

**Minutes of the  
Audit & Finance Committee Meeting  
Buffalo Urban Development Corporation  
95 Perry Street  
Buffalo, New York  
September 19, 2016  
12:00 p.m.**

**Call to Order:**

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Committee Members Present:

James W. Comerford  
Dennis M. Penman (Committee Chair)

Committee Members Absent:

David J. Nasca

Officers Present:

Peter M. Cammarata, President  
David A. Stebbins, Executive Vice President  
Brandy Merrriweather, Vice President  
Kevin J. Zanner, Secretary  
Bradley Bach, Assistant Treasurer

**Roll Call:** The roll of Committee members was called at 12:10 p.m. and a quorum was determined to be present.

**1.0 Approval of Minutes of the March 16, 2016 Meeting** – The minutes of the March 16, 2016 meeting of the Audit & Finance Committee were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Mr. Penman and unanimously carried.

**2.0 2017 BUDC Draft Budget** – Mr. Bach presented the draft 2017 budget. Mr. Bach first reviewed with the Committee the overall sources and uses of funds as set forth in the proposed budget. He then reviewed the proposed budget on a project-by-project basis, including the budgets for the Northland Corridor project, Buffalo Lakeside Commerce Park, the Buffalo Building Reuse Project and general corporate operations. The Committee discussed the proposed budget. Mr. Penman suggested that executive staff explore having reimbursement of BUDC's direct costs for administering the NYPA and ESD grant funds for the Northland Corridor project.

The Committee then moved to a discussion regarding the executive compensation portion of the proposed budget. Mr. Cammarata, Mr. Stebbins and Ms. Merrriweather were excused from the meeting during this discussion. The Committee reviewed a budgetary proposal to modify the corporation's contribution to the Simplified Employee Pension (SEP) plan from 7% to 12%. It was noted that this adjustment would be consistent with the modification included in ECIDA's 2017 budget. The Committee also reviewed proposed salary increases for executive staff. At the conclusion of the discussion, Mr. Comerford made a motion to include the proposed SEP contribution modification and executive compensation adjustments in the 2017 budget. The motion was seconded by Mr. Penman and unanimously carried. Mr. Cammarata, Mr. Stebbins and Ms. Merrriweather then rejoined the meeting.

The Committee next discussed modifications to the proposed budget, including increases for line items relating to insurance costs, BLCF land sale revenue and interest income and decreases for utility costs and intern expenses. Mr. Comerford then made a motion to recommend that Board of Directors approve the proposed 2017 budget with the

foregoing modifications. The motion was seconded by Mr. Penman and unanimously carried.

**3.0 Brownfield Fund Analysis** – Mr. Bach presented an update regarding the Buffalo Brownfield Redevelopment Fund, including projections of future revenues and current expenditures. Mr. Cammarata noted that one of the future uses for BBRF funding will likely involve a pilot development project at 612 Northland Avenue.

**4.0 BBRP/BUDC Loan Program Update** – Ms. Merriweather presented an update regarding the BBRP loan program. A loan aging report was circulated to the Committee for review and discussion. Ms. Merriweather stated that The Phoenix Brewery Apartments and Main & Cathedral loans have closed and that loans are current. Loans for the Alexandre Apartments and Sinclair projects are in underwriting with NYBDC and will be reviewed by the newly constituted BUDC Loan Committee once the underwriting process is complete. Ms. Merriweather noted that proposals for the current round of BBRP loan funding are due September 30<sup>th</sup>. The Committee discussed the BBRP loan program, including strategies to increase the public sector match funding to maximize the banks' commitment to the fund. Mr. Penman suggested that additional loan opportunities could be created through expanding the geographic boundaries beyond the current BBRP footprint. Ms. Merriweather indicated that another approach being discussed is to increase the maximum loan amount beyond the current \$750,000 limit, which would help larger scale projects.

**5.0 Adjournment** – There being no further business to come before the Audit & Finance Committee, the September 19, 2016 meeting of the Audit & Finance Committee was unanimously adjourned at 1:30 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary