



**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

**Joint Finance & Audit Committee Meeting
September 23, 2022**

**95 Perry Street
4th Floor Conference Room
Buffalo, New York 14203**

at 10:00 a.m.

1. Approval of Minutes – August 19, 2022 (Action) (Pages 2-4)
2. Professional Auditing Services RFP (Recommendation) (Handout)
3. 2023 Budget Review Timeline (Information) (Page 5)
4. Draft 2023 ECIDA Operating & Capital Budget + 3 Year Forecast (Recommendation) (Pages 6-9)
5. Draft 2023 RDC Operating Budget + 3 Year Forecast (Recommendation) (Pages 10-13)
6. Draft 2023 ILDC Operating Budget + 3 Year Forecast (Recommendation) (Pages 14-16)
7. New Business (Informational)
 - RFP for Banking Services
8. Adjournment

**MINUTES OF A JOINT MEETING OF THE
FINANCE & AUDIT COMMITTEES OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA or AGENCY)
THE BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT
CORPORATION (RDC) AND THE BUFFALO & ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION (ILDC)**

- MEETING:** August 19, 2022
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at www.ecidany.com.
- PRESENT:** Penny Beckwith, Allison DeHoney, Hon. Glenn R. Nellis, Michael Szukala, and William Witzleben
- ABSENT:** Hon. Brian J. Kulpa
- OTHERS PRESENT:** Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer/Assistant Secretary; Atiqa Abidi, Assistant Treasurer; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocienec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications; Lynette Thompson, Receptionist; and Pietra G. Zaffram, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Kathryn Barrett on behalf of Freed Maxick; Lisa Hicks on behalf of the City of Buffalo

There being a quorum present at 2:03 p.m., the Meeting of the Members of the Joint Finance & Audit Committee of the Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation and the Buffalo and Erie County Industrial Land Development Corporation was called to order by Chair Szukala.

MINUTES

The April 20, 2022 minutes of the joint meeting of the Finance and Audit Committee were presented. Upon motion made by Mr. Nellis, and seconded by Ms. Beckwith, and after a vote was called for by Mr. Szukala, the April 20, 2022 minutes of the Finance and Audit Committee were unanimously approved.

ECIDA DRAFT 2021 SINGLE AUDIT REPORT

Ms. Profic presented this single audit report to members. Ms. Barrett from Freed Maxick noted the different reporting required because of CARES Act funding passed through to RDC. The draft report resulted in a “clean” audit of the ECIDA. EDA would not allow funds to flow directly to the RDC, thus, the ECIDA passed funds through to the RDC as a sub-recipient.

Ms. Profic noted there was one other federal program amount reflected on the report for the CEDS update.

Upon motion made by Mr. Witzleben and seconded by Ms. Beckwith, a motion was made to forward the 2021 Single Audit Report to the Board for approval. Mr. Szukala called for the vote and the motion was unanimously approved.

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL DESK REVIEW OF RDC 2021 SINGLE AUDIT REPORTING PACKAGE

Ms. Profic reviewed a letter received from the U.S. Department of Commerce, Office of Inspector General regarding a recent desk review of the RDC’s single audit reporting package that was submitted to the Federal Audit Clearinghouse for the year ended December 31, 2021. The desk review concluded that the required Data Collection Form did not accurately reflect the notes to the Schedule of Expenditure of Federal Awards. The letter went on to state that the reporting package would be accepted on condition that the reporting requirement is met during the next single audit. Ms. Profic noted that the responding letter from Freed Maxick concurred with the results of the review.

Ms. Barrett explained that the finding constituted a minor error in data collection form. A check box was simply missed. Mr. Szukala inquired if there was a need to send this to the Board.

Ms. Profic stated it was shared with the Chair and no need for full Board and no need for corrective action.

2023 BUDGET REVIEW TIMELINE

Ms. Profic reviewed the draft 2023 ECIDA Budget timeline.

