



**Joint Finance & Audit Committee Meeting
OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP.
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP.**

**September 13, 2016 at 12:00 p.m.
ECIDA Offices
95 Perry Street
4th Floor – Vista Room
Buffalo, New York 14203**

Agenda

1. Approval of Minutes – August 24, 2016
2. 2017 Draft ECIDA Operating & Capital Budget + 3 Year Forecast
3. 2017 Draft RDC Operating Budget + 3 Year Forecast
4. 2017 Draft ILDC Operating Budget + 3 Year Forecast
5. 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 24, 2016, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203
- PRESENT:** James F. Doherty; Hon. Joseph H. Emminger, Hon. Glenn R. Nellis, Michael Szukala and William Witzleben
- ABSENT:** Penny Beckwith
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer and Karen M. Fiala, Assistant Treasurer
- GUESTS:** Anthony Mancinelli, Esq. and Nicholas Gatto, Esq., from Harter Secrest

There being a quorum present at 10:45 a.m., Mr. Weathers, in the absence of the presence of the Chair, called the meeting of the Finance & Audit Committee of the ECIDA, RDC and ILDC (the "Committee") to order.

It was unanimously approved to have Mr. Weathers preside over this meeting as the Chair in the absence of the actual Chair.

MINUTES

The June 20, 2016 minutes of the joint meeting of the Committee were presented. Upon motion made by Mr. Doherty, and seconded by Mr. Nellis, the June 20, 2016 minutes of the Committee were unanimously approved.

2016 REFUNDING OF SERIES 2009A – JOINT SCHOOL CONSTRUCTION BOARD

Karen Fiala provided a brief overview of the project. In 2015, this committee approved the refunding of the 2007 and 2008 bonds which resulted in a significant savings to the City School District of the City of Buffalo (the "School District"). At present, a portion of the 2009A bonds can be refunded in the current market to provide a debt service savings to the School District. They are asking for the approval for a refunding in an amount not to exceed \$175,000,000. Based on market conditions as of July 25th, the anticipated savings is estimated to be approximately \$17,000,000 over a 9 year period.

The Joint School Construction Board met August 23, 2016 and the refunding was unanimously approved, however the School District board meeting won't occur until August 24,

2016 at 5:30 p.m. Geoffrey F. Pritchard from the Buffalo Schools provided a letter dated August 2, 2016 requesting the ECIDA take action prior to the School District taking its action on the refunding. Mr. Pritchard indicated in his letter that he does not anticipate any problems obtaining the required approvals. Ms. Fiala concluded by stating today's approval is a request to refund up to \$175,000,000 in bonds.

Mr. Nellis moved and Mr. Doherty seconded, to approve the proposed refunding bonds. Ms. Fiala called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY" OR "ISSUER") FINANCE & AUDIT COMMITTEE RECOMMENDING THAT THE AGENCY AUTHORIZE THE ISSUANCE OF REFUNDING BONDS TO REFUND ALL OR A PORTION OF THE SERIES 2009A BONDS WITH RESPECT TO ITS PROJECT FOR THE CITY SCHOOL DISTRICT OF THE CITY OF BUFFALO AND AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

2017 PRELIMINARY BUDGET BRIEFING

Mr. Weathers provided Committee members with the ECIDA, RDC & ILDC 2017 Draft Operating & Capital Budget + 3 Year Forecast.

There being no further business to discuss, upon motion made by Mr. Doherty and seconded by Mr. Emminger, and unanimously approved, the meeting was adjourned at 11:00 a.m.

Dated: August 24, 2016

Karen M. Fiala, Assistant Treasurer

Erie County Industrial Development Agency
2017 Budget

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Proposed Budget for 2017

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	Proposed Budget 2017	Approved Budget 2016	Projected 2016	Actual 2015
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 2,000,000	\$ 3,756,732
Affiliate Management Fees	353,500	342,500	364,700	353,137
Management Fees - BUDC	42,000	42,000	40,000	38,637
Interest Income - Loans	7,200	7,250	5,742	13,741
Interest Income - Cash & Investments	24,500	14,500	21,614	14,709
Rental Income	254,000	254,600	258,225	182,216
Other Income	42,500	32,500	33,570	27,805
UDAG Venture Investment Income	-	675,000	-	1,218,549
UDAG Venture Sale Income (one-time receipt)	880,000	-	5,366,076	-
Total Revenues	3,403,700	3,168,350	8,089,928	5,605,526
EXPENSES:				
Salaries & Benefits	2,134,107	2,060,866	1,946,814	1,855,769
Professional Services	266,500	306,500	325,217	191,069
General Office Expenses	244,700	197,250	251,687	220,654
Insurance Expense	100,000	107,120	100,000	102,907
Marketing Expenses	75,000	78,000	44,153	47,472
Invest Buffalo Niagara Membership	75,000	75,000	75,000	75,000
Public Notices	25,000	25,000	14,705	27,746
Building Operating Costs	191,560	208,200	159,758	170,070
Travel, Mileage & Meeting Expenses	82,000	78,000	68,059	61,952
Other Expenses	15,000	18,000	14,323	7,563
Total Expenses	3,208,867	3,153,936	2,999,715	2,760,202
GRANT INCOME:				
Revenues	250,000	250,000	50,000	36,484
Expenses	(250,000)	(250,000)	(53,816)	(9,225)
	-	-	(3,816)	27,259
NET INCOME (LOSS) BEFORE DEPRECIATION:	194,833	14,414	5,086,397	2,872,583
Depreciation	(140,000)	(140,000)	(140,012)	(137,120)
NET INCOME (LOSS) BEFORE SPECIAL PROJECTS:	54,833	(125,586)	4,946,385	2,735,463
N7+ consultants/expense reserve	(750,000)	-	-	-
NET INCOME (LOSS) AFTER SPECIAL PROJECTS:	\$ (695,167)	\$ (125,586)	\$ 4,946,385	\$ 2,735,463

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget for Fiscal 2017 - Special Projects
DRAFT

	Source of Funds	Proposed Budget 2017	Budget 2016	Projected Actual 2016	Actual 2015
NET INCOME (LOSS) AFTER SPECIAL PROJECTS:		\$ (695,167)	\$ (125,586)	\$ 4,946,385	\$ 2,735,463
SPECIAL PROJECTS:					
Initiatives for a Smart Economy:					
Venture Capital Co-Investment	TBD	1,000,000 *	1,000,000	-	-
Partner Initiatives:					
Grow Erie Fund (NDC)	UDAG	500,000 *	500,000	-	-
IBN Contribution (IBN)	** UDAG	-	-	-	-
Other Initiatives:					
Forgivable Attraction Loan(s)	*** UDAG	-	2,000,000	-	-
External Special Projects:					
Beverly Gray	UDAG	-	(A)	250,000	-
Launch New York Grant	**** UDAG	-	(A)	100,000	200,000
Buffalo Building Reuse Project (BUDC)	UDAG	-	(A)	75,000	100,000
Canadian Lead Generation (IBN)	UDAG	-	(A)	100,000	-
Labor Market Assessment (IBN)	UDAG	-	(A)	75,000	-
WNY Incubator Network	UDAG	-	(A)	20,000	-
Red Cross Campus	TBD	4,200,000 *	(A)	-	-
Bethlehem Steel/N7+	UDAG	2,700,000 *	(A)	-	-
Total External Special projects		6,900,000	750,000	620,000	300,000
Total Special Project Expenses		8,400,000	4,250,000	620,000	300,000
NET INCOME (LOSS) AFTER OTHER INVESTMENTS:		\$ (9,095,167)	\$ (4,375,586)	\$ 4,326,385	\$ 2,435,463

* These line items are reported as expenses in the above budget for cash flow purposes, but will be reported as assets on the balance sheet for accounting purposes.

** Annual membership to Invest Buffalo Niagara (formerly Buffalo Niagara Enterprise) is now accounted for in the General Fund budget.

*** In the past, \$2,000,000 has been reserved for a forgivable loan; due to not activity over the past couple of years, we have excluded this from the proceeding year budget, however, the monies are available in the UDAG cash account if an opportunity presents itself.

