

**Buffalo Urban Development Corporation**

143 Genesee Street  
Buffalo, New York 14203

phone: 716-856-6525  
fax: 716-856-6754  
web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Buffalo Urban Development Corporation  
MEETING NOTICE**

*Joint Meeting of the BUDC Finance & Audit Committee & BUDC Governance Committee is scheduled  
for:*

**Wednesday, January 18, 2012**

**at**

**8:30 a.m.**

**at the Offices of the**

**ECIDA/BUDC**

**143 Genesee Street**

Please confirm your attendance plans with Carrie Hocienec (856-6525 ext 136) or e-mail:  
[chocieni@ecidany.com](mailto:chocieni@ecidany.com) as soon as possible.

• Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Peter M. Cammarata, President • David A. Stebbins, Vice President  
• Andrew Schoepich, Treasurer • Kevin J. Zanner, Secretary •

**Buffalo Urban Development Corporation is an affiliated organization of the Erie County Industrial Development Agency**

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## Joint Audit & Finance and Governance Committee Meeting

Wednesday, January 18, 2012, 8:30 A.M.  
BUDC/ECIDA Offices - 143 Genesee Street

### Agenda

1. Approval of Minutes – Meeting of December 9, 2011 (*Action*) (*Enclosure*)
2. A & F – Committee Self-Evaluation (*Action*) (*Enclosure*)
3. A & F – Insurance Coverage Update (*Information*) (*Enclosure*)
4. A & F – Budget/Cash Flow Review (*Information*)
5. A & F – Employee Compensation Matter (*Information*)
6. A & F – 2012 Educational Article (*Information*)
7. Governance – Committee Self-Evaluation (*Action*) (*Enclosure*)
8. Governance – Strategic Planning Summary Report (*Action*) (*Enclosure*)
9. Governance – Creation of BUDC Downtown Committee (*Action*)
10. Governance – New Board Member Fontana and Other Board Vacancies (*Action*)
11. Governance – 2011 Board Meeting Attendance Report (*Information*)
12. Governance – Employee Manual Update (*Information*)
13. Governance – Upcoming ABO/PARIS Compliance Issues (*Information*)
14. Joint – BUDC/ECIDA Employee Transition Agreements (*Information*)
15. Joint – Potential Procurement of a Lobbyist (*Discussion*)
16. Joint – Buffalo Building Reuse Project Update (*Information*)
17. Joint - BUDC / BERC Merger Update (*Information*)
18. Adjournment (*Action*)

**Minutes of the Joint Meeting  
of the  
Finance & Audit and  
Governance Committees  
of  
Buffalo Urban Development Corporation  
143 Genesee Street  
December 9, 2011  
8:30 a.m.**

**Call to Order:**

Finance & Audit Committee Members Present:      Finance & Audit Committee Members Absent:

Kathy Konst  
Woodrow W. Maggard  
Dennis M. Penman  
Andrew J. Rudnick

James W. Comerford

Governance Committee Members Present:      Governance Committee Members Absent:

Catherine M. Braniecki  
Darren E. Kempner  
Thomas A. Kucharski  
Andrew J. Rudnick  
Dennis M. Penman

Hon. Byron W. Brown

Officers Present

Peter M. Cammarata, President  
David A. Stebbins, Vice President  
Andrew Schoeppich, Treasurer  
Kevin J. Zanner, Secretary

ECIDA Staff Present: Dawn Boudreau, Compliance Officer; and Teresa Carpenter, Controller.

**Roll Call:** The Secretary called the roll of the members of the Finance & Audit and Governance Committees at 8:35 a.m. A quorum of the Finance & Audit Committee was present. A quorum of the Governance Committee was not present. The Chairs of the respective Committees asked the staff to present the information items of the agenda first. Messrs. Penman and Kucharski joined the meeting at 8:45 a.m. following the presentation of information item 4.0. At that time, a quorum of the Governance Committee was determined to be present.

**1.0      Governance – Board Member Resignation** – Mr. Cammarata reported that Sundra L. Ryce has submitted her resignation from the Board of Directors effective December 31, 2011. Mr. Cammarata noted that Ms. Ryce has served on the Board since 2004. Ms. Ryce's term as a citizen member was scheduled to expire in June 2012. The Governance Committee concurred with staff's recommendation that the position remain vacant for the balance of the term.

**2.0      Governance – ABO PAAA Winter Training Schedule** – Ms. Boudreau presented an update regarding the Public Authorities Accountability Act Board member training schedule for winter 2011-2012, which was recently issued by the Authorities Budget Office. Ms. Boudreau noted that one member of the Board has not completed the training, and that she forwarded the training schedule to the Board member.

