

**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 16, 2019**

at 12:00 PM

1. Approval of Minutes – August 22, 2019 (Action) (pages 2-3)
2. Draft 2020 ECIDA Operating & Capital Budget + 3 Year Forecast (Recommendation)
3. Draft 2020 RDC Operating Budget + 3 Year Forecast (Recommendation)
4. Draft 2020 ILDC Operating Budget + 3 Year Forecast (Recommendation)
5. 2019 Independent Audit – Approval of Audit Firm (Approval)
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 22, 2019, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203
- PRESENT:** Penny Beckwith, Hon. Glenn R. Nellis, Hon. Charles F. Specht, and Michael Szukala
- ABSENT:** Hon. Joseph H. Emminger, Art Wingerter, and William Witzleben
- OTHERS PRESENT:** Steven Weathers, Chief Executive Officer; John Cappellino, Executive Vice-President; Mollie Profic, Chief Financial Officer; Dawn Boudreau, Compliance Officer; and Atiq Abidi, Assistant Treasurer
- GUESTS:** Adewoye A. Adegoke, Esq., representing General Counsel/Harris Beach PLLC

There being a quorum present, Mr. Szukala called the meeting to order at 12:05 p.m.

**MINUTES**

The July 16, 2019 minutes of the joint meeting of the Committee were presented. Upon motion made by Mr. Specht, and seconded by Ms. Beckwith, and after a vote was called for by Mr. Szukala, the July 16, 2019 minutes of the Committee were unanimously approved.

**2020 BUDGET REVIEW PROCESS**

Ms. Profic discussed the budget review process for the 2020 ECIDA, RDC and ILDC Budgets and the timelines for obtaining the approval of the respective Boards to meet the submission deadline to the Authorities Budget Office (“ABO”). Ms. Profic informed members of the Committee that the purpose of the meeting is to give overview of the Draft 2020 Budgets of the ECIDA, the RDC and the ILDC. Another Committee meeting will be held in September where members of the Committee will have the opportunity to suggest changes and/or make recommendations, and vote to recommend the budgets to the respective Boards of the ECIDA, the RDC and the ILDC for ultimate approval.

At this point in time, John Cappellino joined the meeting.

**DRAFT 2020 ECIDA OPERATING & CAPITAL BUDGET + 3 YEAR FORECAST**

Ms. Profic reviewed the Draft 2020 ECIDA Operating and Capital Budget with members. The proposed total revenue for 2020 is \$2.8M, and there are budgeted operating expenses of that same amount. Ms. Profic reviewed the methodology for determination of the administrative fees and the Committee queried regarding the pipeline for tax incentive projects. Overall, there is a budgeted net loss of \$2.7M. Ms. Profic also presented the Proposed Three Year Forecast and the Proposed Five Year Capital Budget for facilities and information technology. General discussion followed.

**DRAFT 2020 RDC OPERATING BUDGET + 3 YEAR FORECAST**

Ms. Profic reviewed the Draft 2020 RDC Operating Budget with members. The proposed total revenue for 2020 is \$512,000, with proposed expenses of \$600,475. Ms. Profic remarked that RDC's most significant revenue line item is interest income on loans, which is budgeted at \$470,000 for 2020. There is a budgeted net loss of \$88,475 for 2020. Ms. Profic presented the Proposed Three Year Forecast. General discussion ensued.

**DRAFT 2020 ILDC OPERATING BUDGET + 3 YEAR FORECAST**

Ms. Profic reviewed the Draft 2020 ILDC Operating Budget with Committee members. Proceeds from land sales are ILDC's most significant budgeted revenue line item at \$250,000 for 2020. Total expenses are budgeted to be \$112,575, resulting in budgeted income of \$137,665 for 2020. Ms. Profic discussed the ILDC's special projects with members and also presented the Proposed Three Year Forecast. General discussion ensued.

**NEW BUSINESS**

Mr. Weathers informed members that the BERC Revolving Loan Fund, that has been previously discussed, has been returned to the Economic Development Administration.

There being no further business to discuss, Mr. Szukala adjourned the meeting at 12:55 p.m.

