



GGLDC Audit & Finance Committee Meeting

Tuesday, May 30, 2023

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

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

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 9:15 a.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITES

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

2b. Minutes: March 30, 2023

P. Battaglia made a motion to recommend approval of the March 30, 2023 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:

J. Tretter - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. 1st Quarter Financial Statements - L. Farrell reviewed the 1st quarter financial statements with the Committee. The following was noted:

- On the balance sheet, there is a new line item. Line 8 shows \$900,000 of Restricted Host Community Investment Agreement funds from Plug Power. This is the first payment received from Plug Power. Per the agreement, payments will total \$18M over 20 years/ \$900,000 per year and will be used to support STAMP development and infrastructure improvements. These funds will be tracked separately from Strategic Investments.
- On Line 14, grants receivable decreased.

- On Line 54, accounts payable decreased. 2022 expenditures were paid in the first quarter, which decreased accounts payable from year end.
- In the Operating Fund, there is \$66,000 in CDBG Genesee CARES grant income which was disbursed to program grant award recipients.
- In the Operating Fund, there is an unbudgeted grant expense of \$50,000. \$25,000 was granted to the STAMP Water Works, Inc. and \$25,000 was granted to the STAMP Sewer Works, Inc. Both grants were intended to cover start-up costs for these entities. These grants may be re-classified as loans. There will be continued discussion regarding this potential re-classification.
- Regular monthly activity for MedTech Centre.

T. Bender made a motion to recommend to the full Board the approval of the 1st Quarter Financial Statements as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Absent
 P. Battaglia - Yes
 T. Bender - Yes
 D. Cunningham – Yes

The item was approved as presented.

3b. April 2023 Financial Statements- L. Farrell reviewed with the Committee the significant items of the April 2023 long form financial statements.

- On the balance sheet, there are not many significant changes.
- In the Operating Fund, there is \$168,000 in CDBG Genesee CARES grant income which was disbursed to program grant award recipients as well as H. Sicherman for grant program delivery and administration fees in the amount of \$2,300.
- In the Operating Fund, there is an unbudgeted, Board approved, grant expense of \$90,000 to cover potential legal expenses related to the easements for the force main.
- Regular monthly activity for MedTech Centre.

P. Battaglia made a motion to recommend to the full Board the approval of the April 2023 Financial Statements as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

J. Tretter - Absent
 P. Battaglia - Yes
 T. Bender - Yes
 D. Cunningham – Yes

The item was approved as presented.

3c. Strategic Investment Funds Analysis- L. Farrell reviewed the Strategic Investments Analysis with the Committee.

She noted that there have not been many changes since the last review, but noted the following:

- The analysis has been extended through 2027.
- Projections for 2023 remained the same.

- The \$20,000 non-refundable land sale deposit from La Fermiere is shown on the analysis.
- In 2023 YSG/Batavia Solar, provided \$25,000 of funding for Workforce Development and the overall Economic Development program.
 - o Opportunities on the last page of the analysis include eight additional solar projects that have been approved by the Board. These will not be reflected as a source of funds until they close.
- The Batavia Micropolitan Area Community Redevelopment Fund reserved amount of \$134,000 was previously pushed out to 2023. This reserved amount is the balance of the original \$500,000 commitment for the Revolving Loan Fund. This amount could be released if needed.
- The start-up costs of \$100,000 for the Water Works Corp and Sewer Works Corp were previously approved by the Board. Only \$50,000 has been paid to date. \$25,000 was paid to the STAMP Water Works, Inc. and \$25,000 was paid to the STAMP Sewer Works, Inc.
- \$90,000 has been transferred to the STAMP Sewer Works, Inc. to cover potential legal expenses related to the easements for the force main.
- Reserves for the Workforce Development Consultant have been removed for 2023, as the activity is being undertaken by the GCEDC in 2023. A placeholder of \$30,000 for the workforce development consultant remains for years 2024-2027 in case the County does not continue to provide additional funding to support Workforce Development initiatives as it is currently.
- In addition to the eight solar projects, another opportunity includes the MedTech Park Housing Project land sale. Funds from this land sale may be used as seed funding for the Batavia Home Fund.
- Per the Plug Power Community Investment Agreement, \$900,000 per year for 20 years will be collected. These funds will be tracked in a separate strategic investment funds analysis intended for STAMP infrastructure improvements.
- At the end of 2027, there is a projected cash balance of about \$2.2 million.

3d. Cyber Insurance – This agenda item was discussed during the GCEDC Audit & Finance Committee Meeting. Details have been added for ease of reference. Representatives from Lawley originally planned to attend the meeting to discuss Cyber Insurance. However, quotes were not received timely. Three companies declined to provide a quote, stating that they are not in the market for this class of business. Lawley still anticipates receiving two quotes, including one from Travelers as well as another company. Quotes will be available for review at the next Board meeting for the July 1st renewal date.

3e. Genesee Agri-Business, LLC – Collateral Option – The Genesee Agri-Business, LLC did not qualify for collateral agreements because it is not a municipality. An alternative is to place the funds into demand deposit accounts using Insured Cash Sweep. Funds are sent from the transaction account at the bank into deposit accounts at other Insured Cash Sweep Network banks in amounts below \$250,000; therefore, accessing FDIC insurance coverage from many institutions. There are no fees, and the funds will earn money market rates. L. Farrell presented this information for discussion only. The Committee is in favor of this option to achieve FDIC insurance coverage for the Genesee Agri-Business, LLC's funds. No vote was taken.

3f. Audit & Finance Committee Charter- The Committee discussed the Charter in executive session during a Committee self-evaluation discussion. On page 20 of the meeting materials, under *Composition of Committee and Selection of Members*, a change was recommended, if allowable. In the sentence “The audit and finance committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the GGLDC”, the Committee recommends striking/removing “whose name shall be disclosed in the annual report of the GGLDC.”

L. Farrell will advise if this change is allowable.

T. Bender made a motion to recommend to the full Board the approval of the Audit & Finance Committee Charter with the above-mentioned change, if allowable; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham – Yes

The item was approved as presented.

3g. Committee Self-Evaluation – The Committee Self-Evaluation was discussed during Executive Session. A new memo will be drafted and provided to the Governance Committee as the Committee Self-Evaluation comes out of the Committee Charter Review. The Committee recommends the following changes to the Self-Evaluation Report:

- 1) Amendment of the language “The Committee recognized adequacy with the Charter...” to “The Committee is fulfilling the Charter...”
- 2) The financial expert will be changed from Nicole Ryan of Freed Maxick to Laura Landers of Laura Landers, LLC.

No vote was taken.

3h. HVAC Maintenance Contract - The GGLDC has an agreement with Turnbull Heating and Air Conditioning to perform bi-annual maintenance on the HVAC system (check the A/C in the spring and the heat in the fall). This contract will be under the \$5,000 limit that would require Board approval, however, throughout the course of the year there are service calls and repairs needed that will cause the total expenditures to go over \$5,000.

Fund Commitment: \$3,348 plus materials, along with service calls and maintenance.

Board Action Request: Approval of maintenance contract with Turnbull for the HVAC system, along with service calls and maintenance.

Staff suggested a not to exceed approval amount of \$15,000 based on the 2022 PARIS Procurement report.

P. Battaglia made a motion to recommend to the full Board the approval of the HVAC Maintenance Contract with Turnbull as well as service calls and maintenance not to exceed \$15,000; the motion was seconded by T. Bender. Roll call resulted as follows:

J. Tretter - Absent
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham – Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 9:35 a.m., seconded by P. Battaglia and passed unanimously.