**** 2016 was the final year of a three year, \$300,000 commitment to Launch NY.

(A) A budget of \$750,000 was approved for 2016 external special projects. Each project was presented to and approved by the Board separately for individual funding amounts.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed 3 Year Forecast 2018-2020

	Proposed Budget 2017	Forecast 2018	Forecast 2019	Forecast 2020
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,850,000
Affiliate Management Fees	353,500	364,000	375,000	386,000
Management Fees - BUDC	42,000	43,000	44,000	45,000
Interest Income - Loans	7,200	6,000	6,000	6,000
Interest Income - Cash & Investments	24,500	18,000	18,500	19,000
Rental Income	254,000	255,000	255,000	255,000
Other Income	42,500	40,000	40,000	40,000
UDAG Venture Sale Income	880,000	-	-	-
Total Revenues	3,403,700	2,526,000	2,538,500	2,601,000
EXPENSES:				
Salaries & Benefits	2,134,107	2,198,000	2,264,000	2,332,000
Professional Services	266,500	205,000	205,000	205,000
General Office Expenses	244,700	252,000	260,000	268,000
Insurance Expense	100,000	103,000	106,000	109,000
Marketing Expenses	75,000	77,000	79,000	81,000
Buffalo Niagara Enterprise Membership	75,000	75,000	75,000	75,000
Public Notices	25,000	26,000	27,000	28,000
Building Operating Costs	191,560	197,000	203,000	209,000
Travel, Mileage & Meeting Expenses	82,000	84,000	87,000	90,000
Other Expenses	15,000	15,000	15,000	15,000
Total Expenses	3,208,867	3,232,000	3,321,000	3,412,000
GRANT INCOME:				
Revenues	250,000	250,000	250,000	250,000
Expenses	(250,000)	(250,000)	(250,000)	(250,000)
	-	-	-	-
NET INCOME/(LOSS) BEFORE DEPRECIATION:	194,833	(706,000)	(782,500)	(811,000)
Depreciation	(140,000)	(140,000)	(140,000)	(140,000)
NET INCOME (LOSS) BEFORE SPECIAL PROJECTS:	54,833	(846,000)	(922,500)	(951,000)
N7+ consultants/expense reserve	(750,000)	-	-	-
NET INCOME (LOSS) AFTER SPECIAL PROJECTS:	\$ (695,167)	\$ (846,000)	\$ (922,500)	\$ (951,000)

Erie County Industrial Development Agency
Five Year Capital Budget 2017-2021
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	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Facilities:						
<u>143 Genesee Street</u>						
Exterior						
Exterior Envelope	\$ -	\$ -	\$ 36,500	\$ 17,000	\$ 30,000	\$ 83,500
Landscaping	5,300	-	-	-	-	5,300
Lighting	5,000	-	-	-	9,000	14,000
Glazing	5,000	-	-	-	-	5,000
Entry Doors	-	-	-	14,000	-	14,000
Interior						
Kitchen	-	33,000	-	-	-	33,000
Bathrooms	17,000	-	-	-	-	17,000
Electrical	-	-	-	8,000	-	8,000
Painting	4,500	-	-	-	-	4,500
Sustainability	-	5,000	-	-	-	5,000
Misc	3,200	2,000	3,500	1,000	1,000	10,700
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>200,000</u>
<u>95 Perry Street</u>						
Interior						
Misc	10,000	10,000	10,000	10,000	10,000	50,000
Total Facilities	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>250,000</u>
Information Technology:						
Accounting/loan software	35,000	-	-	-	-	35,000
Network infrastructure	18,000	-	-	-	-	18,000
Phone system	10,000	-	-	-	-	10,000
Servers	8,000	-	-	8,000	-	16,000
Misc.	5,000	2,500	2,500	2,500	2,500	15,000
Total Information Technology	<u>76,000</u>	<u>2,500</u>	<u>2,500</u>	<u>10,500</u>	<u>2,500</u>	<u>94,000</u>
GRAND TOTAL	<u>\$ 126,000</u>	<u>\$ 52,500</u>	<u>\$ 52,500</u>	<u>\$ 60,500</u>	<u>\$ 52,500</u>	<u>\$ 344,000</u>

