



GGLDC Audit & Finance Committee Meeting

Tuesday, February 2, 2021

Location - Electronically

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: T. Bender, P. Battaglia, D. Cunningham
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, S. Hyde, C. Suozzi
Guests: M. Gray (GCEDC Board Member), C. Klotzbach (GCEDC Board Member),
P. Zelif (GCEDC Board Member)
Absent: T. Felton

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 9:48 a.m. via conference call / video conference.

Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference call / video conference instead of a public meeting open for the public to attend in person.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: January 5, 2021

T. Bender made a motion to recommend approval of the January 5, 2021 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. General Liability Insurance - The Board previously approved extending insurance coverage with Selective Insurance through the end of February 2021 while Tompkins worked on obtaining alternative insurance proposals. Tompkins went out to bid for the Agency's 2021 insurance renewal. Other markets were explored as listed in the Board packet materials, but they were unable to find another carrier that

was able to meet the GCEDC's needs at an affordable rate. The total premium proposed by Selective is within the amounts included in the EDC and LDC 2021 budgets.

T. Bender made a motion to recommend to the full Board the approval of general liability insurance with Selective as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3b. D & O Insurance - Lawley Insurance has provided us with a proposal for renewal of our current Directors & Officers/Employment Practices Liability Insurance with Travelers. The renewal price reflects an overall price increase of only \$528 (\$264/entity) compared to the current policy. The current policy expires on 2/23/2021.

The cost of this policy would be split between GCEDC and GGLDC (\$5,496/entity) and is within each entity's budget for 2021.

Coverage for the new Water and Sewer Works Transportation Corporations has not been included in this proposal. These entities can be added when we have more information to provide.

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

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3c. Cyber Insurance – Lawley Insurance has provided us with a proposal for a Cyber Liability policy. The benefits of having this insurance in place specific to the potential risks of the Agency was discussed in detail by reviewing each line-item of coverage for the proposed \$1M policy maximum. Coverage is outlined on page 22 of the Board packet materials.

This agenda item was tabled until next month to obtain more information.

3d. December 2020 Unaudited Financial Statements- L. Farrell reviewed with the Committee the significant items of the November 2020 long form financial statements and noted the following:

- On Line 9, America's Best Community grant balance was \$1,900 but in December these funds were used to develop a map that covers Bergen and LeRoy Parks as well as surrounding areas. The balance of these funds is now \$0.
- On MedTech Centre, there is an accounts receivable amount for the recoverable depreciation related to MTC insurance claim.

- On the operating fund, we closed on three solar projects, including Townline Batavia Solar and both Knapp solar projects. Each solar project paid \$25,000 to support workforce development initiatives and/or the overall economic development program.
- Professional Services increased as invoices to H. Sicherman and Harris Beach were paid in December.
- Normal monthly activity on the income statements for all funds.
- An adjustment to these financial statements for additional accounts payable is anticipated.

P. Battaglia made a motion to recommend to the full Board the approval of the December 2020 Unaudited Financial Statements; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Absent
 P. Battaglia - Yes
 T. Bender - Yes
 D. Cunningham - Yes

The item was approved as presented.

3e. Strategic Investments Update - L. Farrell made the following comments:

- Sources of funds include: \$1.1M from the 2020 HP Hood land sale and \$75,000 from three solar projects, including Townline Batavia Solar and both Knapp solar projects. Each solar project paid \$25,000 to support workforce development initiatives and/or the overall economic development program.
- 2020 Genesee County Chamber of Commerce actual loan collections were updated. No additional Chamber Loan collections were projected, but we do anticipate future collections on these loans.
- Uses of funds include: \$120,000 loaned to Kego Enterprises out of the Batavia Micropolitan Area Community Redevelopment Fund. We have \$271,000 that have been paid back to this fund and are available to be loaned, in addition to the \$134,481 reserved from the original \$500,000 that has never been loaned. The \$134,481 could be repurposed if needed.
- Opportunities include but are not limited to: additional Chamber loan payments, YSG Solar (\$25K), YSG Solar annual lease payments (\$12K/year), Gateway II – Mega properties approved land sale (\$337,500) and several additional potential land sales.

3f. MedTech Center Stairs: Paint & Resurface – The GGLDC received three bids for painting and resurfacing of the three stairwells at the MedTech Centre building. The bids came in as follows:

- Relentless Construction, LLC - \$12,750
- S.J.F Construction, Inc. - \$16,825
- Whitney East, Inc. - \$19,023

Fund Commitment – The GGLDC 2021 budget includes \$15,000 under MedTech Centre site maintenance lline item for this expense.

