

**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 12, 2017  
at 12:00 PM

1. Approval of Minutes – August 17, 2017 (Action) (Pages 2-4)
2. Professional Auditing Services RFP Recommendation (Action) (Handout)
3. Draft 2018 ECIDA Operating & Capital Budget + 3 Year Forecast (Informational) (Pages 5-7)
4. Draft 2018 RDC Operating Budget + 3 Year Forecast (Informational) (Pages 8-9)
5. Draft 2018 ILDC Operating Budget + 3 Year Forecast (Informational) (Pages 10-11)
6. New Business (Informational)
7. 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 17, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203
- PRESENT:** James F. Doherty, Hon. Joseph H. Emminger, Sister Denise Roche and Michael Szukala
- ABSENT:** Penny Beckwith, Hon. Glenn R. Nellis, and William Witzleben
- OTHERS PRESENT:** Mollie Profic, Treasurer, Karen M. Fiala, Assistant Treasurer; and Robert G. Murray, Secretary

In the absence of a quorum, Mr. Szukala called the meeting to order at 12:05 p.m. to discuss information items only.

**ILDC-BETHLEHEM STEEL SITE**

Ms. Profic provided members with an update of the ILDC's purchase of real property located at the Bethlehem Steel site in Lackawanna, New York. Ms. Profic also noted that through August 10, 2017, \$2,625,550 of the \$5,700,000 of money allocated to purchase the real property has been transferred from the ECIDA's UDAG fund to the ILDC and has been expended for land acquisition and legal costs associated with the acquisition. Mr. Szukala directed that the report be received and filed.

**FINANCIAL REPORT**

Ms. Profic provided members with a review of the ECIDA's budgeted administrative fee revenue, other revenue and operating expenses compared with the actual amounts through July 31, 2017. Mr. Szukala directed that the report be received and filed.

**NEW BUSINESS**

Ms. Profic updated members on the dissolution of the Buffalo Economic Renaissance Corporation (BERC) and related EDA funds that need to be returned from BERC through the ECIDA and to the EDA, as well as issues relating to an existing BERC loan. Ms. Profic also updated members on the upcoming 2018 budget review process.

At this point in time, Mr. Emminger joined the meeting. Mr. Szukala then officially called the meeting to order in recognition that a quorum was now present.

## **MINUTES**

The May 15, 2017 minutes of the joint meeting of the Committee were presented. Upon motion made by Sister Denise, and seconded by Mr. Doherty, the May 15, 2017 minutes of the Committee were unanimously approved.

## **BANKING SERVICES RFP RECOMMENDATION**

Ms. Profic reviewed the ECIDA Professional Service Request For Proposals process requiring proposals for banking services to be solicited at least every five years. Ms. Profic noted that in May 2017, the ECIDA and its affiliates initiated its joint RFP for banking services which involved providing the proposal to the ten largest banks in Erie County as ranked by Business First, placing ads in the Buffalo News and the Challenger Community News, and placing notice of the request for proposals on the Agency's website. Ms. Profic noted that five responses to the RFP were received from Community Bank N.A., Citizens Bank, Evans Bank N.A., KeyBank N.A., and M&T Bank. Ms. Profic commented that an internal ECIDA staff committee scored the proposals and short listed three banks for additional review and questioning. Out of these three, two banks were then invited to give a demonstration of their web-banking system and answer additional questions. As a result, the internal staff committee unanimously recommends M&T Bank due to the following:

- M&T Bank offered competitive interest rates and the highest earnings credit rate.
- M&T Bank has a dedicated government banking team headquartered in Buffalo. The principal relationship manager for M&T Bank has over 11 years of government banking experience. Clients include IDAs, state agencies, counties, and public authorities.
- M&T Bank offered a no service charge proposal if they were selected as the prime deposit bank.
- M&T Bank has received an "outstanding" CRA rating since 1989.
- M&T Bank offers a dedicated project management team to assist with the IDA's banking transition.