DRAFT 2023 ECIDA OPERATING & CAPITAL BUDGET + 3 YEAR FORECAST, DRAFT 2023 RDC OPERATING BUDGET + 3 YEAR FORECAST and DRAFT 2023 ILDC OPERATING BUDGET + 3 YEAR FORECAST

Ms. Profic presented the budgets to the Committee for review and consideration.

NEW BUSINESS

RFP for Professional Auditing Services

Ms. Profic advised that the RFP for Professional Auditing Services was sent out on July 25 and are due by August 26. Recommendations will be provided to the Committee in September.

RFP for Banking Services

Ms. Profic advised that an RFP for banking needs to be prepared in October and reviewed in the fourth quarter.

ECIDA Office Lease

Ms. Profic. advised that the current ESD sublease expires next September. It is anticipated the lease will take the form of a direct lease with Savarino with increase in costs in shared common areas and property taxes.

Upon motion made by Ms. Beckwith and seconded by Mr. Witzleben, and unanimously approved, the meeting was adjourned at 2:54 p.m.

Dated: August 19, 2022

Elizabeth A. O'Keefe, Secretary

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

2023 Budget Review Process

<u>Date</u>	<u>Description</u>	
July-August	Review of draft 2023 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 19	Finance & Audit Committee meeting – initial review of proposed budgets.	✓
September 23	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	✓
September 28	Review of 2023 draft budgets at Board meetings.	
October 6 1:00 pm	Board Q&A budget session #1 <u>via Zoom</u> (voluntary).	
October 7 10:00 am	Board Q&A budget session #2 <u>in person</u> (voluntary).	
October	Adjustments to budget based on Board feedback and Finance & Audit Committee approval of final budgets (<i>if necessary</i>).	
October 26 th	Board meetings – action to approve final 2023 budgets.	
November 1 st	Deadline for final approved budgets to be submitted to the ABO.	

Erie County Industrial Development Agency
Proposed 2023 Budget

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget for 2023

	Proposed Budget 2023	Approved Budget 2022	Projected 2022	Actual 2021
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,855,000	\$ 1,361,000	\$ 2,419,283
Affiliate Management Fees	499,700	433,500	485,500	421,600
Management Fees - BUDC	105,000	108,000	103,000	92,601
Rental Income	365,100	345,400	350,970	332,727
Other Income	34,000	41,000	21,299	31,060
Interest Income - Cash & Investments	6,000	12,500	7,770	7,032
UDAG Venture Investment Reflow	-	-	-	2,425
Total Revenues	2,809,800	2,795,400	2,329,539	3,306,727
EXPENSES:				
Salaries & Benefits	2,095,500	2,091,500	2,022,079	1,905,311
General Office Expenses	179,200	186,560	174,854	157,507
Insurance Expense	100,000	100,000	96,611	98,739
Building Operating Costs	264,745	243,740	240,133	225,128
Professional Services	99,000	95,100	167,658	151,982
Public Hearing & Marketing Costs	65,000	60,000	60,335	85,811
Travel, Mileage & Meeting Expenses	37,000	35,000	17,903	18,820
Other Expenses	8,750	7,500	9,054	4,152
Total Expenses	2,849,195	2,819,400	2,788,626	2,647,450
GRANT INCOME:				
Revenues	831,893	1,094,159	749,267	5,379,784
Expenses	(823,693)	(1,085,959)	(717,690)	(5,940,551)
	8,200	8,200	31,577	(560,767)
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(31,195)	(15,800)	(427,510)	98,510
Depreciation	(120,000)	(120,000)	(120,000)	(116,449)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(151,195)	(135,800)	(547,510)	(17,939)
External Special Projects:				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	-
Annual Membership (IBN)	75,000	75,000	75,000	75,000
MBE Assistance Program	50,000	50,000	-	-
Z7+ consultants/expense reserve	621,319	621,319	5,000	-
Industrial Land Park grant paid	-	100,000	100,000	163,091
ILDC Land Sale Proceeds (reimbursement)	(150,000)	(250,000)	(103,625)	(104,500)
Angola Ag Park grant paid	100,000	100,000	100,000	49,860
Total Special Projects	796,319	796,319	276,375	183,451
NET INCOME (LOSS) BEFORE OTHER RESERVES:				
	(947,514)	(932,119)	(823,885)	(201,390)
Reserves for Future Projects:				
Venture Capital Co-Investment	1,000,000	1,000,000	-	-
Forgivable Attraction Loan(s)	1,000,000	1,000,000	-	-
Total Other Reserves	2,000,000	2,000,000	-	-
NET INCOME (LOSS):				
	\$ (2,947,514)	\$ (2,932,119)	\$ (823,885)	\$ (201,390)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget and Three Year Forecast 2024-2026

