



**GCEDC Audit & Finance Committee Meeting**  
**Tuesday, January 10, 2023**  
**Location: 99 MedTech Drive, Innovation Zone**  
**8:30 a.m.**

**MINUTES**

**ATTENDANCE**

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

**1. CALL TO ORDER / ENTER PUBLIC SESSION**

M. Gray called the meeting to order at 9:52 a.m. in the Innovation Zone.

**2. Chairman’s Report & Activities**

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

**2b. Minutes: November 29, 2022 & December 15, 2022 –**

**P. Zeliff made a motion to approve the November 29, 2022 and December 15, 2022 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - Absent  
P. Zeliff - Yes

**The item was approved as presented.**

**3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:**

**3a. General Liability Insurance – Umbrella Coverage** - The same discussion that took place during the GGLDC Audit & Finance Committee regarding the umbrella coverage applies to the GCEDC. The key points of discussion have been added for ease of reference. Included with the meeting materials was a quote for \$5M of umbrella coverage from W H Green Associates Inc. Breakout of layers \$1M - \$5M is as follows:

\$1M - \$15,300  
\$2M - \$22,950  
\$3M - \$26,775  
\$4M - \$28,775  
\$5M - \$30,775

An additional \$5M more than this coverage would be available for \$10,500 from Westchester Fire Insurance Company, part of the Chubb Group.

The Board previously approved moving forward with a renewal for General Liability coverage with Selective Insurance for approximately \$71,000, which does not include umbrella coverage.

J. Teresi reiterated much of the material that he shared at the last Audit and Finance meeting. Historically, Selective only charged for the exposure associated with the MedTech Centre building and did not charge for other development efforts, which resulted in affordable general liability insurance that included a \$10M umbrella. Last year, the insurance premium was approximately \$40,000 across all entities. However, with the development of the STAMP site there is an expectation that infrastructure development efforts will only increase. This year, the insurance premium with Selective across all entities, including the STAMP Water and Sewer Works Corps, is approximately \$71,000 but does not include the \$10M umbrella. Selective no longer wished to provide umbrella coverage because they were not comfortable with the exposure. Last year, the \$10M umbrella coverage with Selective was approximately \$10,000. This year, the cost for the umbrella coverage has increased because pricing is based on the cost of the general liability insurance. Therefore, \$5M of umbrella coverage will cost approximately \$31,000 with an additional \$5 million of coverage costing approximately \$10,500.

J. Teresi also stated that as land is sold off and the building of infrastructure is completed, the general liability insurance and umbrella coverage premiums will likely go down. This is because infrastructure development is driving the cost increase. Fortunately, the increased cost of general liability insurance and umbrella coverage premiums are most likely temporary.

**P. Zelif made a motion to recommend to the full Board moving forward with 2023 General Liability Insurance Umbrella Coverage not to exceed \$42,000 to be split 50/50 between the EDC and LDC; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - Absent  
P. Zelif - Yes

**The item was approved as presented.**

**3b. D&O Insurance** - The same discussion that took place during the GGLDC Audit & Finance Committee regarding D&O insurance applies to the GCEDC. The key points of discussion have been added for ease of reference. Lawley was asked to go to market for D&O insurance. The current renewal with Travelers is anticipated to come in at \$21,000. We had budgeted \$18,000. This increase is less than the 15% - 20% increase that is typical everywhere else in the market. Lawley continues to look for a couple more prices from other carriers. Renewal information and proposals will be presented at the next meeting.

**3c. November 2022 Financial Statements** - L. Farrell reviewed with the Committee the significant items of the November 2022 long form financial statements.

- On the balance sheet, line 8 shows restricted cash of \$83,000, which is related to PIF payments. We received the school portion of the PILOT payments from RJ Properties and

Yancy's Fancy. These funds were not distributed to the municipalities until December, which accounts for the increase in accounts payable.

- We are a little under budget for origination fees at the end of November. It's anticipated that by the end of December we should be over \$400,000 in origination fee revenue.
- In the operating fund, expenditures are beginning to level-out, except where anticipated (i.e. D&O Insurance).
- No GURFS were submitted in November so there was not much activity in the STAMP fund.
- 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 approval of the November 2022 Financial Statements as presented; the motion was seconded by P. Zeliff. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - Absent  
P. Zeliff - Yes

**The item was approved as presented.**

**3d. 2023 County Funding Contract** - L. Farrell noted that the 2023 County Funding Contract was included with Board materials. The funding will remain the same as the previous year's amount of \$233,513 plus an additional \$25,000 to be used only for administration of a workforce development program.

**P. Zeliff made a motion to recommend to the full Board the approval of the 2023 County Funding Contract as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - Absent  
P. Zeliff - Yes

**The item was approved as presented.**

**3e. ECIDA Shared Services Contract** - The GCEDC has a shared services agreement with Erie County Industrial Development Agency (ECIDA) for on call IT support services. The GCEDC has had this agreement since 2016 and has been very pleased with the service and response time to our issues. We would like to continue this agreement in 2023. The agreement is at an hourly rate of \$95. They also provide website hosting services for the GCEDC (\$600 annually), anti-virus software (\$720 annually), CRM Hosting (\$2,200 annually) and any version upgrade would be \$500 each occurrence as required. There has been no increase in the hourly rate since 2016 and there was a \$10 per hour increase from 2021 to 2022. There are no changes from 2022 to 2023. All other amounts have remained the same as last year.

The following amounts were included in the 2023 budget:

Professional Services - \$6,500 for ECIDA IT consultant (web hosting, anti-virus, hourly IT support)  
Dues & Subscriptions - \$2,500 for ECIDA CRM Hosting

**Fund commitment:** Not to exceed \$6,500 as included Professional Services, and \$2,500 as included in Dues & Subscriptions line items of the 2023 budget.

**Committee action request:** Recommend approval of not to exceed \$9,000 for on call IT support services, website hosting, anti-virus software, CRM hosting and upgrades with ECIDA for 2023.

**P. Zelif made a motion to recommend to the full Board the approval of the ECIDA Shared Services Agreement not to exceed \$9,000; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - Absent  
P. Zelif - Yes

**The item was approved as presented.**

#### **4. ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at 9:58 a.m., seconded by P. Zelif and passed unanimously.