

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

DATE AND PLACE: March 26, 2025, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Daniel Castle, Richard Lipsitz, Jr., Hon. Timothy Meyers and Hon. Taisha St. Jean Tard

EXCUSED: Hon. Mark Poloncarz and Hon. Christopher Scanlon

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O’Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Carrie Ann Hocieniec, Operations Assistant/ Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Brian Krygier, Director of Information Technology; Atiqah Abidi, Accounting Manager; Andrew Federick, Property and Business Development Officer; Robbie Ann McPherson, Director of Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris Beach Murtha

GUESTS: Zaque Evans and Michael Szukala on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of Business News

There being a quorum present at 1:35 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the “ILDC”) was called to order by Vice Chair, Mr. Lipsitz, who presided over the meeting in the absence of Chair Poloncarz.

MINUTES

Ms. Abbott moved, and Mr. Castle seconded to approve of the January 22, 2025 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 financial reports. The balance sheet shows that the ILDC finished the month with total assets of \$14.6M. The cash decrease from January is the result of the repayment to ECIDA of \$2.3M of borrowed UDAG funds with grant funds. Liabilities of \$7.2M are amounts owed to ECIDA and deferred grant revenue. The corresponding decrease with cash and amounts owned to ECIDA. Net assets were \$7.4M. The February income statement shows \$3,700 of revenue, \$3,500 of expenses and \$18,000 of net special project revenue. Factoring in non-operating income there was a net income of \$18,246 in February. The year-to-date income statement shows operating revenues of \$7,000 and expenses of \$18,000. Special project revenue of \$18,000 and \$500 of non-operating income lead to net income of \$7,176 so far in 2025. Mr. Lipsitz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic introduced Mr. Szukala, Chair of the Finance & Audit Committee, to the Board. Ms. Profic provided members with an update on the most recent Finance & Audit Committee meeting. She advised that the Agency's auditors, Lumsden McCormick, presented a draft of the 2024 audited financial statements. Ms. Profic reviewed 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 recommend the items listed under #2-#4 for approval or re-adoption: 2024 Public Authorities Report, 2024 Investment Reports, and Investment & Deposit Policy. The Committee also approved the Finance & Audit Committee Self-Evaluation and reviewed Management's Assessment of the Effectiveness of Internal Controls and Corporate Credit Card usage.

The Committee Self-Evaluation was provided in the Board package. Each year the Committee completes a self-evaluation, as required by the Committee Charter. In 2024, the Committee officially convened a total of five times and fulfilled its duties as documented. Mr. Lipsitz directed that the report be received and filed.

Audited Financial Statements. Ms. Profic reviewed the draft 2024 audited financial statements, required communications, and management letter. Lumsden's required communications with those charged with governance, which documents the auditors' responsibility related to the financial statement audit, notes that there were no matters of concern that arose related to the significant risks identified, a summary of accounting estimates made within the financials, that there were no uncorrected audit adjustments, and no disagreements with management. Ms. Profic mentioned, an unmodified opinion was issued on the statements. The management letter noting no significant deficiencies or material weaknesses. The Representation Letter will be signed once the audit is approved by the board. The draft financial statements were provided in the Board package. As a public authority, the Agency'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 balance sheets show total assets of \$17.1M at December 31, 2024, a \$52,000 decrease from the end of 2023. Current assets increased \$485,000, due to a \$3.3M increase in

cash and a \$2.8M decrease in grants receivable. Non-current assets decreased \$537,000 from \$7.4M to \$6.9M due mainly to a decrease in land held for sale. Liabilities increased \$128,000, due to an increase in unearned revenue associated with grants awarded but not yet spent/earned. ILDC has been borrowing funds from ECIDA's UDAG fund to cash flow projects at RCP that are being funded with reimbursable grants, with \$4.2M due to ECIDA at the end of 2024. There was a decrease in net position of \$179,000. The statements of revenues, expenses, and changes in net position (income statements) detail the change in net position for the year. Operating revenues of \$491,000 include a bond administrative fee of \$337,000, a book gain on land held for sale, and interest on loans. Operating expenses of \$560,000 consists mainly of the \$357,000 transferred to ECIDA (mostly the bond fee), plus \$151,000 of general & administrative costs. The provision for uncollectible loans was \$47,000 for 2024. Most of the microloans have a forgiveness component if a certain amount of principal is paid as agreed. What this provision for uncollectible loans does is recognize the best-case scenario, where borrowers are repaying 50% or 60% of their loan and the rest being forgiven. Special project grants include income and expenses related to grants - including \$1.2M from ESD and EDA related to sewer work at RCP. Grant expenses of \$1.6M are mainly related to RCP. Overall, there was a decrease in net position of \$179,000 in 2024, compared to an increase of \$236,000 in 2023. The cash flows statement details the changes in cash each year. The remainder of the financials are the notes and supplementary information. These drafts were reviewed and discussed in detail with the Finance & Audit Committee on March 20, and they recommended approval to the Board. We will continue to work with Lumsden McCormick to file IRS Form 990.

