

MINUTES OF THE SPECIAL MEETING
OF
THE AUDIT COMMITTEE OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
April 17, 2018

A special meeting of the Audit Committee (the “Committee”) of the Board of Directors of New York City Economic Development Corporation (“NYCEDC”), called at the direction of the President, was held at 9:00 a.m., on Tuesday, April 17, 2018 at New York City Economic Development Corporation, 110 William Street, Conference Room 5C, New York, NY 10038.

The following members of the Committee were present by means of a conference call at the above indicated meeting of the Committee (the “Meeting”), constituting a quorum:

- William Candelaria, Committee Chairperson
- Michael Schlein, Board Chairperson
- Timothy Wilkins

In addition, the following members of NYCEDC staff were present:

- Finance: Kim Vaccari – CFO, Spencer Hobson – EVP/Treasurer, Fred D’Ascoli – Controller, Raafat Osman – Assistant Treasurer
- Internal Audit (“IA”): David Price – SVP, Anjanette Ortiz – VP

Mr. Candelaria called the meeting to order at 9:00 a.m.

Mr. Osman, the Assistant Treasurer, stated that NYCEDC is seeking to enter into a contract (“Audit Contract”) with Ernst & Young LLP (“E&Y”) to provide audit services for the Fiscal Years ending June 30, 2018 through 2021. A Request for Proposals (“RFP”) was issued to engage an independent auditor (“the Auditor”) to provide the services. A committee of NYCEDC staff (representatives from Finance, Internal Audit and Compliance) evaluated the proposals and ranked the firms.

Mr. Osman further stated that the evaluations considered each firm’s experience in providing the contract services to similar entities, the quality of the firm’s approach to audit and tax services, the composition and relative experience of the audit team, the firm’s proposed fees, and the overall quality of the proposal. At the conclusion of the process, E&Y received the highest ranking and was determined to be the strongest firm for the award of the Audit Contract.

Mr. Wilkins questioned the best practices utilized for changing audit firms. Ms. Vaccari explained that according to PAAA guidelines, lead engagement partners must rotate every five (5) years. Lou Roberts, senior partner on the engagement, will be rotating off after next year’s engagement, following PAAA guidelines. In addition, Ms. Vaccari, Mr. Hobson and Mr. Osman also noted that Nicole Rapport came in as the new senior manager on the engagement team and that gives the audit team a fresh perspective on the engagement.

Mr. Wilkins also asked what is the percentage cost increase compared to the last contract. Mr. Osman explained that there was an 18% increase overall from the last contract but he also noted such amount included additional services that have been requested. Mr. Osman commented that the first proposal was close to a 26% increase, but after pre-selection, Mr. Hobson entered into negotiations with E&Y and the percentage decreased.

With no other questions or comments, Mr. Wilkins motioned to approve the management’s recommendation as to which entity should serve as the external auditor, selected via RFP, and the compensation to be paid to the auditor, for submission for approval by the NYCEDC Board of Directors. Mr. Schlein seconded the motion and the motion was approved.

There being no further business to come before the committee, the meeting was adjourned at 9:17 a.m.