



GGLDC Audit & Finance Committee Meeting

Tuesday, January 10, 2023

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: D. Cunningham, T. Felton, P. Battaglia
Staff: L. Farrell, M. Masse, L. Casey, J. Krencik, P. Kennett, C. Suozzi, S. Hyde
Guests: M. Gray (GCEDC Board Member), P. Zeff (GCEDC/GGLDC Board Member), M. Zimmerman (Harrison Studios), S. Noble-Moag (GGLDC Board Member), J. Teresi (Tompkins Insurance), Ross Samner and Andrew Thomas (Bullrock Renewables)
Absent: T. Bender

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 8:31 a.m. in the Innovation Zone.

1a. Enter Executive Session

T. Felton made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:31 a.m. for the following reasons:

1. The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.
2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

The motion was seconded by P. Battaglia and approved by all members present.

M. Zimmerman left the meeting at 8:36 a.m.

S. Noble-Moag left the meeting at 8:47 a.m.

1b. Enter Public Session

P. Battaglia made a motion to enter back into public session at 8:47 a.m., seconded by T. Felton and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

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

T. Felton made a motion to recommend approval of the November 29, 2022 and December 15, 2022 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

The Committee began with agenda item 3e because Ross Samner and Andrew Thomas of Bullrock Renewables attended the meeting to answer any questions related to this matter.

3e. 3rd Amendment to Solar Ground Lease: The GGLDC had previously approved a ground solar lease that provided for annual payments of \$12,000 for the property at MedTech Park. The solar company is looking to reduce these payments to \$5,172 annually based on a reduction in the size of their project.

The Committee did not have any questions related to their request. No action was taken related to this agenda item and this was not recommended for approval to the full Board.

Ross Samner and Andrew Thomas thanked the Board for taking the time to consider their request and left the meeting at 8:53 a.m.

The Committee then addressed agenda item 3c because J. Teresi was not anticipated to arrive until after 9:00 a.m. to discuss umbrella coverage for the Agency.

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

- In the operating fund, approximately \$134,000 was recorded as CDBG/Genesee CARES grant revenue. Grant funds were disbursed to the participants and program delivery/administration fees were paid to H. Sicherman & Co.
- Regular monthly activity.
- L. Farrell also wanted to make the Committee aware that there are three loans that have been significantly impacted by the revised loan policy that was put into place. With the revised loan policy, the interest rate is adjusted annually at January 1st to reflect the prime rate. This year, these loans that fall under the revised policy increased from an interest rate of 3.25% to 7.5%.
- Based on feedback from the Committee, L. Farrell will add loan policy discussion to the next Audit & Finance Committee meeting agenda for continued discussion.

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 T. Felton. Roll call resulted as follows:

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

The item was approved as presented.

J. Teresi joined the meeting at 9:00 a.m.

3a. General Liability Insurance – Umbrella Coverage – 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. Battaglia 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 T. Felton. Roll call resulted as follows:

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

The item was approved as presented.

J. Teresi left the meeting at 9:38 a.m.

3b. D&O Insurance - 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. Previously discussed.

3d. CH4 Biogas Right of First Refusal – Included with the meeting materials was a Right of First Refusal for a 20 acre parcel located at the Ag Park.

The term of the option is for a total of 12 months, in which due diligence activities can be performed. A \$20,000 non-refundable deposit is required within three business days following the effective date of the option agreement. Additionally, within six months of the effective date, an additional non-refundable deposit will be required of \$180,000 for a total deposit of \$200,000.

Fund Commitment: None.

P. Battaglia made a motion to recommend to the full Board the approval of Right of First Refusal for CH4 Biogas as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

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

The item was approved as presented.

3e. Previously discussed.

3f. Water Works – Start-up Costs –The GGLDC had identified funds in the strategic investments analysis to potentially transfer \$50,000 to the STAMP Sewer Works Corp. (SSWC) and \$50,000 STAMP Water Works Corp. (SWWC). Both entities could start seeing activity in the next few months or so. At this time, we would request that the GGLDC transfer *half* of those funds to the SWWC and SSWC.

Fund Commitment: Transfer \$25,000 to SWWC and \$25,000 to SSWC.

Board Action Request: Recommend approval of transfer of funds as listed above.

The Committee recommends that the funds are transferred in a manner that allows for the terms of repayment to be determined at a future date.

C. Suozzi left the meeting at 9:47 a.m.

P. Battaglia made a motion to recommend to the full Board the approval of a transfer of funds in the amount of \$25,000 to the STAMP Water Works Corp with the terms of repayment (if allowable) to be determined on a future date; the motion was seconded by T. Felton. Roll call resulted as follows:

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

The item was approved as presented.

3g. Sewer Works – Start-up Costs – The GGLDC had identified funds in the strategic investments analysis to potentially transfer \$50,000 to the STAMP Sewer Works Corp. (SSWC) and \$50,000 STAMP Water Works Corp. (SWWC). Both entities could start seeing activity in the next few months or so. At this time, we would request that the GGLDC transfer *half* of those funds to the SWWC and SSWC.

Fund Commitment: Transfer \$25,000 to SWWC and \$25,000 to SSWC.

Board Action Request: Recommend approval of transfer of funds as listed above.

The Committee recommends that the funds are transferred in a manner that allows for the terms of repayment to be determined at a future date.

T. Felton made a motion to recommend to the full Board the approval of a transfer of funds in the amount of \$25,000 to the STAMP Sewer Works Corp with the terms of repayment (if allowable) to be determined on a future date; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3h. Genesee CARES – In addition to the 22 projects funded on a first come first served basis, the Harrison Studio received 13 applications from eligible projects that can be funded by a second commitment of Genesee CARES funding from New York State Office of Community Renewal. Ten of the thirteen applications were reviewed and approved at the December 8, 2022, meeting of the GGLDC Audit & Finance Committee. Staff is requesting the approval of the three remaining projects as recommended by Harrison Studio, including:

Batavia Legal Printing - \$25,000
The Harvester - \$25,000
R&D Enterprises - \$25,000

With the approval of the above-mentioned projects, the GGLDC would have \$7,000 remaining to award.

T. Felton made a motion to approve the Genesee CARES grant funding as outlined above; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 9:51 a.m., seconded by D. Cunningham and passed unanimously.