- 3.0 Governance – Employee Manual Update** – Mr. Cammarata reported that Paychex has not completed the employee manual, and that it is unlikely that the manual will be completed prior to the December 31, 2011 transition of Messrs. Cammarata and Stebbins from their employment with ECIDA to employment with BUDC.
- 4.0 Governance – Whistleblower Policy Update** – Ms. Boudreau reported that ECIDA will prepare a whistleblower policy that is based on the model policy recently published by the Authorities Budget Office. Mr. Cammarata indicated that once the ECIDA policy is drafted, BUDC staff will prepare a similar policy based on the ECIDA version.
- 5.0 Approval of the November 18, 2011 Minutes of the Joint Meeting of the Governance and Finance & Audit Committees** – The minutes of the November 18, 2011 joint meeting of the Governance and Finance & Audit Committees were presented to the Finance & Audit Committee. Upon motion made by Ms. Konst, seconded by Mr. Maggard and unanimously carried, the minutes of the November 18, 2011 meeting were approved by the Finance & Audit Committee.
- The minutes of the November 18, 2011 joint meeting of the Governance and Finance & Audit Committees were presented to the Governance Committee. Upon motion made by Mr. Kempner, seconded by Mr. Penman and unanimously carried, the minutes of the November 18, 2011 meeting were approved by the Governance Committee.
- 6.0 Finance & Audit – BUDC Budget Review** – Mr. Schoepich updated the Finance & Audit Committee regarding the four year cash flow forecast. Mr. Schoepich noted that there have been two changes since the Committee last reviewed the cash flow forecast. First, there has been a delay in BUDC's receipt of the NYSDOS BOA grant, and second, the \$500,000 in land sales that was budgeted as part of the cash flow forecast is now more likely to take place in late 2012 or 2013. Mr. Stebbins reported that the NYSDOS grant, the paperwork for which was submitted to NYSDOS on August 1, 2011, is only now being reviewed by NYSDOS. Staff has responded to NYSDOS questions regarding workers compensation coverage and BUDC's compliance with Charities Bureau filing requirements. Dr. Rudnick suggested that BUDC retain a lobbyist or the assistance of an elected official to move the grant through the approval process. Mr. Stebbins indicated that he will contact Senator Timothy Kennedy's office to assist with the grant approval process. Mr. Cammarata then updated the Committee regarding the status of land sales at Buffalo Lakeside Commerce Park. He noted that the America Heritage Homes project was recently awarded \$2.5M in low cost financing, which should help advance that project at BLCF.
- 7.0 Finance & Audit – Reimbursement of BLCF Expenses II from Brownfield Fund** – Mr. Cammarata circulated a copy of the June 28, 2011 memorandum to the Board regarding the reimbursement of third party expenses from the Buffalo Brownfields Redevelopment Fund (the "Fund"). Mr. Cammarata noted that staff previously identified \$754,465 in third party costs incurred by BUDC that were eligible for reimbursement from the Fund, and that the Board authorized staff to apply \$437,840 of that amount to pay Sasaki Associates for the RiverBend master plan work. Staff is now requesting that the Finance & Audit Committee recommend that the Board authorize the transfer of the balance of the funds (\$316,625) to BUDC's operating account. The Committee discussed the request. Dr. Rudnick suggested that the amount should also include any third party costs incurred by BUDC in 2011 that have not been reimbursed from the Fund to date. Mr. Maggard then made a motion to recommend that the Board authorize staff to transfer to BUDC \$316,625 in third party costs that were identified in the June 28, 2011 memorandum and also to authorize transferring the amount of any third party costs incurred by BUDC in 2011 which have not been reimbursed to date. The motion was seconded by Ms. Konst and was unanimously carried.

