

**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:** September 12, 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, Hon. Glenn R. Nellis, Sister Denise Roche and Michael Szukala
- ABSENT:** Penny Beckwith and William Witzleben
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer, Bradley Bach, Assistant Treasurer; and Robert G. Murray, Secretary

There being a quorum present, Mr. Szukala called the meeting to order at 12:10 p.m.

MINUTES

The August 17, 2017 minutes of the joint meeting of the Committee were presented. Upon motion made by Mr. Doherty, and seconded by Sister Denise, the August 17, 2017 minutes of the Committee were unanimously approved.

PROFESSIONAL AUDITING SERVICES RFP RECOMMENDATION

Ms. Profic reviewed the ECIDA, RDC and ILDC professional services request for proposal process requiring proposals for professional auditing services be solicited at least one every five years. Ms. Profic noted proposals were last solicited in 2012 and as such, on July 18, 2017 the Agency issued a Request for Proposal (“RFP”) for professional auditing services requesting one CPA firm to jointly audit the ECIDA, RDC and ILDC. The RFP requested services for two years from January 1, 2017 to December 31, 2018 with an option of contracting for an additional three years (2019-2021). Ms. Profic noted that the length of the potential contract coincides with the Public Authority Law requiring rotation of the audit partner every five years. Ms. Profic then commented that a hard copy of the RFP was mailed to the top 20 accounting firms as listed within the 2017 Buffalo Business First Book of Lists. Ads were also placed in the Buffalo News and Challenger Community News and the RFP was posted on the ECIDA’s website. Five proposals were received from local firms and an internal ECIDA staff committee reviewed the five proposals based on: (1) qualifications and experience of the audit firm, (2) qualifications and experience of the partners and staff, (3) an all-inclusive cost for the potential five year engagement, (4) compliance with local, state and federal statutes and regulations, and (5) anticipated potential audit problems.

Ms. Profic reviewed the results noting that Freed Maxick was ranked number one due to its experience auditing similar IDAs and their related revolving loan funds, as well as the existence of a government services practice area consisting of over 20 employees. Ms. Profic noted that Freed Maxick laid out a detailed audit approach and addressed a need for a smooth transition and has significant government and not-for-profit auditing experience. Ms. Profic concluded by stating the internal staff committee requests that the Joint Finance and Audit Committee recommend Freed Maxick to provide professional auditing services to the ECIDA, RDC and ILDC for the 2017-2018 audit years with an option of contracting with Freed Maxick for the 2019-2021 audit years.

General discussion ensued and Ms. Profic emphasized that Freed Maxick also has strong bench strength in other areas such as brownfield tax credits, which may come into play as related to the ECIDA's anticipated construction of its Net Zero building, such that the Agency will be able to rely on Freed Maxick to provide tax credit advice. Mr. Cappellino and Ms. Profic also commented that for professional services, the lowest bid is not to be the sole consideration with respect to choosing a qualified firm. Ms. Profic also noted that pricing was only allocated 40% of the total score to be utilized in ranking respondents.

Sister Denise moved and Mr. Nellis seconded to approve the recommendation of Freed Maxick as proposed by the staff review committee and to recommend that the Board of Directors of the ECIDA, RDC and ILDC approve of Freed Maxick for the 2017-2018 audits with an option to engage Freed Maxick for the 2019, 2020 and 2021 audits subject to review of the Freed Maxick fee proposal, said fee proposal to be confirmed to be acceptable and said confirmation to be provided to Ms. Profic. Mr. Szukala called for the vote and the motion was unanimously approved.

DRAFT 2018 ECIDA, RDC & ILDC OPERATING & CAPITAL BUDGET + 3 YEAR FORECAST

Ms. Profic reviewed the ECIDA proposed budget for 2018 noting that it is a break even operating budget. In particular, Ms. Profic explained the rationale for the determination of administrative fees and expenses and discussed above the line and below the line expenditures in particular, as related to external special projects funded from the UDAG fund. Ms. Profic then reviewed the proposed three year forecast for the ECIDA 2019, 2020, and 2021 fiscal years as well the five year capital budget for the ECIDA.

Ms. Profic next reviewed the RDC proposed 2018 budget and three year forecast as well as the ILDC proposed 2018 budget and three year forecast.

General discussion ensued. Ms. Profic then explained that draft budgets will go to the respective boards of the ECIDA, RDC and ILDC in September, two additional voluntary and educational budget briefings will be held in early October for any and all board members who desire to obtain additional information about the budgeting process or who have additional questions, and thereafter, all budgets will then need to be approved by the respective boards by October 31, 2017.

Mr. Szukala then asked for a motion to approve of the ECIDA, RDC and ILDC budgets, as proposed, subject to additional review by the Finance and Audit Committee in the event any change of more than \$100,000 is made in any one line item or in a summation line. Mr. Doherty moved and Sister Denise seconded to approve of the motion. Mr. Szukala called for the vote and the motion was then unanimously approved.

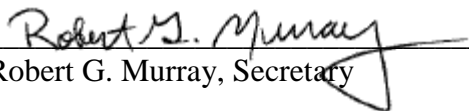
NEW BUSINESS

Ms. Profic updated Committee members on the Buffalo Economic Renaissance Corporation (BERC) RLF noting that BERC is in the process of filing a petition for corporate dissolution and only after which can the loan fund be returned to the Erie County Industrial Development Agency.

Ms. Profic then informed Committee members that the insurance broker request for qualifications has been prepared and released and responses to same are due by September 29, 2017. Ms. Profic then confirmed that during the week of October 16th, if needed, the Finance and Audit Committee may reconvene to approve of the draft budgets. Ms. Profic also noted that a November meeting may be called in order to have the Finance & Audit Committee approve of an insurance broker as part of the insurance broker RFQ process.

There being no further business to discuss, Mr. Szukala adjourned the meeting at 1:14 p.m.

Dated: September 12, 2017


Robert G. Murray, Secretary