



GGLDC Audit & Finance Committee Meeting

Tuesday, October 1, 2024

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

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

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Brooks called the meeting to order at 8:31 a.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: September 3, 2024

J. Tretter made a motion to recommend approval of the minutes from September 3, 2024; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

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

- There are no significant changes to the balance sheet when compared to July balances.
- There is mostly normal monthly activity.
- Most of the activity is in the MedTech Centre Fund and is at about 66-67% 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 August 2024 Financial Statements as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

The item was approved as presented.

3b. GGLDC 2025 Budget Timeline - The 2025 Budget is due to the ABO and OSC by November 1, 2024. L. Farrell reviewed the timeline to emphasize the need for a quorum at the October 31st Board meeting. L. Farrell requested that Board members notify staff of any potential conflicts as soon as possible. P. Battaglia stated that it is more than likely that he will not be able to attend the meetings the week of the next Board meeting. The Committee recalled that P. Zelif may have a conflict for that week as well.

L. Farrell stated that the Board meeting on October 31st should still be fine but the October 29th Audit and Finance Committee meeting date may need to change to ensure a quorum.

3c. GGLDC 2025 Budget Assumptions - L. Farrell presented the cash projections through the end of 2024 and 2025 cash budgets to the Committee. For the GGLDC, the cash budget is completed first. It is then converted to accrual basis. The Authorities Budget Office requires the accrual basis budget to be entered into PARIS.

Some of the significant items noted on the September 1 – December 31, 2024 Cash Projection are as follows:

- The opening balances of September 1st tie to the August 31st Financial Statements.
- Source items include:
 - o MedTech Centre rent. First Wave's lease ends at the end of October. For the 2025 budget there is no rent included for that space to be conservative and to make sure we can still make our debt service payments.
 - o In Buffalo East Tech Park there is \$93,000 coming in from the Dairen Lake Community Benefit Agreement. This is annual through 2027. These payments have been committed to the Town of Pembroke to support the Wastewater Treatment Facility. There is a chance we will be able to keep some of the final payments from Darien Lake. Staff is working on drawing down a grant from ESD that would reduce the amount of CBA funds that would need to be turned over to the Town.
- Line 59 Miscellaneous Expense is for Workforce Development. Sources and Uses were included in the packet (agenda item 3f) for reference. This line item includes two expenses that have already been approved by the board to help support the City of Batavia School Board and GCC with their Computer Numerical Control (CNC) programs by providing funding for equipment.
- At the end of 2024, we would anticipate having about \$3.2M in Strategic Investments which includes the money from the LLC on line 77.
- Most of the other money in the LDC is reserved or restricted, including money from the STAMP Host Benefit Agreement with Plug Power, Workforce Development, CBA, USDA Debt Sinking Fund of \$184,000 and MedTech Centre Security Deposits.

J. Tretter mentioned the available cash in the LDC loan funds and asked about the average loan amounts. L. Farrell stated that the loans usually range from \$100,000 to \$200,000. M. Masse stated that the interest rate used to be prime minus one with a floor of 3% but the Board changed the interest rate to prime. With interest rates going up, there has not been a lot of companies interested. GCEDC's GAIN Loan fund is a fixed 1% and there has been only one loan in this fund recently. M. Masse stated that the loans and their current criteria requirements will be brought back to the committee in December to review and possibly change.

L. Farrell then reviewed the 2025 budget information for each fund in detail with the Committee. The significant items discussed are outlined in the comments section for each cash budget, included with Committee meeting materials.

Operating Fund Anticipated Activity for 2025:

