



Meeting Agenda – Audit and Finance Committee
 Genesee County Economic Development Center
 Tuesday, October 5, 2021 – 8:30 a.m.
 Location: Innovation Zone Conference Room, Suite 107

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	M. Gray	
	1a. Executive Session: Motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons: 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. Enter Public Session	M. Gray	
2-5	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: September 2, 2021	M. Gray	Vote
6-9	3. Discussions / Official Recommendations to the Board: 3a. August 2021 Financial Statements 3b. Auditor Selection 3c. Insurance Renewal	L. Farrell L. Farrell L. Farrell	Disc / Vote Discussion Discussion
10-11	3d. Land Lease Rates	M. Masse	Disc / Vote
	4. Adjournment	M. Gray	Vote



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. Zeff - 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. Zeff - 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. Zeliff - 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.

Genesee County Economic Development Center
August 2021 Dashboard
Balance Sheet - Accrual Basis

	<u>8/31/21</u>	<u>7/31/21</u>	[Per Audit] <u>12/31/20</u>
ASSETS:			
Cash - Unrestricted	\$ 2,432,457	\$ 2,423,230	\$ 2,257,813
Cash - Restricted (A)(1)	4,766,950	5,663,903	8,089,027
Cash - Reserved (B)	796,839	792,209	791,347
Cash - Subtotal	7,996,246	8,879,342	11,138,187
Grants Receivable (2)	110,330	97,100	86,350
Accts Receivable- Current (3)	344,217	312,274	280,042
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (4)	14,200	13,368	26,223
Loans Receivable - Current	55,184	56,100	52,923
Total Current Assets	8,523,009	9,361,016	11,586,557
Land Held for Dev. & Resale (5)	17,528,009	16,617,383	15,930,796
Furniture, Fixtures & Equipment	67,982	67,982	67,982
Total Property, Plant & Equip.	17,595,991	16,685,365	15,998,778
Less Accumulated Depreciation	(67,982)	(67,982)	(67,982)
Net Property, Plant & Equip.	17,528,009	16,617,383	15,930,796
Accts Receivable- Non-current	-	-	279,650
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	215,028	219,803	253,122
Other Assets	215,028	219,803	532,772
TOTAL ASSETS	26,266,046	26,198,202	28,050,125
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows (10)	492,700	492,700	492,700
Deferred Outflows of Resources	492,700	492,700	492,700
LIABILITIES:			
Accounts Payable (6)	4,169	5,224	222,159
Loan Payable - Genesee County - Current (7)	295,000	295,000	290,000
Accrued Expenses	40,893	32,817	22,736
Unearned Revenue (8)	4,341,914	5,236,763	6,751,032
Total Current Liabilities	4,681,976	5,569,804	7,285,927
Loans Payable - ESD (9)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (7)	3,130,000	3,130,000	3,425,000
Aggregate Net Pension Liability (10)	704,674	704,674	704,674
Total Noncurrent Liabilities	9,031,161	9,031,161	9,326,161
TOTAL LIABILITIES	13,713,137	14,600,965	16,612,088
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows (10)	54,982	54,982	54,982
Deferred Inflows of Resources	54,982	54,982	54,982
NET ASSETS	\$ 12,990,627	\$ 12,034,955	\$ 11,875,755

Significant Events:

1. Restricted Cash - Includes cash deposited by ESD into imprest accounts related to the \$8M and \$33M STAMP grants. Expenditures out of these accounts are pre-authorized by ESD. Also included are funds received from the County per a Water Supply Agreement, to be put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. These funds are being used to pay for qualifying expenditures.
2. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.

3. Accounts Receivable (Current) - Econ. Dev. Program Support Grant; MedTech Centre Property Management; termed out Project Origination Fees from HP Hood to be collected in the next 12 months, etc.
4. Prepaid Expense(s) - General Liability, Cyber, D&O, Life, long-term and short-term disability insurance.
5. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
6. Accounts Payable - e3communications expenses and interest earned on imprest accounts that will be remitted to ESD.
7. Loan Payable - Genesee County (Current & Noncurrent) - Per a Water Supply Agreement with Genesee County, the County remitted \$4M to the GCEDC to put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. GCEDC started making annual payments to the County of \$448,500 beginning in January 2020.
8. Unearned Revenue - Interest received in advance; Genesee County contribution received in advance; Funds received from municipalities to support park development; Funds received to support workforce development; ESD Grant funds to support STAMP development, not actually earned until eligible expenditures are incurred.
9. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
10. Deferred Pension Outflows / Aggregate Net Pension Liability / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

(A) Restricted Cash = Municipal Funds, RLF #2 Funds, Grant Funds Received in Advance.

(B) Reserved Cash = RLF #1 Funds (defederalized).