- 8.0 Finance & Audit – First Niagara Banking Resolution Update** – Mr. Schoeplich circulated a copy of the form of resolution required by First Niagara Bank and reported that the Vice Chair executed the banking authorization form designating Messrs. Cammarata, Stebbins and Schoeplich as having joint signature authority with respect to BUDC's bank accounts at First Niagara Bank.
- 9.0 Joint – Employee Transition Issues and Benefit Review** – Mr. Cammarata circulated a memorandum outlining the proposed employee benefits for BUDC employees. He reviewed an employee benefits chart comparing the benefits provided to ECIDA and BERC employees and the benefits proposed for BUDC employees. It was suggested that the floating holiday be eliminated from the benefits package. A discussion then followed during which it was noted that Messrs. Cammarata and Stebbins have both agreed to defer the lump sum payment of their accrued employee benefits upon termination of their employment with ECIDA. Instead of receiving lump sum amounts for their accrued benefits, Messrs. Cammarata and Stebbins will be credited by BUDC for their years of service at ECIDA and will be paid their ECIDA accrued benefits upon termination of their employment with BUDC. Mr. Cammarata then circulated copies of the draft agreement between BUDC and ECIDA which sets forth the terms of the transition of Messrs. Cammarata and Stebbins from ECIDA to BUDC. Dr. Rudnick commented that this is a unique arrangement and should not be viewed as establishing a precedent with respect to future BUDC hires. Other employees hired by BUDC will not receive credit for years of service at other governmental agencies, including BERC.
- Mr. Cammarata next circulated the revised Vacation, Personal and Sick Leave Policy of the ECIDA, which is effective as of January 1, 2012. The revised policy provides that any unused sick days that are earned by an ECIDA employee after January 1, 2012 will no longer be paid to an employee upon separation from employment. In addition, employees separating from employment after January 1, 2012 will be paid sick leave at the salary rate as of December 31, 2011. The Committee discussed and agreed that the revised ECIDA sick leave policy should also apply to the sick leave policy for BUDC.
- At the conclusion of the discussion, Dr. Rudnick made a motion to recommend that the Board of Directors (i) authorize BUDC to enter into an agreement with ECIDA and each of Peter M. Cammarata and David A. Stebbins pursuant to which Messrs. Cammarata and Stebbins would become employees of BUDC effective January 1, 2011 and BUDC would assume responsibility for the payment of the accrued employee benefits owed by ECIDA to Messrs. Cammarata and Stebbins; and (ii) approve the proposed BUDC employee benefits package in the form presented to the Committee. The motion was seconded by Mr. Penman and was unanimously carried.
- 10.0 Joint – Buffalo Building Reuse Project Update** – Dr. Rudnick updated the Committees regarding the Buffalo Building Re-use project. He reported that progress is being made in terms of obtaining a commitment from the City of Buffalo to provide funding for the initiative. He also noted that once the City of Buffalo provides funding, other funding sources will provide funding for the initiative.
- 11.0 Joint – BUDC/BERC Merger Update** – Mr. Cammarata reported that the next meeting of the merger transition team is scheduled for December 14<sup>th</sup>. Staff intends to move forward with an analysis of the BERC properties and a proposal to provide interim property management services prior to the completion of the merger.
- 12.0 Adjournment** – There being no further business to come before the Finance & Audit Committee and the Governance Committee, upon motion made by Mr. Kempner, seconded by Mr. Maggard and unanimously carried, the joint meeting of the Finance & Audit and Governance Committees adjourned at 9:45 a.m.

Respectfully submitted by:



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Kevin J. Zanner, Secretary

## Buffalo Urban Development Corporation 2011 Audit & Finance Committee Self-Evaluation

### Responsibilities of the Audit & Finance Committee:

The core responsibilities of the Audit & Finance Committee, as mandated under Section 2825 of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) the independent auditor and annual financial statements; (ii) oversight of management's internal controls, compliance, and risk assessment practices; (iii) special investigations and whistleblower policies; and (iv) miscellaneous issues related to the financial practices of the Corporation.

Audit & Finance Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Audit & Finance Committee appointed in accordance with the Bylaws and do individuals appointed to the Audit & Finance Committee possess the necessary skills to understand the duties and functions of the Audit & Finance Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Audit & Finance Committee an "independent member" within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Audit & Finance Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Audit & Finance Committee meet a minimum of once (1) each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Audit & Finance Committee met on 1/13/11, 3/22/11, 5/17/11, 6/15/11, 8/22/11, 9/20/11, 10/20/11, 11/18/11, and 12/9/11.
4. Were meeting notices and agendas prepared for each meeting and provided to Audit & Finance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Audit & Finance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>5. Did the Audit &amp; Finance Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below
<p>6. Did the Audit &amp; Finance Committee:</p> <p>(a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, pre-approve all audit services provided by the independent auditor, and provide oversight of the audit services provided by the independent auditor?</p> <p>(b) Engage independent auditors to provide permitted audit services consistent with the procurement policy of the Corporation?</p> <p>(c) Review and approve the Corporation's audited financial statements, associated management letter, and all other auditor communications?</p> <p>(d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Corporation?</p> <p>(e) Meet with the Corporation's independent auditor at least annually to discuss the financial statements of the Corporation and any issues that may have arisen during the audit?</p> <p>(f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>In March 2011, Toski Schaefer completed a financial audit of the BUDC. On 3/22/11, Toski, Schaefer presented the draft 2010 audited financial statements to the Audit &amp; Finance Committee. Toski issued an unqualified (clean) opinion. They also indicated that the audit did not uncover any significant weaknesses in internal control. Following discussion, the Committee recommended that the Board accept the draft audited financial statements. Toski Schaefer also presented the 2010 draft financial statements of the Buffalo Brownfields Redevelopment Fund. The ECIDA is the custodian for the Brownfields Fund. Accordingly, the financial statements were presented for informational purposes only.</p>

