording local labor consulting expense.
- On page B-7, in the projected 12/31/21 column there is \$200,000 for Site Development Expense – RED Leroy. We had included land sale proceeds for the Bioworks project in LeRoy. There is the potential for approximately \$200,000 of improvements that will be necessary related to that land sale.
- On page B-8, there were changes made to STAMP grant activity. For 2022, we were previously showing \$1.4 million in and \$1.4 million out. Now, we are showing \$7.1 million in and \$7.1 million out. We adjusted the timing of our 2021 & 2022 expenses. There was no change to the net profit. Projected 12/31/21 numbers changed considerably as nearly \$12 million of expenses are expected to be capitalized.

P. Battaglia made a motion to recommend to the full Board the 2022 GCEDC Budget and 12/31/21 projections; 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.

3c. Loewke Brill Consulting Contract for LandPro Project – At the October 1, 2019 meeting, the GCEDC staff presented a sample proposal from Loewke Brill Consulting Group, Inc. on how they could assist companies that will have to report to the GCEDC under the local labor reporting requirements, including assistance with waiver requests and finding local contractors to bid their projects.

The GCEDC Staff had requested a quote for the costs related to the LandPro project. A copy of the application for incentives was sent to Loewke Brill for them to calculate the fee. They submitted a proposal that totaled \$13,060 which included 16 site inspections, monthly reporting, a one-time set up fee and estimated waiver processing fees.

These prices are based on estimated schedules. The period was determined by what the projects listed for the duration of construction in their applications. After reviewing these numbers, staff has the following recommendation:

1. The GCEDC can pay for the set-up fee, monthly inspections, and reporting, not to exceed the construction timeline in the application. If construction runs over the designated time, the company should be responsible.
2. Additionally, the company should pay for any waiver requests that get submitted and sent to the Board for consideration.

Fund Commitment: \$11,910.

L. Farrell will discuss with M. Masse to determine if LandPro will pay costs that they will be responsible for directly to Loewke Brill or if that will run through the GCEDC.

P. Battaglia made a motion to recommend to the full Board the approval of the proposal from Loewke Brill Consulting for the LandPro Project, contingent upon receiving clarification regarding the above-mentioned discussion; 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.

3d. Loewke Brill Consulting Contract for Liberty Pumps Project – At the October 1, 2019 meeting, the GCEDC staff presented a sample proposal from Loewke Brill Consulting Group, Inc. on how they could assist companies that will have to report to the GCEDC under the local labor reporting requirements, including assistance with waiver requests and finding local contractors to bid their projects.

The GCEDC Staff had requested a quote for the costs related to the Liberty Pumps project. A copy of the application for incentives was sent to Loewke Brill for them to calculate the fee. They submitted a proposal that totaled \$8,925, which included 15 site inspections, monthly reporting, a one-time set up fee and estimated waiver processing fees.

These prices are based on estimated schedules. The period was determined by what the projects listed for the duration of construction in their applications. After reviewing these numbers, staff has the following recommendation:

1. The GCEDC can pay for the set-up fee, monthly inspections, and reporting, not to exceed the construction timeline in the application. If construction runs over the designated time, the company should be responsible.

2. Additionally, the company should pay for any waiver requests that get submitted and sent to the Board for consideration.

Fund Commitment: \$7,775.

L. Farrell will discuss with M. Masse to determine if Liberty Pumps will pay costs that they will be responsible for directly to Loewke Brill or if that will run through the GCEDC.

P. Battaglia made a motion to recommend to the full Board the approval of the proposal from Loewke Brill Consulting for the Liberty Pumps Project, contingent upon receiving clarification regarding the above-mentioned discussion; 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.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 4:30 p.m., seconded by T. Bender and passed unanimously.