

**Minutes of the
Audit & Finance Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
June 13, 2019
12:00 p.m.**

Call to Order:

Committee Members Present:

Trina Burruss
James Comerford
Janique S. Curry
David J. Nasca
Dennis M. Penman (Committee Chair)

Committee Members Absent:

[None]

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Dawn Boudreau, ECIDA; and Barbara Danner, Freed Maxick CPAs, P.C.

Roll Call: Order of Business - The Secretary called the roll of the members of the Audit & Finance Committee at 12:15 p.m. A quorum of the Committee was present.

- 1.0 **Approval of Minutes of the March 14, 2019 Meeting** – The minutes of March 14, 2019 meeting of the Audit & Finance Committee were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Mr. Comerford and unanimously carried.
- 2.0 **Freed Maxick Professional Services Additional Costs** – Ms. Profic presented her June 13, 2019 memorandum regarding the payment of additional fees to Freed Maxick for services performed in connection with the 683 Northland tax credits transaction. Ms. Profic explained that the additional work was due to the project being divided into two phases and the increased QREs for the project. The total additional cost is \$24,250. Mr. Nasca made a motion to approve the payment of \$24,250 to Freed Maxick as outlined in the June 13, 2019 memorandum. The motion was seconded by Ms. Curry and unanimously carried.
- 3.0 **2018 BUDC Form 990 Update** – Ms. Profic circulated a handout relating to BUDC's recognition of interest income in the amount of \$135,662. This income resulted from a loan from BUDC to its subsidiary, 683 WTC, LLC, which was required for the 683 Northland tax credits transaction. Ms. Profic noted that this amount constitutes unrelated business income, which is subject to unrelated business income tax (UBIT). However, BUDC also had \$155,894 in eligible expenses to offset against this income. There is a small net loss carryforward for 2019 of \$20,232, and it is anticipated that BUDC will pay income taxes on unrelated business income in future years.
- 4.0 **Regionally Significant Project (RSP) Fund Update** – Ms. Profic circulated and reviewed the Regionally Significant Project Fund (RSP) Summary of 2019 Activity. The balance in the RSP Fund is \$103,280. Ms. Merriweather and Mr. Cammarata informed the Committee that BUDC is

considering utilizing the RSP Fund to pay for costs relating to the preparation of a conceptual plan for downtown development and for costs relating to the installation of a sprinkler system at 612 Northland.

- 5.0 Buffalo Brownfields Redevelopment Fund (BBRF) Update** – Ms. Profic circulated and reviewed the Summary of Recent Activity for the Buffalo Brownfields Redevelopment Fund (BBRF). The balance in the BBRF is \$1,806,020, which includes \$242,900 of committed funds that will be used as the match for the Restore NY IV grant and for 1669 Fillmore Avenue environmental remediation costs.
- 6.0 Funding Updates (Waterfront)** – Mr. Stebbins reported that a sub-grant agreement between BUDC and the City of Buffalo is being finalized with respect to the first grant that BUDC received from the Ralph C. Wilson, Jr. Foundation. BUDC has also executed a second grant agreement with the Wilson Foundation in the amount of 3.8 million dollars.
- 7.0 Funding Updates (Northland)** – Ms. Profic circulated and reviewed the Northland Beltline Project Funding Summary dated June 13, 2019. The report shows the amount of each grant and the amount received to date from each grant funding source.
- 8.0 BBRP/BUDC Loan Program Update** – Ms. Profic and Ms. Merriweather presented the June 13, 2019 BBRP Loan Status Report. Ms. Profic reviewed the outstanding loans. Ms. Merriweather then reviewed the projects that are listed in the report as loans in the pipeline. Ms. Merriweather also reported that proposals for BBRP loan program funding are due at the end of June. Mr. Cammarata provided a brief update on the Trico project, which appears to be moving forward.
- 9.0 Audit Plan / Charter Provisions** – Mr. Cammarata noted that at the March Committee meeting, the Committee inquired as to whether the Audit & Finance Committee Charter should be amended to include a specific requirement that the Committee meet with BUDC's auditors to develop an audit plan prior to the end of each calendar year. After reviewing the charter and consulting with counsel, executive staff is not recommending this specific change to the charter. Mr. Zanner noted that the charter as written includes provisions that authorize the Committee to meet with the auditors. Mr. Cammarata indicated that staff will schedule a pre-audit meeting with the Committee and the auditors in the fall.
- 10.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Mr. Nasca, seconded by Ms. Burruss and unanimously carried, the June 13, 2019 meeting of the Audit & Finance Committee was adjourned at 1:15 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary