

**Minutes of the Joint Meeting
of the
Finance & Audit and
Governance Committees
of
Buffalo Urban Development Corporation
143 Genesee Street
October 20, 2011
12:00 p.m.**

Call to Order:

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

James W. Comerford
Kathy Konst
Andrew J. Rudnick

Woodrow W. Maggard
Dennis M. Penman

Governance Committee Members Present: **Governance Committee Members Absent:**

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

Hon. Byron W. Brown
Dennis M. Penman

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA Compliance Officer.

Roll Call: The Secretary called the roll of the members of the Finance & Audit and Governance Committees at 12:05 p.m. A quorum of both the Finance & Audit Committee and the Governance Committee was determined to be present.

1.0 Approval of Minutes of the Joint Governance and Finance & Audit Committee Meetings –

- a. The minutes of the August 22, 2011 joint meeting of the Governance and Finance & Audit Committees were presented to the Governance Committee. Upon motion made by Ms. Braniecki, seconded by Mr. Kucharski and unanimously carried, the minutes of the August 22, 2011 meeting, as amended, were approved by the Governance Committee.
- b. The minutes of the September 20, 2011 joint meeting of the Governance and Finance & Audit Committees were presented to the Governance Committee and Finance & Audit Committee. Upon motion made by Ms. Konst, seconded by Mr. Comerford and unanimously carried, the minutes of the September 20, 2011 meeting were approved by the Governance and the Finance & Audit Committees.

- 2.0 Governance – Travel Policy** – Mr. Cammarata presented to the Governance Committee a proposed revised version of the BUDC Travel, Conferences, Meals and Entertainment Policy. He noted that the policy was updated by Dawn Boudreau in keeping with recent Authorities Budget Office guidance. Ms. Boudreau then commented on the changes to the revised policy and noted that the policy is nearly identical to the revised ECIDA policy recently approved by the ECIDA Board.

There being no discussion, upon motion made by Ms. Braniecki, seconded by Mr. Kucharski and unanimously carried, it was resolved, that the Governance Committee recommend that the Board of Directors approved the revised Travel, Conferences, Meals and Entertainment Policy in the form presented to the Committee.

- 3.0 Governance – Whistleblower Policy** – Mr. Cammarata circulated a recommended guidance recently published by the Authorities Budget Office regarding Whistleblower Access and Assistance Programs. Staff will review the guidance and update the Governance Committee on the implications of the guidance on current BUDC policies and procedures.

- 4.0 Governance – Website Review** – Mr. Cammarata reported on compliance activities in connection with the Authorities Budget Office guidance regarding website content. It was noted that all meeting notices and agendas of the Board of Directors and committees of the Board are posted at the website. The performance measures report will be added to the website once the first report is issued by the Board.

- 5.0 Finance & Audit – 2012 Draft Budget and 3-Year Forecast Recommendation**
Mr. Schoepich presented a recap of the proposed 2012 budget for BUDC and the three-year operating cash forecast, which was previously reviewed by the Finance & Audit Committee at its September 20, 2011 meeting. The Committee then discussed the proposed budget and three-year forecast. Dr. Rudnick commented that the proposed budget is a status quo budget and that neither the budget nor the three-year forecast factor in the budgetary impacts of the proposed BERC merger and the Buffalo Building Re-use project. Once those initiatives are incorporated into BUDC, there will be a need to revisit the 2012 budget and three-year operating cash forecast.

There being no further discussion, upon motion made by Ms. Konst, seconded by Mr. Comerford and unanimously carried, it was resolved, that the Committee approve the 2012 budget and three-year operating cash forecast in the form presented to the Committee, and that the Committee recommend that the Board of Directors approve the 2012 budget and three-year operating cash forecast at the October 25, 2011 meeting of the Board.

- 6.0 Joint – Employee Transition Issues** – Mr. Cammarata reported to the Committee on employee transition issues. As of January 1, 2012, the President and Vice President of BUDC will become employees of BUDC. Staff has begun the process of developing personnel policies which will be presented to the Governance Committee at a future meeting. A starting point for the development of personnel policies, including employee benefits, will be the policies currently used by ECIDA. Ms. Branlecki commented that it may be helpful to consider private sector benefits policies, particularly as they relate to paid time off. Mr. Cammarata then reported that there are certain accrued benefits payable to the President and Vice President arising from the termination of their employment with ECIDA. Absent a different arrangement, these benefits would in the ordinary course be paid in a lump sum by ECIDA upon termination and then reimbursed by BUDC as part of the management fee arrangement between ECIDA and BUDC. In response to a question from Dr. Rudnick, Mr. Schoepich indicated that the accrued benefits liability is an unbudgeted expense for BUDC. The Committee then discussed an

alternate arrangement by which BUDC would assume the accrued benefits liability and defer payment of the liability.

Upon motion made by Mr. Kucharski, seconded by Mr. Comerford and unanimously carried, it was resolved, that the Committee recommend assumption by BUDC of the accrued benefits liability owed to the President and Vice President of BUDC in connection with their employment with ECIDA and the deferral of payment of the accrued benefits.

- 7.0 Joint – Strategic Planning Session Update** – Mr. Cammarata presented a brief recap of the Board of Directors strategic planning sessions. Attendance at the strategic planning sessions was very good. No objections were raised by Board members to the proposed path of BUDC toward an enhanced role in economic development through the BERC merger and Buffalo Building Re-use project. It was noted that certain changes to the Board structure of BUDC and its mission statement will be revisited by the Governance Committee once the BERC merger and Buffalo Building Re-use project initiatives are in place.
- 8.0 Joint – Buffalo Building Reuse Project Update** – Dr. Rudnick provided an update regarding the status of the Buffalo Building Re-use project. With BUDC having been identified as the appropriate agency to enact the recommendations of the project committee, the primary issue is the extent and source of the funding which will be dedicated toward the project.
- 9.0 Joint – BUDC/BERC Merger Update** – Mr. Cammarata reported that weekly meetings are taking place with BERC representatives regarding the proposed merger, and that progress is being made on a number of issues. The BUDC officers then commented on some of the key issues that need to be resolved before a formal merger of BUDC and BERC can be effectuated.
- 10.0 Adjournment** – There being no further business to come before the Finance & Audit Committee and Governance Committee, upon motion made by Ms. Konst, seconded by Mr. Kempner and unanimously carried, the joint meeting of the Finance & Audit and Governance Committees adjourned at 1:15 p.m.

Respectfully submitted by:



Kevin J. Zanner, Secretary