



Meeting Agenda – Audit and Finance Committee
 Genesee County Economic Development Center
 Tuesday, July 30, 2024 – 8:30 a.m.
 Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	K. Manne	
2-6	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: July 9, 2024	K. Manne	Vote
7-9 10	3. Discussions / Official Recommendations to the Board: 3a. June 2024 Financial Statements 3b. 2025 Budget Timeline 3d. 2025 Budget Input / Assumptions	L. Farrell L. Farrell L. Farrell	Disc / Vote Discussion Discussion
	4. Adjournment	K. Manne	Vote



GCEDC Audit & Finance Committee Meeting
Tuesday, July 9th, 2024
Location: 99 MedTech Drive, Innovation Zone
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: P. Zelif, K. Manne, P. Battaglia
Staff: L. Farrell, M. Masse, E. Finch, L. Casey, P. Kennett
Guests: M. Brooks (GGLDC Board Member), J. Tretter (GGLDC Board Member), D. Cunningham (GGLDC Board Member)
Absent: M. Gray

1. CALL TO ORDER / ENTER PUBLIC SESSION

K. Manne called the meeting to order at 8:32 a.m. in the Innovation Zone.

1a. Enter Public Session

2. Chairman's Report & Activities

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

2b. Minutes: June 4, 2024

P. Zelif made a motion to approve the June 4, 2024, minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Absent
P. Zelif - Yes
K. Manne - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. May 2024 Financial Statements – L. Farrell reviewed with the Committee the significant items on the long form financial statements for May 2024.

- We received a PIF payment in May which is payable to the Town of Bergen. \$2,400 is held in restricted cash. This is also reflected as a payable.

- The FAST NY Reserve is \$5.3M. We are required to have \$5.27M as matching funds for the \$56M ESD grant award. These funds were internally reserved and are earning interest, so the balance is increasing.
- Accounts receivable decreased. The quarterly payment for the MedTech Centre Property Management Fee and Economic Development Support Grant from the GGLDC was received.
- No projects closed in May.
- Most expenditures are where we would anticipate them to be at 42% 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.
- No GURF submitted in May so there is not much activity in the STAMP fund.
- 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 approval of the May 2024 Financial Statements as presented; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Absent
P. Zeliff - Yes
K. Manne - Yes

3b. Assessment of the Effectiveness of Internal Controls – Public Authorities Law requires all Public Authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The 2024 Assessment of the Effectiveness of Internal Controls identifies and summarizes the controls in place for major business functions. There are changes to the detailed control narrative since approved last year, which includes 1) The Bank of Castile was changed to Tompkins Community Bank and 2) all references to Senior VP of Operations was either removed or changed to President/CEO.

A list of vendors that the Committee has authorized staff to pay online is included as part of the narrative. Additional vendors include NYS Deferred Compensation/Nationwide, Complete Payroll Processing, NYS Retirement, Health Insurance Vendor, Vision Insurance Vendor and 360 PSG.

K. Manne noted that a few times in the document where CEO is stated and other times it is President/CEO. L. Farrell confirms that the title of President/CEO should be uniform and that it will be corrected.

The Committee requested an additional change to be made related to GCEDC Employee Reimbursements. Currently, two Board members must sign off on requests submitted by the President/CEO. The Committee recommends that this is changed. Instead, two authorized signers must sign off on requests submitted by the President/CEO.

The Committee is asked to review and approve the Assessment of the Effectiveness of Internal Controls annually (this is not brought to the full Board for approval).

P. Battaglia made a motion to approve the Assessment of the Effectiveness of Internal Controls with the above-mentioned changes; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Absent
P. Zelif - Yes
K. Manne - Yes

3c. PSA Amendment of GE Bergen, LLC – Oxbo has a PSA for a parcel at Apple Tree Acres Corporate Park that is being requested to be assigned to GE Bergen, LLC. GE Bergen, LLC is also asking for an amendment to the PSA to amend some of the terms and conditions in the original PSA.

