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GGLDC Audit & Finance Committee Meeting

Tuesday, October 29, 2024

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

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

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: October 1, 2024

J. Tretter made a motion to recommend approval of the minutes from October 1, 2024; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

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

- On the balance sheet, Reserved Cash for Strategic Investment Funds increased by \$50,000. We received two payments from solar projects in September.
- Loans Receivable Current (Line 20) decreased by \$200,000. The Board approved forgiveness of the Freightliner deferred loan, so that has been written off. It was removed from loans receivable and it is also reflected as grant expense on the Operating P&L.
- Accounts payable increased due to the monthly accruals for the quarterly payments that are due to the GCEDC for the MedTech Centre Property Management Fee and Economic Development Support Grant.

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- In the Operating fund (Line 9) there is grant income from the two solar projects mentioned above. These were from NY CDG 1 and NY CDG 4. We will also see these funds in the strategic investments analysis.
- We should be at 75% of budget now. D&O insurance is over budget at 91%.
- In the other funds, there is mostly normal monthly activity. MedTech Centre expenses are at 75% of budget for most line items, which is where we would anticipate being at this time.

D. Cunningham made a motion to recommend to the full Board the approval of the September 2024 Financial Statements as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

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

The item was approved as presented.

3b. GGLDC 2025 Budget - L. Farrell presented the 2025 budget to the Committee for final review and recommendation to the full Board for approval. Included as separate attachments to the meeting materials were the 2025 draft cash budget and 2025 draft accrual budget.

L. Farrell stated that the only changes to the 2025 draft cash budget have been highlighted in yellow and include the following:

- o On the 2024 Statement of Operational Cash Flows: Line 28 previously reported \$100K for Workforce Development Grants. This has been reduced to \$75K.
- o On the 2024 Statement of Operational Cash Flows: The beginning cash balance for the Genesee Agri-Business, LLC was reported incorrectly previously. This has been corrected.
- o On the 2025 Statement of Operational Cash Flows: Line 59 includes an expenditure for an equity contribution of \$50K to the STAMP Water and Sewer Works. This will not be on the accrual budget because it is a balance sheet transaction (equity contribution).

The cash budget is converted into an accrual budget. L. Farrell reviewed the significant changes when converting from cash to accrual, including:

- o Only interest income is shown for loan repayments received from companies.
- o Only interest expense is shown for debt service for MedTech Centre.
- o Depreciation expense of about \$193,000 is included.

J. Tretter made a motion to recommend to the full Board the approval of the GGLDC 2025 Budget as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

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The item was approved as presented.

3c. GGLDC 1+3 Budget – L. Farrell presented the 1+3 budget to the Committee for review. It was noted that most line items show a 3% increase year over year unless there is an asterisk or is shaded. These line items could be estimated more accurately based upon additional information that is available.

In previous years, the Committee had noted that given market conditions, an estimated 3% increase year over year may not be sufficient. L. Farrell shared that the consumer price index is currently 3.4%. She also noted that this is simply a forecast and not a formal approval of the budgets for the years 2026-2028.

Included with the meeting materials are four-year budgets for the GGLDC & GAB, LLC Consolidated, GGLDC Consolidated and GAB, LLC. The GGLDC & GAB, LLC Consolidated 1 + 3 Budget will be entered into PARIS (Public Authorities Reporting Information System) and certified.

Site Development Expense should be \$0 for 2028 as the CBA pass through grant will end in 2027. L. Farrell will make this change.

D. Cunningham made a motion to recommend to the full Board the approval of the GGLDC 1+3 Budget as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

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

The item was approved as presented.

3d. GCEDC Economic Development Support Grant – L. Farrell stated that the Economic Development Program Support Grant of \$300,000 was included in strategic investments for 2025 and included with the GGLDC Budget that was just approved.

J. Tretter made a motion to recommend to the full Board the approval of the GCEDC Economic Development Support Grant as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

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

The item was approved as presented.

3e. Strategic Investments – L. Farrell reviewed the Strategic Investments Analysis with the Committee. She noted the following:

- In 2024 we received \$100,000 to date from solar projects. These funds will support Workforce Development Initiatives and/or the overall Economic Development Program.
- Reserved funds of \$50,000 for the STAMP Water Works and STAMP Sewer Works were pushed out to 2025 as we do not anticipate transferring funds in 2024. This is the balance of the original

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placeholder of \$100,000 for start-up costs for these entities. Only \$50,000 has been paid to date. \$25,000 was paid to the STAMP Water Works, Inc. and \$25,000 was paid to the STAMP Sewer Works, Inc.

- There is \$20,000 for the Gravel Driveway at Buffalo East Tech Park.
- LDC Operation Costs and Site Infrastructure Maintenance increased. There was previously \$85,000 for the years 2024 through 2028. This increased to \$117K in 2025 and \$120K in the years 2026-2028 to more appropriately match the budget for the increased costs of insurance, professional services, etc.
- Workforce training funds for HP Hood and Upstate Niagara of \$50,000 were moved from 2024 to 2025. C. Suozzi is working with these companies on uses for these funds in 2025 in accordance with the agreements that were executed in 2021.
- The uses of the Workforce Development Reserve tied to the Sources and Uses Worksheet for 2024-2025 previously presented by C. Suozzi.
- Land Lease payments for 2024 increased to \$74K, which included HP Hood's lease for temporary storage and parking. This will not continue in 2025. The land lease payments decreased to \$29K in 2025 and forward.
- Reserves for the Workforce Development Consultant were removed for 2024, as the activity was undertaken by the GCEDC. A placeholder of \$30,000 for the workforce development consultant remains for the years 2025-2028 in case the County does not continue to provide additional funding to support Workforce Development initiatives as it does currently.
- With the last strategic investment update, interest income of about \$57K was reported. There is interest income of about \$105K now, which is due to the CDs.
- It is anticipated that at the end of 2028, there will be a cash balance of \$2M.

3f. Commercial Cleaning Services Additional 2023 Services – Commercial Cleaning Services of WNY, Inc. (CCS) has provided the GGLDC with a quote for waxing of the floors and the cleaning of the tile/grout in the bathrooms. Although this expenditure is not over \$5,000, total payments to this company will be over \$5,000 when combined with the general cleaning services that the company already provides. The GGLDC approved a contract with Commercial Cleaning Services of WNY Inc., for general cleaning services not to exceed \$16,500 for 2024. These additional services are \$1,199.64 (floor waxing) and \$595 (tile/grout cleaning). We have requested quotes for these services in the past, but this company has been offering a lower rate as a current customer. The quoted floor waxing rate stayed the same as last year and the tile/grout cleaning increased from \$495.

Fund Commitment: The total expenditure for these services should not exceed \$1,800 and will be paid out of the GGLDC, under MedTech Center site maintenance. The total amount is lower than what was budgeted for these services for 2024.

Board Action Request: Approval of the floor maintenance proposal with Commercial Cleaning Services of WNY, Inc. not to exceed \$1,800.

J. Tretter made a motion to approve the floor maintenance proposal with Commercial Cleaning Services not to exceed \$1,800 as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

J. Tretter - Yes

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P. Battaglia - Absent
M. Brooks - Yes
D. Cunningham – Yes

The item was approved as presented.

3g. 12/31/24 Audit Services – In 2022, 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 be \$10,300, which is the same as last year. The engagement letter includes an option to add on a Single Audit if necessary for an additional fee.

D. Cunningham made a motion to recommend to the full Board the approval of the 12/31/24 Audit Services with Mostert, Manzanero & Scott, LLP as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

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

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, D. Cunningham made a motion to adjourn at 8:52 a.m., seconded by D. Cunningham and passed unanimously.