

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

DATE AND PLACE: March 24, 2021, held via telephone conference. Governor Cuomo's Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.

LIVE STREAMED: This Board meeting is being live-streamed and made accessible on the Erie County Industrial Development Agency website at www.ecidany.com.

PRESENT: Denise Abbott, Hon. April Baskin, Richard Lipsitz, Jr., and Maria Whyte

EXCUSED: Hon. Byron W. Brown, Hon. Howard Johnson and Hon. Mark C. Poloncarz

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Jerry Manhard, CFO; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Beth O'Keefe, Business Development Officer; Atiqah Abidi, Assistant Treasurer; Robbie Ann McPherson, Director of Marketing and Communications; Jamee Lanthier, Compliance Officer, Pat Smith, Bookkeeper and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Lisa Hicks, on behalf of the City of Buffalo

There being a quorum present at 1:29 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by its Vice-Chair, Mr. Lipsitz.

MINUTES

Ms. Whyte moved, and Ms. Abbott seconded to approve of the February 24, 2021 minutes. Mr. Lipsitz called for the vote and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the February 2021 financial report. She noted that the balance sheet indicates the ILDC ended the month with total assets of \$9.7M and net assets of \$7.0M. The February income statement shows \$850 of revenue and \$7,200 of expenses, netting to a (\$7,900) net loss in February. The year-to-date income statement shows total revenues of \$1,700 and total expenses of \$14,000, totaling a net loss of \$12,000 for 2021. Mr. Lipsitz directed that the report be received and filed.

Finance and Audit Committee Update and Committee Self-Evaluation. Ms. Profic presented this report including the Freed Maxick draft 2020 financial statements. Ms. Profic noted that the three main points of the presentation were an unmodified (clean) opinion on the financial statements, there were no uncorrected audit adjustments, and there were no material weaknesses or significant deficiencies noted (no management letter comments). The Committee also reviewed and recommended the following for approval: 2020 Public Authorities Report, 2020 Investment Report, Investment & Deposit Policy, Committee Charter, Committee Self-Evaluation, Management's Assessment of the Effectiveness of Internal Controls, and Corporate Credit Card Policy with no suggested changes. Each year the Committee completes a self-evaluation, based on the Committee Charter. In 2020, the Committee fulfilled its duties as documented. Mr. Lipsitz directed that the report be received and filed.

Audited Financial Statements. Ms. Profic stated that as a component unit of Erie County, the ILDC's financial statements are prepared based on Governmental Accounting Standards and include a Management's Discussion and Analysis section, which provides a condensed overview of the statements. The statements of net position (balance sheets), there were total assets of \$9.4M at the end of December 31, 2020, compared to \$8.3M at the end of 2019. Current assets remained consistent, with the shift of balance from grants receivable to cash. Land held for sale increased \$1M with the purchase of the Angola Airport property. There was an increase in total net position of \$783,000. The statements of revenues, expenses, and changes in net position (income statements) detail the change in net position for the year. Revenues of \$389,000 were up from 2019, due mainly to a bond issuance fee collected in 2020. Operating expenses of \$666,000 were mainly transfers to ECIDA of the bond issuance fee and ECIDA staff time spent on ILDC projects under the entities' shared services agreement. Non-operating revenues are grant income from ECIDA, most of which was used for the purchase of the Angola Airport property. Note that while there was an overall decrease in net position in 2020, most of that is a result of grant income used for a capital asset purchase. The cash flows statements details the changes in cash each year. The remainder of the financials are the notes and supplementary information, which show the balance sheet and income statement at the fund level. The report to the Board, which documents the auditors' required communications, a summary of accounting estimates made within the financials, some recently issued accounting standards, and the management letter noting no significant deficiencies or material weaknesses. Ms. Profic mentioned, an unmodified opinion was issued on the statements. These drafts were reviewed and discussed in detail with

the Finance & Audit Committee on March 17, 2021, and they recommended approval to the Board. Ms. Profic also noted they will continue to work with Freed Maxick to file IRS Form 990 and the Data Collection Form.

Ms. Whyte moved and Ms. Abbott seconded to approve of the 2020 Audited Financial Statements. Mr. Lipsitz then called for the vote and the 2020 Audited Financial Statements were unanimously approved.

2020 Investment Report. Ms. Profic noted this report is required by Public Authorities Law and includes ILDC's investment guidelines, the results of the annual audit, and detail of investment income and fees for the year. The amount of \$86 of investment income was earned on these accounts during 2020, and no fees were paid. This report was reviewed by the Finance & Audit Committee at their March 17, 2021 meeting and recommended to the Board for approval.

