

**MINUTES OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION
(RDC)**

DATE AND PLACE: March 30, 2016, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Hon. Diane Benczkowski, Hon. Byron W. Brown, James F. Doherty, Dennis Elsenbeck, Hon. Joseph H. Emminger, Dottie Gallagher-Cohen, Richard Lipsitz, Jr., Frank B. Mesiah, , Hon. Glenn R. Nellis, Dr. Carol Nowak, Hon. Edward A. Rath, III, David J. State and Paul V. Vukelic

EXCUSED: Brenda W. McDuffie, Chris Johnston, John J. Mudie, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen and Hon. Barry A. Weinstein

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

There being a quorum present at 12:03 p.m., the meeting of the Board of Directors of the Buffalo and Erie County Regional Development Corporation was called to order by Mr. Lipsitz who presided over the meeting in the absence of the Chair, Ms. McDuffie.

MINUTES

Upon motion made by Ms. Gallagher-Cohen and seconded by Mr. Nellis, the minutes of the February 24, 2016 Meeting of the Board of Directors and Membership of the RDC were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS:

Legal RFP. Mr. Weathers introduced and reviewed the Legal Request for Proposals reminding members of the third party law firm opinion he had received as to whether a board member that receives a campaign contribution from one of the responding law firms has a conflict of interest prohibiting that member from voting. Mr. Weathers stated that he will not ask Mr. Murray to step out of the room because this is a public meeting and because Mr. Murray will only be taking minutes in his secretarial capacity and not otherwise participating in the meeting.

Mr. Weathers then informed members that the Agency did contact the New York State Joint Commission on Public Ethics, who stated it did not have jurisdiction over this issue, but who did confirm that the Agency could vote, one at a time, each attorney position individually, as opposed to approving the entire slate in a single vote, to minimize the effect of a conflict of interest that one member may have with respect to one law firm, but not another law firm.

Mr. Weathers then stated that, based on a request of some members, the various counsel positions engagement period will be changed from the initial, up to 7 year period, to a period of time of up to 2 years.

Mr. Weathers then asked for a motion authorizing the President, Executive Vice President, Treasurer and/or Assistant Treasurer to enter into a contract for legal services with each of the following law firms as recommended by the Governance Committee consistent with the ECIDA's professional services RFP policy:

1. Retention of Harris Beach as general counsel and tax-exempt bond counsel. Mr. Rath moved, and Mr. Nellis seconded to authorize the retention of Harris Beach as general counsel and tax-exempt bond counsel. Mr. Emminger stated he would abstain from the vote. Mr. Weathers called for the vote and the motion was approved by a vote of 12 in favor, and with no vote against and with Mr. Emminger abstaining.
2. Loan Counsel, Barclay Damon, and tax-exempt bond counsel-conflict counsel, Barclay Damon. Mr. Nellis moved and Mr. Rath seconded to retain Barclay Damon as loan counsel and tax-exempt bond counsel-conflict counsel. The motion was then passed by a vote of 13 in favor, with no abstentions and no vote against.
3. General counsel-conflict counsel, Hodgson Russ. Mr. Rath moved and Mr. Emminger seconded to retain Hodgson Russ as general counsel-conflict counsel. Ms. Gallagher-Cohen stated she would abstain from the vote. Mr. Weathers then called for the vote and the motion was approved by a vote of 12 in favor, no vote against, and with one abstention.
4. Loan counsel-conflict counsel, Harter Secrest & Emery. Ms. Gallagher-Cohen moved and Mr. Emminger seconded to retain Harter Secrest & Emery as loan counsel-conflict counsel. The motion was approved by a vote of 13 in favor, with no abstentions.

Loan Status Report. Mr. Manhard reviewed the 2016 Closing Schedule. Mr. Lipsitz directed that the report be received and filed.

