

**MINUTES OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT CORPORATION
(ILDC)**

DATE AND PLACE: March 22, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Hon. Joseph C. Lorigo, Hon. John Mills, John Mudie, and Maria Whyte

EXCUSED: Hon. Byron W. Brown, Richard Lipsitz, Jr. and Hon. Mark C. Poloncarz

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; Bradley Bach, Assistant Treasurer; Karen M. Fiala, Assistant Treasurer; Dawn Boudreau, Compliance Officer and Robert G. Murray, Secretary

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist

In the absence of the presence of the Chair and a quorum being present, Mr. Weathers called the meeting to order at 9:50 a.m.

MINUTES

Upon motion made by Mr. Lorigo and seconded by Mr. Mills, the February 22, 2017 minutes of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) meeting were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the February 2017 financial statements to the members. Ms. Profic noted that the ILDC finished the month of February with total assets of \$229,000 and net assets of \$224,000. The monthly income statement shows income of \$460 and expenses of \$3,800 for a loss of \$3,300. The year to date income statement shows total revenues of \$940 and expenses of \$4,600 for a net loss of \$3,700. There being no questions, Mr. Weathers directed that the report be received and filed.

Finance & Audit Committee Update. Ms. Profic updated members on the March 13, 2017 meeting of the Finance and Audit Committee where Lumsden & McCormick presented the draft 2016 ILDC Audited Financial Statements. Ms. Profic noted that the auditors expressed an unmodified opinion on the financial statements and there were no proposed audit adjustments, and no management letter recommendations. Ms. Profic commented that the Committee reviewed the 2016 Public Authorities Report, the 2016 Investment Report, the Finance & Audit Committee Charter, and the Corporate Credit Card Policy, all of which were approved and recommended for ILDC Board approval. The Committee prepared self-evaluation was reviewed and it indicated that the Committee has satisfied the duties with which it is charged. Mr. Weathers directed that the report be received and filed.

2016 Audited Financial Statements. Ms. Profic reviewed the draft ILDC 2016 Audited Financial Statements noting that the ILDC shows total assets of \$233,000 as of December 31, 2016. The majority of the ILDC assets lie in cash which was down \$64,000 from \$279,000 in 2015 to \$215,000. As a result of one new loan closed during 2016, which increased loans receivable, amounts owed to the ECIDA at 12/31/15 that were paid during 2016, the ILDC experienced a decrease in net position (loss) of \$30,000 for 2016. The income statements detail the decrease in net position for the year and show revenues of \$445,000 being down compared to \$1.76 million in 2015. Ms. Profic noted that operating expenses include a one-time payment of \$287,432 to RDC as a result of the EDA amendment to the Revolving Loan Fund. The majority of the general and administrative expenses were related to the acquisition of the Bethlehem Steel property. Ms. Profic commented on the Communication with Those Charged with Governance report and noted that the most significant part of this letter is the estimates section where the auditors are required to document important estimates made within the financials and in this case, the estimate reflects allowances for uncollectible loans. Ms. Profic also noted that the management letter does not include any control deficiencies or material weaknesses for 2016 and concluded by stating that Lumsden & McCormick is continuing to work on the required IRS Form 990 tax filing which is due on May 15, 2017. Ms. Whyte moved and Mr. Mills seconded to approve of the 2016 Audited Financial Statements. Mr. Weathers called for the vote and the 2016 Audited Financial Statements were unanimously approved.

2016 Investment Report. Ms. Profic noted that the Investment Report is required by the Public Authorities Law and includes the ILDC's investment guidelines, the results of the ILDC's annual audit and detail of investment income and fees for the year. Ms. Profic noted that the most notable change is the switch in accounts from First Niagara to KeyBank during 2016. Ms. Whyte moved and Mr. Lorigo seconded to approve of the 2016 Investment Report. Mr. Weathers called for the vote and the 2016 Investment Report were unanimously approved.

Governance Committee Update. Ms. Boudreau gave members an update of the most recently completed Governance Committee meeting, noting that a quorum was not present for that meeting; however, staff did present certain materials, reports, charters, policies and guidelines to those who were present. Ms. Boudreau reviewed the results of the ECIDA's 2016 Performance Measures, the Agency's Mission Statement and 2017 Performance Measures, the 2016 PAAA Annual Report, the Board of Directors' Self-Evaluation, and the 2016 Governance Committee's Self-Evaluation. Ms. Boudreau also discussed that those present reviewed the Governance Committee Charter, the Property Disposition Guidelines, Property Acquisition Policy, Board Member Compensation, Reimbursement & Attendance Policy, the

ECIDA Employee Compensation Policy, the Travel, Conferences, Meals & Entertainment Policy, the Statement of the Duties and Responsibilities of the Board of Directors, the Statement of the Competencies & Personal Attributes Required of Board Members, and the Procurement Policy. Ms. Boudreau noted that no changes were recommended by staff or by members of the Committee and confirmed that the Board will be asked to review these policies at today's meeting. Ms. Boudreau also mentioned that at the request of Harris Beach, amendments to the Code of Ethics, Whistleblower Policy, and the Defense and Indemnification Policy were made to provide that Committee members who are not also members of the ECIDA/RDC/ILDC Board of Directors be covered by these policies. Mr. Weathers then directed that the report be received and filed.

REVIEW AND ADOPTION OF POLICIES, REPORTS AND COMMITTEE CHARTERS

2016 Mission Statement, Performance Measurers and Results. Ms. Profic reviewed this item with the members.

2017 Mission Statement and Performance Measurers. Ms. Profic reviewed this item with the members.

2016 Public Authorities Report. Ms. Boudreau reviewed the 2016 Public Authorities Report.

Code of Ethics, Whistleblower Policy and Procedures and Defense & Indemnification Policy. Ms. Whyte then moved to approve of the amended Code of Ethics, Whistleblower Policy and Procedures and Defense & Indemnification Policy as modified to cover committee members. Mr. Lorigo seconded the motion. Mr. Weathers then called for the vote and the Code of Ethics, Whistleblower Policy and Procedures and Defense & Indemnification Policy were all unanimously approved as amended.

RE-ADOPT POLICIES AND CHARTERS

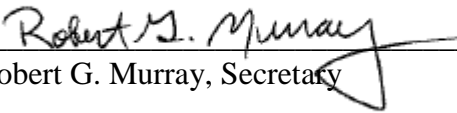
Ms. Boudreau commented that agenda items 7-18 have been reviewed by staff and no changes are being recommended. Ms. Whyte then moved to re-adopt items 7-18, as listed below, and Mr. Mudie seconded the motion. Mr. Weathers called for the vote and the following policies and charters were unanimously readopted and or approved, as appropriate:

7. Investment & Deposit Policy
8. Finance & Audit Committee Charter
9. Governance Committee Charter
10. Procurement Policy
11. Property Disposition Guidelines
12. Property Acquisition Policy
13. Board Member Compensation, Reimbursement & Attendance Policy
14. Employee Compensation Program
15. Travel, Conferences, Meals & Entertainment Policy
16. Statement of Duties & Responsibilities of the Board of Directors

17. Statement of the Competencies & Personal Attributes Required of Board Members
18. Corporate Credit Card Policy

There being no further business to discuss, Mr. Weathers adjourned the meeting at 9:03 a.m.

Dated: March 22, 2017


Robert G. Murray, Secretary