

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

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

PRESENT: Hon. April Baskin, Richard Lipsitz, Jr., John J. Mudie, and Hon. Peter J. Savage, III

EXCUSED: Hon. Byron W. Brown, Hon. Mark C. Poloncarz and Maria Whyte

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

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 1:23 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by Mr. Lipsitz who presided over the meeting in the absence of Chair Poloncarz.

MINUTES

Upon motion made by Mr. Savage and seconded by Mr. Mudie, the February 27, 2019 minutes of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) meeting were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the February 2019 financial report. Ms. Profic noted that the balance sheet indicates the ILDC finished the month of February with total assets of \$8.4 million and net assets of \$6.7 million. There have been no significant fluctuations since January or year-end. The monthly income statement shows income of \$19,000, namely the recovery of a previously written off loan, and expenses of \$3,300. Overall there was net income of \$17,000 in February. The year-to-date income statement shows total revenues of \$20,000 and total expenses of \$8,000, for net income of \$12,000 so far in 2019. Mr. Lipsitz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic reviewed the memorandum contained in the Board materials summarizing the joint Finance and Audit Committee meeting held on March 21, 2019, wherein Freed Maxick, ILDC's auditors, presented the draft 2018 Financial Statements. Ms. Profic confirmed that an unmodified (or clean) opinion on the financial statements will be provided. There were no uncorrected audit adjustments, and there were no material weaknesses or significant deficiencies. Ms. Profic also noted the Committee undertook its self-evaluation which concluded that all responsibilities of the Committee were met. Mr. Lipsitz directed that the report be received and filed.

Audited Financial Statements. Ms. Profic again stated that the auditors have issued an unmodified opinion on the statements. Ms. Profic then noted that the statements of net position (balance sheets) indicate that there were total assets of \$8.4 million as of December 31, 2018, compared to \$7.2 million at the end of 2017. Ms. Profic commented that the most significant increase was a \$1.3 million increase in grants receivable as a result of grants received for the master plan and GIS at the former Bethlehem Steel site. Total liabilities increased \$1.3 million from 2017 due to increases in accounts payable (second half of ESD acquisition grant payable to ECIDA) and amounts due to the ECIDA (increased staff time plus reimbursable grant from UDAG to cash flow master plan expenditures). Total net position decreased slightly. The income statements detailed the change in net position for the year. Operating revenues of \$83,000 were down compared to \$484,000 in 2017 due to less administrative fees collected for bond issuances. Operating expenses of \$274,000 were mainly transfers to ECIDA for administrative fees related to bond issuances and ECIDA time spent on ILDC projects, and general legal consulting and grant application fee costs. Grant income of \$3.1 million was offset by corresponding expenses of \$3 million. Overall there was a decrease of \$70,000 in 2018. The cash flow statements detail the changes in cash throughout the year. Ms. Profic noted these audited financial statements were reviewed by the Finance and Audit Committee and recommended Board approval. Mr. Savage moved and Mr. Mudie seconded to approve of the 2018 Audited Financial Statements. Mr. Lipsitz called for the vote and the 2018 Audited Financial Statements were then unanimously approved.

2018 Investment Report. Ms. Profic presented this report. Mr. Mudie moved and Mr. Savage seconded to approve of the report as presented. Mr. Lipsitz called for the vote and the 2018 Investment Report was unanimously approved.

Governance Committee Report. Ms. Boudreau reported that no quorum was present so there is no Governance Committee report to be given. However, Ms. Boudreau noted that Committee members did provide their required self-evaluations and confirmed that all Governance Committee requirements have been met for the 2018 fiscal year. Mr. Lipsitz directed that the report be received and filed.