Audit & Finance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>7. Did the Audit &amp; Finance Committee review management's assessment of the effectiveness of the Corporation's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Corporation's internal controls, regulatory compliance, and organizational structure and operations?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>As per the March 2011 audit report, no significant weaknesses in internal control were noted. In the past, BUDC relied upon the internal controls audit conducted by the ECIDA because the controls in place for both the ECIDA and BUDC were nearly identical. Because the ABO recommends separate internal controls for all public authorities, the Audit &amp; Finance Committee discussed a proposal from Toski Schaefer to perform an internal controls audit. Following discussion, the Committee recommended that the Board retain Toski Schaefer to perform an internal controls audit for the fiscal year 2011.</p>
<p>8. Did the Audit &amp; Finance Committee:</p> <p>(a) Ensure that the Corporation has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Corporation or anyone having business dealings with the Corporation?</p> <p>(b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing?</p> <p>(c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The BUDC's Whistleblower Policy is included in its Code of Ethics. The Audit &amp; Finance Committee is aware that the ABO recently published a formal Whistleblower policy. The Audit &amp; Finance Committee will review the ABO's new policy and recommend changes to the BUDC Whistleblower Policy as necessary.</p>

Audit & Finance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>9. Did the Audit &amp; Finance Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reviewed the "Not for Profit Handbook" by Grant Thornton which included: (1) guiding principles of the audit committee; (2) basic roles &amp; responsibilities; (3) users of financial statements; (4) working with external auditors; and (5) the monitoring function of the audit committee.</p>
<p>10. Did the Audit &amp; Finance Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Audit &amp; Finance Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>On 3/29/11, the Audit &amp; Finance Committee reported on its activities to the BUDC Board of Directors. These activities included the: (1) Audit &amp; Finance Committee self-evaluation; (2) Audit &amp; Finance Committee Charter; (3) proposed 2010 audited financial statements prepared by Toski Schaefer; (5) 2010 drafted audited financial statements for the Buffalo Brownfields Redevelopment Fund prepared by Toski Schaefer; (6) 2010 Public Authorities Annual Report; (7) Investment &amp; Deposit Policy; and (8) 2010 Investment Report. On 9/29/11, the Committee recommended to the Board that it retain Toski Schaefer to perform an internal controls audit for the BUDC.</p>

**Audit & Finance Committee Self-Evaluation**

***Other Self-Evaluation Notes***

1) In addition to the above:

- In July 2011, the BUDC submitted a Request for Proposal for banking services. During its meeting on 9/20/11, the Audit & Finance Committee recommended that the Board approve the selection of First Niagara Bank to provide banking, cash management, and investment services to the BUDC.

## BUDC INSURANCE COVERAGE

2012

***BUDC – Buffalo Lakeside Commerce Park Property (128 acres of real estate development property)  
– BUDC Offices (250 sq. ft)***

Type	Insurance Co.	Expiry	Limits	Premium
Commercial Package (Property, Auto & Liability)	The Hartford	12/31/2012	<b>Liability:</b> \$1,000,000 /Occurrence \$2,000,000 Aggregate <b>Auto:</b> \$1,000,000	\$3,344
Umbrella	The Hartford	12/31/2012	\$10,000,000	\$4,646
Directors & Officers	Chartis	12/31/2012	\$10,000,000	\$10,320
Environmental	Marsh USA	1/31/2013	\$10,000,000	\$192,757 (10 years)

***BUDC – Riverbend Property (187 acres of real estate development property)***

Type	Insurance Co.	Expiry	Limits	Premium
Commercial Package (Property & Liability)	Essex Insurance Co.	12/31/2012	<b>Liability:</b> \$5,000,000 <b>Property:</b> \$5,000	\$9,928
Umbrella	Scottsdale Insurance Co.	12/1/2012	\$5,000,000	\$4,944

