



Tuesday, July 11, 2017
GCEDC – Innovation Zone Conference Room
Audit & Finance Committee Meeting
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia, P. Zelif
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde, E. Richardson
Guests: H. Upson (GGLDC Board Member), T. Felton (GGLDC Board Member)
Absent: M. Davis

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:30 a.m. in the Conference Room of the Innovation Zone.

1a. 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 8:33 a.m., for the following reasons:

1. 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.
2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

The motion was seconded by P. Zelif and approved by all members present.

1b. Re-Enter Public Session - P. Zelif made a motion to enter back into public session at 8:56 a.m., seconded by P. Battaglia and approved by all members present.

2. Chairman's Report & Activities:

2a. Agenda Additions / Other Business – No recommended additions, changes or other business at this time.

2b. Meeting Minutes – May 30, 2017

P. Battaglia made a motion to approve the May 30, 2017 Meeting Minutes; 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.

3. Discussions / Official Recommendations of the Committee:

3a. \$33M STAMP Grant Draw Review YTD – L. Farrell informed the Committee that the agency has received the interest payments that were submitted for reimbursement under the \$33M STAMP Grant draw's #3 and #4. Currently Draws #1-6 have been received and 4 more draws have been submitted since February of 2017.

3b. May 2017 Financial Statements –

- Origination Fees have been received from OATKA (increased STE from 2015 project) and Mega Properties (2016 project).
- Application Fee has been received from Project Dairy.
- All Annual Administration Fees have been received for 2017.
- Unearned Revenue includes the Empire Pipeline Inc. project origination fee that was collected in December 2016, but will not be earned until the company receives approval from FERC (Federal Energy Regulatory Commission).
- The line of credit with Key Bank is related to the STAMP grant receivable with ESD.
- STAMP grant receivable includes expenses related to the \$33M ESD STAMP grant for engineering, environmental, legal, etc.
- The HSA benefit is high YTD due to a majority of the employer contribution being paid at the beginning of the year.
- A majority of the unemployment insurance and workers compensation insurance is paid at the beginning of the year.
- Long term disability is paid in full for the year.
- Dues and Subscriptions are over budget due to half of the funding commitments to Greater Rochester Enterprise (\$50K), and Invest Buffalo Niagara (\$12.5K) being paid at the beginning of the year.
- Conference and meetings includes annual meeting expense of \$5,568 that is offset by amounts received from attendees, recorded as miscellaneous income.
- The expenses in STAMP that are unbudgeted correspond with unbudgeted grant income.
- RLF #1 has 2 active loans. The loan receivable from Savage IO remains in collections.
- RLF #2 has 1 active loan.
- The GAIN! Loan fund has 2 active loans.
- All expenditures are in line with the budget except where noted.

P. Battaglia made a motion to recommend approval of the May 2017 Financial Statements; 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.

3c. Audit & Finance Committee Charter – L. Farrell presented the Audit & Finance Committee Charter to the Committee. There were no recommended changes at this time.

P. Zelif made a motion to recommend approval of the Audit & Finance Committee Charter, motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3d. Assessment of Internal Controls – L. Farrell reviewed the 2017 Assessment of the Effectiveness of Internal Controls and presented the detailed Internal Controls Narrative. The Committee asked for additional time to review the documents and requested that the item be brought back for further discussion at the next meeting.

3e. 2018 Budget Timeline – L. Farrell shared a budget timeline with the Committee to ensure that the budget is approved by the September deadline for submission to the County.

The Committee asked that the meeting scheduled for August 1st be rescheduled as there would not be a quorum. It was suggested that the date be changed to July 28th. E. Richardson will work with the Committee to reschedule the meeting.

3f. Corfu Waste Water Treatment Facility Expansion Funding –The GGLDC’s Buffalo East Tech Park (BETP) is currently in the Town of Pembroke’s sewer district that discharges into the Village of Corfu’s Waste Water Treatment Facility (WWTF). That facility is designed to handle 135,000 gallons per day (gpd) of waste flow. The plant is currently at, or near, capacity. The GGLDC approved paying for 50% of a CPL contract to split with the Town of Pembroke to design, engineer and permit an expansion to that facility, not to exceed \$100,000 in October of 2016. The total estimated cost of the expansion is approximately \$4,000,000. The Town has asked the GCEDC/GGLDC if they can contribute any funds towards the construction of the expansion. The GCEDC currently has approximately \$97,500 remaining from a Town of Pembroke grant where the funds are restricted in their use for infrastructure and development costs at the BETP. This funding is contingent upon the Town of Pembroke modifying their original Local Law from 2009 to include language to allow these funds to be utilized towards infrastructure, including a possible expansion/construction of a WWTF.

M. Masse asked the committee to recommend approval of a commitment of the balance of the restricted funds to go towards the Town of Pembroke’s design, engineering, permitting and construction costs of the WWTF expansion in Corfu, currently approximately \$97,500, contingent upon the Town of Pembroke

modifying their original Local Law from 2009 to include language to allow these funds to be utilized towards infrastructure, including a possible expansion/construction of a WWTF.

P. Zeliff made a motion to recommend approval of the Corfu Waste Water Treatment Facility Expansion Funding as described above, the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3g. Sandvoss GAIN! Loan Fund Request – Sandvoss Farms has requested making a second loan from the GAIN! Loan fund. Empire State Development (ESD) has given approval to make a second loan to Sandvoss in the amount of \$170,749 contingent upon GCEDC approval.

Sandvoss Farms, LLC processes pasteurized cheese, milk and yogurt from raw goat's milk produced on their farm in East Bethany, NY. They will be using the funds to construct a new refrigeration and storage facility, and site work to improve access and traffic flow. A new hoop house will be built for feed and material storage and a new goat nursery facility. Additional funds for the project will come from a National Grid grant, a NYSERDA grant and an equity contribution from the owners in the form of cash.

The \$170,749 term loan will have an interest rate of 1% per annum and will be amortized over a 10-year term. The loan will be secured by a first position lien filing against the property being constructed as well as a personal guarantee of the members/owners. The project will allow the company to continue to expand their operations.

P. Zeliff made a motion to recommend approval of the Sandvoss GAIN! Loan Fund Request, P. Battaglia abstained, and the motion was not approved. Roll call resulted as follows:

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

The item will be brought forth to the full board for review without official recommendation from the committee.

3h. Law Firm for Future Loans – M. Masse informed the committee that Bob Humphrey, the attorney who currently handles the agency's loan closings will be retiring. Mr. Humphrey has recommended to all his clients, Whiting Law Firm. Whiting Law Firm currently does work for municipalities which could be a potential conflict. M. Masse suggested that the agency use Delplato-Casey Law Firm. He believes that there will be less possibility of a conflict with them.

P. Battaglia asked if we should ask to see if there are any other people who are interested in providing the services.

M. Masse replied that he did not see a need to go out to bid for these services as there are a small number of loan closings.

The committee discussed different options, but decided that Delplato-Casey Law Firm would be a good fit for the services.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 9:36 a.m., seconded by P. Zelif and passed unanimously.