Approval of Resolution to sign Contract with NYSERDA for the Net Zero Energy for Economic Development Grant to support the NZE Manufacturing Building Project. Mr. Cappellino reviewed the memorandum presented to Board members wherein the ILDC is seeking authorization to enter into a contract with the New York State Energy Research and Development Authority, contingent upon attorney approval, for the Net Zero for Economic Development Program grant award in the amount of \$1,750,000 for the design and construction of the Net Zero Energy commercial and manufacturing facility proposed to be constructed at the Bethlehem Steel site. Mr. Savage moved and Mr. Mudie seconded to approve of the grant award

and related contract. Mr. Lipsitz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (“ILDC”) AUTHORIZING THE ILDC TO ENTER INTO A CERTAIN NET ZERO ENERGY FOR ECONOMIC DEVELOPMENT PROGRAM GRANT AWARD AGREEMENT WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (“NYSERDA”) TO FUND THE DESIGN AND CONSTRUCTION OF THE NET ZERO ENERGY COMMERCIAL AND MANUFACTURING FACILITY

National Grid Easement Approval. Mr. Cappellino reviewed the memorandum provided to Board members related to this action item wherein the ILDC is seeking authority to enter into an easement agreement with Niagara Mohawk Power Corporation permitting the Niagara Mohawk Power Corporation to cross certain real property owned by the ILDC in connection with the installation of electrical transmission infrastructure to service a solar panel installation. Mr. Mudie moved and Mr. Savage seconded to approve of the grant of easement. Mr. Lipsitz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE “ILDC”) AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT OF EASEMENT TO NIAGARA MOHAWK POWER CORPORATION (“NIMO”) IN, UNDER, THROUGH, OVER, ACROSS AND UPON CERTAIN REAL PROPERTY OWNED BY THE ILDC

Approval to Amend Master Trust Agreement of Catholic Health 2015 Series Bonds. Mr. Cappellino reviewed the request received from Catholic Health System, Inc. wherein the ILDC has received a request to consent to the execution and delivery of an Amended and Restated Master Trust Indenture pursuant to the ILDC’s 2015 Bond issuance related to the Catholic Health System Headquarters in Buffalo, New York. Mr. Savage moved and Mr. Mudie seconded to authorize the ILDC to consent to the execution and delivery of an Amended and Restated Master Trust Indenture. Mr. Lipsitz called for the vote and motion was then unanimously approved.

REVIEW AND ADOPTION OF POLICIES, REPORTS AND COMMITTEE CHARTERS

The 2018 Mission Statement, Performance Measures and Results; The 2019 Mission Statement, Performance Measures and Results; 2018 Public Authorities Report and Procurement Policy. Ms. Boudreau reviewed the 2018 Mission Statement, Performance Measures and Results, the 2019 Mission Statement, Performance Measures and Results, the 2018 Public Authorities Report, and the proposed amendment to the Procurement Policy to allow for preferred source procurement requiring that the ILDC seek to purchase goods and services from veterans, not-for-profit organizations that serve and employ people who are blind and severely handicapped, and from correctional industry programs if they met ILDC needs. Mr. Savage made a motion to approve of all four of the aforementioned policies and reports. Mr. Mudie

seconded the motion. Mr. Lipsitz called for the vote and the following policies and reports were unanimously approved:

- The 2018 Mission Statement, Performance Measures and Results
- The 2019 Mission Statement, Performance Measures and Results
- 2018 Public Authorities Report
- Procurement Policy

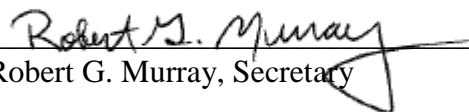
RE-ADOPT POLICIES AND CHARTERS

Ms. Boudreau noted that Items 5-18 on the agenda were reviewed by counsel, that no Authority Budget Office recommended changes have been made and as such, staff recommends that the policies and charters being identified as Items 5-18 be approved without any changes. Mr. Mudie moved and Mr. Savage seconded to approve of the various policies and charters. Mr. Lipsitz called for the vote and the following policies and charters were then unanimously approved:

- Investment & Deposit Policy
- 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

There being no further business to discuss, Mr. Lipsitz then adjourned the meeting at 1:44 p.m.

Dated: March 27, 2019


Robert G. Murray, Secretary