



GCEDC Audit & Finance Committee Meeting
Wednesday, August 13th, 2025
Location: 99 MedTech Drive, Innovation Zone
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, K. Manne, P. Battaglia
Staff: L. Farrell, M. Masse, C. Suozzi, K. Galdun, J. Krencik, P. Kennett
Guests:
Absent: P. Zelif

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: June 3, 2025

M. Gray made a motion to approve the June 3, 2025, minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Yes
P. Zelif - Absent
K. Manne - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. May 2025 Financial Statements – L. Farrell reviewed with the Committee the significant items on the long form financial statements for May 2025.

- There weren’t any Grant Utilization Requests (GURFs) for the STAMP grants in May. As a result, there wasn’t a large change in cash.
- We did not close on any projects, so unrestricted cash remained about the same as April.
- There aren’t any significant changes to the balance sheet. There is normal monthly activity.
- Accrued expenses doubled which was due to New York State Retirement.
- In the operating fund, we should be at 41% - 42% of budget for expenses. There are a couple of items that are over budget at this time due to being front loaded or we knew that they would be over budget (i.e. insurance).

- In the Batavia Home Fund, a home improvement grant for \$10,000 was disbursed. This is the third grant disbursed from these funds. L. Farrell stated that grant funds are not disbursed until the project is complete and the proper documentation is submitted and reviewed.

P. Battaglia made a motion to recommend to the full Board the approval of the May 2025 Financial Statements as presented; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Yes
P. Zelif - Absent
K. Manne - Yes

3b. June 2025 Financial Statements – L. Farrell reviewed with the Committee the significant items on the long form financial statements for June 2025.

- There was a decrease in restricted cash of over \$2M in June to the submission of a GURF for the \$56M grant.
- In the STAMP Fund, there is \$2.25M of grant revenue as well as the correlating expenditures related to the GURF submission.
- In the Operating fund, we did not close on any projects in June so there aren't any origination fees.
- We should be at 50% of budget for expenses. There are a couple of items that are over budget at this time due to being front loaded or we knew that they would be over budget (i.e. insurance).

M. Gray made a motion to recommend to the full Board the approval of the June 2025 Financial Statements as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Yes
P. Zelif - Absent
K. Manne - Yes

3c. Assessment of the Effectiveness of Internal Controls – Public Authorities Law requires all Public Authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures. The 2025 Assessment of the Effectiveness of Internal Controls identifies and summarizes the controls in place for major business functions

The Committee is asked to review and approve the Assessment of the Effectiveness of Internal Controls annually (this is not brought to the full Board for approval).

L. Farrell stated that page 13 of the meeting materials is the summary that is posted to the website, highlighting the major functions of the Agency's internal controls. No changes are being suggested currently. Page 19 of the meeting materials includes a list of the approved vendors that can receive online payments. No additional vendors have been added to this list.

P. Battaglia asked for clarification related to Program Service Receivables in the Assessment of the Effectiveness of Internal Controls (page 15 of the meeting materials). As a result of this discussion, L. Farrell agreed that additional language or a change is needed to clarify this control.

P. Battaglia also asked for clarification related to Purchases (Other than Inventory) on page 16 of the meeting materials. Specifically asking what is defined as inventory. M. Masse stated that the main inventory is land. No changes are needed related to this control.

P. Battaglia suggested that an organizational chart attached to this document that includes titles and names of employees would be helpful. K. Manne agreed, stating that she had noted this as a potential change as well.

P. Battaglia made a motion to approve the Assessment of the Effectiveness of Internal Controls with the above-mentioned changes; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Yes
P. Zelif - Absent
K. Manne - Yes

3d. 2026 Budget Timeline – The 2026 Budget is due to the County Manager on September 5th. The next Board meeting is on September 4th. To meet this deadline, the Committee is asked to recommend approval of the 2026 Budget to the full Board at the next meeting, which will be held on September 2nd. Today, L. Farrell will review assumptions of the Budget with the Committee. If any Board members foresee any issues with attending the next Board meeting, they were asked to notify staff as soon as possible so that arrangements can be made to have the budget approved timely.

