

Minutes of the Governance Committee Meeting
Buffalo Urban Development Corporation
143 Genesee Street
August 1, 2011
8:30 A.M.

Committee Members Present:

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

Committee Members Absent:

Hon. Byron W. Brown

Officers Present:

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

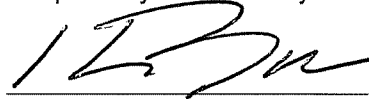
ECIDA Staff Present: Dawn Boudreau, Compliance Officer.

Roll Call: The roll of Committee members was called at 8:30 a.m. and a quorum was not present. The Chair requested that staff begin presentation of the information items of the agenda. At 8:40 a.m., Messrs. Kempner, Kucharski and Penman joined the meeting during the presentation of item 2.0, at which time a quorum of the Committee was determined to be present.

- 1.0 Banking RFP Update** – Mr. Schoepich updated the Committee on the status of the request for proposals for banking services. The request for proposals was circulated to the ten largest banking institutions on July 1st. Responses are due on August 5th.
- 2.0 Insurance Coverage** – Mr. Cammarata circulated a document setting forth BUDC's various insurance policies. The report identified the type of insurance, the identity of the insurance carrier, coverage amounts and the premiums associated with each insurance policy. It was noted that the liability insurance coverage for the six-story Trico building is paid for by Buffalo Niagara Medical Campus.
- 3.0 Approval of Meeting Minutes** – The minutes of the June 15, 2011 joint meeting of Governance and Finance & Audit Committees were presented. Upon motion made by Mr. Kucharski, seconded by Mr. Penman and unanimously carried, the minutes of the June 15, 2011 joint meeting of Governance and Finance & Audit Committees were approved.
- 4.0 ABO Website Audit Update** – Ms. Boudreau presented a report to the Committee regarding BUDC's compliance with Authorities Budget Office (ABO) requirements regarding website content. Ms. Boudreau indicated that BUDC is substantially compliant with the checklist of requirements identified by the ABO. Mr. Zanner noted that the ABO requires the posting of committee meeting minutes and noted that other entities subject to this requirement are posting this information.

- 5.0 ABO Internal Controls Assessment Update** – Ms. Boudreau presented a brief overview of a recent guidance issued by the ABO regarding the obligations of public authorities to assess the effectiveness of their internal controls. Mr. Schoepich then explained how BUDC performs its assessment. He noted that testing the effectiveness of internal controls is a management function, but that this does not work for BUDC or ECIDA because he cannot test his own internal controls. In ECIDA's case, ECIDA decided to retain its outside auditors to test the effectiveness of ECIDA's internal controls. Mr. Schoepich noted that while BUDC has not retained its auditor to perform a separate assessment, BUDC employs the same internal controls as ECIDA and has been relying on the testing of those controls by ECIDA's auditors. Mr. Penman commented on the importance of internal audit procedures and suggested that BUDC directly retain its auditors to perform an internal controls assessment. Ms. Braniecki commented that this item should be referred to the Finance & Audit Committee. Mr. Schoepich indicated that he would contact BUDC's auditors to obtain pricing for the assessment.
- 6.0 ABO Monroe County Airport Authority Update** – Ms. Boudreau reported that she recently completed a review of BUDC's Travel, Conferences, Meals and Entertainment Policy ("Policy") in view of the findings made by the ABO in its audit of the Monroe County Airport Authority. She noted that the ABO had criticized a number of the expense reimbursement practices of the Monroe County Airport Authority. Ms. Boudreau then presented a proposed revised version of the Policy. She commented on the proposed changes, and noted that the revised Policy will be presented to the ECIDA Governance Committee for review at its September meeting. Mr. Cammarata noted that the revised Policy will be presented for review and approval by the BUDC Governance Committee at a future meeting of the Committee.
- 7.0 BUDC/BERC Merger Update** – Mr. Penman presented a brief update regarding the status of the BERC merger. It was noted that the merger issue will be one of the focal points of the BUDC Board strategic planning session. Mr. Cammarata confirmed that no meetings of the merger transition team have taken place, nor to date have BERC representatives requested the resumption of those meetings. Dr. Rudnick suggested that the transition team should meet at least once before the BUDC Board strategic planning process begins.
- 8.0 Board Strategic Planning Session** – The Committee engaged in a general discussion regarding the upcoming BUDC strategic planning session. Mr. Stebbins noted the importance of having the Mayor and City representatives involved in the process. Mr. Kempner commented that the Board should be briefed in advance regarding the BERC merger and Buffalo Building Re-use project. It was suggested that there should be two planning sessions. The first session would address the BERC merger and Buffalo Building Re-use project and the second session would involve a facilitator and discussions regarding the expansion of BUDC's mission. Mr. Penman requested that staff prepare an agenda for the strategic planning sessions. Late September and early October were targeted for the sessions, and staff will reach out to the Mayor's office to coordinate scheduling.
- 9.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Mr. Kempner, seconded by Mr. Penman and unanimously carried, the Governance Committee meeting of August 1, 2011 was adjourned at 9:40 a.m.

Respectfully submitted by:



Kevin J. Zanner, Secretary