**Genesee County Economic Development Center
August 2021 Dashboard
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2021	2021
	8/31/21	8/31/20	2021	2020	Board Approved Budget	YTD % of Budget
Operating Revenues:						
Genesee County	\$ 19,459	\$ 19,459	\$ 155,673	\$ 155,673	\$ 233,513	67%
Fees - Projects (1)	116,250	45,562	424,000	180,341	399,500	106%
Fees - Services	6,961	6,707	55,689	53,656	83,387	67%
Interest Income on Loans	270	317	2,271	2,647	3,313	69%
Rent	-	200	12,906	7,321	24,790	52%
Common Area Fees - Parks	-	-	355	700	500	71%
Grants (2)	912,627	701,660	5,125,498	2,655,691	21,692,668	24%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	200,000	200,000	300,000	67%
BP ² Revenue	-	-	701	50,000	8,634	8%
Other Revenue	-	-	1,907	7,171	5,000	38%
Total Operating Revenues	1,080,567	798,905	5,979,000	3,313,200	22,751,305	26%
Operating Expenses						
General & Admin	114,494	84,922	850,270	826,458	1,415,425	60%
Professional Services	2,964	4,352	28,119	28,435	108,000	26%
Site Maintenance/Repairs	473	901	3,154	3,720	17,200	18%
Property Taxes/Special District Fees	-	-	4,597	2,533	3,320	138%
PIF Expense	-	-	35,042	28,410	134,115	26%
Site Development Expense (3)	7,550	409,276	3,948,570	1,407,653	3,515,736	112%
Real Estate Development (4)	910,627	701,660	1,597,214	1,360,142	18,073,471	9%
Balance Sheet Absorption	(910,627)	(701,660)	(1,597,214)	(1,360,142)	-	N/A
Total Operating Expenses	125,481	499,451	4,869,752	2,297,209	23,267,267	21%
Operating Revenue (Expense)	955,086	299,454	1,109,248	1,015,991	(515,962)	
Non-Operating Revenue (Expense)						
Other Interest Income	586	2,231	5,624	17,413	7,000	80%
Total Non-Operating Revenue (Expense)	586	2,231	5,624	17,413	7,000	80%
Change in Net Assets	955,672	301,685	1,114,872	1,033,404	\$ (508,962)	
Net Assets - Beginning	12,034,955	11,604,247	11,875,755	10,872,528		
Net Assets - Ending	\$ 12,990,627	\$ 11,905,932	\$ 12,990,627	\$ 11,905,932		

Significant Events:

1. Fees Projects - Closed on the Landpro Equipment project in August.
2. Grants - \$448K Community Benefit Agreement payment dedicated to STAMP by sourcing debt service payments to the County; PIF from RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements; PIF from Yancey's Fancy supports Infrastructure Fund Agreement with the Town of Pembroke; ESD \$33M & \$8M Grants support STAMP engineering, environmental, legal, infrastructure. etc.
3. Site Development Expense - Installation of, or improvements to, infrastructure that is not owned by the GCEDC, or will be dedicated to a municipality in the foreseeable future, is recorded as site development expense when costs are incurred.
4. Real Estate Development Costs YTD - Includes STAMP development costs: house at the STAMP site purchased in 1st Quarter of 2021.

Genesee County Economic Development Center

August 2021 Dashboard

Statement of Cash Flows

	<u>August 2021</u>	<u>YTD</u>
CASH FLOWS USED BY OPERATING ACTIVITIES:		
Genesee County	\$ 19,459	\$ 175,132
Fees - Projects	116,250	688,645
Fees - Services	-	41,767
Interest Income on Loans	318	2,117
Rent	-	13,106
Common Area Fees - Parks	-	355
Grants	4,500	2,688,095
BP ² Revenue	-	701
GGLDC Grant - Economic Development Program Support	-	150,000
Other Revenue	-	1,907
Repayment of Loans	5,691	35,833
General & Admin Expense	(107,681)	(822,701)
Professional Services	(2,964)	(49,330)
Site Maintenance/Repairs	(473)	(3,154)
Site Development	(7,550)	(4,018,218)
Property Taxes/Special District Fees	-	(4,597)
PIF Expense	-	(35,042)
Improv/Additions/Adj to Land Held for Development & Resale	(910,626)	(1,721,909)
Net Cash Used By Operating Activities	<u>(883,076)</u>	<u>(2,857,293)</u>
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:		
Principal Payments on Loan	-	(290,000)
Net Cash Used By Noncapital Financing Activities	<u>-</u>	<u>(290,000)</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Interest Income (Net of Remittance to ESD)	(20)	5,352
Net Change in Cash	(883,096)	(3,141,941)
Cash - Beginning of Period	8,879,342	11,138,187
Cash - End of Period	<u>\$ 7,996,246</u>	<u>\$ 7,996,246</u>
RECONCILIATION OF NET OPERATING REVENUE TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Revenue	\$ 955,086	\$ 1,109,248
(Increase) Decrease in Operating Accounts/Grants Receivable	(45,173)	191,495
(Increase) Decrease in Prepaid Expenses	(832)	12,023
Decrease in Loans Receivable	5,691	35,833
Increase in Land Held for Development & Resale	(910,626)	(1,597,213)
Decrease in Operating Accounts Payable	(449)	(217,718)
Increase in Accrued Expenses	8,076	18,157
Decrease in Unearned Revenue	(894,849)	(2,409,118)
Total Adjustments	<u>(1,838,162)</u>	<u>(3,966,541)</u>
Net Cash Used By Operating Activities	<u>\$ (883,076)</u>	<u>\$ (2,857,293)</u>

Mark Masse

GCEDC Audit & Finance Committee

4b. Agricultural Farm Land Lease Rates for 2022

Discussion: See attached summary.

Fund commitment: None.

Committee action request: Recommend approval to the full Board of the 2022 agricultural land lease rates.

2022 Land Lease Rates
Agricultural leases

Genesee County Economic Development Center

Lessee	Location	Term	Rate / acre
Charles Augello	AppleTree Acres	One year	\$ 70.00
Stein Farms	Oatka Hills	One year	\$ 70.00
Englerth Farms	Leroy	One year	\$ 70.00
Norm Geiss	STAMP	One year	\$ 70.00
Del Mar Farms	STAMP	One year	\$ 70.00
Lamb Farms	STAMP	One year	\$ 75.00
Lamb Farms	STAMP	One year	\$ 3.98
Call Farms	STAMP	One year	\$ 3.35