Ms. Whyte moved and Ms. Abbott seconded to approve of the 2020 Investment Report. Mr. Lipsitz then called for the vote and the 2020 Investment Report was unanimously approved.

Governance Committee Report. Ms. Fiala presented the report. Mr. Lipsitz directed that the report be received and filed.

REVIEW AND ADOPTION OF POLICIES, REPORTS AND COMMITTEE CHARTERS.

2020 Mission Statement, Performance Measures and Results. Ms. O'Keefe reviewed the 2020 Mission Statement and related results. Ms. Whyte moved and Ms. Abbott seconded to approve of the statement and results. Mr. Lipsitz called for the vote and the 2020 Mission Statement, Performance Measures and Results were unanimously approved.

2021 Mission Statement, Performance Measures and Results. Ms. O'Keefe reviewed the 2021 Mission Statement and related results. Ms. Whyte moved and Ms. Abbott seconded to approve of the statement and results. Mr. Lipsitz called for the vote and the 2021 Mission Statement, Performance Measures and Results were unanimously approved.

2020 Public Authorities Report. Ms. Profic stated that as a Public Authority of the State of New York, ECIDA and its affiliates are required to comply with the NYS Public Authorities Law and submit a comprehensive annual report including information on several topics. Several of the items are covered by other documents, like the operations and accomplishments and financial statements, which are noted throughout the document. The third item, Mission Statement & Performance Measurements, is updated each year with actual results (and was just reviewed). Many of the items included are standard from year to year and are also approved or re-adopted by the Board annually. Section 13 was updated for 2020 to include the ECIDA's COVID-19 PPE grant program and the EDA CARES Act award to establish a new revolving loan fund. At this time there are a couple of pieces of information left to be updated, which will be done before this report is signed. It then gets posted on our website. This report was reviewed by both the Governance Committee and Finance & Audit Committee at their meetings on March 17, 2021 and has been recommended to the Board for approval.

Procurement Policy. Ms. Profic stated that this policy has some updates, specifically to enhance our procurement practices as they relate to Minority & Women-owned Business Enterprises. Section C discusses goal-setting, which we plan to do on an annual basis as part of our discussion and annual update of the Agency's Performance Measures. The updated policy has been reviewed by Harris Beach and the Governance Committee at their March 17, 2021 meeting and is recommended to the Board for approval.

Sexual Harassment Policy. Ms. Profic stated that while the policy itself has already been in place, it was recommended by legal counsel that the policy be presented to the Board and approved as an official policy of the Agency and its affiliates. This policy has been reviewed and found to be in compliance with applicable Federal and NYS requirements. It was also reviewed by the Governance Committee at their March 17, 2021 meeting and is recommended to the Board for approval.

Employee Compensation Program. Ms. Profic advised that the Compensation Committee met in October 2020 and reviewed the Agency's overall compensation program. A modification recommended by the Compensation Committee is to further tie employee compensation to the overall profitability and economic stability of the Agency. This change was also reviewed by the Governance Committee at their March 17, 2021 meeting and is recommended to the Board for approval.

Ms. Whyte moved and Ms. Abbott seconded to approve of 2020 Public Authorities Report, the Procurement Policy, the Sexual Harassment Policy, and the Employee Compensation Program, all as proposed and/or amended. Mr. Lipsitz called for the vote and motion was then unanimously approved.

RE-ADOPT POLICIES AND CHARTERS

Mr. Lipsitz noted that Items 7-19 on the agenda were reviewed by counsel, the Board Committees recommended no changes, and as such, the staff recommends that the policies and charters items numbered 7-19 be approved without any changes. Ms. Whyte moved and Ms. Abbott seconded to approve of the various polices and charter as itemized below. Mr. Lipsitz called for the vote and the following policies and charters were then unanimously approved:

- Code of Ethics & Conflict of Interest Policy
- Investment & Deposit Policy
- Whistleblower Policy and Procedures
- Defense & Indemnification Policy
- Finance & Audit Committee Charter
- Governance Committee Charter
- Property Disposition Guidelines
- Real Property Acquisition Policy
- Board Member Compensation, Reimbursement & Attendance Policy
- Travel, Conferences, Meals & Entertainment Policy
- Statement of Duties & Responsibilities of the Board of Directors

- Statement of the Competencies & Personal Attributes Required by Board Members
- Corporate Credit Card Policy

MANAGEMENT TEAM REPORTS

Mr. Cappellino presented the report. Mr. Lipsitz directed that the report be received and filed.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 1:47 p.m.

Dated: March 24, 2021



Karen M. Fiala, Secretary