

**MINUTES OF A MEETING OF THE
FINANCE & AUDIT COMMITTEES OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA),
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP. (RDC)
AND
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP. (ILDC)**

MEETING: October 11, 2011, at the Erie County Industrial Development Agency, 143 Genesee Street, Buffalo, New York 14203 at 12:15 a.m.

PRESENT: Phil Ackerman, Philip Corwin and James F. Doherty

ABSENT: None.

Also present at the meeting were Alfred D. Culliton, Chief Operating Officer; Andrew Schoeppich, Treasurer; John Cappellino, Executive Vice President; and Robert G. Murray, Assistant Secretary

Mr. Corwin certified that a quorum was present and at 10:00 a.m., the meeting of the Finance & Audit Committee was called to order.

MINUTES

The September 8, 2011 minutes of the joint meeting of the Finance & Audit Committees for the ECIDA, the RDC and the ILDC were presented. Upon motion made by Mr. Doherty, and seconded by Mr. Ackerman, the approval of the minutes of the September 8, 2011 meeting was unanimously carried.

2012 ECIDA OPERATING & CAPITAL BUDGET + 3 YEAR FORECAST

Mr. Schoeppich reviewed the ECIDA's proposed 2012 Budget and 3 Year Forecast (all as detailed in materials provided to the committee members) and provided a summary of the following 3-year plan strategic initiatives as reflected within the 2012 operating budget:

Global Gateway Initiative: To expand the ECIDA's cross-border and international initiatives.

Marketing & Community Outreach Initiative: To provide on-going education to the public and other stakeholders regarding ECIDA activities and to develop and promote case studies outlining how local companies have been assisted by the ECIDA. Mr. Doherty expressed some concern about funding the Buffalo Niagara Enterprise (the "BNE") and general discussion was had regarding the different business development marketing role that the BNE pursues as compared to the role the ECIDA pursues.

Entrepreneurship & Innovation Initiative: To maintain relationships with the University at Buffalo and other educational/research institutions to determine how the ECIDA can assist in commercializing research activities.

At this point in time, general discussion was held on identifying the source of funds for these initiatives. Mr. Schoepich confirmed that funds for these activities would be utilized from the UDAG/Strategic Initiatives Fund. He then specifically noted that the UDAG/Strategic Initiatives Fund was established upon the transfer of certain investments from the Buffalo and Erie County Industrial Land Development Corporation (ILDC) and its subsidiary, Buffalo Niagara Regional Development Corporation (BNRDC) to the Erie County Industrial Development Agency (ECIDA) resulting in refunds of taxes previously paid and preserving the tax-exempt receipt of future income, thus creating a fund to pursue economic development activities.

Continuous Improvement Initiatives: To continue to streamline internal processes and procedures to ensure effective and efficient delivery of services.

General discussion was had regarding the budget implications of these four strategic initiatives, including discussion of the uncertain economic times and the anticipated negative impact that the current economy will have on 2012 revenues for the ECIDA. Mr. Schoepich then reviewed 2012 budgeted operating revenues and expenses, including the proposed use of unrestricted net assets to fund the anticipated 2012 net operating deficit.

Mr. Ackerman then moved, and Mr. Doherty seconded, that the Committee approve and recommend to the ECIDA the proposed ECIDA 2012 budget. The motion was unanimously carried.

Mr. Ackerman then moved, and Mr. Doherty seconded, that the Committee approve and recommend to the ECIDA the proposed ECIDA 3-Year Forecast. The motion was unanimously approved.

Mr. Ackerman then moved, and Mr. Doherty seconded, that the Committee approve and recommend to the ECIDA that the 2012 UDAG Fund budget be utilized consistent with the proposed 2012 Budget initiatives. The motion was unanimously approved.

Mr. Ackerman then moved, and Mr. Doherty seconded, that the Committee approve and recommend to the ECIDA that the ECIDA five year capital budget be approved. The motion was unanimously approved.

2012 RDC OPERATING BUDGET + 3 YEAR FORECAST

Mr. Schoepich next reviewed the RDC proposed 2012 Budget and 3 Year Forecast. General discussion was held regarding anticipated new loan fundings, management fees, loan lose provisions and certain marketing expenses. Mr. Doherty requested that the marketing expenses be specifically identified as such, instead of being labeled as "other" expenses as displayed within the proposed 2012 budget.

Mr. Ackerman then moved, and Mr. Doherty seconded, that the Committee approve and recommend to the Board the proposed RDC 2012 Budget and Three Year Forecast. The motion was unanimously carried.

2012 ILDC OPERATING BUDGET + 3 YEAR FORECAST

Mr. Schoepich next reviewed the proposed ILDC 2012 Budget and 3 Year Forecast. General discussion was had regarding ILDC operations and loan loss provisions in recognition of the risk profile of eligible borrowers.

Mr. Ackerman then moved, and Mr. Doherty seconded, that the Committee approve and recommend to the Board the proposed ILDC 2012 Budget and 3 Year Forecast. The motion was unanimously carried

There being no further business, upon a motion made by Mr. Ackerman and seconded by Mr. Doherty, the meeting was adjourned at 11:40 a.m.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)

Dated: _____, 2011

Robert G. Murray, Assistant Secretary

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP. (RDC)

Dated: _____, 2011

Robert G. Murray, Assistant Secretary

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP. (ILDC)

Dated: November 9, 2011

Robert G. Murray

Robert G. Murray, Assistant Secretary