Financial Report. Ms. Profic presented the February 2016 financial reports noting that the RDC has net assets of \$20.8 million. Ms. Profic commented that the February income statement shows that at \$32,000, total revenues were under budget by \$6,500. Total expenses were also under budget by \$4,000 at \$35,000 combining for a net loss of \$3,000 in February. On

a year-to-date basis, Ms. Profic reported that both revenues and expenses are under budget, resulting in net income of \$2,700. Mr. Lipsitz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic summarized the results of the Finance and Audit Committee meeting that took place on March 17, 2016, noting that the results were the same as presented during the just completed ECIDA meeting. Ms. Profic noted that Lumsden & McCormick presented the draft 2015 Audited Financial Statements wherein the auditors expressed an unmodified opinion on the financial statements and Ms. Profic also noted that there were no proposed audit adjustments, and no management letter recommendations. Ms. Profic concluded by stating the Committee reviewed and approved the 2015 Public Authorities Report, the 2015 Investment Report, the Finance and Audit Committee Charter, and the Corporate Credit Card Policy.

2015 Audited Financial Statements. Ms. Profic reviewed the draft RDC 2015 Audited Financial Statements and highlighted that on the income statement, the RDC had net income of \$439,000 for the year mainly due to unexpected revenue of \$387,000 from the sale of certain stock warrants. Ms. Profic noted that the year-end statements did not require any adjustments other than normal financial statement reclassifications. Ms. Profic concluded by stating Lumsden & McCormick concluded that no audit findings or management letter comments were required. In addition, the RDC's internal controls were reviewed and no recommendations for improvements were made. In sum, Ms. Profic noted that an unmodified opinion was issued on the financial statements.

Upon motion made by Mr. Nellis and seconded by Mr. Rath, the 2015 Audited Financial Statements of the RDC were unanimously approved.

Governance Committee Update. Mr. Lipsitz noted that the same Governance Committee update was presented to members at the preceding ECIDA meeting. Mr. Lipsitz directed that the report be received and filed.

REVIEW AND ADOPTION OF POLICIES, REPORTS AND COMMITTEE CHARTERS

Mr. Lipsitz commented that all of the items 1-19 contained in the RDC Board of Directors meeting package were reviewed at the prior ECIDA meeting and as such, Mr. Lipsitz moved and Ms. Gallagher-Cohen seconded, to approve of the 2015 Mission Statement, Performance Measures and Results. The 2015 Mission Statement, Performance Measures and Results were then unanimously approved.

Ms. Gallagher-Cohen moved and Mr. Vukelic seconded, to approve of the 2016 Mission Statement and Performance Measures. The 2016 Mission Statement and Performance Measurers as proposed were then unanimously approved.

Mr. Nellis moved and Ms. Gallagher-Cohen seconded, to approve of the 2015 Public Authorities Report. The 2015 Public Authorities Report was then unanimously approved.

Mr. Nellis moved and Ms. Gallagher-Cohen seconded to approve of the 2015 Investment Report. The 2015 Investment Report as proposed was then unanimously approved.

Mr. Murray confirmed that the proposed changes to the Code of Ethics are identical to those changes as discussed by Mr. Murray at the immediately preceding ECIDA meeting. Mr. Vukelic moved and Mr. Mesiah seconded, to approve of the Code of Ethics. The Code of Ethics as proposed was then unanimously approved.

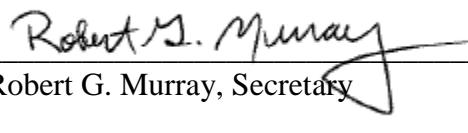
Mr. Lipsitz then requested a motion to approve of the following policies and charters, and noted that the Professional Services Procurement Policy will be reviewed separate from, and at the upcoming, RDC Board of Directors meeting:

1. Investment & Deposit Policy
2. Finance & Audit Committee Charter
3. Governance Committee Charter
4. Whistleblower Policy
5. Procurement Policy
6. Property Disposition Guidelines
7. Property Acquisition Policy
8. Defense & Indemnification Policy
9. Board Member Compensation, Reimbursement & Attendance Policy
10. Employee Compensation Program
11. Travel, Conferences, Meals & Entertainment Policy
12. Statement of Duties & Responsibilities of the Board of Directors
13. Statement of the Competencies & Personal Attributes Required of Board Members
14. Corporate Credit Card Policy

Mr. Vukelic moved and Mr. Nellis seconded to readopt all of the aforementioned policies, charters, and guidelines. Mr. Lipsitz called for the vote and items 1-14, as stated above, were unanimously approved.

There being no further business to discuss, upon motion made by Mr. Rath and seconded by Ms. Gallagher-Cohen, Mr. Lipsitz then adjourned the meeting at 12:12 p.m.

Dated: March 30, 2016



Robert G. Murray, Secretary