

**Minutes of the Meeting
of the
Audit & Finance Committee
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
September 22, 2021
9:00 a.m.**

Call to Order:

Committee Members Present:

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

Committee Members Absent:

Trina Burruss

Officers Present:

Brandy Merriweather, President
Rebecca Gandour, Executive Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Alexis M. Florczak, Hurwitz & Fine, P.C.; Arthur Hall, BUDC Senior Project Manager; Jamee Lanthier, ECIDA Compliance Officer; Brendan Mehaffy, BUDC Board member (by telephone); and Antonio Parker, BUDC Project Manager.

Roll Call – The meeting was called to order at 9:11 a.m. without a quorum present. Agenda item 5.0 was presented first, and Ms. Curry joined the meeting during the presentation at which time a quorum of the Committee was present. Mr. Penman joined the meeting during the presentation of agenda item 2.0.

- 1.0 Approval of Minutes of the May 17, 2021 Meeting** – The minutes of the May 17, 2021 meeting of the Audit & Finance Committee were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried (3-0-0).
- 2.0 2022 683 Northland Master Tenant Budget** – Ms. Profic reviewed the proposed 2022 budget for 683 Northland Master Tenant, LLC. The draft budget projects a net revenue consistent with 2021 projections and an increase from the 2020 actual budget due to the building being fully leased. The proposed 2022 budget projects a net loss on a GAAP basis in the amount of \$555,481. Factoring in cash flow adjustments, there is a projected net cash increase of \$249,131. Ms. Profic also reviewed projections for 2023, 2024 and 2025, and noted that these projections do not include lease renewals for current tenants whose leases are scheduled to expire.
- 3.0 2022 BUDC Draft Budget & Three-Year Forecast** – Ms. Profic reviewed the proposed 2022 budget and 2023-2025 forecast. Ms. Profic began the presentation by reviewing the proposed budgets for Buffalo Lakeside Commerce Park, Buffalo Building Reuse Project/Race for Place,

Centennial Park, Northland Corridor, 308 Crowley and general corporate operations. Mr. Nasca commented that the 2022 draft budget projects a net loss of approximately \$395,000. Mr. Penman suggested that BUDC develop a strategic plan for sustainability of the organization, including consideration of different ways to operate and fund projects. Ms. Merriweather indicated that BUDC staff is examining sustainability measures, and as part of that effort has scheduled a meeting with Empire State Development to discuss Northland project costs. Ms. Profic then reviewed a separate budget sheet that breaks out the budgeted revenue, operating expenses, capital budget and cash flow adjustments for the Northland Corridor project. The three-year budget projections were also presented, with Ms. Profic noting that these projections are preliminary. A Committee meeting will be scheduled in October to review the budget again, and all Board members will be invited to attend.

4.0 Insurance Brokerage Services Recommendation – Ms. Profic presented her September 22, 2021 memorandum regarding insurance brokerage services. BUDC participated in a joint RFQ with ECIDA for insurance brokerage services, which were last solicited in 2017. The RFQ was issued on June 25th and sought proposals for property & casualty (P&C) and health & benefits (H&B) brokerage services. Responses to the RFQ were due July 23rd. Four P&C proposals and five H&B proposals were received. The proposals were evaluated by Ms. Profic, Ms. Gandour and Beth O’Keefe (ECIDA) and scored based on the criteria set forth in the RFQ. Lawley was the top-rated P&C broker, which has been servicing BUDC since 2009. Bene-Care, Inc. was the top-rated H&B broker, which has serviced BUDC since 2017. Ms. Curry made a motion to recommend that the Board of Directors approve Lawley as P&C broker and Bene-Care, Inc. as H&B broker. The motion was seconded by Mr. Comerford and carried with three affirmative votes (3-0-1). Mr. Nasca abstained from the vote.

5.0 Funding Updates – Ms. Merriweather, Ms. Gandour and Mr. Mehaffy (joining the meeting by telephone) presented an update regarding funding. Mr. Mehaffy reported that BUDC sustainability has been included as part of the American Rescue Plan funding plan approved by the Common Council. Approximately 1.2 million dollars has been allocated to BUDC to address impacts of the COVID-19 pandemic and increased costs faced by BUDC. Logistics for the transfer of these funds are being worked on, and Common Council approval of a funding contract with BUDC is needed before the funds can be released. Mr. Nasca asked whether Board approval is needed to accept the grant funds. Ms. Merriweather indicated that she and Ms. Profic are working with the City on a memorandum of understanding for the funding, which will be presented to the Board for approval.

Mr. Mehaffy also reported that a Loan Committee meeting is scheduled for September 29, 2021 to discuss modifications to the loan program. If the funding partners agree, the focus of the loan program will be directed toward infill development and transformational projects that are consistent with the Race for Place initiative. Ms. Merriweather then updated the Committee regarding an application submitted by BUDC to New York State’s Build Back Better Fund. Ms. Gandour noted that the application included funding requests for the Northland solar grid project and redevelopment projects at 537/541 E. Delavan and 631 Northland. Ms. Profic completed the funding updates with a report on the Brownfield Cleanup Program tax credits refund, noting that BUDC’s 2019 claim for \$7.3 million dollars remains outstanding. BUDC’s 2020 claim for approximately one million dollars was recently filed. Ms. Profic added that the last installment of the historic tax credit equity remains outstanding as well. It is anticipated that the last installment will be received once BUDC receives the brownfield tax credits refund.

6.0 Buffalo Lakeside Commerce Park Property Owners Association – Mr. Zanner briefed the Committee regarding the BLCP Property Owners Association (POA). Prior to BUDC’s sale of 255 Ship Canal Parkway to Uniland, BUDC was the sole member of the POA and accordingly there was only a limited governance structure for the POA. With the Uniland land sale completed, a more formal POA governance structure is needed, including Board appointments. Mr. Zanner suggested using a Board structure similar to BBRC, with Committee members serving as the POA Board. The Committee discussed the proposal, with Committee members commenting that either the

Governance Committee or Real Estate Committee would be an appropriate committee for the POA. This item will be discussed at the October meeting of the Real Estate Committee.

7.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Comerford and unanimously carried, the September 22, 2021 meeting of the Audit & Finance Committee was adjourned at 10:38 a.m.

Respectfully submitted,



Kevin J. Zanner
Secretary