



## **GGLDC Audit & Finance Committee Meeting**

**Tuesday, October 27, 2020**

**Location - Electronically**

**8:30 a.m.**

### **MINUTES**

#### **ATTENDANCE**

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

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

T. Felton called the meeting to order at 9:15 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: September 29, 2020**

**T. Bender made a motion to recommend approval of the September 29, 2020 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

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

**The item was approved as presented.**

#### **3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:**

**3a. September 2020 Financial Statements-** L. Farrell reviewed with the Committee the significant items of the September 2020 long form financial statements and noted the following:

- On the balance sheet, there is a new line item with a balance of \$6,800 in Restricted Cash Grant Funds. We collected the final draw for the Freightliner OCR grant. A portion of these funds will be paid to Harry Sicherman for grant consulting services and the balance will be paid to Freightliner as the final payment of the deferred loan.

- In the Batavia Micropolitan Area Revolving Loan Fund, Kego made a \$110,000 advance loan payment in September.
- Accounts payable increased by our monthly accrual for amounts that are due to the GCEDC quarterly for the Economic Development Program Support Grant and the MTC Property Management Fee.
- Regarding MedTech Centre debt re-pricing, the current portion of the bonds payable increased significantly. The Five Star Bank loans/bonds rates decreased automatically at 10 years in September. The taxable bond went from 6.64% to 3.16%. The tax-exempt bond went from 4.44% to 2.52%. These rates will be locked for the next 10 years. The USDA loan is at 4%, which did not change.
- 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 September 2020 Financial Statements; the motion was seconded by T. Bender. Roll call resulted as follows:**

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

**The item was approved as presented.**

**3b. Strategic Investment Funds Analysis** – L. Farrell made the following comments:

- 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.
- Regarding opportunities, we anticipate receiving \$25,000 per solar project into the LDC. As we look at the 2020 cash projection and the LDC 2021 budget, we anticipate receiving \$100,000 in 2020 and another \$75,000 in 2021. An initial discussion began with the consideration that these funds would be used for the initial capitalization of a Workforce Development Training Center

**3c. GGLDC 2021 Budget** – L. Farrell presented the 2021 budget to the Committee for final review and recommendation to the full Board for approval. L. Farrell noted that there were only a few changes made to the budget since the Committee reviewed it last:

- The financial outlook for the remainder of 2020 was provided with the Committee meeting materials. Bond payments (Debt service) now reflects updated payment due to the decrease in interest rates for the remainder of 2020. The adjustment was made on the 2021 budget as well.
- There was a reallocation of \$25,000 from YSG Solar that was previously under MedTech Park but was moved to Operations. These funds will be included in strategic investments.
- The cash budget is then converted into an accrual budget. The significant changes when converting from cash to accrual are:
  - o Only interest income is shown for loan repayments received from companies.
  - o Only interest expense is shown for debt service for MedTech Centre.
  - o Depreciation is included.
  - o Grant expense of \$224,500 related to the Freightliner loan is included. If the grant is successfully closed out, the Board could authorize the forgiveness of the deferred loan.

**T. Bender made a motion to recommend to the full Board the approval of the GGLDC 2021 Budget as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

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

**The item was approved as presented.**

**3d. MedTech Centre Debt Re-Pricing** – This discussion was included as a part of the September 2020 Financial Statements agenda item. No further discussion took place.

**3e. GGLDC 1+3 Budget** - L. Farrell presented the 1+3 budget to the Committee for final review. It was noted that most line items show a 3% increase year over year unless there is an asterisk. These line items could be estimated more accurately based upon additional information that is available.

This is simply a forecast and not a formal approval of the budgets for years 2022-2024. This information will be entered into PARIS (Public Authorities Reporting Information System).

**P. Battaglia made a motion to recommend to the full Board the approval of the GGLDC 1+3 Budget as presented; the motion was seconded by T. Felton. Roll call resulted as follows:**

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

**The item was approved as presented.**

**3f. GCEDC Economic Development Support Grant** - L. Farrell stated that the Economic Development Program Support Grant of \$300,000 was included within the GCEDC's and GGLDC's 2021 budgets.