Dated: August 22, 2019

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Karen M. Fiala, Secretary

**Erie County Industrial Development Agency**  
**2020 Proposed Budget**

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed Budget for 2020**

	Proposed Budget 2020	Approved Budget 2019	Projected 2019	Actual 2018
<b>REVENUES:</b>				
Administrative Fees	\$ 1,900,000	\$ 1,960,000	\$ 1,242,000	\$ 1,200,992
Affiliate Management Fees	404,500	402,500	322,180	429,445
Management Fees - BUDC	116,000	82,000	120,000	83,474
Interest Income - Loans	-	-	-	6,184
Interest Income - Cash & Investments	105,000	30,000	117,739	57,376
Rental Income	288,200	314,700	245,657	291,852
Other Income	36,000	36,000	26,771	38,053
UDAG Venture Sale Income	-	-	31,915	-
<b>Total Revenues</b>	<b>2,849,700</b>	<b>2,825,200</b>	<b>2,106,262</b>	<b>2,107,375</b>
<b>EXPENSES:</b>				
Salaries & Benefits	2,114,140	2,102,500	1,978,100	2,017,337
Professional Services	96,500	90,000	105,734	149,857
General Office Expenses	176,500	169,000	174,732	232,696
Insurance Expense	82,000	85,000	74,178	81,159
Marketing Expenses	50,000	50,000	50,000	37,471
Public Notices	25,000	24,000	26,804	17,641
Building Operating Costs	232,560	229,860	233,211	197,007
Travel, Mileage & Meeting Expenses	63,000	64,840	62,455	52,947
Other Expenses	10,000	10,000	5,062	(137,285)
<b>Total Expenses</b>	<b>2,849,700</b>	<b>2,825,200</b>	<b>2,710,275</b>	<b>2,648,829</b>
<b>GRANT INCOME:</b>				
Revenues	125,000	1,931,216	579,465	6,855,127
Expenses	(125,000)	(1,931,216)	(530,903)	(6,758,907)
	-	-	48,561	96,219
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>	<b>(0)</b>	<b>-</b>	<b>(555,453)</b>	<b>(445,235)</b>
Depreciation	(130,000)	(130,000)	(129,600)	(115,879)
<b>NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>	<b>(130,000)</b>	<b>(130,000)</b>	<b>(685,053)</b>	<b>(561,114)</b>
<b>External Special Projects:</b>				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
UDAG Gain on Venture Investments	-	-	-	(42,401)
Annual Membership (IBN)	50,000	50,000	50,000	50,000
Canadian Lead Generation (IBN)	72,000	72,000	72,000	72,000
NDC Technical Assistance	60,000	60,000	60,000	60,000
Z7+ consultants/expense reserve	-	-	626,422	12,558
Industrial Land Park grant paid*	200,000	200,000	200,000	120,000
Industrial Land Park grant (rec'd)*	-	(1,390,000)	(1,390,000)	(1,390,000)
Angola Ag Park grant paid	100,000	-	900,000	-
<b>Total Special Projects</b>	<b>582,000</b>	<b>(908,000)</b>	<b>618,422</b>	<b>(1,017,843)</b>
<b>NET INCOME (LOSS) BEFORE OTHER RESERVES:</b>	<b>(712,000)</b>	<b>778,000</b>	<b>(1,303,475)</b>	<b>456,729</b>
<b>Reserves for Future Projects:</b>				
Venture Capital Co-Investment	1,000,000	1,000,000	-	-
Forgivable Attraction Loan(s)	1,000,000	1,000,000	-	-
<b>Total Other Reserves</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS):</b>	<b>\$ (2,712,000)</b>	<b>\$ (1,222,000)</b>	<b>\$ (1,303,475)</b>	<b>\$ 456,729</b>

\* 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. ILDC has reimbursed \$1.39M to date and will reimburse another \$1.39M after remaining ESD grant revenue is received.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed Three Year Forecast 2021-2023**

	Proposed Budget 2020	Forecast 2021	Forecast 2022	Forecast 2023
<b>REVENUES:</b>				
Administrative Fees	\$ 1,900,000	\$ 1,950,000	\$ 1,950,000	\$ 1,950,000
Affiliate Management Fees	404,500	417,000	430,000	443,000
Management Fees - BUDC	116,000	119,000	123,000	127,000
Interest Income - Cash & Investments	105,000	108,000	111,000	114,000
Rental Income	288,200	300,000	300,000	300,000
Other Income	36,000	40,000	40,000	40,000
Proceeds from Land Sales (UDAG)	-	250,000	250,000	200,000
Total Revenues	2,849,700	3,184,000	3,204,000	3,174,000
<b>EXPENSES:</b>				
Salaries & Benefits	2,114,140	2,178,000	2,243,000	2,310,000
Professional Services	96,500	140,000	140,000	140,000
General Office Expenses	176,500	182,000	187,000	193,000
Insurance Expense	82,000	84,000	87,000	90,000
Marketing Expenses	50,000	52,000	54,000	56,000
Public Notices	25,000	26,000	27,000	28,000
Building Operating Costs	232,560	240,000	247,000	254,000
Travel, Mileage & Meeting Expenses	63,000	65,000	67,000	69,000
Other Expenses	10,000	10,000	10,000	10,000
Total Expenses	2,849,700	2,977,000	3,062,000	3,150,000
<b>GRANT INCOME:</b>				
Revenues	125,000	250,000	250,000	250,000
Expenses	(125,000)	(250,000)	(250,000)	(250,000)
	-	-	-	-
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(0)</b>	<b>207,000</b>	<b>142,000</b>	<b>24,000</b>
Depreciation	(130,000)	(120,000)	(120,000)	(120,000)
<b>NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(130,000)</b>	<b>87,000</b>	<b>22,000</b>	<b>(96,000)</b>
<b>External Special Projects and Strategic Initiatives:</b>				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
Annual membership (IBN)	50,000	50,000	50,000	50,000
Canadian Lead Generation (IBN)	72,000	72,000	-	-
NDC Technical Assistance	60,000	60,000	60,000	60,000
Industrial Land Park grant paid**	200,000	200,000	200,000	-
Industrial Land Park grant (rec'd)**	-	(250,000)	(250,000)	(200,000)
Angola Ag Park grant paid	100,000	100,000	100,000	-
Venture Capital Co-Investment	1,000,000	-	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Total Special Projects and Other Strategic Investments	2,582,000	332,000	260,000	10,000
<b>NET INCOME (LOSS):</b>	<b>\$ (2,712,000)</b>	<b>\$ (245,000)</b>	<b>\$ (238,000)</b>	<b>\$ (106,000)</b>