3e. 2026 Budget Input / Assumptions – L. Farrell reviewed the budget worksheets and first draft of the budget in detail with the committee, along with 2025 projections and a cash outlook through 12/31/25. The following are some of the significant items noted:

- Most of the activity included in this budget is normal activity.
- In the STAMP fund, there are cells that have been highlighted in yellow. These cells may remain zero; however, there is more work to be done related to this.
 - o When looking at the STAMP grants, we must analyze what we project to spend this year versus next year. We budget for even amounts “in” and “out”, so it nets to zero. Some expenses get capitalized. Therefore, it doesn’t end up being a net zero, but the easiest way to budget them is as the same “in” and same “out”.
- On the cash projection, everything that we have left in the \$33M and \$56M is going to be held up by the MWBE requirements. We most likely will not be able to achieve drawing down anymore cash in 2025. ESD will always hold back the amount that we are under in our MWBE requirements. We are trying to make set a path that will result in a successful MWBE waiver request when the time comes.
- At 12/31/25 we anticipate approximately \$7.4M in unappropriated funds.
- At the end of the year, we are projecting that the STAMP fund will owe other funds \$2.4M.
- In the operating fund, we budgeted for the same level of contribution from Genesee County of \$233,513, as well as \$25K for Workforce Development initiatives for 2026.
- An origination fee revenue of \$1M was budgeted for 2026, which is an increase from 2025. We are projecting \$5M of origination fee revenue for 2025 by year end.

- There is interest income of \$250K. We will continue to invest in 3-month CDs.
- Budgeted for a \$300K Economic Development Program Support Grant from the GGLDC.
- In the operating fund, budgeted expenses for 2026 include but are not limited to the following:
 - o Payroll has been budgeted for the same amount as 2025. This includes a placeholder for a 5% increase for all positions. 2025 projected payroll is significantly less than budgeted.
 - o Univera requested a 14.5% increase for health insurance premiums for 2026. The 2026 budget number for health insurance is based on this request. There is also a \$7,000 placeholder to cover if an employee were to switch from subscriber only to another plan.
 - o \$150K for New York State Retirement has been budgeted. We just received an estimated invoice for 2025 today. Based on this invoice, we may increase this budget line-item by about \$8K.
 - o \$106K was budgeted for Dues and Subscriptions for 2025. Staff is looking into implementing DocuWare, which could enable paperless filing and enhanced process flow systems. Therefore, Dues and Subscriptions for 2026 was increased to \$116K.
 - o Conferences and Meetings was \$34K for 2025. There was a slight increase for 2026 to \$35K.
 - o For Professional Services there is an increase to \$57K in 2026 from \$52.7K from 2025. This increase takes into consideration services provided by Toshiba for implementing DocuWare as well as the regular professional services seen year over year.
 - o There are Professional Services related to Local Labor Reporting. About \$80K is reimbursable (paid from deposits received from companies) and \$10K is not reimbursable.
 - o The Furniture/Equipment budget line was increased to \$22.5K from 15K. This would allow for an update to the live stream equipment, which could be an expense anywhere from \$5K to \$10K. This budget number also includes new office furniture.
- In the Revolving Loan Fund #1 there is no activity but there is money owed to this fund which makes it active.
- In the Real Estate Development Fund, the most significant item is PIF grant income and expense.
- In the STAMP fund, there are cells that have been highlighted in yellow. At the next meeting, these cells will be filled with the "ins" and "outs" that net to zero. There are also expenses related to the STAMP Part 182 Mitigation Contract with Conservation Connects/CC Environment and Planning.
- In the Workforce Development Fund, we show the County contribution of \$25K as well as an expense of \$35K to continue the contract with Sheila Eigenbrod, the GCEDC's workforce development consultant.
- In the GAIN Loan Fund, activity is related to the loans that are already in place.
- The BP2 agreement expires at the end of 2025. We will continue to collect on the PILOTs that are already in place until they are completed. At the end of 2029, we anticipate having about \$300K in the BP2 fund.

L. Farrell asked the Committee to contact her if they have any other suggestions or questions regarding the draft budget. The next time the committee meets and reviews the budget again, they will be asked to recommend it to the full board for approval. Any changes made to the budget assumptions will be reviewed in detail at that time.

4. ADJOURNMENT

As there was no further business, M. Gray made a motion to adjourn at 9:32 a.m., seconded by P. Battaglia and passed unanimously.