



**GCEDC Audit & Finance Committee Meeting**  
**Tuesday, August 1, 2023**  
**Location: 99 MedTech Drive, Innovation Zone**  
**8:30 a.m.**

**MINUTES**

**ATTENDANCE**

Committee Members: P. Battaglia, M. Gray, P. Zeliff  
Staff: L. Farrell, M. Masse, J. Krencik, S. Hyde, C. Suozzi, P. Kennett  
Guests: D. Cunningham (GGLDC Board Member), M. Brooks (GGLDC Board Member),  
K. Manne (GCEDC Board Member)  
Absent:

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

M. Gray called the meeting to order at 8:33 a.m. in the Innovation Zone.

**1a. Enter Executive Session**

M. Gray made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:33 a.m. for the following reasons:

1. 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.

**1b. Enter Public Session**

P. Battaglia made a motion to enter back into public session at 8:36 a.m., seconded by P. Zeliff and approved by all members present.

**2. Chairman's Report & Activities**

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

**2b. Minutes: June 27, 2023**

**P. Zeliff made a motion to approve the June 27, 2023 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
P. Zeliff - Yes

The item was approved as presented.

### **3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:**

**3a. June 2023 Financial Statements-** L. Farrell reviewed with the Committee the significant items of the June 2023 long form financial statements.

- On the balance sheet, accounts receivable increased for the monthly accrual amounts for the MedTech Centre Property Management Fee and Economic Development Support Grant that is paid by the GGLDC to the EDC quarterly.
- Everything else on the balance sheet is comparable to the previous month.
- In the operating fund, on line 3, we received an origination fee of \$16,250 from LandPro for the sales tax exemption increase.
- Also, in the operating fund there is about \$21,000 in CD bank interest for May and June that was recorded in June.
- We should be at 50% of budget. Operating expenses that are over budget are related to expenditures that are front loaded (i.e. HSA contributions, Dues & Subscriptions). General Liability Insurance and umbrella insurance are also known to be over budget and approved by the Board. Otherwise, most line items are within budget.
- In the other funds, CD bank interest should be noted.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds for June.

**P. Battaglia made a motion to recommend to the full Board the approval of the June 2023 Financial Statements as presented; the motion was seconded by P. Zeliff. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
P. Zeliff - Yes

The item was approved as presented.

**3b. 2024 Budget Timeline** – The 2024 Budget is due to the County Manager on September 8<sup>th</sup>. The next Board meeting is on September 7<sup>th</sup>. To meet this deadline, the Committee is asked to recommend approval of the 2024 Budget to the full Board at the next meeting. 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.

**3c. 2024 Budget Input / Assumptions** – L. Farrell reviewed the budget worksheets and first draft of the budget in detail with the committee, along with 2023 projections and a cash outlook through 12/31/23. The following are some of the significant items noted:

- At 12/31/23 we anticipate consolidated cash of about \$15M. However, out of those funds there is only about \$4.5M of unappropriated funds. Some of the reserves include:
  - o Operating reserve of \$1M
  - o Plug Power origination fee reserve of \$2.9M

- Incentive Zoning Agreement (Edwards/Plug) of \$224K
- \$33M Grant
- \$8M Grant
- Part 182 Permit of \$564K. This cash is coming from RLF #1 Fund, which is unrestricted and defederalized, and the balance would come from the operating fund.
- Land sale proceeds from Edwards Vacuum
- Also, by year end, we anticipate closing on the Oxbo and J. Rental land sales, which would result in \$2.6M of land sale proceeds in the Real Estate Development fund.
- By 12/31/23 we anticipate closing on five additional projects including:
  - Atlas Copco/Edwards Vacuum
  - Ivy Village Corp
  - LNK Holdings
  - RPNY Solar 6
  - RPNY Solar 7
- In the operating fund, we budgeted for the same level of contribution from Genesee County of \$233K, as well as \$25K for Workforce Development initiatives for 2024.
- Assuming a conservative approach, origination fee revenue of \$450K was budgeted for 2024.
- Budgeted for a \$300K Economic Development Program Support Grant from the GGLDC.
- Line 6 (Fees Services GGLDC – Ops) of the operating fund budget is 12% of projected rent revenue for MedTech Centre.
- Budgeted for annual administration fees of \$36K and annual meeting income of \$5K.
- Interfund revenue of \$139,945 (J. Rental land cash carry over) has been used for budgeting purposes in recent years but it has not been needed. We do not anticipate needing this in 2024 so we will continue to carry it over.
- In the operating fund, budgeted expenses for 2024 include but are not limited to the following:
  - 5% increase in payroll. Staff contacted the County. The County is planning for a 2.5% increase on top of their step system which equates to approximately a 3.6% - 4% increase.
  - Independent Health requested a 13.66% increase for health insurance premiums. The 2024 budget number for health insurance is based on this request.
  - The same contributions to Health Savings Accounts have been budgeted.
  - \$116,000 for New York State Retirement has been budgeted. We received an estimated invoice of \$108,000 for 2023. 2024 budget numbers were based on this invoice.
  - 2024 budget numbers for Insurance are based off 2023 projected numbers.
  - There are Professional Services for Local Labor Reporting of \$18K. There is only one project left where we will pay for these fees.
  - For Government Relations there is a placeholder of \$51K. We do not have a contract in place currently but are keeping it as a placeholder if there is a need in the future.
- In the Revolving Loan Fund #1 there is bank interest budgeted but we anticipate this going down to zero because these funds will be moved to STAMP to serve as a portion of the Part 182 Permit Reserve of \$564K.
- In the Real Estate Development Fund, the most significant item is PIF grant income and expense.
- In the STAMP fund, we budgeted for the estimated balance of the ESD \$33M and ESD \$8M STAMP funds to be expended in 2024. This is approximately \$8M of funds in the ESD \$33M grant and approximately \$500K in the ESD \$8M grant.
- In the Workforce Development Fund, we show the County contribution of \$25K as well as an expense of \$57K. We received workforce development funds from the County prior to securing

the current contract with Sheila Eigenbrod, the GCEDC's workforce development consultant. These funds are available to use for workforce development professional services.

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, P. Battaglia made a motion to adjourn at 9:16 a.m., seconded by P. Zelif and passed unanimously.