**Erie County Industrial Development Agency**  
**Proposed Five Year Capital Budget 2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
<b>Facilities:</b>						
143 Genesee Street	20,000	20,000	20,000	20,000	20,000	100,000
95 Perry Street	10,000	10,000	10,000	10,000	5,000	45,000
Total Facilities	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>25,000</u>	<u>145,000</u>
<b>Information Technology:</b>						
AV Equipment	60,000	-	-	-	-	60,000
New Laptops	-	25,000	-	-	-	25,000
Servers	8,000	-	-	-	8,000	16,000
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
Total Information Technology	<u>71,000</u>	<u>28,000</u>	<u>3,000</u>	<u>3,000</u>	<u>11,000</u>	<u>116,000</u>
<b>GRAND TOTAL</b>	<b><u>\$ 101,000</u></b>	<b><u>\$ 58,000</u></b>	<b><u>\$ 33,000</u></b>	<b><u>\$ 33,000</u></b>	<b><u>\$ 36,000</u></b>	<b><u>\$ 261,000</u></b>

**Regional Development Corporation**  
**2020 Proposed Budget**



**REGIONAL DEVELOPMENT CORPORATION ("RDC")**  
**Proposed Budget for 2020**

	<b>Proposed Budget 2020</b>	<b>Approved Budget 2019</b>	<b>Projected 2019</b>	<b>Actual 2018</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 470,000	\$ 520,000	\$ 523,338	\$ 449,706
Interest Income - Cash & Investments	17,000	10,000	41,484	28,000
Administrative Fees	10,000	10,000	3,129	24,768
Other Income	15,000	20,000	2,657	3,650
Total Revenues	512,000	\$ 560,000	570,608	506,123
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 320,000	\$ 350,000	\$ 261,000	\$ 333,912
Provision for Loan Losses**	200,000	175,000	750,000	40,512
Rent & Facilities Expenses	25,000	23,000	22,800	18,802
Professional Services	45,300	42,000	37,500	27,962
Travel, Mileage & Meeting Expenses	1,500	2,500	800	-
General Office Expenses	900	900	211	2,539
Other Expenses	7,775	16,075	4,094	5,577
Total Expenses	600,475	609,475	1,076,405	429,303
<b>NET INCOME/(LOSS):</b>	\$ (88,475)	\$ (49,475)	\$ (505,797)	\$ 76,820

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

** Estimated 2020 Loan Balance	\$ 14,435,000
Provision for Loan Losses	\$ 200,000
Percentage of Loans	1.4%

**REGIONAL DEVELOPMENT CORPORATION ("RDC")**  
**Proposed Three Year Forecast 2021-2023**

	<b>Proposed Budget 2020</b>	<b>Forecast 2021</b>	<b>Forecast 2022</b>	<b>Forecast 2023</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 470,000	\$ 475,000	\$ 480,000	\$ 485,000
Interest Income - Cash & Investments	17,000	15,000	15,000	15,000
Administrative Fees	10,000	15,000	15,000	15,000
Other Income	15,000	10,000	10,000	10,000
Total Revenues	512,000	515,000	520,000	525,000
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 320,000	\$ 330,000	\$ 330,000	\$ 335,000
Provision for Loan Losses	200,000	175,000	150,000	150,000
Rent & Facilities Expenses	25,000	25,000	25,000	25,000
Professional Services	45,300	50,000	50,000	50,000
General Office Expenses	900	900	900	900
Marketing & Other Expenses	7,775	5,000	5,000	5,000
Total Expenses	600,475	585,900	560,900	565,900
<b>NET INCOME/(LOSS):</b>	<b>\$ (88,475)</b>	<b>\$ (70,900)</b>	<b>\$ (40,900)</b>	<b>\$ (40,900)</b>

