

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

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

PRESENT: Hon. April Baskin, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Bryon W. Brown, Hon. Joseph H. Emminger, Dottie Gallagher, Tyra Johnson, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Sister Denise Roche, Kenneth A. Schoetz and Charles F. Specht

EXCUSED: James F. Doherty, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, and Art Wingerter

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

GUESTS: Michael Szukala, Chair, Audit & Finance Committee; Andrew Federick, Erie County Senior Economic Development Specialist; Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department

There being a quorum present at 1:09 p.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

The Minutes of the February 27, 2019, meeting of the Board of Directors of the RDC were presented. Mr. Nellis moved, and Mr. Blue seconded, to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic provided a report on the February 2019 financial statements noting that the RDC finished the month of February with total assets of \$18.8 million and net assets of \$18.3 million. The monthly income statement shows a net loss of \$6,000. Revenues were below budget by \$18,000 due to a one-time adjustment to other income (regarding a loan

recovery that had to be moved to ILDC). Total expenses were in line with the monthly budget. The year to date income statement reflects \$95,000 of revenue and \$66,000 of expenses, for net income of \$29,000 through the first two months of the year. Ms. McDuffie directed that the report be received and filed.

At this point in time Mr. Brown left the meeting.

Finance and Audit Committee Update. Ms. Profic noted that the Joint Finance and Audit Committee meeting was held on March 21, 2019, at which Freed Maxick auditors presented the draft 2018 financial statements. Freed Maxick indicated they would be providing an unmodified (clean) opinion on the financial statements, that there were no uncorrected audit adjustments, and that there were no material weaknesses or significant deficiencies noted (no management letter issued). The Committee reviewed and recommended that the 2018 Public Authorities Report, the 2018 Charters and Policies that will be discussed at a later point in time during this meeting also be approved. The Committee self-evaluation was also presented and Ms. Profic confirmed that all of the responsibilities of the Committee were met for the 2018 fiscal year. Ms. McDuffie directed that the report be received and filed.

Audited Financial Statements. Ms. Profic reviewed the 2018 audited financial statements again noting that the auditors issued an unmodified opinion on these statements. The statements of net position were reviewed, and Ms. Profic noted that there were total assets of \$18.7 million as of December 31, 2018, up slightly from 2017. Loans receivable increased \$3.8 million due to over \$5 million of loans closed during 2018. The statements of revenues, expenses and changes in net position (income statements) detail the increasing net position for the year. Revenues of \$476,000 were up from \$434,000 in 2017. Operating expenses decreased due to a decrease in loan loss expense in 2018. The cash flow statements detailed the change in cash. The remainder of the financial statements are the notes and supplementary information. There were no findings or questioned costs noted as a result of the audit. These audits were reviewed in detail with the Finance and Audit Committee who recommended approval to the Board.

Mr. Nellis moved and Mr. Lipsitz seconded to approve of the 2018 Audited Financial Statements. Ms. McDuffie called for the vote and the 2018 Audited Financial Statements were unanimously approved.

2018 Investment Report. Ms. Profic reviewed the RDC's 2018 Investment Report. Mr. Lipsitz moved and Mr. Nellis seconded to approve of the 2018 Investment Report. Ms. McDuffie called for the vote and the 2018 Investment Report was unanimously approved.

Governance Committee Report. Ms. Boudreau provided members with the report. Ms. McDuffie directed that the report be received and filed.

2019 Loan Status Report and 2019 Closing Report. Mr. Manhard presented this report. Ms. McDuffie directed that the report be received and filed.

REVIEW AND ADOPTION OF POLICIES, REPORTS AND COMMITTEE CHARTERS

The 2018 Mission Statement, Performance Measures and Results. Ms. McDuffie presented the 2018 Mission Statement, Performance Measures and Results. Mr. Lipsitz moved and Mr. Nellis seconded to approve of the statement and results. Ms. McDuffie called for the vote and the 2018 Mission Statement, Performance Measures and Results were unanimously approved.

The 2019 Mission Statement, Performance Measures and Results. Ms. McDuffie presented this item and recommended that the adjustment to the minority and women owned business lending objectives and metric be amended to include the number representing the average size of loans made to minority and women owned business enterprises over the prior 3 years and also asked that staff establish goals for minority business loans separate from goals for women business owned loans.

Mr. Kulpa moved and Ms. Gallagher seconded to approve of the 2019 Mission Statement with the inclusion of the proposed amendment. Ms. McDuffie called for the vote and the motion was then unanimously approved.

2018 Public Authorities Report. Ms. McDuffie presented the report. Mr. Lipsitz moved and Mr. Nellis seconded to approve of the report. Ms. McDuffie called for the vote and the motion was unanimously approved.

Procurement Policy. Ms. McDuffie presented members with an amendment to the existing Procurement Policy that now requires the Agency to seek and purchase goods from veterans, not-for-profit organizations that serve and employ people who are blind and severely handicapped, and from correctional industry programs if they meet RDC needs. Ms. Boudreau emphasized that a new Authority Budget Office guidance recommends that authorities include this new preferred source of procurement within procurement policies. Mr. Lipsitz then moved and Mr. Nellis seconded to adopt the amendment to the Procurement Policy. Ms. McDuffie called for the vote and the amendment to the Procurement Policy was unanimously approved.

RE-ADOPT POLICIES AND CHARTERS

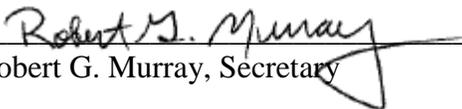
Ms. McDuffie recommended that the RDC approve Items 5-18 as found on the agenda, noting that these exact same policies and amendments were just approved by the Erie County Industrial Development Agency at its meeting completed immediately prior to this meeting and that no changes have been made to these policies. Mr. Emminger moved and Ms. Gallagher seconded to approve of items 5-18 as listed on the agenda of the RDC Board meeting. Ms. McDuffie 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, Ms. McDuffie then adjourned the meeting at 1:19 p.m.

Dated: March 27, 2019


Robert G. Murray, Secretary