Regional Development Corporation
2017 Budget

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2017
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	Proposed Budget 2017	Approved Budget 2016	Projected 2016	Actual 2015
REVENUES:				
Interest Income - Loans	\$ 420,000	\$ 432,000	\$ 474,859	\$ 379,056
Interest Income - Cash & Inv.	8,664	6,866	1,843	4,922
Administrative Fees	15,000	15,000	22,625	17,531
Other Income	7,500	7,500	16,870	441,188
Total Revenues	451,164	\$ 461,366	516,197	842,697
EXPENSES:				
ECIDA Management Fee*	\$ 335,000	\$ 325,000	\$ 392,167	\$ 335,045
Provision for Loan Losses**	200,000	200,000	75,000	15,729
Rent & Facilities Expenses	18,000	17,000	19,833	17,646
Professional Services	70,500	71,500	35,000	33,395
Marketing & Other Expenses	3,250	3,250	2,452	1,528
Total Expenses	626,750	616,750	524,452	403,343
NET INCOME/(LOSS):	\$ (175,586)	\$ (155,384)	\$ (8,255)	\$ 439,354

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

** Est'd 2017 Loan Balance	\$ 10,500,000
Provision for Loan Losses	(200,000)
Percentage of Loans	1.9%

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed 3 Year Forecast 2018-2020

	Proposed Budget 2017	Forecast 2018	Forecast 2019	Forecast 2020
REVENUES:				
Interest Income - Loans	\$ 420,000	\$ 500,000	\$ 500,000	\$ 500,000
Interest Income - Cash & Inv.	8,664	20,000	20,000	20,000
Administrative Fees	15,000	15,000	15,000	15,000
Other Income	7,500	7,500	7,500	7,500
Total Revenues	451,164	542,500	542,500	542,500
EXPENSES:				
ECIDA Management Fee*	\$ 335,000	\$ 325,000	\$ 330,000	\$ 330,000
Provision for Loan Losses	200,000	200,000	200,000	200,000
Rent & Facilities Expenses	18,000	18,000	19,000	19,000
Professional Services	70,500	75,000	75,000	75,000
General Office Expenses	-	1,000	1,000	1,000
Marketing & Other Expenses	3,250	5,000	5,000	5,000
Total Expenses	626,750	624,000	630,000	630,000
NET INCOME/(LOSS):	\$ (175,586)	\$ (81,500)	\$ (87,500)	\$ (87,500)

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

Industrial Land Development Corp
2017 Budget

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget for 2017

	Proposed Budget 2017	Approved Budget 2016	Projected 2016	Actual 2015
REVENUES:				
Interest Income - Loans	\$ 30	\$ 100	\$ 98	\$ 500
Interest Income - Cash & Investments	-	30	-	1
Other Income	-	-	1,322	1,768,614
Total Revenues	30	130	1,419	1,769,115
EXPENSES:				
ECIDA Management Fee*	\$ 500	\$ 500	583	\$ 1,764,933
Provision for Loan Losses	-	-	-	(6,632)
Professional Services	300	400	617	325
General Office Expenses	100	100	-	-
Other Expenses	500	-	2,048	28,513
Total Expenses	1,400	1,000	3,249	1,787,139
NET INCOME/(LOSS):	\$ (1,370)	\$ (870)	\$ (1,830)	\$ (18,024)

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

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed 3-Year Forecast 2018-2020

	Proposed Budget 2017	Forecast 2018	Forecast 2019	Forecast 2020
REVENUES:				
Interest Income - Loans	\$ 30	\$ -	\$ -	\$ -
Interest Income - Cash & Investments	-	40	45	45
Other Income	-	-	-	-
Total Revenues	30	40	45	45
EXPENSES:				
ECIDA Management Fee*	\$ 500	\$ 100	\$ 100	\$ 100
Provision for Loan Losses	-	-	-	-
Professional Services	300	100	100	100
General Office Expenses	100	100	100	100
Other Expenses	500	-	-	-
Total Expenses	1,400	300	300	300
NET INCOME/(LOSS):	\$ (1,370)	\$ (260)	\$ (255)	\$ (255)

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