



Tuesday, August 30, 2016
GCEDC – Andrews Conference Room
Audit & Finance Committee Meeting
9:00 a.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia, P. Zeliff
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde
Guests: T. Felton (GGLDC Board Chair), W. Hinchey (GGLDC Board Member)
Absent: M. Davis

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 9:00 a.m. in the Andrews Conference Room.

1.1 Executive Session

P. Battaglia made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 9:00 a.m., for the following reasons:

- To discuss 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 W. Hinchey and approved by all members present.

1.2 Re-Enter Public Session

P. Battaglia made a motion to enter back into public session at 9:20 a.m., seconded by P. Zeliff and approved by all members present.

2. Chairman's Report & Activities:

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

2b. Minutes: August 2, 2016

P. Battaglia made a motion to approve the August 2, 2016 Minutes; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Yes
M. Gray	- Yes
M. Davis	- Absent

The item was approved as presented.

3. Discussions / Official Recommendations of the Committee:

3a. July 2016 Financial Statements - L. Farrell presented the July Financial Statements to the Committee and noted the following:

- Received \$125,000 STAMP National Grid Grant that was used to pay down on the Bank of Castile Line of Credit principal balance.
- A large portion of the employer contribution to employee HSA accounts is made at the beginning of the year.

- A majority of the unemployment insurance is paid at the beginning of the year.
- Insurance is paid in advance and should be within budget by year end.
- Dues and Subscriptions include Greater Rochester Enterprise (\$50K) and Invest Niagara (previously Buffalo Niagara Enterprise) (\$25K).
- Marketing expenses are not evenly distributed throughout the year, but are tracked to ensure that expenses are within budget when paid.
- Allowance for Bad Debt is being increased by \$10K, to be recognized evenly throughout the year.
- RLF #1 has 3 active loans. The loan receivable from Savage IO remains in collections.
- RLF #2 has 2 active loans.
- Unbudgeted expenses correspond with unbudgeted grant income.
- All expenditures are in line with the budget except where noted.

P. Battaglia made a motion to recommend approval of the July Financial Statements; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Yes
M. Gray	- Yes
M. Davis	- Absent

The item was approved as presented.

3b. 2017 Budget – L. Farrell reviewed the 2017 budget with the committee and the following was noted:

- All items that changed since the committee had seen it last were highlighted.
- Anticipating a land sale at Gateway I prior to 12/31/16 – net proceeds of approximately \$124K.
- Should receive National Grid grant that will help to replenish cash.
- There is a possibility for additional project participation fees, but they were not included in the projections as the projects are not definite.
- Interest expense for STAMP infrastructure that will be reimbursed by the rest of the \$33M grant from ESD (\$28M left for track 1 infrastructure) was not included in this budget. A separate budget overlay will be completed for this and for the \$18M ESD grant for construction of the facility for 1366.

After much discussion the Committee decided that the \$28M and \$18M ESD grants be included in the budget, along with the related expenses.

P. Battaglia made a motion to recommend approval of the 2017 Budget given that the recommended changes would be made; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff	- Yes
P. Battaglia	- Yes
M. Gray	- Yes
M. Davis	- Absent

The item was approved as presented.

3c. GAIN! Loan Fund Application – L&M Specialty Fabrication –L&M Specialty Fabrication, LLC. (and a related company) are purchasing 30 acres of land on Saile Drive in Batavia to construct a 21,000 square foot building to be used for agricultural and commercial equipment manufacturing, repair and sales. The project will allow the company to service the fabrication needs of the greater agricultural community. The Company’s ability to custom design and modify existing farm machinery to better suit the ever changing

needs of our local producers is a key to agriculture remaining in Genesee County's top industry, but also as an innovator in the global agricultural industry.

As part of this project the company is asking to borrow \$200,000 from the GAIN! Loan fund to purchase a piece of equipment. The term loan will have an interest rate of 1% per annum and will be amortized over 7 years (matching the depreciable life of the piece of equipment being purchased). The loan will be secured by a second position lien filing against the piece of equipment being purchased as well as corporate and personal guarantees of the members / owners.

P. Battaglia asked M. Masse to see if the bank will allow the GCEDC to take 1st position on the equipment being purchased.

M. Masse stated that he would contact the bank to see.

P. Zelif made a motion to recommend approval of the L&M Specialty Fabrication GAIN! Loan; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Zelif	- Yes
P. Battaglia	- Yes
M. Gray	- Yes
M. Davis	- Absent

The item was approved as presented.

ADJOURNMENT

As there was no further business, P. Zelif made a motion to adjourn at 11:05 a.m., seconded by P. Battaglia and passed unanimously.