P. Battaglia made a motion to recommend to the full Board the approval of a contract with Relentless Construction, LLC for \$12,750; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3g. Loan Agreement with HP Hood (OCR) – The Town of Batavia has completed, submitted and been approved to receive Federal grant assistance in the amount of \$750,000 (including \$16,000 for Admin and Delivery) from NYS Housing Trust Fund Corporation represented by the NYS Office of Community Renewal through the Community Development Block Grant (CDBG) Fund for the purpose of providing financing to assist HP Hood, LLC for the installation of a new filler line at its existing production facility located at 5140 W. Ag Park Drive in the Town of Batavia. The GGLDC has previously approved a grant agreement with the Town of Batavia that lays out the terms and conditions of that funding being received by the Town of Batavia and disbursed and administered by the GGLDC. The agreement before the committee today is the loan agreement for the \$734,000 between HP Hood, LLC and the GGLDC. The terms and conditions of this loan agreement are consistent with previous CDBG funding. It is 50% loan, 50% grant, five-year amortization and 0% interest rate.

Fund commitment: \$734,000 in CDBG funding that will be provided through the Town of Batavia.

T. Bender made a motion to recommend to the full Board the approval of the loan agreement with HP Hood, LLC for the CDBG funding; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3h. Loan Agreement with Upstate Niagara (OCR) – The Town of Batavia has completed, submitted and been approved to receive Federal grant assistance in the amount of \$750,000 (including \$16,000 for Admin and Delivery) from NYS Housing Trust Fund Corporation represented by the NYS Office of Community Renewal through the Community Development Block Grant (CDBG) Fund for the purpose of providing financing to assist Upstate Cooperative, Inc. with the reactivation of a dormant yogurt production facility located at 5011 W. Ag Park Drive in the Town of Batavia. The GGLDC has previously approved a grant agreement with the Town of Batavia that lays out the terms and conditions of that funding being received by the Town of Batavia and disbursed and administered by the GGLDC. The agreement before the committee today is the loan agreement for the \$734,000 between Upstate Cooperative, Inc. and the GGLDC. The terms and conditions of this loan agreement are consistent with previous CDBG funding. It is 50% loan, 50% grant, five-year amortization and 0% interest rate.

Fund commitment: \$734,000 in CDBG funding that will be provided through the Town of Batavia.

P. Battaglia made a motion to recommend to the full Board the approval of the loan agreement with Upstate Niagara Cooperative, Inc. for the CDBG funding; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3i. PSA option for BETP – Fancher – The GGLDC has received a Purchase and Sale Agreement from a potential retail project to acquire approximately 2.0 buildable acres out of tax parcel 19.-1-74 for \$100,000.

The Committee requested that the agreement include an amendment to the purchaser's due diligence period. If there is interest from another party to purchase the parcel after 12 months of the due diligence period has expired, the purchaser will have the right of first refusal.

Fund Commitment: Legal fees to Harris Beach not to exceed \$7,500.00 for the transaction.

P. Battaglia made a motion to recommend to the full Board the approval of the purchase and sale agreement with the above-mentioned amendment and payment of legal fees not to exceed \$7,500 in connection with the closing; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3j. Change Order for Corfu WWTF Expansion – In December of 2019, the GGLDC accepted the bid received from STC Construction for a Base Bid amount of \$4,861,000 and authorizing Change Order No. 1 with a deduct amount of \$500,000.

The GGLDC also accepted the bid received from Concord Electric for a Base Bid amount of \$393,000.

The GGLDC committed the cash on hand in restricted BETP account as of 9/30/19 - \$556,001 (plus any interest earned in the account up to the date of disbursement) and future CBA payments (9 years at \$93,000 per year) unless the debt is paid off early).

The work on the WWTF is almost complete, and there are two additional change orders presented today. One change order from STC and one from Concord Electric.

The town of Pembroke has passed a bonding resolution that will cover the increase in cost as a result of the change orders and is not asking the GGLDC for any additional funds. No additional fund commitment is requested.

T. Bender made a motion to recommend to the full Board the approval of the change orders for STC Construction, Inc and Concord Electric as presented with no additional commitment of funds; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham – Yes

The item was approved as presented.

4. ADJOURNMENT

T. Bender made a motion to adjourn at approximately 10:33 a.m., seconded by P. Battaglia and passed unanimously.