

**MINUTES OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION
(RDC)**

DATE AND PLACE: February 27, 2019, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Patrick B. Burke, Hon. Joseph H. Emminger, Dottie Gallagher, Hon. Brian J. Kulpa, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche, Kenneth A. Schoetz, Charles F. Specht and Art Wingerter

EXCUSED: Hon. Bryon W. Brown, James F. Doherty, Tyra Johnson, Richard Lipsitz, Jr. and John J. Mudie

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer; Mollie Profic, Chief Financial Officer; Gerald Manhard, Chief Lending Officer; and Robert G. Murray, Secretary

GUESTS: Christopher Andreucci, Esq. of Harris Beach PLLC as Bond Counsel; Michael Szukala, Chair, Audit & Finance Committee; Andrew Federick, Erie County Senior Economic Development Specialist; Maria Whyte, Deputy County Executive

There being a quorum present at 12:08 p.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

The Minutes of the November 28, 2018, meeting of the Board of Directors of the RDC were presented. Sister Denise moved, and Mr. Blue seconded, to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the financial statements, noting the RDC finished the month of January with total assets of \$18.7 million and a fund balance of \$18.3 million. The RDC had net income of approximately \$35,000, and revenues received, being \$66,000, were ahead of budget by about \$19,000 due to loan recoveries of previously written off loans. Expenses of \$31,000 were about \$3,600 under budget. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic provided members with the Finance and Audit Committee update. The Committee reviewed the Related Affordable bond application that appears on the ECIDA's agenda and voted to recommend it for ECIDA approval. The Committee also reviewed a required communication letter from Freed Maxick, as an informational item. Ms. McDuffie directed that the report be received and filed.

Governance Committee Update. Ms. Profic provided members with an update on the Governance Committee meeting held on January 23, 2019. The only agenda item was the Legal RFP recommendations. The Committee discussed the process undertaken and the staff committee's recommendations. The Committee voted to recommend the slate as presented by the staff committee to the Board for approval today.

Legal RFP. Mr. Murray offered to leave the meeting at this time but Ms. McDuffie advised that it was okay for him to remain present. Ms. Profic noted that the Governance Committee approved staff recommendations, and then provided members with the staff recommendations.

Mr. Wingerter queried as to whether fees were a primary driver of proposed legal counsel changes. Ms. Profic responded that fees were only about 25% of the scoring.

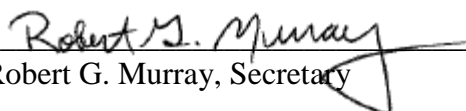
Mr. Emminger queried regarding whether a board member may have a conflict of interest with respect to campaign contributions. Mr. Murray then reviewed the RDC's Code of Ethics and the definitions of and procedures related to an actual conflict of interest and a perceived conflict of interest and analysis related to whether the member is being influenced to act, or whether a reasonable person would conclude that a member has a conflict.

Ms. McDuffie then asked for a motion authorizing the President, Executive Vice President, Treasurer and/or Assistant Treasurer to enter into a contract for legal services with each of the following law firms as recommended by the Governance Committee: Harris Beach as General Counsel and Tax-Exempt Bond Counsel-conflict counsel; Hodgson Russ as Tax-Exempt Bond Counsel and Loan Counsel-conflict counsel; Hurwitz & Fine as Loan Counsel and General Counsel-conflict counsel. Mr. Kulpa moved, and Mr. Emminger seconded to engage the aforementioned law firms as noted. Ms. McDuffie then called for the vote and the motion was unanimously approved.

2018/2019 RDC Loan Status Report/RDC Closing Schedule. Mr. Manhard presented this report. Ms. McDuffie directed that the report be received and filed.

Ms. McDuffie then adjourned the meeting at 12:24 p.m.

Dated: February 27, 2019


Robert G. Murray, Secretary