M. Masse reviewed significant items included in the amendment:

- 1) The purchase price on the original PSA was \$1.5M. The purchase price in the amendment has been reduced to \$1.14M. In exchange, Oxbo will install water and sewer connections as well as the roadway to Route 19. Based on our cost estimate, the \$360,000 is significantly less than what it would cost us to install that infrastructure for them. They are not required to do a subdivision approval because the original subdivision was to potentially break out a roadway that they are not going to need anymore. They are also asking for a \$10,000 option on a couple of parcels to the east that the GCEDC has no use for. The purchase price would be \$10 for those parcels. They will also pay annual fees of \$2,000 for common area maintenance for those two parcels.
- 2) A request for a mutually agreed upon Access and Utility Easement covering the option property. This is in the process of being drafted. M. Masse asked if the committee would be comfortable if staff executes the agreement after it is reviewed by legal since the reasons for its purpose are included in the amendment.
- 3) Also included in the amendment is the acceptance of assignment. The GCEDC would have to consent to the assignment of the agreement from OXBO to GE Bergen, LLC. Geis Enterprises will be constructing the facility and leasing it to Oxbo with a long-term lease.

The Committee questioned the rationale for the \$10 purchase price for the option property. The Committee also questioned if those parcels would be of interest to Liberty Pumps. D. Cunningham confirmed and asked about Oxbo's intent for those parcels.

M. Masse stated that he believes their intent is to bring the sewer line through to connect to the park. Those parcels will give them access to do so. They will bring the water off Route 19. M. Masse also stated that for financing reasons Oxbo must show their lender that they had an established line to the property, which having an option on those two parcels gives them that. However, they found an agricultural cut off Route 19 that they are going to use instead.

The Committee suggested that M. Masse should go back to Oxbo and request \$10,000 for the sale of the easement as opposed to \$10,000 for the option.

To summarize, M. Masse stated that he will go back to Oxbo and offer \$10,000 to purchase the parcels that must also ensure that Liberty Pumps has potential access to hook into the roadway in the future if they choose.

The Committee decided to table this agenda item.

P. Battaglia made a motion to table this agenda item; the motion was seconded by P. Zelif. Roll call resulted as follows:

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P. Battaglia- Yes
M. Gray - Absent
P. Zeliff - Yes
K. Manne - Yes

The Committee voted on agenda items 3d through 3f collectively. The approval for these items follows agenda item 3f.

3d. Local Labor Contract – Countryside Apartments – Loewke Brill Consulting Group, Inc. has been the GCEDC’s consultant who assists with the monitoring and reporting of company’s compliance with the local labor policy. The Board has determined that companies need to provide the GCEDC with a deposit that will cover the costs of these services. Any amount not utilized will be returned to the company.

The following fee is based on the company’s project description and timeline as provided in the application for incentives.

Project: Countryside Apartments

Fund Commitment: \$5290 per phase x 4 phases = \$21,160 total

Committee Action Request: Recommend to the full Board approval of the contract with Loewke Brill contingent upon receipt of the deposit from the project.

3e. Local Labor Contract – MedTech Landing, LLC – Loewke Brill Consulting Group, Inc. has been the GCEDC’s consultant who assists with the monitoring and reporting of company’s compliance with the local labor policy. The Board has determined that companies need to provide the GCEDC with a deposit that will cover the costs of these services. Any amount not utilized will be returned to the company.

The following fee is based on the company’s project description and timeline as provided in the application for incentives.

Project: Med Tech Landing

Fund Commitment: \$21,960

Committee Action Request: Recommend to the full Board approval of the contract with Loewke Brill contingent upon receipt of the deposit from the project.

3f. Local Labor Contract – Graham - Loewke Brill Consulting Group, Inc. has been the GCEDC’s consultant who assists with the monitoring and reporting of company’s compliance with the local labor policy. The Board has determined that companies need to provide the GCEDC with a deposit that will cover the costs of these services. Any amount not utilized will be returned to the company.

The following fee is based on the company’s project description and timeline as provided in the application for incentives.

Project: Graham

Fund Commitment: \$9,630

Committee Action Request: Recommend to the full Board approval of the contract with Loewke Brill contingent upon receipt of the deposit from the project.