- Anticipate collecting loan repayments from OCR loans with HP Hood and Upstate Niagara.
- There is also the Chamber Loan that is in default, which is not included but it is an opportunity for about \$10,000 that we could collect.
- Line 7, OCR Grant, is related to a contract that is annually approved with a grant consulting firm for about \$25,000 of which \$10,000 will be reimbursable.
- There is an interfund transfer of about \$35,000, which can be seen going out to other funds to cover mowing, insurance, professional fees, etc. Interfund transfers cover operational and maintenance costs that have no other source of funds.
- There is a 6% increase for General Liability, Umbrella and D&O insurance and a 30% increase for Cyber, which is going from \$3,800 to \$5,000.
- There is the \$300,000 Economic Development Support Grant coming out of strategic investments funds over to the EDC which is consistent with prior years.
- Miscellaneous is Workforce Development. C. Suozzi prepares a Sources and Uses sheet for these funds. This money originates from the \$25,000 grants received from solar projects. All these payments have not been dedicated to Workforce Development, but some have.
- There is a placeholder for grant expense of \$50,000. There are agreements in place with HP Hood and Upstate Niagara that were from the time of the OCR loans. Grants of \$25,000 were committed to each company for Workforce Training funding.

Gateway II Corporate Park Anticipated Activity for 2025:

- Ground lease with Gateway GS of \$840 a year which covers expenses related to that parcel of land.
- Line 20, about \$1,000 as a placeholder for signage and light maintenance.
- Other than that activity, it is just maintenance for this park.

Buffalo East Tech Park Anticipated Activity for 2025:

- There will be another \$93,000 coming in October of 2025 from the Darien Lake CBA.
- Line 61, Sewer, is an accumulation of the cash in that fund going out to the Town of Pembroke, which is about \$187,000.
- There is \$20,000 anticipated for a gravel road. This also increases maintenance expenses because there would have to be brush hogging done to open it up.

Genesee Agri-Business Park Anticipated Activity for 2025:

- Awaiting a contract from the County for mowing, so the budget number is based on what it cost last year.

MedTech Park Anticipated Activity for 2025:

- Lease agreement with YSG/Batavia Solar is \$13,000 for next year.
- Site Maintenance and Property Tax are in this account as well.

MedTech Centre Anticipated Activity for 2025:

- No rent projected for the First Wave Space.
- Line 36, GCEDC Property Management Fee which is calculated at 12% of 2024's projected rent revenue.
- Debt service, there is 5-year repricing on this item which expires in 2025.
- There is a placeholder of \$50,000 for heating and cooling upgrades. This was the same number as last year. We will leave this in every year due to the age of the building and to be conservative.

STAMP Anticipated Activity for 2025:

- Plug Power Host Benefit Agreement coming in at about \$900,000.

Economic Development Loan Fund Anticipate Activity for 2025:

- Loan repayments from Fraser Branche, Liberty Valvo, and LNK Holding.

Batavia Micropolitan Area Redevelopment Loan Fund Anticipated Activity for 2025:

- Loan repayments from Batavia Brewing and J&R Fancher.

Genesee Valley Agri-Business LLC Anticipated Activity for 2025:

- CAM charges from HP Hood and Upstate Niagara and rent from First Light Fiber.
- Cash balance at 12/31/25 is anticipated to be \$2.73M.
- Funds will be transferred from the GAB, LLC to the GGLDC to take advantage of investing in CDs. Funds in the GAB, LLC should not be invested in CDs because CDs are not collateralized.

Also included with the budget materials was a worksheet for MedTech Centre expenses.

L. Farrell asked Committee members to contact her if they have any other suggestions or questions regarding the drafted budget. A final version of the 2025 cash budget, along with the accrual budget, will be brought forward at the next Audit & Finance Committee meeting for approval. Any changes made to the budget assumptions will be reviewed in detail at that time.

3d. Auditor Selection – Two years ago the GCEDC and its affiliated entities issued a joint Request for Proposals (RFP) for Professional Auditing Services. The RFP requested services for three audit years from January 1, 2022 to December 31, 2024, with an option of contracting for an additional two years (2025-2026). The Board approved a 3-year engagement with Mostert, Manzanero & Scott, LLP. L. Farrell noted that the fee for 2024 audit services will remain the same. She will contact Mostert, Manzanero & Scott, LLP for an engagement letter for 2024 audit services that will be brought forward to the next meeting.

3e. Insurance Renewal – L. Farrell stated that it is difficult for Tompkins Insurance to receive quotes from multiple carriers. Many decline to quote. Staff is aware that the Board would prefer to go out to bid each year for insurance. However, L. Farrell stated that there may be a correlation between the frequency that the Agency goes out to bid and the lack of responses received. L. Farrell recommended requesting a

quote from Selective first to see what the price is before asking for additional quotes. P. Battaglia stated that P. Zelif would need to be consulted for further approval.

3f. Workforce Development Sources and Uses – C. Suozzi reviewed the sources and uses of the 2024 Workforce Development Fund as outlined in the meeting materials. We have paid/scheduled \$55,438 out of \$88,250 that was planned for 2024. A few programs were placeholders, including Cornell in High School and Boxcar Derby for Leroy, that did not come to fruition this year. Additionally, Pre-Apprenticeship Boot Camp had a \$10,000 placeholder that was covered by GCC.

For 2025, we anticipate spending \$63,250. The Cornell High in School program is not likely to happen in 2025 as there is not enough kids taking advantage of the opportunity. Cornell is looking to alternatively move towards adults. C. Suozzi stated that there is a program that he is going to try to get off the ground this year called SAME (Summer Advanced Manufacturing Experience) which targets 9th and 10th graders in manufacturing.

3g. Snow and Ice Removal Contract with the County - The GGLDC had received a snow and ice removal contract from the Genesee County Highway Department for the sidewalks at the MedTech Centre. This is the same agreement we had with the County last year, but this is the first year that they have sent over a contract. The GGLDC will be invoiced monthly on a time/materials basis for work performed.

Fund commitment: Not to exceed \$5,000 from operational funds of MedTech Centre.

Board action request: Approval of Snow and Ice Removal Contract for \$5,000 with Genesee County.

D. Cunningham made a motion to recommend to the full Board the approval of the Snow and Ice Removal Contract with the County not to exceed \$5,000 as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

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

The item was approved as presented.

3h. Increase for HVAC - In March the GGLDC approved the following:

1. Maintenance contract with Triton for the HVAC system in the amount of \$4,950, as well as
2. Service calls and maintenance work that is not to exceed an additional \$15,000.

Over the course of the year there have been various service and maintenance calls related to the HVAC units.

We are approaching the previously approved not to exceed amount and are looking for an increase to cover potential service calls through the end of the year.

Fund Commitment: Increasing the not to exceed amount from \$15,000 to \$20,000, a \$5,000 increase.

Board Action Request: Approval of increasing the not to exceed amount from \$15,000 to \$20,000, for an increase of \$5,000.

P. Battaglia made a motion to recommend to the full Board an increase in the not to exceed amount for Triton from \$15,000 to \$20,000, for an increase of \$5,000 as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

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

The item was approved as presented.

3i. Increase for Electrical Repairs at MedTech Centre - In June the GGLDC approved a contract with Gilligan Electric to troubleshoot the issues with the parking lot lights at a not to exceed amount of \$4,000. We have had a few miscellaneous repair issues at the facility that have required electrical work. We are seeking to increase the not to exceed amount to cover potential costs through the end of the year.

Fund Commitment: Increasing the not to exceed amount from \$4,000 to \$14,000, a \$10,000 increase.

Board Action Request: Approval of increasing the not to exceed amount from \$4,000 to \$14,000, for an increase of \$10,000.

J. Tretter made a motion to recommend to the full Board an increase in the not to exceed amount for Gilligan Electric from \$4,000 to \$14,000, for an increase of \$10,000 as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

The item was approved as presented.

3j. Executive Real Estate Agreement for Listing - First Wave's lease with the GGLDC will be expiring at the end of October 2024 at MedTech Centre. There will be approximately 4000 sq. ft. of space available.

Action Request: Staff would like to list the space with Pyramid Brokerage, as we have had success with them in the past at MedTech Centre and recently at Apple Tree Acres.

The basic terms are 6% Commission rate, 1-year exclusive listing term.

We are working on the lease agreement with them and Harris Beach and would like the board to approve the listing agreement subject to counsel final review.

D. Cunningham made a motion to recommend to the full Board the approval of the Executive Real Estate Agreement with Pyramid Brokerage as presented subject to counsel's final review; the motion was seconded by J. Tretter. Roll call resulted as follows:

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

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 9:45 a.m., seconded by D. Cunningham and passed unanimously.