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

**Industrial Land Development Corp**  
**2020 Proposed Budget**

**BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**  
**Proposed Budget for 2020**

	<b>Proposed Budget 2020</b>	<b>Approved Budget 2019</b>	<b>Projected 2019</b>	<b>Actual 2018</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 230	\$ 350	\$ 354	\$ 450
Interest Income - Cash & Investments	10	10	12	13
Grant Income	-	-	155,000	-
Proceeds from Land Sales	250,000	-	-	-
Other Income	-	-	36,250	82,985
<b>Total Revenues</b>	<b>250,240</b>	<b>360</b>	<b>191,616</b>	<b>83,448</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 58,000	\$ 28,000	28,800	\$ 159,717
Professional Services	53,100	23,000	130,237	82,021
General Office Expenses	600	-	-	515
Other Expenses	875	2,625	1,961	31,535
<b>Total Expenses</b>	<b>112,575</b>	<b>53,625</b>	<b>160,997</b>	<b>273,788</b>
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park - ESD grant	1,755,000	1,390,000	-	2,780,000
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	120,000
Industrial Land Park grant reimbursement	(1,755,000)	(1,390,000)	-	(2,780,000)
Industrial Land Park grant costs	(200,000)	(200,000)	(200,000)	-
Angola Ag Park - ECIDA grant	100,000	-	900,000	-
Angola Ag Park grant costs	(100,000)	-	(900,000)	-
Other grant revenue	25,000	509,657	161,492	231,008
Other grant expenses	(25,000)	(509,657)	(161,492)	(231,008)
	-	-	-	120,000
<b>NET INCOME/(LOSS):</b>	<b>\$ 137,665</b>	<b>\$ (53,265)</b>	<b>\$ 30,619</b>	<b>\$ (70,340)</b>

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

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**  
**Proposed Three Year Forecast 2021-2023**

	<b>Proposed Budget 2020</b>	<b>Forecast 2021</b>	<b>Forecast 2022</b>	<b>Forecast 2023</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 230	\$ 170	\$ 101	\$ 45
Interest Income - Cash & Investments	10	25	25	25
Grant Income	-	-	-	-
Proceeds from Land Sales	250,000	250,000	250,000	200,000
Other Income	-	-	-	-
Total Revenues	250,240	250,195	250,126	200,070
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 58,000	\$ 30,000	\$ 30,000	\$ 30,000
Professional Services	53,100	3,600	3,800	3,900
General Office Expenses	600	-	-	-
Other Expenses	875	2,500	4,000	5,000
Total Expenses	112,575	36,100	37,800	38,900
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park - ESD grant	1,755,000	-	-	-
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	-
Industrial Land Park grant reimbursement	(1,755,000)	-	-	-
Industrial Land Park costs	(200,000)	(200,000)	(200,000)	-
Angola Ag Park - ECIDA grant	100,000	100,000	100,000	-
Angola Ag Park grant costs	(100,000)	(100,000)	(100,000)	-
Other grant revenue	25,000	-	-	-
Other grant expenses	(25,000)	-	-	-
	-	-	-	-
<b>NET INCOME/(LOSS):</b>	<b>\$ 137,665</b>	<b>\$ 214,095</b>	<b>\$ 212,326</b>	<b>\$ 161,170</b>

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



**Item 5**

**MEMORANDUM**

**TO:** Joint Finance & Audit Committee of ECIDA, RDC & ILDC  
**FROM:** Mollie Profic, CFO  
**SUBJECT:** 2019 Independent Audits  
**DATE:** September 16, 2019

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On September 12, 2017, the Joint Finance & Audit Committee (the “Committee”) recommended Freed Maxick (“Freed”) as independent auditors for the 2017 and 2018 audits with an option to engage Freed for 2019, 2020, and 2021 audits. The ECIDA, RDC, and ILDC Boards affirmed the recommendation on September 27, 2017, and allowed for the Committee to retain Freed for 2019, 2020, and 2021 auditing services based on satisfactory review and approval of the Joint Finance & Audit Committee.

Freed has successfully performed the required audits of ECIDA, RDC, and ILDC for the past two years. Their completion of the audits in a timely manner has allowed the Agency to submit all required financial reporting within the required deadlines. Management has been satisfied with their performance and awarded them ratings of “very good” in 2017 and “excellent” in 2018. Billed fees have been in agreement with the 2017 proposal for ECIDA, RDC, and ILDC for the 2017 and 2018 audits.

**Recommendation:**

We request that the Joint Finance & Audit Committee approve an extension for Freed Maxick to provide professional auditing services to the Agency and its affiliates for the 2019 audits.