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P. Zeliff made a motion to recommend to the full Board the approval of agenda items 3d. – 3f. as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Absent
P. Zeliff - Yes
K. Manne - Yes

The item was approved as presented.

3g. Batavia Home Fund Grant Award - The homeowner recently purchased this residence for their own use and is looking to make improvements to the exterior (new siding) which qualifies under Eligible Activities item #6 Grants to support owner occupied single family exterior rehabilitation (maximum award of \$10,000). They are seeking a grant of \$7,400 which is 40% of the total construction cost (maximum percentage allowed under the program) of \$18,500. This grant and homeowner improvement to the residence would improve the blighted look of this residence as compared to the majority of the homes in that area that have been recently renovated.

Fund commitment: \$7,400 from the Batavia Home Fund contingent upon all terms and conditions of the work being completed in accordance with the policy.

Committee action request: The Housing Oversight Committee of the Batavia Home Fund met and approved this application. Seeking Board authorization to release the funds in accordance with the terms and conditions of the Batavia Home Fund.

P. Battaglia made a motion to recommend to the full Board the approval of Batavia Home Fund Grant Award not to exceed \$7,400 as presented; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Battaglia- Yes
M. Gray - Absent
P. Zeliff - Yes
K. Manne - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 8:58 a.m., seconded by P. Zeliff and passed unanimously.

**Genesee County Economic Development Center
Dashboard - June 2024
Balance Sheet - Accrual Basis**

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	<u>6/30/24</u>	<u>5/31/24</u>	<u>[Per Audit] 12/31/23</u>
ASSETS:			
Cash - Unrestricted (1)(2)	\$ 4,984,483	\$ 5,610,964	\$ 10,846,767
Cash - Restricted (A)(2)	7,023,934	7,273,933	7,706,743
Cash - Reserved (B) (3)	5,371,063	5,363,395	672
Cash - Subtotal	17,379,480	18,248,292	18,554,182
Grants Receivable (4)	67,046	63,730	78,079
Accounts Receivable (5)	100,246	68,307	71,433
Interest Receivable	49,308	23,741	51,255
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (6)	38,875	55,121	46,848
Loans Receivable - Current	53,612	50,431	55,005
Total Current Assets	17,691,399	18,512,454	18,859,634
Land Held for Dev. & Resale (7)	24,453,539	24,219,184	24,143,667
Furniture, Fixtures & Equipment	71,257	71,257	71,257
Total Property, Plant & Equip.	24,524,796	24,290,441	24,214,924
Less Accumulated Depreciation	(70,166)	(70,111)	(69,838)
Net Property, Plant & Equip.	24,454,630	24,220,330	24,145,086
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	53,979	58,519	81,163
Right to Use Assets, Net of Accumulated Amortization	32,431	32,431	32,431
Other Assets	86,410	90,950	113,594
TOTAL ASSETS	42,232,439	42,823,734	43,118,314
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows (12)	392,573	392,573	392,573
Deferred Outflows of Resources	392,573	392,573	392,573
LIABILITIES:			
Accounts Payable (8)	37,052	28,758	466,773
Loan Payable - Genesee County - Current (9)	325,000	325,000	315,000
Accrued Expenses	32,119	20,406	34,859
Lease Payable - Current	12,307	12,307	12,307
Customer Deposits - Local Labor Reporting	40,465	40,465	18,505
Unearned Revenue (10)	5,985,151	6,243,986	6,291,340
Total Current Liabilities	6,432,094	6,670,922	7,138,784
Loans Payable - ESD (11)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (9)	2,185,000	2,185,000	2,510,000
Lease Payable - Noncurrent	5,604	5,604	5,604
Net Pension Liability (12)	512,048	512,048	512,048
Total Noncurrent Liabilities	7,899,139	7,899,139	8,224,139
TOTAL LIABILITIES	14,331,233	14,570,061	15,362,923
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows (12)	40,527	40,527	40,527
Deferred Inflows of Resources	40,527	40,527	40,527
NET ASSETS	\$ 28,253,252	\$ 28,605,719	28,107,437

Significant Events:

1. Unrestricted Cash - Decrease from last month due to payment of FAST NY Grant 1% commitment fee (\$560K).
2. Unrestricted & Reserved Cash YTD - \$5.27M has been internally reserved as matching funds related to the FAST NY grant supporting STAMP development.
3. Restricted Cash - Includes cash deposited by ESD into imprest accounts related to the \$8M and \$33M STAMP grants. Expenditures out of these accounts are pre-authorized by ESD.
4. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.
5. Accounts Receivable - Econ. Dev. Program Support Grant, MedTech Centre Property Management, misc.
6. Prepaid Expense(s) - Workers compensation, cyber, D&O, life, umbrella, general liability insurance, misc.
7. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
8. Accounts Payable - e3communications, interest earned on imprest accounts that will be remitted to ESD, misc.
9. Loan Payable - Genesee County (Current & Noncurrent) - Per a Water Supply Agreement with Genesee County, the County remitted \$4M to the GCEDC to put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. GCEDC started making annual payments to the County of \$448,500 beginning in January 2020.
10. Unearned Revenue - Genesee County contributions and interest received in advance; Funds received from municipalities to support park development; Funds received to support workforce development; ESD Grant funds to support STAMP development, not actually earned until eligible expenditures are incurred.
11. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
12. Deferred Pension Outflows / Deferred Pension Inflows / Net Pension Liability - Accounts related to implementation of GASB 68.

(A) Restricted Cash = GAIN! Loan Funds, Municipal Funds, Grant Funds Received in Advance.

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**Genesee County Economic Development Center
Dashboard - June 2024
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2024	2024
	6/30/24	6/30/23	2024	2023	Board Appr.	YTD %
					<u>Budget</u>	<u>of Budget</u>
<u>Operating Revenues:</u>						
Genesee County	\$ 19,459	\$ 19,459	\$ 116,755	\$ 116,755	\$ 233,513	50%
Genesee County - WFD	2,083	2,083	12,499	12,499	25,000	50%
Fees - Projects (1)	20,563	17,500	357,040	162,438	488,000	73%
Fees - Services	7,347	7,262	44,083	43,572	88,168	50%
Interest Income on Loans	134	183	866	1,157	1,590	54%
Rent	8,229	-	8,729	7,507	28,809	30%
Common Area Fees - Parks	-	-	803	391	410	196%
Grants (2)	262,038	1,000	853,471	1,001,360	9,104,847	9%
GGLDC Grant - Econ. Dev. Program Support	25,000	25,000	150,000	150,000	300,000	50%
BP ² Revenue	-	7,503	5,632	7,503	70,864	8%
Other Revenue	50	-	5,762	5,246	5,800	99%
Total Operating Revenues	344,903	79,990	1,555,640	1,508,428	10,347,001	15%
<u>Operating Expenses</u>						
General & Admin (3)	702,879	107,131	1,373,729	753,701	1,675,970	82%
Professional Services	5,000	8,492	53,975	46,085	172,770	31%
Site Maintenance/Repairs	5,830	-	17,815	2,236	38,500	46%
Property Taxes/Special District Fees	-	-	4,186	5,275	5,615	75%
BP ² Expense	-	-	-	-	31,432	0%
PIF Expense	-	-	63,017	48,162	156,294	40%
Grant Expense - Batavia Home Fund	-	-	2,750	-	-	N/A
Site Development Expense (4)	25,000	-	159,830	160,652	8,333,123	2%
Real Estate Development (5)	234,355	-	309,872	487,736	300,377	103%
Balance Sheet Absorption	(234,355)	-	(309,872)	(487,736)	-	N/A
Total Operating Expenses	738,709	115,623	1,675,302	1,016,111	10,714,081	16%
Operating Revenue (Expense)	(393,806)	(35,633)	(119,662)	492,317	(367,080)	
<u>Non-Operating Revenue</u>						
Other Interest Income (6)	41,339	37,854	265,477	98,378	128,000	207%
Total Non-Operating Revenue	41,339	37,854	265,477	98,378	128,000	207%
Change in Net Assets	(352,467)	2,221	145,815	590,695	\$ (239,080)	
Net Assets - Beginning	28,605,719	22,576,914	28,107,437	21,988,440		
Net Assets - Ending	\$ 28,253,252	\$ 22,579,135	\$ 28,253,252	\$ 22,579,135		