Mr. Doherty then disclosed that his son-in-law works for M&T Bank and queried as to whether or not he has a conflict of interest. Mr. Murray confirmed that Mr. Doherty's son-in-law has no personal involvement in the transaction at hand; Mr. Doherty's son-in-law does not work in this area of M&T Bank operations, and Mr. Doherty's son-in-law has no pecuniary interest in the transaction. As such, Mr. Murray thanked Mr. Doherty for his disclosure but confirmed that there is no conflict of interest affecting Mr. Doherty's ability to participate in the discussion or selection of a bank for banking services.

***DRAFT***  
***Subject to Committee Approval***

General discussion ensued. Mr. Emminger then moved and Sister Denise seconded to recommend to the ECIDA, RDC and ILDC Boards to approve the selection of M&T Bank as the prime bank of each respective entity. Mr. Szukala called for the vote and the motion was then unanimously approved.

There being no further business to discuss, Mr. Szukala adjourned the meeting at 12:30 p.m.

Dated: August 17, 2017

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Robert G. Murray, Secretary

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed Budget for 2018**

	<b>Proposed Budget 2018</b>	<b>Approved Budget 2017</b>	<b>Projected 2017</b>	<b>Actual 2016</b>
<b>REVENUES:</b>				
Administrative Fees	\$ 1,960,000	\$ 1,800,000	\$ 2,148,000	\$ 1,528,261
Affiliate Management Fees	404,000	353,500	389,000	362,136
Management Fees - BUDC	83,000	42,000	65,000	40,257
Interest Income - Loans	-	7,200	6,000	6,864
Interest Income - Cash & Investments	16,000	24,500	23,728	23,298
Rental Income	298,700	254,000	320,543	299,019
Other Income	30,000	42,500	22,017	31,763
UDAG Venture Investment Income (GEMCOR)	-	-	-	103,360
UDAG Venture Sale Income (GEMCOR)	-	880,000	-	7,148,729
<b>Total Revenues</b>	<b>2,791,700</b>	<b>3,403,700</b>	<b>2,974,289</b>	<b>9,543,687</b>
<b>EXPENSES:</b>				
Salaries & Benefits	2,052,490	2,134,107	2,044,519	1,894,761
Professional Services	138,500	266,500	150,236	258,596
General Office Expenses	176,580	184,700	171,002	187,683
Insurance Expense	82,500	100,000	73,594	71,579
Marketing Expenses	50,000	75,000	60,000	40,450
Public Notices	24,000	25,000	34,914	20,139
Building Operating Costs	181,660	191,560	180,113	179,338
Travel, Mileage & Meeting Expenses	80,000	82,000	78,479	66,865
Other Expenses	10,000	15,000	8,036	10,204
<b>Total Expenses</b>	<b>2,795,730</b>	<b>3,073,867</b>	<b>2,800,894</b>	<b>2,729,614</b>
<b>GRANT INCOME:</b>				
Revenues	2,248,950	250,000	5,208,000	51,284
Expenses	(2,248,950)	(250,000)	(5,033,250)	(374,214)
			174,750	(322,930)
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(4,030)</b>	<b>329,833</b>	<b>348,144</b>	<b>6,491,143</b>
Depreciation	(130,000)	(140,000)	(140,000)	(140,345)
<b>NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(134,030)</b>	<b>189,833</b>	<b>208,144</b>	<b>6,350,798</b>
<b>External Special Projects (UDAG Fund) :</b>				
Buffalo Building Reuse Project (BUDC)	100,000	75,000	75,000	-
Beverly Gray Business Exchange*	100,000	-	-	150,000
Annual Membership (IBN)	50,000	75,000	75,000	75,000
Canadian Lead Generation (IBN)	72,000	-	-	-
NDC Technical Assistance	60,000	60,000	60,000	60,000
Z7+ consultants/expense reserve	-	750,000	1,144,124	495,876
Nonprofit Campus Concept	-	4,200,000	-	-
Industrial Land Park grant paid(rec'd)**	(1,200,000)	2,700,000	5,700,000	-
2016 special projects paid	-	-	-	370,000
<b>Total Special Projects</b>	<b>(818,000)</b>	<b>7,860,000</b>	<b>7,054,124</b>	<b>1,150,876</b>
<b>NET INCOME (LOSS) BEFORE OTHER RESERVES:</b>				
	<b>683,970</b>	<b>(7,670,167)</b>	<b>(6,845,980)</b>	<b>5,199,922</b>
<b>Reserves for Future Projects:</b>				
Venture Capital Co-Investment	1,000,000	1,000,000	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Grow Erie Fund (NDC)	-	500,000	-	500,000
<b>Total Other Reserves</b>	<b>2,000,000</b>	<b>1,500,000</b>	<b>-</b>	<b>500,000</b>
<b>NET INCOME (LOSS):</b>	<b>\$ (1,316,030)</b>	<b>\$ (9,170,167)</b>	<b>\$ (6,845,980)</b>	<b>\$ 4,699,922</b>

