



GCEDC Audit & Finance Committee Meeting
Tuesday, January 30th, 2024
Location: 99 MedTech Drive, Innovation Zone
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: P. Zelif, P. Battaglia (Video Conference*), M. Gray, K. Manne
Staff: L. Farrell, M. Masse, P. Kennett, L. Casey, C. Suozzi, S. Hyde
Guests: J. Tretter, M. Brooks, Susie Ott (Lawley), Caitlin Celis (Lawley), Claire Farzmell (Lawley)
Absent:

*Attending from a physical location identified in the meeting notice as open to the public.

1. CALL TO ORDER / ENTER PUBLIC SESSION

K. Manne called the meeting to order at 8:30 a.m. in the Innovation Zone.

2. Chairman’s Report & Activities

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

2b. Minutes: January 9, 2024

P. Zelif made a motion to approve the January 9, 2024 minutes; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference*)
M. Gray - Yes
P. Zelif - Yes
K. Manne - Yes

The item was approved as presented.

Presentation – Representatives of Lawley Insurance provided a detailed review of the renewal of the Agency’s Directors & Officers/Employment Practices Liability Insurance with Travelers. The current policy expires on February 23, 2024. There has been no change in coverage, but the premium increased due to the settled claim in 2022, in addition to the current, open claims. They also discussed the option of bringing Cyber into the same renewal as D&O/Employment Practices Liability Insurance as opposed to renewing in July. This would help to streamline the insurance renewal processes and could help with premiums due to multi-line discounts. A cyber proposal from Travelers was also included in the meeting materials for the Committee’s review. It should be noted that the proposal includes a reduction in retention from \$10,000 to \$5,000.

The Committee requested that Lawley obtain quotes with a higher retention of \$25,000 as opposed to \$10,000 for D&O/ Employment Practices Liability Insurance. Lawley will provide these quotes so that the Board can compare them at the meeting on Thursday.

The renewal comparison was provided in the meeting materials on page 13. D&O Insurance/Employment Practices Liability increased to \$28,154 (from \$20,925). Combined with Cyber Insurance, the total premium is \$34,801.

Susie Ott, Caitlin Celis, and Claire Farzmell left the meeting at 8:51 a.m.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. 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 reflects a price of \$28,154 which would be split 50/50 between the GCEDC and GGLDC. This is an overall price increase of \$7,229 (\$3,614.50/entity) compared to the current policy. The current policy expires on 2/23/2024.

Lawley did send our information to market, but they have not received responses due to the open claims. Because of that, they do not anticipate many carriers offering quotes. One other company was interested but needed to review the claim details before fully considering. A response had not yet been received.

The cost of this policy would be split between GCEDC and GGLDC (\$14,077/entity). The GCEDC included \$10,850 in the 2024 budget for this expense and the GGLDC included \$10,900.

No recommendation was made. The Committee decided to wait until Thursday's full Board Meeting to consider a quote with the requested higher retention of \$25,000.

3b. Cyber Insurance – Lawley suggested that we consider cancelling/rewriting the Cyber policy so it could potentially be added to the D&O renewal. This would help to streamline the insurance renewal processes in the future and could help with premiums due to multi-line discounts.

Lawley was able to provide a Cyber proposal from Travelers. The price reflected for the term is proposed at \$6,647 which would be split between the GCEDC and GGLDC. This is an overall price increase of \$282 (\$141/entity) compared to the current policy. NOTE: The proposal includes a reduction in retention from \$10,000 to \$5,000.

The current policy expires on 7/1/24. It is recommended that we cancel the current policy and move forward with this proposal.

The cost of this policy would be split between the GCEDC and GGLDC (\$3,323.50/entity). Each entity included \$5,000 in their 2024 budget for this expense.

P. Zelif made a motion to recommend to the full Board the approval of the Cyber Insurance proposal as presented; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference*)
M. Gray - Yes
P. Zelif - Yes
K. Manne - Yes

The item was approved as presented.

3c. December 2023 Unaudited Financial Statements - L. Farrell reviewed with the Committee the significant items of the December 2023 long form financial statements.

- On the balance sheet, line 8 shows a decrease in restricted cash of about \$92,000. We received PIF payments related to Buffalo East Tech Park in November. These funds were distributed to the town of Pembroke in December.
- Accounts receivable decreased. The quarterly payment for the MedTech Centre Property Management Fee and Economic Development Support Grant from the GGLDC was received.
- Accrued expenses on line 66 decreased. The New York State retirement invoice was paid, which covers a period through March 31st so there is also an increase to prepaid expenses of about \$35,000.
- Accounts payable increased. We started making year end adjustments in preparation for the audit. Most of these payables are related to STAMP expenditures that were paid in January using the imprest cash from ESD related to the \$33M and \$8M grants. These invoices included work completed through December 2023. There will be some journal entries, including additional payables, made between the presentation of unaudited and audited financial statements.
- In the operating fund:
 - o Payroll is slightly over budget but health, vision and dental insurance are significantly under budget due to a change in the Employee Benefit Policy in January 2023.
 - o NYS retirement annual contribution is over budget because the invoice came in higher than anticipated.
 - o Insurance, which has been discussed all year and anticipated, is over budget.
 - o Some expenditure line items are significantly under budget.
- In the STAMP fund, we do not budget for National Grid grant income because we do not know what will be awarded the following year. There is about \$27,000 that we will be able to draw down from National Grid, which saves money on the operating side.
- Other anticipated adjustments to the financial statements include changes to accounts payable and accounts receivable, the GASB 68 audit adjustment related to deferred pension inflows and outflows and GASB 87 related to leases.
- At year end, there is unrestricted cash of about \$11M. Most of these funds are earmarked for STAMP purposes as matching funds for the FAST NY grant.
- The Committee asked if NYS Retirement has been adequately budgeted for this year. If not, the Committee suggested that there should be a potential budget amendment.

P. Zelif made a motion to recommend to the full Board the approval of the December 2023 Unaudited Financial Statements as presented; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference*)
M. Gray - Yes
P. Zelif - Yes
K. Manne - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, M. Gray made a motion to adjourn at 9:00 a.m., seconded by P. Zeliff and passed unanimously.