	Proposed Budget 2023	Forecast 2024	Forecast 2025	Forecast 2026
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Affiliate Management Fees	499,700	515,000	530,000	546,000
Management Fees - BUDC	105,000	108,000	111,000	114,000
Rental Income	365,100	365,100	365,100	365,100
Other Income	34,000	40,000	40,000	40,000
Interest Income - Cash & Investments	6,000	6,000	6,000	6,000
Total Revenues	2,809,800	2,834,100	2,852,100	2,871,100
EXPENSES:				
Salaries & Benefits	2,095,500	2,137,000	2,180,000	2,245,000
Professional Services	99,000	110,000	140,000	140,000
General Office Expenses	179,200	185,000	191,000	197,000
Insurance Expense	100,000	103,000	106,000	109,000
Public Hearing & Marketing Costs	65,000	67,000	69,000	71,000
Building Operating Costs	264,745	273,000	281,000	289,000
Travel, Mileage & Meeting Expenses	37,000	38,000	39,000	40,000
Other Expenses	8,750	9,000	9,000	9,000
Total Expenses	2,849,195	2,922,000	3,015,000	3,100,000
GRANT INCOME:				
Revenues	831,893	250,000	250,000	250,000
Expenses	(823,693)	(250,000)	(250,000)	(250,000)
	8,200	-	-	-
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	(31,195)	(87,900)	(162,900)	(228,900)
Depreciation	(120,000)	(120,000)	(120,000)	(120,000)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	(151,195)	(207,900)	(282,900)	(348,900)
<u>External Special Projects and Strategic Initiatives:</u>				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	50,000	-	-
MBE Assistance Program	50,000	50,000	50,000	50,000
Z7+ consultants/expense reserve	621,319	-	-	-
ILDC Land Sale Proceeds (reimbursement)	(150,000)	(150,000)	(150,000)	(150,000)
Angola Ag Park grant paid	100,000	100,000	-	-
Total Special Projects and Other Strategic Investments	796,319	150,000	-	-
NET INCOME (LOSS) BEFORE OTHER RESERVES:	(947,514)	(357,900)	(282,900)	(348,900)
<u>Reserves for Future Projects:</u>				
Venture Capital Co-Investment	1,000,000	-	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Total Other Reserves	2,000,000	-	-	-
NET INCOME (LOSS):	\$ (2,947,514)	\$ (357,900)	\$ (282,900)	\$ (348,900)

Erie County Industrial Development Agency
Proposed Five Year Capital Budget 2023-2027

	2023	2024	2025	2026	2027	Total
Facilities:						
143 Genesee Street	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 85,000
95 Perry Street	180,000	10,000	5,000	5,000	5,000	205,000
Total Facilities	200,000	30,000	20,000	20,000	20,000	290,000
Information Technology:						
Firewall Hardware and License	5,500	-	-	-	-	5,500
Servers	-	12,000	-	12,000	-	24,000
Infrastructure Upgrade	-	4,500	-	-	-	4,500
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
Total Information Technology	8,500	19,500	3,000	15,000	3,000	49,000
GRAND TOTAL	\$ 208,500	\$ 49,500	\$ 23,000	\$ 35,000	\$ 23,000	\$ 339,000

**Buffalo & Erie County
Regional Development Corporation
Proposed 2023 Budget**

**BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2023**

	Proposed Budget 2023	Approved Budget 2022	Projected 2022	Actual 2021
REVENUES:				
Interest Income - Loans	\$ 630,000	\$ 565,000	\$ 522,806	\$ 447,255
Interest Income - Cash & Investments	700	500	2,376	2,585
Administrative Fees	15,000	15,000	9,500	0
Grant Income	-	103,093	193,650	5,211,029
Other Income	5,000	5,000	2,485	11,864
Total Revenues	650,700	\$ 688,593	730,817	5,672,733
EXPENSES:				
ECIDA Management Fee*	\$ 286,000	\$ 286,000	\$ 272,000	\$ 268,489
Provision for Loan Losses	450,000	250,000	100,000	429,490
Rent & Facilities Expenses	25,000	25,000	25,000	26,077
Professional Services	56,000	60,050	21,192	43,991
General Office Expenses	3,500	22,000	2,308	3,026
Other Expenses	27,475	22,275	1,656	63,774
Total Expenses	847,975	665,325	422,155	834,847
NET INCOME/(LOSS):	\$ (197,275)	\$ 23,268	\$ 308,661	\$ 4,837,886

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the RDC.

	<u>2023 Budget</u>	<u>2022 Budget</u>
Provision for Loan Losses		
Estimated Loan Balance	\$ 18,650,000	\$ 17,108,000
Provision for Loan Losses	\$ 450,000	\$ 250,000
Percentage of Loans	2.4%	1.5%

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2023
Presented by Fund

	Proposed Budget 2023	Legacy Fund	CARES Act RLF
REVENUES:			
Interest Income - Loans	\$ 630,000	\$ 600,000	\$ 30,000
Interest Income - Cash & Inv.	700	500	200
Administrative Fees	15,000	15,000	-
Grant Income	-	-	-
Other Income	5,000	5,000	-
Total Revenues	<u>650,700</u>	<u>620,500</u>	<u>30,200</u>
EXPENSES:			
ECIDA Management Fee*	\$ 286,000	\$ 185,000	\$ 101,000
Provision for Loan Losses	450,000	350,000	100,000
Rent & Facilities Expenses	25,000	13,500	11,500
Professional Services	56,000	37,020	18,980
General Office Expenses	3,500	2,500	1,000
Marketing & Other Expenses	27,475	26,975	500
Total Expenses	<u>847,975</u>	<u>614,995</u>	<u>232,980</u>
NET INCOME/(LOSS):	<u>\$ (197,275)</u>	<u>\$ 5,505</u>	<u>\$ (202,780)</u>

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the RDC.

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget and Three Year Forecast 2024-2026

	Proposed Budget 2023	Forecast 2024	Forecast 2025	Forecast 2026
REVENUES:				
Interest Income - Loans	\$ 630,000	\$ 635,000	\$ 640,000	\$ 645,000
Interest Income - Cash & Investments	700	1,000	1,000	1,000
Administrative Fees	15,000	15,000	15,000	15,000
Other Income	5,000	5,000	5,000	5,000
Total Revenues	<u>650,700</u>	<u>656,000</u>	<u>661,000</u>	<u>666,000</u>
EXPENSES:				
ECIDA Management Fee*	\$ 286,000	\$ 330,000	\$ 330,000	\$ 335,000
Provision for Loan Losses	450,000	400,000	400,000	400,000
Rent & Facilities Expenses	25,000	25,000	25,000	25,000
Professional Services	56,000	60,000	60,000	60,000
General Office Expenses	3,500	3,500	3,500	3,500
Marketing & Other Expenses	27,475	5,000	5,000	5,000
Total Expenses	<u>847,975</u>	<u>823,500</u>	<u>823,500</u>	<u>828,500</u>
NET INCOME/(LOSS):	<u>\$ (197,275)</u>	<u>\$ (167,500)</u>	<u>\$ (162,500)</u>	<u>\$ (162,500)</u>

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the RDC.

**Buffalo & Erie County
Industrial Land Development Corp
Proposed 2023 Budget**

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget for 2023

	Proposed Budget 2023	Approved Budget 2022	Projected 2022	Actual 2021
REVENUES:				
Interest Income - Loans	\$ 13,000	\$ 5,800	\$ 9,815	\$ 1,861
Grant Income	140,000	-	388,352	560,000
Proceeds from Land Sales	300,000	250,000	(144,898)	(146,122)
Other Income	-	-	184,450	9,600
Interest Income - Cash & Investments	200	100	143	206
Total Revenues	453,200	255,900	437,862	425,546
EXPENSES:				
ECIDA Management Fee*	190,000	\$ 120,000	186,000	\$ 124,534
Provision for Loan Losses	15,000	-	-	74,079
Professional Services	65,000	65,000	48,937	28,953
Development & Marketing Expenses	35,000	30,000	-	6,297
Other Expenses	8,175	3,675	19,704	7,887
Total Expenses	313,175	218,675	254,641	241,751
SPECIAL PROJECTS:				
Industrial Land Park - ESD	2,612,350	3,502,500	1,000,000	715,106
Industrial Land Park - ECIDA	70,000	100,000	19,775	187,255
Angola Ag Park - ECIDA	100,000	100,000	37,462	25,696
Other grant revenue	283,304	607,342	366,886	325,650
Industrial Land Park grant reimbursement	(150,000)	-	(103,625)	(104,500)
Industrial Land Park grant costs	(2,682,350)	(3,602,500)	20,825	(194,225)
Angola Ag Park grant costs	(100,000)	(100,000)	(8,333)	(29,681)
Other grant expenses	(297,304)	(621,342)	(49,729)	(287,686)
	(164,000)	(14,000)	1,283,261	637,614
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ (23,975)	\$ 23,225	\$ 1,466,482	\$ 821,410
Depreciation	650	975	975	975
NET INCOME/(LOSS):	\$ (24,625)	\$ 22,250	\$ 1,465,507	\$ 820,434

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget and Three Year Forecast 2024-2026

	Proposed Budget 2023	Forecast 2024	Forecast 2025	Forecast 2026
REVENUES:				
Interest Income - Loans	\$ 13,000	\$ 13,000	\$ 13,650	\$ 12,968
Grant Income	140,000	-	-	-
Proceeds from Land Sales	300,000	300,000	300,000	300,000
Other Income	-	-	-	-
Interest Income - Cash & Investments	200	100	100	100
Total Revenues	453,200	313,100	313,750	313,068
EXPENSES:				
ECIDA Management Fee*	190,000	\$ 55,000	\$ 55,000	\$ 55,000
Provision for Loan Losses	15,000	15,000	15,000	15,000
Professional Services	65,000	50,000	50,000	50,000
Development & Marketing Expenses	35,000	15,000	15,000	15,000
Other Expenses	8,175	2,500	4,000	5,000
Total Expenses	313,175	137,500	139,000	140,000
SPECIAL PROJECTS:				
Industrial Land Park - ESD	2,612,350	-	-	-
Industrial Land Park - ECIDA	70,000	-	-	-
Angola Ag Park - ECIDA	100,000	-	-	-
Other grant revenue	283,304	-	-	-
Industrial Land Park grant reimbursement	(150,000)	(150,000)	(150,000)	(150,000)
Industrial Land Park grant costs	(2,682,350)	-	-	-
Angola Ag Park grant costs	(100,000)	-	-	-
Other grant expenses	(297,304)	-	-	-
	(164,000)	(150,000)	(150,000)	(150,000)
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ (23,975)	\$ 25,600	\$ 24,750	\$ 23,068
Depreciation	650	650	650	650
NET INCOME/(LOSS):	\$ (24,625)	\$ 24,950	\$ 24,100	\$ 22,418

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.