\* In March 2016 the ECIDA Board approved a request for \$250,000 to BERC for the Beverly Gray Business Exchange. \$150,000 was paid upon the implementation of operations and initial funding of the Beverly Gray Center. ECIDA is obligated to release the remaining \$100,000 once BERC demonstrates that the organization has received committed matching funds.

\*\* Board authorized the acquisition of the Bethlehem Steel property by ILDC in February 2017; this included an allocation of \$5,700,000 for land acquisition, and \$1,000,000 for carrying costs over the next 5 (\$200,000/year) years. Reimbursement of \$2.78 is expected from ILDC after ESD grant revenue is recognized.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed 3 Year Forecast 2019-2021**

	<b>Proposed Budget 2018</b>	<b>Forecast 2019</b>	<b>Forecast 2020</b>	<b>Forecast 2021</b>
<b>REVENUES:</b>				
Administrative Fees	\$ 1,960,000	\$ 1,950,000	\$ 1,950,000	\$ 1,950,000
Affiliate Management Fees	404,000	416,000	428,000	441,000
Management Fees - BUDC	83,000	85,000	88,000	91,000
Interest Income - Cash & Investments	16,000	18,000	18,500	19,000
Rental Income	298,700	295,000	295,000	295,000
Other Income	30,000	40,000	40,000	40,000
Proceeds from Land Sales (UDAG)	-	-	250,000	250,000
Total Revenues	2,791,700	2,804,000	3,069,500	3,086,000
<b>EXPENSES:</b>				
Salaries & Benefits	2,052,490	2,114,000	2,177,000	2,242,000
Professional Services	138,500	140,000	140,000	140,000
General Office Expenses	176,580	182,000	187,000	193,000
Insurance Expense	82,500	85,000	88,000	91,000
Marketing Expenses	50,000	52,000	54,000	56,000
Public Notices	24,000	25,000	26,000	27,000
Building Operating Costs	181,660	187,000	193,000	199,000
Travel, Mileage & Meeting Expenses	80,000	82,000	84,000	87,000
Other Expenses	10,000	10,000	10,000	10,000
Total Expenses	2,795,730	2,877,000	2,959,000	3,045,000
<b>GRANT INCOME:</b>				
Revenues	2,248,950	250,000	250,000	250,000
Expenses	(2,248,950)	(250,000)	(250,000)	(250,000)
	-	-	-	-
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTENAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	(4,030)	(73,000)	110,500	41,000
Depreciation	(130,000)	(130,000)	(130,000)	(130,000)
<b>NET INCOME (LOSS) BEFORE EXTENAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	(134,030)	(203,000)	(19,500)	(89,000)
<b><u>External Special Projects and Strategic Initiatives:</u></b>				
Venture Capital Co-Investment	1,000,000	-	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Beverly Gray	100,000	-	-	-
Canadian Lead Generation (IBN)	72,000	72,000	-	-
NDC Technical Assistance Fee	60,000	60,000	60,000	60,000
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
Annual membership (IBN)	50,000	50,000	50,000	50,000
Industrial Land Park grant paid(rec'd)	(1,200,000)	(500,000)	(480,000)	200,000
Total Special Projects and Other Strategic Investments	1,182,000	(218,000)	(270,000)	410,000
<b>NET INCOME (LOSS):</b>	<b>\$ (1,316,030)</b>	<b>\$ 15,000</b>	<b>\$ 250,500</b>	<b>\$ (499,000)</b>

