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GGLDC Audit & Finance Committee Meeting

Tuesday, April 30, 2024

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members M. Brooks, D. Cunningham, P. Battaglia
Staff: L. Farrell, M. Masse, P. Kennett, C. Suozzi, J. Krencik, S. Hyde, E. Finch, L. Casey
Guests: M. Gray, K. Manne, P. Zelif
Absent: J. Tretter

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Brooks called the meeting to order at 9:20 a.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: March 28, 2024

D. Cunningham made a motion to recommend approval of the minutes from March 28, 2024; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Absent
P. Battaglia - Yes
M. Brooks - 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 with the Committee the significant items of the first quarter long form financial statements for 2024.

- There is normal activity on the balance sheet for the first quarter.
- Line 7, Restricted Cash Community Benefit Agreement with Darien Lake decreased by about \$480K. There was a distribution made to the Town of Pembroke, which is in accordance with the 2019 Sewer Supply Agreement that we have in place with the EDC, LDC and the Town of Pembroke. All CBA funds on hand at the time of that agreement, along with all future payments to

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be received from Darien Lake were committed to the Wastewater Treatment Facility upgrades in the Village of Corfu.

- In the Operating Fund, there is about \$12K of miscellaneous Workforce Development Expenses, which correlates to the sources and uses of Workforce Development funds. Some larger payments were made in the first quarter to support GLOW Works, Inc., BEA and Finger Lakes Youth Apprenticeship.
- In the Buffalo East Tech Park, \$485K was distributed to the Town of Pembroke and recorded as site development expense. Anything paid towards infrastructure that we do not own is recorded as site development expense and is not capitalized on the balance sheet.
- MedTech Center is at about 25% of budget for most line items, which is where we would anticipate being at this time.

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

J. Tretter - Absent
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham – Yes

The item was approved as presented.

3b. Strategic Investments Update – L. Farrell reviewed the Strategic Investments Analysis with the Committee. She noted the following:

- The opening balance matches the actual cash balance for Strategic Investments as of January 1, 2024.
- Oak Orchard Solar 3, LLC paid \$25K to support Workforce Development Initiatives, along with the overall Economic Development Program, when their project closed in the first quarter of 2024.
- Last year, CH4 Biogas paid a \$20K non-refundable deposit to the Genesee Valley Agri-Business LLC. On April 3, that deposit becomes revenue and can no longer be applied to the purchase price.
- The \$300,000 Economic Development Support Grant has been approved for 2024; however, the years 2025-2028 will still need to come forward to the Board for approval before any transfers could be made.
- There is a balance of \$100K of reserved cash on hand from solar project funding that has been committed to Workforce Development initiatives.
- Interest income of \$31,000 has been earned on strategic investment funds in the first quarter of 2024.
- Reserves for the Workforce Development Consultant have been removed for 2024, as the activity is being undertaken by the GCEDC. A placeholder of \$30,000 for the workforce development consultant remains for the years 2025-2028 in case the County does not continue to provide additional funding to support Workforce Development initiatives as it does currently.
- Opportunities on the last page of the analysis include:
 - o The CH4 Biogas land sale in Genesee Valley Agri-Business Park.
 - o The J&R Fancher land sale in Buffalo East Tech Park.

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- At the end of 2028, there is a projected strategic investment cash balance of about \$1.9M.

3c. CH4 Biogas ROFR – Included in the meeting materials is a Right of First Refusal (ROFR) for a 20-acre parcel located at the Ag Park. The previous Right of First Refusal expired April 3 with the \$20,000 nonrefundable deposit. This becomes revenue and will not be applied against this new Right of First Refusal. The new agreement requires a \$40,000 nonrefundable deposit with a term of one year. CH4 Biogas must purchase the property within a year to receive a credit of \$40K against the purchase price. If not, the deposit will become revenue for the Genesee Valley Agri-Business, LLC.

Fund Commitment: None.

Board Action Request: Recommend approval of the ROFR.

P. Battaglia made a motion to recommend to the full Board CH4 Biogas ROFR as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

J. Tretter - Absent
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham – Yes

The item was approved as presented.

3d. Mowing Contract for MedTech and Ag Park - At the last Board Meeting, the Board awarded a mowing contract for MedTech Center and 8750 Ag Park Drive to Craig's Mowing & Landscape. The contractor does not have the proper insurance requirements and the cost for the additional insurance was too significant to acquire. Staff requested that the Board rescind the previous award and approve the contract with the second lowest bidder that meets the insurance requirements.

The Committee asked if there is a way to make the insurance requirements different depending on the contract. L. Farrell clarified that the insurance requirements are set by us not the insurance company.

D. Cunningham made a motion to recommend to the full Board an exception to the policy to reduce the insurance requirement for this mowing contract with Craig's Mowing & Landscaping only; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Absent
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham – Yes

The item was approved as presented.

3e. Increase in Legal Fees for Land Sale for MedTech Landing, LLC - Included with the meeting materials is a resolution for the Board to approve the increase in legal fees for the land sale at MedTech Park. There were several unforeseen issues with this land sale related to the mortgage releases from Five Star Bank and the USDA that resulted in additional legal fees more than the original approved amount of \$10,000.

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L. Farrell stated that Five Star Bank required a legal opinion related to the tax-exempt bond that is associated with the MedTech Centre building. This added significantly to billable hours in legal fees.

Fund Commitment: \$31,436 to be paid out of the land sale proceeds.

Board Action Request: Recommend approval of the increase in legal fees.

D. Cunningham made a motion to recommend to the full Board the approval of increased legal fees related to the MedTech Landing land sale not to exceed \$31,436 as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Absent
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham – Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, D. Cunningham made a motion to adjourn at 9:33 a.m., seconded by P. Battaglia and passed unanimously.