**T. Bender made a motion to recommend to the full Board the approval of the 2021 Economic Development Program Support Grant to the GCEDC; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

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

**The item was approved as presented.**

**3g. Auditor Selection** – L. Farrell presented an engagement letter from Mostert, Manzanero & Scott, LLC for \$11,700, which includes a single audit if needed. This is the same rate as last year's services.

**T. Bender made a motion to recommend to the full Board authorization to sign the engagement letter with Mostert, Manzanero & Scott, LLC for auditing services, not to exceed \$11,700, the motion was seconded by P. Battaglia. Roll call resulted as follows:**

T. Felton - Yes

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

**The item was approved as presented.**

**3h. MedTech Centre Insurance Settlement** – The total construction and remediation costs for the water damage totaled \$59,579.79. The final settlement from the insurance company increased from \$55,110.26 to \$57,000.00.

**T. Bender made a motion to recommend to the full Board authorization to accept the increased settlement offer from the insurance company and sign the release form; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

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

**The item was approved as presented.**

**3i. Rest & Revive Additional 2-month Loan Deferral Request** – The Rest & Revive Float Center had previously received a six-month deferral on their current loan with the GGLDC due to Covid-19. They reopened on June 15<sup>th</sup> and received multiple bookings for float sessions, however, those appointments were to redeem gift certificates purchased in late 2019. They lost 80% of their regular clients due to Covid-19. They are diligently working to book those regulars as well as pick up new clients.

The Committee requested more information. No recommendation was made.

**3j. Formation of Water & Sewer Works Corp** – The STAMP onsite water system and on-site sanitary sewer system with off-site discharge will be owned, operated, and maintained by two entities that are to be formed under NYS Transportation Corporation Law. The GGLDC will be the sole shareholder of these corporations. The GGLDC has petitioned and received consent from the Genesee County Department of Health, Genesee County Highway Department, the Town of Alabama Highway Department, and the Town of Alabama regarding the formation of the water works corporation, and has petitioned and received consent from Genesee County Department of Health, Orleans County Department of Health, the Genesee County Highway Department, the Town of Shelby Highway Department, and the Town of Shelby regarding the formation of the sewer works corporation.

More information will follow regarding formation of these entities.

**3k. Genesee County Mowing Contract** – The GGLDC received a proposal for mowing of the stormwater ponds and vacant land at Gateway II, MedTech Centre, and Ag Park for 2021. Proposal amount is from the same vendor as last year and the price has been increased (2019 was \$11,050) to \$11,600 and is included in the 2021 GGLDC budget as presented to the Committee.

**P. Battaglia made a motion to recommend to the full Board the approval of the mowing contract with the Genesee County Highway Department as presented; the motion was seconded by T. Bender. Roll call resulted as follows:**

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

**The item was approved as presented.**

**3I. MedTech SDNA** – The current mortgages with Five Star Bank and the USDA for the MedTech Centre lists the entire 34 acres of the MedTech Park as being included with the “Facility” description on the mortgage. A solar company currently has a ground lease on approximately 2 acres of land and are now moving forward with the final design and approval of a commercial solar farm. As part of their title search review their attorney noticed the description of the property as well as the “Assignment of Rents” section refers to all leases, including this ground lease. In order to make this project happen the company’s attorney is asking if we can sign a Sub-Ordination Non-Disturbance and Attornment Agreement (SDNA) for that parcel. Five Star Bank provided their standard SDNA form to use and USDA is checking on the applicability.

The Committee concluded that signing the SDNA form is normal course of business. Staff will have D. Cunningham sign the agreement pending review from legal counsel. Board approval is not required.

#### **4. ADJOURNMENT**

P. Battaglia made a motion to adjourn at approximately 10:16 a.m., seconded by T. Bender and passed unanimously.