**Erie County Industrial Development Agency**  
**Five Year Capital Budget 2018-2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
<b>Facilities:</b>						
<b><u>143 Genesee Street</u></b>						
<b>Exterior</b>						
Exterior Envelope	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 18,000
Landscaping	15,000	-	4,000	-	-	19,000
Lighting	-	5,000	-	-	7,000	12,000
Glazing	2,000	5,000	5,000	30,000	-	42,000
Entry Doors	-	15,000	-	-	-	15,000
Painting / Caulk	-	5,000	-	-	-	5,000
Signage	12,000	-	-	-	-	12,000
<b>Interior</b>						
Kitchen	-	-	-	-	-	-
Bathrooms	-	14,000	2,500	-	-	16,500
Electrical	2,000	-	2,500	-	7,000	-
Painting	3,000	-	-	-	-	3,000
Carpet	-	-	21,000	-	-	21,000
Misc	7,000	2,400	7,000	10,000	7,000	33,400
	<u>41,000</u>	<u>46,400</u>	<u>42,000</u>	<u>40,000</u>	<u>39,000</u>	<u>196,900</u>
<b><u>95 Perry Street</u></b>						
<b>Interior</b>						
Misc	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total Facilities</b>	<u>51,000</u>	<u>56,400</u>	<u>52,000</u>	<u>50,000</u>	<u>49,000</u>	<u>246,900</u>
<b>Information Technology:</b>						
Accounting/loan software	-	-	-	-	-	-
Network infrastructure	8,000	-	-	-	-	8,000
Phone system	-	-	-	-	-	-
Servers	-	-	8,000	-	-	8,000
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
<b>Total Information Technology</b>	<u>11,000</u>	<u>3,000</u>	<u>11,000</u>	<u>3,000</u>	<u>3,000</u>	<u>31,000</u>
<b>GRAND TOTAL</b>	<u>\$ 62,000</u>	<u>\$ 59,400</u>	<u>\$ 63,000</u>	<u>\$ 53,000</u>	<u>\$ 52,000</u>	<u>\$ 277,900</u>

**REGIONAL DEVELOPMENT CORPORATION ("RDC")**  
**Proposed Budget for 2018**

	<b>Proposed Budget 2018</b>	<b>Approved Budget 2017</b>	<b>Projected 2017</b>	<b>Actual 2016</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 530,000	\$ 420,000	\$ 493,444	\$ 409,715
Interest Income - Cash & Inv.	4,000	8,664	7,331	7,856
Administrative Fees	10,000	15,000	12,375	16,313
Other Income	17,000	7,500	18,282	19,816
<b>Total Revenues</b>	<b>561,000</b>	<b>\$ 451,164</b>	<b>531,432</b>	<b>453,700</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 357,000	\$ 335,000	\$ 348,000	\$ 343,089
Provision for Loan Losses**	175,000	200,000	100,000	164,991
Rent & Facilities Expenses	18,000	18,000	18,000	18,082
Professional Services	51,000	70,500	37,500	49,882
Travel, Mileage & Meeting Expenses	2,500	-	2,142	-
General Office Expenses	1,000	-	759	-
Marketing & Other Expenses	12,900	3,250	22,500	1,703
<b>Total Expenses</b>	<b>617,400</b>	<b>626,750</b>	<b>528,901</b>	<b>577,747</b>
<b>NET INCREASE (DECREASE) IN ASSETS BEFORE NON-RECURRING ITEMS:</b>	<b>(56,400)</b>	<b>\$ (175,586)</b>	<b>2,531</b>	<b>(124,047)</b>
<b>NON-RECURRING ITEMS:</b>				
Addition to capital	-	-	-	287,431
Reduction of capital	-	-	-	(2,667,590)
	-	-	-	(2,380,159)
<b>NET INCOME/(LOSS):</b>	<b>\$ (56,400)</b>	<b>\$ (175,586)</b>	<b>\$ 2,531</b>	<b>\$ (2,504,206)</b>