***BBRC – Former Trico Property (509,356 sq ft vacant building)***

Type	Insurance Co.	Expiry	Limits	Premium
General Liability	Northfield Insurance Co. (non-admitted)	1/9/2013	<b>Liability:</b> \$1,000,000 /Occurrence \$2,000,000 Aggregate	\$15,015
Umbrella	CastlePoint Insurance Co.	1/9/2013	\$10,000,000	\$8,497

**BUDC INSURANCE COVERAGE (Continued)**  
**2012**

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***Employee Health & Benefits***

Type	Insurance Co.	Expiry
Health Insurance	Independent Health	12/31/2012
Dental Insurance	Lincoln Financial Group	12/31/2012
Life Insurance / AD&D	Lincoln Financial Group	12/31/2012
LTD Insurance	Lincoln Financial Group	12/31/2012
Workers Compensation	The Hartford	12/31/2012
NYS Short-Term Disability	Paychex	n/a

## Buffalo Urban Development Corporation 2011 Governance Committee Self-Evaluation

### Responsibilities of the Governance Committee:

The core responsibilities of the Governance Committee of Buffalo Urban Development Corporation, as mandated under Section 2824(7) of the New York Public Authorities Law, are set forth in the Governance Committee Charter and include: (i) keeping the Board of Directors informed of current best governance practices; (ii) reviewing corporate governance trends; (iii) recommending updates to the Corporation's corporate governance principles; and (iv) advising those responsible for appointing members to the Board on the skills and experiences necessary required of potential Board members.

Governance Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Governance Committee appointed in accordance with the Bylaws and Governance Committee Charter and are individuals appointed to the Governance Committee knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to governance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Governance Committee an "independent member" within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Governance Committee members comply with the conflict of interest provisions set forth in BUDC policies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Governance Committee meet a minimum of once (1) each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Governance Committee met on 1/13/11, 3/16/11, 5/17/11, 6/15/11, 8/1/11, 8/22/11, 9/20/11, 10/20/11, 11/18/11, and 12/9/11

Governance Committee Self-Evaluation	Yes	No	Pen ding	Comments
4. Were meeting notices and agendas prepared for each meeting and provided to the Governance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Corporation? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Did the Governance Committee develop the Corporation's governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See responses to Questions #6-#9 below.
6. Did the Governance Committee develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals (it being acknowledged that a portion of BUDC's membership consists of individuals serving in ex-officio capacities as provided under BUDC's Certificate of Incorporation)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Statement of the Competencies and Personal Attributes is posted on BUDC's website. It was approved by the BUDC Board of Directors on 5/24/10.
7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	None required.
8. Did the Governance Committee develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers as required under Section 2824(2) of the New York Public Authorities Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	New Board members receive an orientation and are provided with a New Member Orientation Manual. Currently, 16 Board members have received the PAAA required training.
9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following:  (i) the Corporation's Code of Ethics.  (ii) written policies regarding conflicts of interest.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Governance Committee Self-Evaluation

Yes

No

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Comments

(iii) written policies regarding the protection of whistleblowers from retaliation.

Items i), ii) & iii) are included in the BUDC Code of Ethics policy. The Governance Committee reviewed the BUDC's Code of Ethics policy during its 3/16/11 Committee meeting. No changes were necessary. The Code was re-adopted by the full Board during the 3/29/11 Board meeting. The Governance Committee is aware that the ABO recently published a formal Whistleblower policy. The Committee will review the ABO's new policy and recommend changes to the BUDC Whistleblower Policy as necessary.

(iv) equal opportunity and affirmative action policies.

iv) N/A

(v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Corporation's procurement process.

v) The Procurement Policy was reviewed at the 3/16/11 Committee meeting. No changes were necessary. The Board re-adopted the Procurement Policy during its 3/29/11 Board meeting.

(vi) written policies regarding the disposition of real and personal property and the acquisition of property.

The Property Disposition Guidelines were reviewed at the 3/16/11 Committee meeting. No changes were necessary. The Board re-adopted the Property Disposition Guidelines during its 3/29/11 Board meeting.

Governance Committee Self-Evaluation

Yes

No

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Comments

(vii) committee charters, including the Governance Committee Charter.

