

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

- DATE AND PLACE:** March 21, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. Byron W. Brown, Richard Lipsitz, Jr., John J. Mudie, Hon. Mark C. Poloncarz, Hon. Peter J. Savage, III and Maria Whyte
- EXCUSED:** Hon. Patrick Burke
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer; Dawn Boudreau, Compliance Officer; and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; and Michael Szukala, Chair of the Finance and Audit Committee

There being a quorum present at 8:35 a.m., the meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the "Corporation") was called to order by its Chair, Mr. Poloncarz. Mr. Poloncarz then welcomed new member, Peter Savage and introduced him to his fellow board members.

MINUTES

Upon motion made by Mr. Lipsitz, and seconded by Ms. Whyte, the February 21, 2018 minutes of the Board of Directors were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the February 2018 Financial Report. Ms. Profic noted that the balance sheet indicates that the ILDC finished the month of February with total assets of \$7.1 million and net assets of \$6.7 million. Ms. Profic stated that there have been no significant fluctuations since January or year-end. The monthly income statement shows income of \$41 and expenses of \$529 for a net loss of \$488 in February. The year to date income statement shows total revenues of \$86 and expenses of \$42 for a net loss of \$4,100 so far in 2018. Mr. Poloncarz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic reviewed a memorandum contained in the Board materials summarizing the joint Finance and Audit Committee meeting held on March 12, 2018 wherein Freed Maxick, ILDC's auditors, presented the draft 2017 Financial Statements. Ms. Profic stated that the three main points of their presentation were the presentation of an unmodified opinion on the financial statements, a statement that there were no uncorrected audit adjustments and

that there were no material weaknesses or significant deficiencies noted such that no management letter is to be issued. Ms. Profic stated that the Committee undertook its self-evaluation which concluded that the Finance and Audit Committee under took all of its responsibilities as required under its Charter. Mr. Poloncarz directed that the report be received and filed.

2017 Audited Financial Statements. Ms. Profic reviewed the ILDC's 2017 Audited Financial Statements noting that the auditors issued an unmodified opinion on these statements. Ms. Profic stated that the statements of net positions indicated there were total assets of \$7.2 million as of December 31, 2017, compared to \$233,000 at the end of 2016. The most significant increase was \$6.5 million of land held for sale, which represents the cost incurred to acquire the Bethlehem Steel property. Grants receivable also went from zero in 2016 to \$362,500, representing a grant awarded for the Bethlehem Steel redevelopment plan from the Federal Economic Development Agency. Ms. Profic noted that total liabilities went from \$5,000 in 2016 to \$432,000 in 2017, due to increases in unearned revenue (\$362,500 EDA grant plus \$30,000 National Fuel Grant for utility master plan), amount due to ECIDA (staff time increased significantly due to land acquisition) and accounts payable. Total net position increased by \$6.5 million, representing the increase in assets. The income statement details the increase in net position for the year. Operating revenues of \$484,000 were compared to \$445,000 in 2016. Operating expenses of \$524,000 were mainly transfers to ECIDA for administrative fees related to bond issuances (\$483,684) and ECIDA staff time spent on ILDC projects (\$22,513). Also in 2017, grant income of \$6.5 million for land acquisition was recognized as non-operating revenue. In addition, there was a restatement of net position in 2017 of \$25,608, representing costs that were incurred and expensed in 2016 related to the Bethlehem Steel land acquisition that needed to be capitalized as a component of the overall cost of the property. Ms. Profic reviewed 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 copies of the representation letters. Ms. Profic commented that these drafts were reviewed in great detail with the Finance and Audit Committee and further stated that she continues to work to file the IRS Form 990 which is due on May 15th. Ms. Whyte moved and Mr. Mudie seconded to approve of the 2017 Audited Financial Statements. Mr. Poloncarz called for the vote and the 2017 Audited Financial Statements were then unanimously approved.

2017 Investment Report. Ms. Profic reviewed the ILDC's 2017 Investment Report noting that the report indicates accounts held by the ILDC and also shows that \$37 of investment income was earned during 2017, and that no fees were paid. Mr. Lipsitz moved and Ms. Whyte seconded to approve of the 2017 Investment Report. Mr. Poloncarz called for the vote and the 2017 Investment Report was unanimously approved.

Governance Committee Report. Ms. Boudreau reviewed the memorandum summarizing the results of the March 21, 2018 Governance Committee meeting. Ms. Whyte commented that during the Governance Committee meeting, the Governance Committee updated the 2018 Performance Measures and Objectives due to the fact the ILDC now owns 150 acres of real property at the Bethlehem Steel site. Mr. Poloncarz directed that the report be received and filed.

Approval of Resolution to Sign Contract with Professional Consultants for Bethlehem Steel Site Master Plan & GEIS. Mr. Cappellino provided members with an update on infrastructure and utility master planning and generic environmental impact statement preparation related to the 150 acre Bethlehem Steel site. Mr. Cappellino reviewed the several facets associated with the project, noting that multiple service providers will need to provide various professional services to the ILDC to complete the aforementioned plans and reports. Mr. Cappellino also noted that the ILDC is preparing to select AECOM as its consultant to provide master planning and to prepare the

generic environmental impact statement, and further commented that AECOM was the lowest cost and highest rated bidder responding to the ILDC's recently completed request for proposals for such services. Ms. Whyte moved and Mr. Lipsitz seconded to authorize the ILDC to enter into contracts with professional consultants to undertake the master plan and generic environmental impact statement process. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION AUTHORIZING THE ILDC TO ENTER INTO CONTRACTS WITH PROFESSIONAL CONSULTANTS TO UNDERTAKE THE INFRASTRUCTURE/UTILITY MASTER PLAN AND GENERIC ENVIRONMENTAL IMPACT STATEMENT ANALYSIS AND PROCESS FOR THE FORMER BETHLEHEM STEEL REAL PROPERTY

At this point in time, Mr. Brown joined the meeting.

REVIEW AND ADOPTION OF POLICIES, REPORTS AND COMMITTEE CHARTERS

The 2017 Mission Statement, Performance Measures and Results. Ms. Profic reviewed the ILDC 2017 Mission Statement and Performance Measures. Ms. Whyte moved and Mr. Lipsitz seconded to approve of same. Mr. Poloncarz called for the vote and 2017 Mission Statement and Performance Measures were unanimously approved.

The 2018 Mission Statement, Performance Measures and Results. Ms. Profic reviewed the 2018 Mission Statement and Performance Measures noting that metrics were updated to reflect the rolling average of the last three years and in particular, noted that Objective E regarding redevelopment of land was added as a result of discussions at the Governance Committee recognizing that the ILDC now owns 150 acres of real property at the Bethlehem Steel site. Ms. Whyte moved and Mr. Mudie seconded to approve of the 2018 Mission Statement and Performance Measures. Mr. Poloncarz called for the vote and 2018 Mission Statement and Performance Measures were unanimously approved.

2017 Public Authorities Report. Ms. Boudreau reviewed the 2017 Public Authorities Report. Mr. Brown moved and Mr. Lipsitz seconded to approve of the 2017 Public Authorities Report. Mr. Poloncarz called for the vote and 2017 Public Authorities Report was then unanimously approved.

Procurement Policy. Ms. Profic reviewed proposed amendments to the Procurement Policy noting that changes were made relating to the expenditure of federal funds and further commented that while the ILDC did not expend any federal funds in 2017, auditors brought it to the attention of the ILDC that including this language would be a good idea in the event the ILDC is subject to a single audit in the future. Mr. Brown noted that the Procurement Policy contains no goals with respect to MWBE procurement and asked if goals should be added to the Policy. Mr. Cappellino noted that the Policy does not contain percentages per se but noted that RFPs for vendors typically contain state and federal MWBE requirements as same may be related to the source of funds. Mr. Brown then asked for a motion to approve of the Procurement Policy, as amended, subject to additional consideration of MWBE selection criteria. Ms. Whyte seconded the motion. Mr. Poloncarz called for the vote and the Procurement Policy, as amended, was unanimously approved.

Professional Services RFP Process. Mr. Weathers reviewed the amendments to the Professional Services RFP Process noting the only significant change being to the length of term for

engagement for the various professions to be so engaged, noting that such terms are consistent with County procurement policies. Mr. Lipsitz moved and Ms. Whyte seconded to approve of the Professional Services RFP Process as amended. Mr. Poloncarz called for the vote and the Professional Services RFP Process, as amended, was unanimously approved.

Investment and Deposit Policy. Ms. Profic reviewed an amended version of the Investment and Deposit Policy noting that changes have been made to methods deemed acceptable for collateralization of deposits. Mr. Lipsitz moved and Ms. Whyte seconded to approve of the Investment and Deposit Policy as amended. Mr. Poloncarz called for the vote and the Investment and Deposit Policy, as amended, was unanimously approved.

RE-ADOPTION OF POLICIES AND CHARTERS

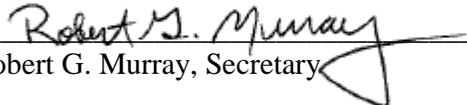
Ms. Boudreau noted that Items 7-19 on the agenda were reviewed by counsel, that no Authority Budget Office recommended changes had been made, and as such, the staff recommends that the policies and charters being identified as items numbered 7-19 be approved without any changes. Mr. Lipsitz moved and Ms. Whyte seconded to approve of the various policies and charters. Mr. Poloncarz called for the vote and the following policies and charters were then unanimously approved:

- Code of Ethics
- Whistleblower Policy and Procedures
- Defense & Indemnification Policy
- Finance & Audit Committee Charter
- Governance Committee Charter
- Property Disposition Guidelines
- Property Acquisition Policy
- Board Member Compensation, Reimbursement & Attendance Policy
- Employee Compensation Program
- 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

Ms. Whyte then asked for a motion for the Board of Directors to enter into Executive Session to discuss the proposed sale of real property, disclosure of which would substantially affect the value thereof. Ms. Whyte then moved and Mr. Mudie seconded to enter into Executive Session. The motion was then unanimously approved. At 9:04 a.m., the ILDC entered into Executive Session. Upon motion made by Ms. Whyte and seconded by Mr. Lipsitz, and unanimously approved, the ILDC terminated Executive Session at 9:09 a.m.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 9:09 a.m.

Dated: March 21, 2018


Robert G. Murray, Secretary