Significant Events:

1. Fees Projects - LNK Holdings, Inc; YTD includes MedTech Landing and Oak Orchard Solar project origination fees.
2. Grants - PIF from RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements; PIF from Yancey's Fancy supports Infrastructure Fund Agreement with the Town of Pembroke; \$448K Community Benefit Agreement payment dedicated to STAMP by sourcing debt service payments to the County; National Grid grant supports marketing and development activities for STAMP; ESD \$33M & \$8M Grants support STAMP engineering, environmental, legal, infrastructure, etc.
3. Includes FAST NY Grant 1% commitment fee (\$560K).
4. Site Development Expense - Installation of, or improvements to, infrastructure that is not owned by the GCEDC, or will be dedicated to a municipality in the foreseeable future, is recorded as site development expense when costs are incurred.
5. Real Estate Development Costs - Includes STAMP development costs.
6. Other Interest Income - Interest rates have increased substantially; invested funds into CDs for additional interest income.

**Genesee County Economic Development Center
June 2024 Dashboard
Statement of Cash Flows**

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	June 2024	YTD
CASH FLOWS USED BY OPERATING ACTIVITIES:		
Genesee County	\$ 21,428	\$ 150,682
Fees - Projects	20,563	425,040
Fees - Services	-	22,042
Interest Income on Loans	135	955
Rent	8,229	8,729
Common Area Fees - Parks	-	803
Grants	-	538,798
BP ² Revenue	-	5,632
GGLDC Grant - Economic Development Program Support	-	75,000
Other Revenue	50	5,762
Repayment of Loans	1,359	28,577
Customer Deposit	-	21,960
General & Admin Expense	(674,513)	(1,369,898)
Professional Services	(5,000)	(92,740)
Site Maintenance/Repairs	(5,830)	(17,815)
Site Development	(25,000)	(259,449)
Property Taxes/Special District Fees	-	(4,186)
Grant Expense	-	(2,750)
PIF Expense	(2,440)	(63,017)
Improv/Additions/Adj to Land Held for Development & Resale	(234,355)	(621,992)
Net Cash Used By Operating Activities	(895,374)	(1,147,867)
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:		
Principal Payments on Loan	-	(315,000)
Net Cash Used By Noncapital Financing Activities	-	(315,000)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income (Net of Remittance to ESD)	26,562	288,165
Net Change in Cash	(868,812)	(1,174,702)
Cash - Beginning of Period	18,248,292	18,554,182
Cash - End of Period	\$ 17,379,480	\$ 17,379,480
RECONCILIATION OF NET OPERATING EXPENSE TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Expense	\$ (393,806)	\$ (119,662)
Depreciation Expense	55	328
Increase in Operating Accounts/Grants Receivable	(35,255)	(17,780)
Decrease in Prepaid Expenses	16,246	7,973
Decrease in Loans Receivable	1,359	28,577
Increase in Land Held for Development & Resale	(234,355)	(309,872)
Decrease in Operating Accounts Payable	(2,496)	(450,462)
Increase (Decrease) in Accrued Expenses	11,713	(2,740)
Decrease in Unearned Revenue	(258,835)	(306,189)
Increase in Customer Deposits	-	21,960
Total Adjustments	(501,568)	(1,028,205)
Net Cash Used By Operating Activities	\$ (895,374)	\$ (1,147,867)

Budget Timeline

Genesee County Economic Development Center

- June/July
Planning Assumptions / Preliminary Inputs
- July 30
Budget Workshop - Audit & Finance Committee Meeting
*Review / Discuss Budget Assumptions and Preliminary Inputs
- Sept 3
Audit & Finance Committee Review of Draft Budget & Recommendation
- Sept 5
Board Review & Approval
- Sept 6
Submission to Genesee County Manager
- By Nov 1
Budget to ABO/Post on GCEDC Web Site