



**WEDC BOARD OF DIRECTORS  
BUDGET AND FINANCE COMMITTEE MEETING MINUTES**

**Hosted in WEDC's First Floor Conference Room  
201 West Washington Avenue  
Madison, WI 53703**

**November 6, 2017  
2:00 - 3:00 p.m.**

**COMMITTEE MEMBERS PRESENT:**

- Dave Drury, WING Capital Group
- Senator Tim Carpenter, 3<sup>rd</sup> Senate District

**COMMITTEE MEMBERS PRESENT VIA TELECONFERENCE:**

- Nancy Hernandez, ABRAZO
- Senator Dan Feyen, 18<sup>th</sup> Senate District

**COMMITTEE MEMBERS EXCUSED:**

- Lisa Mauer, Rickert Industries

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## **CALL TO ORDER AND ROLL CALL**

Dave Drury called the meeting to order at 2:02 p.m.

### **APPROVAL OF MINUTES FROM THE SEPTEMBER 18, 2017 BUDGET & FINANCE COMMITTEE MEETING**

*Draft minutes from the September 18, 2017 meeting were distributed to all committee members prior to this meeting.*

Senator Tim Carpenter moved to approve the minutes, motion seconded Nancy Hernandez with a unanimous vote to approve the minutes.

### **REVIEW AND VOTE ON FIRM SELECTION TO PERFORM AGREED UPON PROCEDURES FOR VERIFICATION OF ANNUAL PERFORMANCE MEASUREMENTS FOR WEDC AWARDS**

Brian Nowicki reviewed the internal verification auditor purchasing request with the Committee. Wis. Stat. § 238.03(2)(e), requires WEDC annually and independently verify, from a sample of grants and loans, the accuracy of the information required to be reported. In addition, WEDC is extending this scope beyond its grant and loan programs, to include its tax credit programs as well.

Three companies responded to the RFP. WEDC's selection panel recommends signing a contract with CliftonLarsonAllen.

Senator Dan Feyen moved to approve CliftonLarsonAllen as WEDC's internal verification auditor, motion seconded by Nancy Hernandez with a unanimous vote to approve the RFP.

### **REVIEW AND VOTE ON OUTSIDE COUNSEL PROCUREMENT WAIVER**

Jenn Jin reviewed the amendment to the Best Judgment Purchasing waiver relating to WEDC's engagement of Foley & Lardner LLP as outside counsel for the Foxconn economic development project. Legal fees are expected to exceed the \$100,000 originally approved due to unexpected complications including changes to the company's claimants and guarantors. WEDC requested approval of up to \$200,000 to accommodate the legal review needed to finalize the Foxconn EITMZ contract.

Nancy Hernandez moved to approve the amendment to the Foley & Lardner waiver, motion seconded by Senator Dan Feyen with a unanimous vote to approve the amendment.

### **QUARTERLY FINANCIALS**

Brian Nowicki reviewed the September 30, 2017 financial report with the Committee.

Quarterly financial numbers are on par with last year's figures. The balance sheet shows assigned programs and unassigned fund balance totals as two separate line items, but starting next quarter, these numbers will be combined. As intended and previously approved by the Committee and Board, a portion of WEDC's unassigned fund balance will need to be utilized to balance the budget. The large increase in the loan loss reserve is due to a single award that

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may need to be charged off. 11.5% of the program awards budget has committed in the first quarter – this amount increases to 27.8% when you include the awards currently in the pipeline.

### **ADJOURNMENT**

There being no further business to come before the Board, Senator Tim Carpenter moved to adjourn the meeting. Senator Dan Feyen seconded the motion and the meeting was adjourned at 2:19 p.m.