

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Governance Committee Meeting Tuesday - October 16th, 2018 – 12:00 P.M. BUDC Offices, 95 Perry Street, Vista Room

Agenda

1. Approval of Minutes of January 23, 2018 Meeting (*Action*) (*Enclosure*)
2. Proposed Amendment to the BUDC Certificate of Incorporation and Bylaws (Re: Empire State Development Board of Directors Seat) (*Recommendation*) (*Handout*)
3. Employee (or spouse) Medicare Advantage Plan Cost Update for 2019 (*Information*)
4. Corporate Structure Chart Update (*Information*) (*Handout*)
5. Authority Budget Office Policy Guidance – Investment Report (*Information*) (*Enclosure*)
6. Adjournment (*Action*)

**Minutes of the Governance Committee Meeting
of
Buffalo Urban Development Corporation
95 Perry Street
January 23, 2018
1:00 p.m.**

Call to Order:

Committee Members Present:

Thomas A. Kucharski (Chair)
Brendan R. Mehaffy
Dennis M. Penman
Christopher Schoepflin

Committee Members Absent:

Thomas Beauford, Jr.
Hon. Byron W. Brown
Dennis W. Eisenbeck

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Mollie Profic, Treasurer
Kevin J. Zanner, Secretary

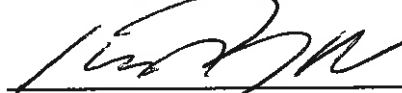
Others Present: Atiqa Abidi, ECIDA Senior Accountant.

Roll Call: The Secretary called the roll of the members of the Governance Committee at 1:35 p.m. A quorum of the Committee was present.

- 1.0 Approval of Minutes of the June 8, 2017 Meeting** – The minutes of the June 8, 2017 meeting of the Governance Committee were presented. Mr. Penman made a motion to approve the minutes. The motion was seconded by Mr. Mehaffy and unanimously carried.
- 2.0 Amended and Restated Procurement Policy** – Mr. Zanner reviewed with the Committee proposed revisions to the BUDC Procurement Policy as detailed in the meeting agenda materials. Mr. Zanner noted that the policy revisions were developed with input from a subcommittee comprised of Mr. Beauford, Mr. Kucharski and BUDC executive staff. The Committee discussed the proposed policy revisions at length, suggesting consideration of further modifications regarding committee authority to authorize procurements and sole source procurement. Further revisions to the policy will be made and presented to the Governance Committee in advance of the March 2018 Board meeting.
- 3.0 Appointment of Officer** – Mr. Cammarata introduced Atiqa Abidi, who was recently hired by ECIDA as a Senior Accountant. Mr. Cammarata noted that the Assistant Treasurer position for BUDC is vacant and requested that the Governance Committee consider Ms. Abidi to fill the vacancy. Mr. Penman made a motion to recommend that the Board of Directors appoint Atiqa Abidi as Assistant Treasurer. The motion was seconded by Mr. Mehaffy and unanimously carried.
- 4.0 2017 Board Meeting Attendance Report** – Mr. Cammarata reviewed with the Committee the 2017 Board meeting attendance report. Mr. Comerford had perfect attendance in 2017, and Ms. Fishkin attended all Board meetings following her appointment to the Board in July 2017.

- 5.0 Revised BUDC Organizational Chart** – Mr. Zanner reviewed with the Committee the updated BUDC corporate organizational chart, which reflects BUDC’s structure following the closing of the historic and New Markets tax credits transaction in late December.
- 6.0 683 Northland Financing Update** – Mr. Cammarata and Mr. Stebbins reported on the closing of the tax credits and KeyBank financing transaction and reviewed with the Committee an updated sources and uses summary for the 683 Northland project.
- 7.0 Adjournment** – There being no further business to come before the Governance Committee, upon motion made by Mr. Schoepflin, seconded by Mr. Penman and unanimously carried, the June 8, 2017 meeting of the Governance Committee was adjourned at 2:15 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

Authorities Budget Office Policy Guidance



No. 18-02

Date Issued: June 18, 2018

Supersedes: New

Subject: Public Authority Investment Report

Statutory Citation: Section 2925 of Public Authorities Law; Sections 10, 11 and 858-a of General Municipal Law

Provision: Section 2925 of Public Authorities Law (PAL) requires public authorities to adopt comprehensive investment guidelines including a policy for the authority's investments of funds. Public authorities are also required to prepare an annual investment report, which includes the results of the annual independent audit of all investments.

Section 858-a (3) of General Municipal Law (GML) provides that the provisions of Sections 10 and 11 of GML are applicable to the deposits and investments made by industrial development agencies of funds for the use and account of the authority.

Authorities Budget Office (ABO) Policy Guidance: Public authorities are to prepare an annual investment report as required by Section 2925 of PAL, which must include the investment guidelines and any amendments made to them since the last report, and the results of the annual independent audit of all investment practices. Also, included should be a record of the authority's investments, and a detailed list of the total fees or commissions paid to each banker or agent that has provided investment services to the authority since the last investment report. The ABO recommends that when no investment fees or commissions are paid, that this is stated within the investment report. In addition, for those authorities that do not have investments, they still must prepare a report, indicating the authority does not own any investments. The annual investment report shall be approved by the board and submitted in the Public Authorities Reporting Information System (PARIS) within 90 days of the authority's fiscal year end.

Also required by Section 2925 of PAL, public authorities are to develop and adopt comprehensive investment guidelines that contain central principles and instructions that officers and staff can use as guidance for the legal and secure handling of the authority's investments. These investment guidelines assist authorities to establish best practices in standardizing both the diversification of investments and the qualifications of investment advisers or agents.

Due to inherent differences between public authorities and the varying investment needs that result, these guidelines are intended to be a minimum standard. The guidelines shall include:

- A detailed list of permitted investments, consistent with appropriate provisions of law.
- Steps to safeguard any investments made by the authority, including obtaining written contracts whenever practical.
- Methods to standardize the qualifications of investment bankers or advisers to be used by the authority to conduct business.
- Provisions for the reporting on investments, including provisions for an annual independent audit of all investment practices.

In addition to the requirements of PAL, industrial development agencies should include in the authority's guidelines the provisions for the depositing and investing of authority funds in accordance with the requirements of Sections 10 and 11 of GML.

Section 2925 of PAL requires public authorities to have a written annual independent audit of all investment practices. The audit should be conducted in accordance with generally accepted government auditing standards (GAAP) and should at a minimum include:

- the scope and objectives;
- any material weaknesses found in the internal controls;
- a description of all non-compliance with the authority's own investment policies as well as any applicable laws or regulations;
- a statement of positive assurance of compliance on the items tested and a statement of any other material deficiency or finding.

The purpose of the investment audit is to determine whether the authority obtained and managed its investments in compliance with its own policies and relevant sections of law, including whether investments were appropriately diverse and safeguarded.

For the purposes of the annual independent audit of all investment practices, the CPA financial audit is not sufficient on its own without a statement on the authority's investments.