



GGLDC Audit & Finance Committee Meeting

Tuesday, October 25, 2022

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: D. Cunningham, P. Battaglia, T. Felton, T. Bender
Staff: L. Farrell, M. Masse, L. Casey, J. Krencik, P. Kennett
Guests: M. Gray (GCEDC Board Member)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 8:51 a.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: October 4, 2022

T. Felton made a motion to recommend approval of the October 4, 2022 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham – Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. Genesee CARES Update – As of October 21, 2022, the 22 small businesses participating in the Genesee CARES initiative have submitted over \$800,000 of expenditures across six disbursement requests to the NYS Office of Community Renewal.

Eighteen of the participating small businesses have submitted for their entire grant awards, with a remaining 4 small businesses with partial or full grant funding available for a total of \$71,958 in remaining grant funds.

The request for a second round of funding, which will be reviewed by mid-November, has been submitted to the NYS Office of Community Renewal. In the first round of grant funding, we received 14 applications that met grant requirements but were not awarded any funds due to the first come, first serve approach that was applied. If OCR awards the second round of funding to Genesee County, these applicants will be notified of their potential to be awarded the funding previously requested.

3b. September 2022 Financial Statements - L. Farrell reviewed with the Committee the significant items of the September 2022 long form financial statements.

- On line 8 of the balance sheet, restricted cash grant funds decreased. At the end of August there was a balance of \$739,000. We collected funds from OCR related to the Upstate Niagara Cooperative, Inc project. This was 50% grant (\$367,000) and 50% loan (\$367,000) to the company, which was paid out in September. Therefore, loans receivable current and non-current increased in September.
- In the operating fund, approximately \$169,000 was recorded as CDBG/Genesee CARES grant revenue. The corresponding grant expense was recorded related to this.
- Also, in the operating fund, we recorded grant expense of \$367,000 related to the Upstate Niagara Cooperative, Inc project, which was previously discussed.
- In the Buffalo East Tech Park fund, we received the \$93,000 Community Benefit Agreement payment from Darien Lake. All funds are dedicated to the Corfu Wastewater Treatment Facility Construction Expansion. We will continue to receive payments through 2027.
- There is regular monthly activity for MedTech Centre, which is on budget for most line items.

T. Felton made a motion to recommend to the full Board the approval of the September 2022 Financial Statements as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3c. GGLDC 2023 Budget – L. Farrell presented the 2022 budget to the Committee for final review and recommendation to the full Board for approval. L. Farrell noted that there was only one change made to the budget since the Committee reviewed it last:

- At the end of 2022, the projected cash balance on a consolidated basis is \$5.3M, of which \$3.4M is strategic investment funds.
- A conservative approach has been taken and no land sales have been projected.
- The only change has been highlighted in yellow on the cash budget for operations. On the line item for Miscellaneous, \$76,000 has been allocated to Workforce Development initiatives. Solar projects agree to pay \$25,000 each to the GGLDC to support Workforce Development Initiatives, along with the overall economic development program. We “committed” \$175,000 from these projects to Workforce Development initiatives and there is \$125,000 remaining. Any expense that is over \$5,000 will come to the Board for approval; however, smaller Workforce Development expenditures can be paid without requiring approval because \$76,000 has been included in the budget.

P. Battaglia made a motion to recommend to the full Board the approval of the GGLDC 2023 Budget as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3d. GGLDC 1 + 3 Budget – L. Farrell presented the 1+3 budget to the Committee for final review. She stated that the cash budget is converted into an accrual budget. The significant changes when converting from cash to accrual are:

- Only interest income is shown for loan repayments received from companies.
- Only interest expense is shown for debt service for MedTech Centre.
- Depreciation is included.

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. L. Farrell also noted that on page 15 of the meeting materials, Line 17 should be shaded, while Line 18 should not be shaded.

This is simply a forecast and not a formal approval of the budgets for years 2024-2026. This information will be entered into PARIS (Public Authorities Reporting Information System) and certified.

T. Felton made a motion to recommend to the full Board the approval of the GGLDC 1 + 3 Budget as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3e. GCEDC Economic Development Support Grant – L. Farrell stated that the Economic Development Program Support Grant of \$300,000 was included in strategic investments for 2023.

P. Battaglia 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 T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham - Yes

The item was approved as presented.

3f. Strategic Investments – L. Farrell reviewed the Strategic Investments Analysis with the Committee. She noted that there were some changes made since the last review, including the following:

- Activity has been updated to include 1) \$10,000 from the Workforce Development Institute (WDI), which was related to the Cornell in High School program that C. Suozzi facilitated and 2) actual payments received for the Genesee County Chamber loans.
- Reserves for the Workforce Development Consultant have been removed for 2023, as the activity will be undertaken by the GCEDC in 2023. A placeholder of \$30,000 for the workforce development consultant remains for years 2024-2026 in case the County does not continue to provide additional funding to support Workforce Development initiatives as it is currently.
- Per the Plug Power Community Investment Agreement, \$900,000 per year for 20 years will be collected. These funds will be tracked in a separate strategic investment funds analysis intended for infrastructure improvements. The Committee stated that strategic investments should show an “in” and “out” for these funds as opposed to a note on the analysis.
- MedTech Centre \$500,000 reserve has been removed.

3g. Deferred Loan Agreement – Ag Park – The GGLDC previously approved a Purchase and Sale Agreement (PSA) with La Fermiere to acquire 20 acres at the Ag Park. That agreement references the payment as being half paid at closing and the other half being covered under the deferred loan agreement attached.

The Committee had concerns about the ambiguity of the language in the deferred loan agreement in Section 2.03 (b) that relates to job creation and loan forgiveness. There were many questions centered around when the loan would be forgiven, whether it is annually on the anniversary date of this agreement or at the end of 5 years to ensure that the company hits their aggregate number of jobs pledged.

The agenda item was tabled. The Committee requested that staff discuss their concerns with legal and report to the full Board.

4. ADJOURNMENT

T. Felton made a motion to adjourn at 9:39 a.m., seconded by T. Bender and passed unanimously.