



GCEDC Audit & Finance Committee Meeting
Thursday, February 6, 2020
Innovation Zone – Suite 107
12:30 p.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia (Video Conference), T. Bender
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, C. Suozzi, S. Hyde
Guests: D. Cunningham (GGLDC Board Member)
Absent: A. Young

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 12:35 a.m. in the Innovation Zone.

1a. Executive Session:

P. Battaglia made a motion to enter executive session at 12:36 p.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by M. Gray and approved by all members present:

1. 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.

1b. Re-Enter Public Session – P. Battaglia made a motion to enter back into public session at 1:02 p.m., seconded by T. Bender and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES:

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

2b. Meeting Minutes: December 3, 2019

T. Bender made a motion to approve December 3, 2019 meeting minutes as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference)
M. Gray - Yes
T. Bender - Yes
A. Young - Absent

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. GURF #21 was submitted to ESD in January. Authorization to release funds was received from ESD. Additionally, the close-out documents needed from LeChase in order to satisfy requirements for GURF #20 were successfully submitted to ESD. Payment was then remitted to LeChase Construction.

3b. \$8M STAMP Grant Review – L. Farrell reviewed the status of the \$8M ESD Grant with the Committee, noting that the process is identical to the \$33M GURF process. GURF #1 & #2 have been successfully submitted, reviewed and approved.

3c. November 2019 Financial Statements– L. Farrell noted the following:

- Restricted Cash for STAMP increased by \$4M in November. An Imprest account with the Bank of Castile was set up for the \$8M ESD Grant. These funds were used for GURF #1 and GURF #2.
- Land Held for Development & Sale – OATKA Hills decreased due to the Wendt’s Propane land sale, which is also reflected in the Cost of Sales in the Real Estate Development Fund.
- Unearned Revenue increased by the same \$4M deposited in the Imprest Account. Revenue is not recognized until qualifying expenditures are made.
- Loans Payable to ESD is about \$5.2M. Staff is completing documentation that will extend these loans another 5 years from the latest maturity date.
- In the Operating Fund, Darien Lake and Provident projects closed and origination fees were collected.
- In the STAMP Fund, activity is mostly related to GURF related expenditures.
- In the Real Estate Development Fund, Cost of Sales increased due to the Wendt’s Propane land sale.

P. Battaglia made a motion to approve the November 2019 Financial Statements; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference)
M. Gray - Yes
T. Bender - Yes
A. Young - Absent

The item was approved as presented.

3d. December 2019 Unaudited Financial Statements – L. Farrell noted the following:

- There may be some changes between the December 2019 Unaudited Financial Statements and the 2019 Finalized Audit due to additional analyses to be completed. Any additional invoices that are received for 2019 services will also account for some changes.
- Prepaid Expenses increased. NYS Retirement is prepaid for the next three months.
- Accounts Payable is very large due to the \$33M and \$8M Grant Utilization Requests that were processed in January but related to 2019 expenses.
- In the Operating Fund, Wright Beverage and Wendt’s Propane projects closed.
- Expenditures at the end of the year are not over budget on any line items except Furniture and Equipment. Budgeted funds for Supplies and Materials were utilized, in part, to purchase the new phone system.

- In the Real Estate Development Fund, there are expenditures related to utilization of a Town of Pembroke Grant.

T. Bender made a motion to approve December 2019 Unaudited Financial Statements; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference)
M. Gray - Yes
T. Bender - Yes
A. Young - Absent

The item was approved as presented.

3e. D&O Insurance Renewal– Lawley Insurance has provided us with a proposal for a renewal of our current Directors & Officer/Employment Practices Liability Insurance with Travelers. The renewal price reflects an overall price increase of only \$4.00 compared to the current policy. The current policy expires on 2/23/2020. The cost of this policy would be split between GCEDC and GGLDC (\$5,232/entity) and is within each entity's budget for 2020. Lawley noted that they have been seeing increases of at least 3% to 5% on these coverages and Travelers has been holding our premium flat for the last few years. They approached alternative markets on our behalf again and they have not received more attractive terms from other insurance companies including: Arch, AIG, Hartford Chubb, Cincinnati, Selective, or Philadelphia. These companies are either not interested or not competitive.

T. Bender made a motion to recommend to the full Board renewal of D&O Insurance coverage with Travelers; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference)
M. Gray - Yes
T. Bender - Yes
A. Young - Absent

The item was approved as presented.

3f. 2020 County Funding Contract– L. Farrell reviewed the 2020 County Funding Contract with the Committee, noting that the funding will remain the same as the previous year's funding of \$233,513. The language in the agreement is also the same as previous years' agreements. L. Farrell asked the Committee to recommend approval of the 2020 County Funding Contract.

P. Battaglia made a motion to recommend to the full Board approval of the 2020 County Funding Contract; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference)
M. Gray - Yes
T. Bender - Yes
A. Young - Absent

The item was approved as presented.

3g. ECIDA Shared Services Agreement – The GCEDC has a shared services agreement with Erie County Industrial Development Agency (ECIDA) for on call IT support services. The GCEDC had this agreement in place since 2016 and has been very pleased with the service and response time to our issues. We would like to continue this agreement in 2020. The agreement is at an hourly rate of \$85.00. They also provide website hosting service for the GCEDC (\$600 annually), anti-virus software (\$720 annually), CRM Hosting (\$2,200 annually) and any version upgrade would be \$500.00 each occurrence as required. These expenses are covered in the 2020 budget.

M. Masse requested approval of an amount not to exceed \$8,500 for on call IT support services, website hosting, anti-virus software, CRM hosting and upgrades with ECIDA for 2020.

P. Battaglia made a motion to recommend to the full Board approval of the ECIDA Shared Services Agreement; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia	- Yes (Video Conference)
M. Gray	- Yes
T. Bender	- Yes
A. Young	- Absent

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 1:19 p.m., seconded by P. Battaglia and passed unanimously.