Mr. Castle moved and Mr. Meyers seconded to approve of the audited financial statements. Mr. Lipsitz called for the vote and the audited financial statements were unanimously approved.

2024 Investment Report. Ms. Profic reviewed this report which is required by Public Authorities Law and includes ILDC's investment guidelines, the results of our annual audit of these guidelines, and detail of investment income and fees for the year. The accounts held by the Corporation has \$10,500 of investment income was earned on these accounts during 2024, compared to \$6,400 in 2023, and no fees were paid. The majority of the investment income earned is remitted back to ESD under the terms of their grant agreement. This report was reviewed by the Finance & Audit Committee at their March 20 meeting and recommended to the Board for approval.

Ms. Abbott moved and Mr. Meyers seconded to approve of the 2024 Investment Report. Mr. Lipsitz then called for the vote and the 2024 Investment Report was unanimously approved.

Governance Committee Update: Ms. McDuffie provided the Board members with an update on the most recent Governance Committee meeting and the self-evaluations of the Committee and the Board of Directors. Mr. Lipsitz directed that the report be received and filed.

ILDC Loan Status Report. Mr. Manhard provided this report to Board members. Mr. Lipsitz directed that the report be received and filed.

RCP Brownfield Cleanup Program. Mr. Cappellino provided members with an update on the RCP Brownfield Cleanup Program extension and legislation updated. Mr. Lipsitz directed that the report be received and filed.

ANNUAL REPORTS & POLICIES

2024 Mission Statement, Performance Measures and Results. Ms. O'Keefe reviewed the 2024 Mission Statement, Performance Measures and Results. This statement and measures were reviewed by the Governance Committee at their meeting on March 19th and has been recommended to the Board for approval.

Ms. Abbott moved and Mr. Meyers seconded to approve of the 2024 Mission Statement, Performance Measures and Results. Ms. McDuffie called for the vote and the 2024 Mission Statement, Performance Measures and Results was unanimously approved.

2025 Mission Statement and Performance Measures. Ms. O'Keefe reviewed the 2025 Mission Statement and Performance Measures, This statement and performance measures were reviewed by the Governance Committee at their meeting on March 19th and has been recommended to the Board for approval.

Ms. Abbott moved and Mr. Meyers seconded to approve of the 2025 Mission Statement and Performance Measures. Ms. McDuffie called for the vote and the 2025 Mission Statement and Performance Measures was unanimously approved.

2024 Public Authorities Report. Ms. Profic reviewed the 2024 Public Authorities Report. Ms. Profic stated 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. Many of the items included are standard from year to year and are also approved or re-adopted by the Board annually and was updated for 2023 to update the work underway at ILDC-owned properties, the RDC's lending activity, and the approval of the Economic Inclusion Policy. Attachments include outstanding bond information, salary & benefit information, projects undertaken by each entity, our Property Report, Board Member attendance, and the Procurement Reports for each entity. Once approved, the certification will be signed by Mr. Cappellino and Ms. Profic and the report will be posted to the website. This report was reviewed by the Governance Committee at their meeting on March 20th and the Finance & Audit Committee at their meeting on March 21st and has been recommended to the Board for approval.

Ms. Abbott moved and Mr. Meyers seconded to approve of the 2024 Public Authorities Report. Ms. McDuffie called for the vote and the 2024 Public Authorities Report was unanimously approved.

RE-ADOPT POLICIES AND CHARTERS

Ms. Profic noted that Items 4(d)-4(i) on the agenda are either re-adoptions of policies or approvals, as required by the ABO. Harris Beach Murtha has reviewed each of the items for any pertinent updates and have communicated to us minor updates for items: (d) Airborne Infectious Disease Policy, (e) FOIL Policy, (f) Investment and Deposit Policy, (g) Property Disposition Guidelines; (h) Record Retention and Disposition Policy, and (i) Sexual Harassment Policy. All the policies were reviewed with either the Governance or Finance & Audit Committee and recommended to the Board for approval. Ms. Abbott moved and Mr. Castle seconded to approve of the various policies and charters as itemized below. Mr. Lipsitz called for the vote and the following policies and charters were then unanimously approved:

- Airborne Infectious Disease Policy
- Freedom of Information Law (FOIL)
- Investment and Deposit Policy
- Property Disposition Guidelines
- Record Retention and Disposition Policy
- Sexual Harassment Policy

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 1:55 p.m.

Dated: March 26, 2025


Elizabeth A. O'Keefe, Secretary