

**Minutes of the
Audit & Finance Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
September 18, 2017
12:00 P.M.**

Call to Order:

Committee Members Present:

James W. Comerford
Janique S. Curry
Dennis M. Penman (Committee Chair)

Committee Members Absent:

Thomas Beauford, Jr.
David J. Nasca (joined by telephone)

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA; and James Cielencki, BUDC Intern.

Roll Call: The roll of the Committee members was called at 12:10 p.m. A quorum of the Committee was not present. The Chair requested that the information items 4.0-11.0 of the agenda be presented. Ms. Curry joined the meeting during the presentation of item 11.0, at which time a quorum of the Committee was present.

- 1.0 Approval of Minutes of the August 18, 2017 Meeting** – The minutes of the August 18, 2017 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.
- 2.0 Professional Auditing Services Procurement Memo** – Ms. Profic presented her September 18, 2017 memorandum regarding the proposed award of a professional auditing services contract. BUDC and ECIDA issued a joint request for proposals. Five proposals were received, which were reviewed by Peter Cammarata, Bradley Bach and Mollie Profic. The review team is recommending that BUDC award the professional auditing services contract to Freed Maxick. The Committee discussed the proposed contract award. In response to a question from Ms. Curry, Mr. Cammarata indicated that Freed Maxick did not include an M/WBE component in its proposal, but did include a WBE firm as part of accounting team for the tax credits transaction. Mr. Comerford made a motion to recommend that the Board of Directors award a professional auditing services contract to Freed Maxick for the 2017 and 2018 audits, with a BUDC option to extend the contract to cover the 2019-2021 audits. The motion was seconded by Ms. Curry and unanimously carried.
- 3.0 2018 BUDC Draft Budget & Three Year Forecast** – Ms. Profic presented the draft 2018 budget and 2019-2021 forecast. Ms. Profic reviewed the overall sources and uses of funds as set forth in the proposed budget. She then reviewed the proposed budgets for the Northland

Corridor project, Buffalo Lakeside Commerce Park, the Buffalo Building Reuse Project and general corporate operations. The revenue side of the budget includes a projected sale of a five acre parcel at BLCP. Mr. Cammarata noted that the budget also includes a line item expense for a new project manager position. This new position will allow BUDC to provide support on additional brownfield projects in the City of Buffalo. The Committee discussed the proposed budget. Mr. Penman suggested that for future budgets BUDC should consider allocating revenue and costs on a project-by-project basis. Ms. Profic indicated that the proposed budget will be circulated at the September Board of Directors meeting to allow Board members to review and comment prior to the October Board meeting. At the close of the discussion, Ms. Curry made a motion to recommend that the Board of Directors approve the proposed 2018 budget and 2019-2021 forecast. The motion was seconded by Mr. Comerford and unanimously carried.

- 4.0 **683 Northland – Historic Rehab and NMTC Financing Update** – Mr. Stebbins updated the Committee regarding the tax credits transaction for 683 Northland. Due diligence activities are ongoing, and weekly conference calls are taking place to keep the process moving forward. In response to a question from Mr. Penman, Mr. Stebbins indicated that BUDC and Gilbane continue to work toward establishing a guaranteed maximum price (GMP) for the construction of the workforce training center, and that a proposed GMP should be ready for Board review and approval at the October Board meeting.
- 5.0 **683 Northland – Historic Rehab Reasonableness Opinion Solicitation** – Mr. Stebbins reported that the tax credits investors will retain an accounting firm to provide a reasonableness opinion for the historic tax credits transaction. The BUDC will be responsible for paying this cost, which has been accounted for in the overall net benefit that BUDC will realize as a result of the transaction.
- 6.0 **683 Northland – Construction Bridge Loan Update** – Mr. Stebbins reported that KeyBank is expected to issue its commitment letter for the loan before the end of this month.
- 7.0 **683 Northland – Gilbane Guaranteed Maximum Price (GMP) Update** – Mr. Stebbins indicated that Gilbane will circulate to BUDC an internal draft GMP document by the end of this week. It is expected that the GMP will be finalized and presented for approval at the October Board of Directors meeting.
- 8.0 **Northland Beltline – CDBG Funding Update** – Mr. Cammarata informed the Committee that BUDC is working on two CDBG grant disbursement requests which will be submitted separately. After the first of the two requests is submitted, there will be approximately \$450,000 remaining under the original 3.2 million dollar grant.
- 9.0 **Northland Beltline – Restore New York Funding Update** – Mr. Stebbins reported that he is working with Assistant Corporation Counsel John Heffron on a sub-grant agreement between the City of Buffalo and BUDC for the Restore NY grant funding. Common Council approval is required. ESD is expected to authorize the Restore NY grant to the City of Buffalo at its November 2017 Board meeting.
- 10.0 **Northland Beltline – ESD Funding Update** – Mr. Cammarata reported that BUDC continues to work on reimbursement submissions to draw against the ESD grant. There is less than \$400,000 remaining under the 6.7 million dollar grant. Staff is also working on the initial draw against the 10.3 million dollar grant.
- 11.0 **Buffalo Brownfield Redevelopment Fund (BBRF) Update** – Mr. Profic circulated and reviewed with the Committee the BBRF Fund Analysis report for the period ending August 31,

2017. The fund balance as of August 31, 2017 is \$2,092,441. Ms. Profic indicated that there were no major changes to the report that was reviewed at the August meeting of the Committee.

- 12.0 Regionally Significant Project (RSP) Fund Update** – Ms. Profic circulated and reviewed with the Committee the Regionally Significant Project (RSP) Fund Analysis report for the period ending August 31, 2017. The fund balance as of August 31, 2017 is \$112,422. Ms. Profic noted that the report reflects the Board's authorization to use \$17,500 from the RSP Fund to pay for a portion of the cost of the downtown housing study. Ms. Merriweather then updated the Committee regarding the housing study. A request for proposals was issued for a consultant to prepare the housing study. Three responses were received and are being reviewed. Once the consultant is selected, it is expected that the study will be completed in twelve weeks.
- 13.0 BBRP/BUDC Loan Program Update** – Ms. Merriweather reviewed with the Committee the August 18, 2017 BBRP Loan Status Report. All loans are current. She noted that the 23 North Street project is no longer listed in the report because the developer, First Amherst Development Group, decided not to proceed with a BBRP loan. Ms. Merriweather advised that the third quarter request for proposals for the BBRP Loan Program has been issued; responses are due on September 30th. She then reported that the Loan Committee will be convened to discuss potential modifications to BBRP loan program policies and procedures. The Loan Committee will examine potential changes to streamline and improve the cost effectiveness of the program. The Loan Committee will also consider whether the program should be expanded to include projects other than residential projects and whether the current \$750,000 loan limit should be increased.
- 14.0 Adjournment** – There being no further business to come before the Audit & Finance Committee, upon motion made by Ms. Curry, seconded by Mr. Comerford and unanimously carried, the September 18, 2017 meeting of the Audit & Finance Committee was adjourned at 1:25 p.m.

Respectfully submitted,


Kevin J. Zanner, Secretary