



**GCEDC Audit & Finance Committee Meeting**  
**Tuesday, October 1<sup>st</sup>, 2019**  
**Andrews Conference Room – Suite 106**  
**8:30 a.m.**

**MINUTES**

**ATTENDANCE**

Committee Members: M. Gray, A. Young, P. Battaglia  
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, C. Suozzi  
Guests: D. Cunningham, T. Felton  
Absent: T. Bender

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

M. Gray called the meeting to order at 8:30 a.m. in the GCEDC Andrews Conference Room.

**1a. Executive Session:**

P. Battaglia made a motion to enter executive session at 8:30 a.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by A. Young and approved by all members present:

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.

**1b. Re-Enter Public Session** – P. Battaglia made a motion to enter back into public session at 8:45 a.m., seconded by A. Young and approved by all members present.

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

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

**2b. Meeting Minutes: September 3, 2019**

**P. Battaglia made a motion to approve the September 3, 2019 meeting minutes as presented; the motion was seconded by A. Young. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - Absent  
A. Young - Yes

**The item was approved as presented.**

**3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:**

**3a. \$33M STAMP Grant Review YTD** - L. Farrell reviewed the status of the \$33M ESD Grant with the Committee. Grant Utilization Request Form (GURF) #19 has been submitted and authorization to release those funds is pending.

**3b. August 2019 Financial Statements** – The following comments were made by L. Farrell:

- Normal operating activity.
- Received Six Flags Darien Lake Application Fee.
- Accounts receivable increased by the amounts due from GGLDC for MTC Property Management and the Economic Development Support Grant.
- A Grant Utilization Request Form (GURF) was not submitted in August.
- Request submitted to Empire State Development (ESD) in March to forgive the \$5.2M loans payable. ESD is reviewing the request and has the option to come up with new terms, forgive the loan or extend the current terms.

**A. Young made a motion to recommend approval of the August 2019 Financial Statements as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender -Absent  
A. Young - Yes

**The item was approved as presented.**

**3c. GCEDC 1+3 Budget** - L. Farrell presented the 1+3 budget to the Committee for review. The 1+3 Budget is required to be entered into the NYS Public Authorities Reporting Information System (PARIS) online. It was noted that most line items show a 3% increase year over year unless highlighted. The highlighted line items are those that could be estimated more accurately. PIF Grant Income, CBA and BP2 Income utilized schedules. The 2020 budget anticipates spending the remainder of ESD STAMP grant funds and the funds received under the Genesee County Water Supply Agreement, therefore there are no amounts reflected for 2021 through 2023.

**P. Battaglia made a motion to approve the GCEDC 1 +3 Budget; the motion was seconded by A. Young. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender -Absent  
A. Young - Yes

**The item was approved as presented.**

**3d. Auditor Selection** - L. Farrell discussed with the Committee about whether or not to go out to bid for auditing services this year. It is required that audit partner on the engagement is changed every five years. The auditing firm does not need to change, only the audit partner. David Brownell with Mostert, Manzanero & Scott, LLC has been the engagement partner on the GCEDC's audit for the last two years.

The Committee recommended that L. Farrell obtain an engagement letter from Mostert, Manzenaro & Scott, LLC for auditing fees. As long as there is not a significant increase in fees, the GCEDC will continue to use this firm for 2019 audit services.

**3e. Insurance Renewal** – In December of 2017 the GCEDC Board asked that Joe Teresi (Tompkins Insurance Broker) go out to bid for the Agency’s 2018 insurance renewal. At that time Joe Teresi explored other markets but was unable to find another carrier that was able to meet the GCEDC’s needs at an affordable rate. Eleven insurance companies were reached out to and Selective was the only one to submit a proposal.

L. Farrell reached out to Joe Teresi recently to see what his thoughts were on going out to bid for the agency’s 2020 insurance needs. Joe said that Tompkins agency would go out to bid on the GCEDC’s behalf, but he did not believe that the market had changed much since we last went out to bid. There is only a limited number of insurance companies interested in the type of business that the GCEDC has. Combine this with the STAMP Project and the amount of construction and future insurance needs, he believes that Selective is still the best carrier for the GCEDC. Some carriers that might entertain an IDA would not be interested in these exposures or lack the capacity to match Selective’s program. Selective is competitive, familiar with insuring municipalities, and the Agency’s endeavors of acting as a real estate developer at other parks all make Selective the most logical and best choice for insurance needs.

The Committee agreed not to go out to bid this year and will request a renewal from Selective Insurance.

**3f. FSB Internet Transfers and Bill Pay Indemnification** – Due to current internal controls requiring two signatures for all transactions, the GCEDC is not authorized to use internet transfers or online bill pay with Five Star Bank. Currently, certain staff can call and transfer funds but cannot do the transfers online. L. Farrell asked the Board if they would approve a resolution to allow for online transfers and bill pay. Any online payments, per our policy, will still require two signatures to approve the expense, but will allow us another avenue to pay expenses quickly and efficiently.

**P. Battaglia made a motion to authorize signing the Agreement, Release, and Indemnification (“Agreement”) with Five Star Bank for use of Internet Transfers and Bill Pay; the motion was seconded by A. Young. Roll call resulted as follows:**

P. Battaglia	- Yes
M. Gray	- Yes
T. Bender	-Absent
A. Young	- Yes

**The item was approved as presented.**

**3g. New Bank Account - \$8M ESD Grant** – Consideration is being made in order to balance funds among local banks in anticipation of a \$4M deposit from ESD related to the \$8M STAMP Grant. The current balance at FSB is \$4.8M. The current balance at BOC is \$2.5M. The current balance at Key Bank is \$7.9M. There are no differences in working relationships among the banks noted. Interest earned on the new bank account must be remitted back to ESD. It is recommended to move forward with a new account at Bank of Castile in order to balance funds locally. The Audit Committee agreed that the Bank of Castile was a good choice for deposit of these funds.

**3h. Line of Credit renewal – KeyBank** – The GCEDC has a line of credit in place with KeyBank. It was originally put into place to help with the contracts associated with the \$33M prior to NYS setting up an imprest account. The credit limit was originally \$10M. The committee had previously reduced the limit to \$1M and the line is up for renewal. Staff is recommending renewing the line of credit with a \$1M credit limit. The line of credit carries an unused fee of \$2,000 (20 basis points) annually, and an interest rate of LIBOR+200. These are the same terms as the previous year.

The Committee recommended that a decreased unused fee should be negotiated before renewing the line of credit. Negotiated terms should be reported at the GCEDC board meeting on October 3, 2019, if possible. No formal recommendation was made at this time.

**3i. Land Lease Rates** – M. Masse presented the land lease rates to the Committee and asked if there were any recommendations for 2019. The Committee was reminded that the GCEDC saves money by not having to pay for bush hogging and that farming also helps to eliminate the progression of wetlands. The Leases with Lamb Farms and Call Farms are lease rates set in the purchase option to cover carrying costs of the land.

The Committee asked M. Masse to reach out to C. Yunker for his opinion on the rates and if they were still fair market rate. Rates or any changes required in order to align with the fair market rate will be shared at the GCEDC Board Meeting on October 3, 2019 for voting.

**P. Battaglia made a motion to approve the land lease rates pending input from C. Yunker; the motion was seconded by A. Young. Roll call resulted as follows:**

P. Battaglia	- Yes
M. Gray	- Yes
T. Bender	-Absent
A. Young	- Yes

**The item was approved as presented.**

**3j. Construction Inspection on Local Labor Policy** – Loewke Brill Consulting Group, Inc. assists IDA's with local labor inspection and monitoring services to ensure that projects are complying with their own Local Labor Policy. Currently, compliance with Local Labor Policy falls on staff. Staff receives a report by the contractor that details compliance with the Local Labor Policy. Requiring companies to agree to Loewke Brill's services as part of the application process is a cost-effective way to offload this responsibility to those that are knowledgeable about the subject matter. Essentially, contracting with Loewke Brill will allow for effective monitoring of an existing policy. The fees charged by Loewke Brill will be charged directly to the project owner. An estimate is provided upfront and the fee is held in escrow. The fee is then drawn monthly for the life of the project to cover the monitoring services.

The committee recommended that staff work through the cost of doing this with a couple of past projects who have different levels of capital investment. Findings should be reported back to the committee for further discussion.

#### **4. ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at 9:40 a.m., seconded by A. Young and passed unanimously.