



GCEDC Audit & Finance Committee Meeting
Tuesday, July 30th, 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, C. Suozzi, J. Krencik
(Video/Conference)
Guests: M. Brooks (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 8:36 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: July 9, 2024

P. Battaglia made a motion to approve the July 9, 2024, minutes; the motion was seconded by P. Zelif. 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. June 2024 Financial Statements – L. Farrell reviewed with the Committee the significant items on the long form financial statements for June 2024.

- Restricted Cash in the \$33M and \$8M imprest accounts decreased. We submitted GURFs for both the \$33M and \$8M grants in June.

- Accounts Receivable increased for the monthly accrual amounts for the MedTech Centre Property Management Fee and Economic Development Support Grant that is due from the GGLDC quarterly.
- Interest Receivable increased. We are recording interest receivable for those CDs that give interest at the maturity of the three-month CD as opposed to monthly.
- In the operating fund, we received an origination fee of about \$18,000 from LNK Holdings Inc, which closed in June.
- Some of the expenditure line items that were over budget are starting to balance out. We are still over on a couple of line items, including insurance, which was known to be over-budget and HSA Contributions which are still front loaded.
- The STAMP fund has activity related to the GURFs.
- There is interfund revenue in the STAMP account of \$1.67M. We moved cash from the operating fund into the STAMP fund to get the entire reserve of \$5.27M matching funds for the \$56M grant in the STAMP fund. This is where we will pay the expenses out of when it starts.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds.

P. Zeliff made a motion to recommend to the full Board the approval of the June 2024 Financial Statements 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

3b. 2025 Budget Timeline – The 2025 Budget is due to the County Manager on September 6th. The next Board meeting is on September 5th. To meet this deadline, the Committee is asked to recommend approval of the 2025 Budget to the full Board at the next meeting, which will be held on September 3rd. 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. 2025 Budget Input / Assumptions – L. Farrell reviewed the budget worksheets and first draft of the budget in detail with the committee, along with 2024 projections and a cash outlook through 12/31/24. The following are some of the significant items noted:

- As of 7/1/24, there is an opening cash balance of \$17M, which is mostly restricted.
- In the STAMP fund, we expect to receive a deposit of \$39.2M into the FAST NY imprest account. We are projecting to spend \$6.3M of this before year end.
- At 12/31/24 we anticipate consolidated cash of about \$47M. However, out of those funds there is only about \$3M of unappropriated funds. Some of the reserves include:
 - o Operating reserve of \$3.9M
 - o \$32.8M reserve for the FAST NY grant
- At the end of the year, we are projecting that the STAMP fund will owe other funds \$1.9M.
- At the end of the year, we are projecting to have \$970K remaining of the \$33M grant funds. This is assuming we receive the final \$4M from ESD, which is contingent upon MWBE reporting requirements.

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- In the operating fund, we budgeted for the same level of contribution from Genesee County of \$233,513, as well as \$25K for Workforce Development initiatives for 2025.
- Assuming a conservative approach, origination fee revenue of \$450K was budgeted for 2025. We are projecting \$1.3M of origination fee revenue for 2024 by year end.
- Line 6 in the operating fund, Fees Services GGLDC – Ops, is based on 12% of projected rent revenue for MedTech Centre, which equates to about \$87K for 2025.
- Budgeted for a \$300K Economic Development Program Support Grant from the GGLDC.
- Budgeted for annual administration fees of \$41K.
- Line 17, Local Labor Reporting, Companies are required to make deposits for local labor consulting services, which are recorded as revenue and an offsetting expense as we pay those.
- In the operating fund, budgeted expenses for 2025 include but are not limited to the following:
 - o Payroll includes a placeholder for a new position as well as a place holder for a part-time position for a maintenance position.
 - o Independent Health requested a 26% increase for health insurance premiums. The 2025 budget number for health insurance is based on this request. There is a placeholder for a new full-time employee. Our policy is still 100% subscriber coverage.
 - o The same contributions to Health Savings Accounts have been budgeted.
 - o There was a 3% increase placeholder for dental and vision insurance.
 - o \$130,000 for New York State Retirement has been budgeted. We received an estimated invoice of \$127,000 for 2024. 2025 budget numbers were based on this invoice.
 - o 2025 budget numbers for Umbrella Insurance and D&O insurance are based on a 6% increase from 2024 projected numbers, while Cyber is based on a 32% increase.
 - o 2024 Dues and Subscriptions was \$98K. 2025 budget has increased to \$106,000 as the marketing budget was decreased by the same amount. These funds were just reallocated.
 - o Conferences and Meetings was \$34,000 for 2024. This will remain the same for 2025.
 - o For Government Relations there is an increase to \$60K from \$51K. The board approved a month-to-month contract with Ostroff Associates for \$5,000 a month last October and there is no end date to that. It was noted that it was going to go over budget if we kept them through all of 2024. We have budgeted for their services for the entirety of 2025.
 - o The Travel budget line item will remain the same for 2025 at \$35K.
 - o The Maintenance/Repairs/Cleaning budget line item of \$29K includes the cleaning contract, as well as \$20K for carpeting and painting of the GCEDC offices.
 - o The Furniture/Equipment budget line item of \$15K includes the copier expense and new office furniture.
- In the Revolving Loan Fund #1 there is no activity but there is money owed to this fund which makes it active.
- In the Real Estate Development Fund, the most significant item is PIF grant income and expense.
- In the STAMP fund, there is a new budget line item for the \$56M FAST NY grant award. An estimated \$49M is anticipated to come in and out in 2025.
- In the Workforce Development Fund, we show the County contribution of \$25K as well as an expense of \$35K to continue the contract with Sheila Eigenbrod, the GCEDC's workforce development consultant.
- In the GAIN Loan Fund there is interest income. We anticipate closing on a loan with LNK Holdings, Inc.
- In the BP2 fund, the income amount may change between now and the final budget numbers. There is an additional calculation that needs to be completed.

- On the consolidated budget numbers, there is a net loss of \$5M which mostly comes from the STAMP fund. This is because we are spending the \$56M matching funds of \$4.67M but there is no offsetting revenue. This cash on hand was already recorded as revenue when it was received, for example, as land sale revenue or project origination fee revenue. So, it generates a loss on the budgeted income statements, but it isn't a cash loss.

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 9:27 a.m., seconded by P. Zeliff and passed unanimously.