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

** Est'd 2017 Loan Balance	\$ 13,380,000
Provision for Loan Losses	\$ 175,000
Percentage of Loans	1.3%



**REGIONAL DEVELOPMENT CORPORATION ("RDC")**  
**Proposed 3 Year Forecast 2019-2021**

	<b>Proposed Budget 2018</b>	<b>Forecast 2019</b>	<b>Forecast 2020</b>	<b>Forecast 2021</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 530,000	\$ 535,000	\$ 540,000	\$ 545,000
Interest Income - Cash & Inv.	4,000	5,000	5,000	5,000
Administrative Fees	10,000	15,000	15,000	15,000
Other Income	17,000	10,000	10,000	10,000
<b>Total Revenues</b>	<b>561,000</b>	<b>565,000</b>	<b>570,000</b>	<b>575,000</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 357,000	\$ 360,000	\$ 360,000	\$ 360,000
Provision for Loan Losses	175,000	125,000	100,000	100,000
Rent & Facilities Expenses	18,000	18,000	19,000	19,000
Professional Services	51,000	60,000	60,000	60,000
General Office Expenses	1,000	900	900	900
Marketing & Other Expenses	12,900	5,000	5,000	5,000
<b>Total Expenses</b>	<b>617,400</b>	<b>568,900</b>	<b>544,900</b>	<b>544,900</b>
<b>NET INCOME/(LOSS):</b>	<b>\$ (56,400)</b>	<b>\$ (3,900)</b>	<b>\$ 25,100</b>	<b>\$ 30,100</b>

\* 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 CORPORATION ("ILDC")**  
**Proposed Budget for 2018**

	<b>Proposed Budget 2018</b>	<b>Approved Budget 2017</b>	<b>Projected 2017</b>	<b>Actual 2016</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 500	\$ 30	\$ 604	\$ 228
Grant Revenue	-	-	-	-
Other Income	-	-	146,885	445,999
<b>Total Revenues</b>	<b>500</b>	<b>30</b>	<b>147,489</b>	<b>446,227</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 29,000	\$ 500	145,184	\$ 158,212
Provision for Loan Losses	-	-	-	(1,359)
Professional Services	3,800	300	768	30,535
General Office Expenses	-	100	-	-
Other Expenses	2,750	500	1,770	289,123
<b>Total Expenses</b>	<b>35,550</b>	<b>1,400</b>	<b>147,721</b>	<b>476,511</b>
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park (ECIDA/ESD grants)	1,600,000	-	5,700,000	-
Industrial Land Park costs/grant reimbursement	(1,600,000)	-	-	-
	-	-	5,700,000	-
<b>NET INCOME/(LOSS):</b>				
	\$ (35,050)	\$ (1,370)	\$ 5,699,767	\$ (30,284)

\* 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 2019-2021**

	<b>Proposed Budget 2018</b>	<b>Forecast 2019</b>	<b>Forecast 2020</b>	<b>Forecast 2021</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 500	\$ 375	\$ 225	\$ 100
Interest Income - Cash & Investments	-	25	25	25
Proceeds from Land Sales	-	-	250,000	250,000
<b>Total Revenues</b>	<b>500</b>	<b>400</b>	<b>250,250</b>	<b>250,125</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 29,000	\$ 30,000	\$ 30,000	\$ 30,000
Professional Services	3,800	3,500	3,600	3,800
Other Expenses	2,750	2,500	4,000	5,000
<b>Total Expenses</b>	<b>35,550</b>	<b>36,000</b>	<b>37,600</b>	<b>38,800</b>
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park (ECIDA/ESD grants)	1,600,000	900,000	880,000	200,000
Industrial Land Park costs/grant reimbursement	(1,600,000)	(900,000)	(880,000)	(200,000)
	-	-	-	-
<b>NET INCOME/(LOSS):</b>	<b>\$ (35,050)</b>	<b>\$ (35,600)</b>	<b>\$ 212,650</b>	<b>\$ 211,325</b>

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