

**Minutes of the Joint Meeting of the
Finance & Audit and
Governance Committees
of
Buffalo Urban Development Corporation
143 Genesee Street
June 15, 2011
12:00 p.m.**

Call to Order:

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

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

Kathy Konst

Governance Committee Members Present: Governance Committee Members Absent:

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

Hon. Byron W. Brown
Darren E. Kempner

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 roll of the members of the Finance & Audit Committee and the Governance Committee was called at 12:10 p.m. and a quorum of both Committees was determined to be present.

- 1.0 Approval of Joint Governance and Finance & Audit Committee Meeting Minutes** – The minutes of the May 15, 2011 joint meeting of the Governance and Audit & Finance Committees were presented to the members of the Governance Committee and the Finance & Audit Committee. Upon motion made by Mr. Penman, seconded by Mr. Rudnick and unanimously carried, the minutes of the May 15, 2011 meeting were approved by the Governance Committee and the Finance & Audit Committee.

- 2.0 Reimbursement of BLCP Expenses from Brownfield Fund** – Mr. Cammarata circulated a revised summary of third-party costs paid by BUDC for Buffalo Lakeside Commerce Park (BLCP) that are potentially reimbursable as “Eligible Project Costs” under the Buffalo Brownfields Redevelopment Fund (BBRF). He noted that ECIDA management fees were removed from the summary as previously recommended by the Committee. He also informed the Committee that staff is suggesting that the Committee consider recommending to the Board that the reimbursement of BLCP expenses take place at the end of June in order to facilitate the making by BUDC of certain payments required under its consulting agreement with Sasaki Associates. The Committee discussed the status of the New York State Department of State (NYS DOS) Brownfield

Opportunities Area Program Agreement ("BOA Agreement"). A portion of the grant funds under the BOA Agreement are allocated to pay for the RiverBend master plan prepared by Sasaki Associates. It was noted that the Common Council has not yet acted on the revised NYSDOS resolution, although it is expected to do so before the end of June. It was also noted that there is a risk that the NYSDOS grant monies will not be available to BUDC if the resolution is not passed or the City of Buffalo does not execute the grant agreement. The general consensus of the Committee was to condition the payment to Sasaki Associates upon the Common Council's passage of the revised resolution and the execution of the BOA Agreement by the City of Buffalo.

There being no further discussion, upon motion made by Dr. Rudnick, seconded by Mr. Kucharski and unanimously carried, it was resolved, that the Committee recommend that the Board of Directors (i) approve the reimbursement to BUDC of \$437,840 in BLCP third-party costs from the BBRF; and (ii) approve payment to Sasaki Associates from the reimbursed funds, subject to and conditioned upon the City of Buffalo Common Council adopting a resolution in the form required by NYSDOS for the City of Buffalo under the BOA Agreement and the City of Buffalo executing and delivering the BOA Agreement to NYSDOS.

- 3.0 Recommendation for Reappointment of Officers, Directors and Committee Members** – Mr. Cammarata presented the June 15, 2011 memorandum to the Governance Committee regarding the appointment of BUDC officers, Board Committee members and the re-appointments of Dennis Elsenbeck and Catherine Braniecki as citizen members of the Board of Directors. He noted that staff is recommending the addition of James Comerford to the Finance & Audit Committee. Upon motion made by Mr. Kucharski, seconded by Mr. Penman and unanimously carried, it was resolved, that the Governance Committee recommend that the Board of Directors approve the slate of officers and Committee members and the re-appointments of Dennis Elsenbeck and Catherine Braniecki as citizen members of the Board of Directors, as set forth in the June 15, 2011 memorandum to the Committee.
- 4.0 Strategic Planning** – Mr. Cammarata introduced this item, noting that the Governance Committee had expressed support at its last meeting for a strategic planning session of the Board of Directors to consider, among other things, whether BUDC's mission should be expanded to include a broader scope of development projects beyond brownfield redevelopment. Mr. Penman made a motion to recommend that the Board convene a strategic planning session in September 2011. The motion was seconded by Mr. Kucharski and unanimously carried.
- 5.0 National Grid Sub-Agreement** – Mr. Cammarata informed the Finance & Audit Committee that Art Hamlin at National Grid has not yet responded to the BUDC proposal to charge a 5% fee (with a \$1,000 minimum) to sub-recipients of grant funding through National Grid economic development grant programs. Mr. Cammarata will follow up with Mr. Hamlin for a response.
- 6.0 BUDC Cash Flow Forecast & Budget Review** – Mr. Schoeplich updated the Finance & Audit Committee members regarding the most recent cash flow forecast for BUDC. The forecast remains consistent with prior projections. Mr. Cammarata commented that there has been some movement with respect to the payment to Sonwil of the NYSDOT Industrial Access Program grant funding, which has been long delayed. Once that grant funding is received, Sonwil has agreed to make a \$50,000 pre-payment to BUDC on the promissory note that Sonwil executed in connection with the land acquisition in 2008.
- 7.0 Joint ECIDA-BUDC Cash Management RFP** – Mr. Schoeplich reported on the status of the joint ECIDA-BUDC request for proposals for cash management services.

He noted that both ECIDA and BUDC had previously approved the issuance of joint request for proposals, but that ECIDA had decided to wait until ECIDA's sale of the Enterprise Charter school property was completed. It is expected that the request for proposals will be issued by the end of this month, with a recommendation to be presented to the Finance & Audit Committee in August.

- 8.0 Review of Corporate Insurance Policies and Coverage** – Mr. Cammarata presented additional information to the Finance & Audit Committee regarding the renewal of insurance policies for BUDC and its affiliates.
- 9.0 ABO Audit of Monroe County Airport Authority** – Ms. Boudreau reported that the Authorities Budget Office (ABO) published its audit of the Monroe County Airport Authority. The audit was critical of, among other things, the authority's travel and entertainment reimbursement practices. Ms. Boudreau indicated that she will review the audit report with BUDC staff and consider whether any of the ABO's recommendations may affect BUDC practices. Mr. Zanner commented that the ABO took the unusual step of recommending that the Monroe County Executive remove all of the members of the authority Board.
- 10.0 PAAA Board Training Status** – Ms. Boudreau reported that Board members Minkel and Comerford recently completed the PAAA Board member training requirements. She also reported that there are two Board members who have not completed the training requirements and will follow up with these Board members regarding the training requirements.
- 11.0 BUDC/BERC Merger Update** – Mr. Cammarata informed the Committee members that there are no new developments to report regarding the BERC merger.
- 12.0 Adjournment** – There being no further business to come before the Finance & Audit Committee and Governance Committee, upon motion made by Mr. Kucharski, seconded by Mr. Penman 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