(viii) any other policies or documents relating to the governance of the Corporation, including rules and procedures for conducting the business of the Corporation's Board, including the Corporation's Bylaws. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.

vii) The Governance Committee reviewed the Governance Committee Charter during its 3/16/11 meeting. No changes were necessary.

viii) The Bylaws were reviewed by the Governance Committee in 2009 and approved by the full Board during the 6/2/09 Annual Membership meeting. No changes were necessary in 2010 or 2011. The Governance Committee revised the BUDC's Travel, Conferences, Meals & Entertainment Policy to comply with new recommendations by the ABO. The revised policy was adopted by the Board during the 10/25/11 Board meeting.

10. Did the Governance Committee:

(i) report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board.

(ii) report to the Board, at least annually, regarding any proposed changes to this Charter.




ii) The Governance Committee Charter was presented to the Board on 3/29/11.

Governance Committee Self-Evaluation	Yes	No	Pen ding	Comments
(iii) provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.				iii) The Committee conducted a self-evaluation during its 3/16/11 meeting. It reported the results of its self-evaluation to the Board during the 3/29/11 Board meeting.

Governance Committee Self-Evaluation
<b>Other Self-Evaluation Notes</b>
<p>1) The Governance Committee performed a BUDC Board Member Self-Evaluation in March 2011. The evaluation did not reveal any areas of significant concern. The Committee approved the submission of the Summary Results Form to the ABO. The Committee reported the results of the Board self-evaluation to the Board during the 3/29/11 Board meeting.</p> <p>2) During its 3/16/11 meeting, the Governance Committee discussed the BUDC's Mission Statement and Performance Measures. The Committee broadened its Mission Statement and made changes to its Performance Measures. The Committee reported these changes to the full Board during the Board meeting on 3/29/11.</p> <p>3) The Governance Committee conducted an audit of the BUDC website to ensure that all ABO required documents were posted. Following its review, the Committee recommended that BUDC directors post committee meeting minutes. During its 8/22/11 meeting, the Committee reported that all committee meeting minutes had been posted to the BUDC website.</p>



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 Depew, New York 14043

December 30, 2011

Summary Report: Buffalo Urban Development Corporation – Strategic Planning

I was hired by the Buffalo Urban Development Corporation (BUDC) to facilitate a strategic planning process. The proposed merger of the BUDC and the Buffalo Economic Renaissance Corporation (BERC) was a driving force behind the need for a strategic plan.

The following events took place:

9/19/11: I met with Peter Cammarata and David Stebbins at the BUDC offices to gain background knowledge related to the potential merger of the BUDC and BERC as well as the Buffalo Building Reuse Project process. An agenda for Strategic Planning Session I was developed.

9/29/11: I attended the BUDC Board of Directors Strategic Planning Session I held at the Empire State Development Corporation Offices. I was introduced to the Board and spent approximately 15 minutes near the end of the session setting the stage for Strategic Planning Session II (working session) scheduled for 10/11/11.

10/7/11: I met with Peter Cammarata and David Stebbins at the BUDC offices to finalize the agenda for the Strategic Planning Session II meeting.

10/11/11: I facilitated a three hour Strategic Planning working session at the Buffalo Club. A SWOT analysis was conducted and discussion was held regarding the proposed BUDC/BERC merger. The Buffalo Building Reuse Project was also discussed. The overall goal was to identify key areas of focus for the group to work on moving forward at both the strategic and tactical levels. The following focus areas were identified:

- Finance
- Governance
- Human Resources
- Marketing
- Public Relations
- Real Estate
- Sales

These focus areas were combined with the SWOT feedback, BUDC/BERC Merger action items and Buffalo Building Reuse Project action items into a Strategic Planning Workbook (separate document). It is my recommendation that the Workbook be presented to the Governance Committee moving forward as a planning tool to identify actionable items, an opportunity filter and a progress "report card".



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At the close of the Strategic Planning Session II "Board Readiness" was discussed. The topics included consideration of current board strengths, areas of vulnerability and the consideration of the future needs of the board and organization along with the individual competencies required to meet those needs.

It is my understanding that a number of issues need to be addressed (including but not limited to HUD requirements with regard to dissolving BERC and staffing needs/ plans of the merged organization) in order for the proposed merger to move forward with the goals of efficiency and fiscal stability in mind.

The Governance Committee may wish to meet to review and discuss the "validity" of the current BUDC Mission Statement and revise it based upon the outcome of the proposed BUDC/BERC merger and the Buffalo Building Reuse Project.

I stand ready to serve the needs of the organization in the future should the need arise.

Respectfully submitted,

**Lawrence R. Mietus**

Lawrence R. Mietus  
Founder  
***Speaking of Strategy***