



GCEDC Audit & Finance Committee Meeting

Tuesday, June 1, 2021

Locations: Electronically

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia, P. Zelif
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, S. Hyde, C. Suozzi
Guests: T. Felton (GGLDC Board Member), Susie Ott (Lawley), Bill Fritts (Lawley),
Reggie Dejean (Lawley), Brian Krygier (GCEDC/ECIDA IT Services)
Absent: T. Bender

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:35 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 / video conference call instead of a public meeting open for the public to attend in person.

2. PRESENTATIONS / DISCUSSIONS:

2a. Cyber Insurance - Lawley Insurance provided us with a proposal for a Cyber Liability policy for approximately \$3,000 in February 2021. The benefits of having this insurance in place, specific to the Agency's potential exposure, were discussed in detail at that time. Since the first quote was received, staff has been working with Brian Krygier to implement multi-factor authentication to reduce the cost of coverage as discussed with the policy provider at that time. The cyber liability market has changed significantly due to current events of hacking that have been publicized. The cost of coverage has tripled since February. Recommended coverage of \$1,000,000 is based on the agency's monthly revenue stream, in addition to \$250,000 for ransom demand and \$250,000 for potential legal fees related to a breach. Coverage for the proposed \$1,000,000 policy maximum is outlined in detail on page 5 of the meeting materials.

3a. Enter Executive Session

P. Zelif made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 9:03 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.

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

3b. Enter Public Session

P. Battaglia made a motion to enter back into public session at 9:17 a.m., seconded by P. Zelif and approved by all members present.

4. Chairman's Report & Activities

4a. Agenda Additions / Other Business –

M. Gray made a motion to add Cyber Insurance to *Discussions / Official Recommendations to the Board* as agenda item 5f, previously listed as agenda item 2a; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Absent
P. Zelif - Yes

The item was approved as presented.

4b. Minutes: May 4, 2021

P. Battaglia made a motion to approve the May 4, 2021 minutes; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Absent
P. Zelif - Yes

The item was approved as presented.

5. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

5a. April 2021 Financial Statements - L. Farrell reviewed with the Committee the significant items of the April 2021 long form financial statements.

- Restricted Cash in the \$33 Million STAMP Imprest Account increased. We received approximately \$126,000 from National Grid as a refund related to a 2018 expense. This reimbursement is also reflected in the STAMP fund. An adjustment was made to decrease the \$33M ESD Grant Revenue as well as Site Development.
- Accounts receivable decreased. The 1st Quarter Economic Development Program Support Grant and the MedTech Centre Property Management Fee was received from the GGLDC.
- Accounts payable decreased by about \$100,000, which clears most 2020 expenses.
- In the operating fund, we have not received any origination fees to date, but we anticipate that this will change soon.
- In the operating fund, miscellaneous income and miscellaneous expenses are related to public hearing fees. The Agency pays the fees on behalf of the company/customer. The company reimburses the Agency.
- There was an unemployment rate increase adjustment for 2021 of \$1,100. This line item is over budget.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds.

P. Battaglia made a motion to recommend to the full Board the April 2021 Financial Statements; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Absent
P. Zelif - Yes

The item was approved as presented.

5b. Audit & Finance Committee Charter – This agenda item was tabled.

5c. Committee Self Evaluation – This agenda item was tabled.

5d. PSA for LeRoy Food & Tech Park – The GCEDC has received a Purchase and Sale Agreement from Bioworks, Inc. to acquire approximately 60 acres out of tax parcel 25.-1-75 for \$2,400,000.

Fund commitment: Legal fees to Harris Beach not to exceed \$8,000 for the transaction.

Resolution No. #06/2021 - 03

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (THE “AGENCY”) AUTHORIZING (i) THE SALE OF CERTAIN AGENCY OWNED REAL PROPERTY TO BIOWORKS, INC., (ii) THE EXECUTION OF A PURCHASE AND SALE AGREEMENT, AND (iii) A DEED, AND RELATED DOCUMENTS IN CONNECTION WITH THE CLOSING OF THE PURCHASE AND SALE OF THE REAL PROPERTY

P. Zelif made a motion to recommend to the full Board the approval of the Purchase and Sale Agreement and authorizing resolution #06/2021-03, as well as payment of legal fees not to exceed \$8,000 in connection with the closing; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Absent
P. Zelif - Yes

The item was approved as presented.

5e. Broker Commission for LeRoy Food & Tech Park Land – The GCEDC worked with a real estate broker on the potential sale of 60 acres at the LeRoy Food & Technology Park as referenced in paragraph 12 of the Purchase and Sale Agreement. The company purchasing the property used a real estate broker to help them in the process of finding a site for development. The broker is requesting a commission agreement for 10% of the sale price to be paid at closing.

Fund commitment: \$240,000 paid at closing.

As a condition of recommendation to the full Board, the Committee requested that the Governance Committee discuss the current Agency policy regarding commission fees.

P. Zelif made a motion to recommend to the full Board the approval and authorization of the broker commission agreement; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Absent
P. Zelif - Yes

The item was approved as presented.

5f. Cyber Insurance – M. Gray stated that there was a presentation given by Lawley on Cyber Insurance at the beginning of the meeting. The presentation was followed by discussion. Details of the discussion are outlined in agenda item 2a.

The cost of this policy will be split evenly between the GCEDC and GGLDC. This is an unbudgeted expense, but there is room within the Government Relations budget line item to cover this.

P. Zelif made a motion to recommend to the full Board the approval of the \$1,000,000 Cyber Liability Insurance Policy with Lawley as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Absent
P. Zelif - Yes

The item was approved as presented.

4. ADJOURNMENT

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