

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

**DATE AND PLACE:** September 27, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5<sup>th</sup> Floor ESD Conference Room, Buffalo, New York 14203

**PRESENT:** Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph H. Emminger, Tyra Johnson, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, Hon. Glenn R. Nellis, Louis Panzica, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche and Hon. Barry A. Weinstein

**EXCUSED:** Hon. Byron W. Brown, James F. Doherty, Dottie Gallagher-Cohen, David L. Lowrey, John J. Mudie and Paul V. Vukelic

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

**GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 9:56 a.m., Ms. McDuffie called the meeting to order.

**MINUTES**

The Minutes of the August 23, 2017, meeting of the Board of Directors of the RDC were presented. Mr. Weinstein moved, and Mr. Lorigo 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 reviewed the August, 2017 Financial Statements, noting the balance sheet shows that the RDC finished August with total assets of \$18,500,000 and net assets of \$18,300,000. Operating revenue of \$46,000 was ahead of budget by \$8,500. Total expenses were under budget by \$2,800. The year-to-date income statement shows revenue of \$312,000, being \$11,000 ahead of budget for the year, along with expenses of about \$294,000, being \$92,000 under budget. The result is a net income of \$18,000 through August, 2017. Ms. McDuffie directed that the report be received and filed.

Finance & Audit Committee Update. Ms. Profic noted that at the most recently completed joint meeting of the ECIDA, RDC and ILDC Finance and Audit Committee, that the professional auditing services request for proposals was reviewed, and the draft 2018 budgets and three-year forecasts for the ECIDA, RDC and ILDC were also reviewed. Ms. McDuffie directed that the report be received and filed.

Proposed Budget Timetable. Ms. Profic reviewed the 2018 budget timetable including upcoming events and due dates. Ms. McDuffie directed that the report be received and filed.

Review of 2018 Budget. Ms. Profic noted that the proposed 2018 budget has revenues consisting mainly of interest income from loans, at \$530,000 based on anticipated \$3,600,000 of loans to close by the end of 2017. Budgeted expenses are made up mainly of an ECIDA management fee and a provision for loan losses, estimated at 1.3% of projected outstanding loans, or approximately \$175,000. The budgeted figures result in a budgeted net loss of \$56,000. Ms. McDuffie directed that the report be received and filed.

Auditing Services Procurement Memo. Ms. Profic outlined the auditing services procurement process undertaken for the recent auditing services request for proposals. Ms. Profic noted that proposals were solicited in July, 2017, and five responses were received. Three staff members reviewed the proposals and scored them based on criteria contained within the materials presented to you today. As previously mentioned, the Finance and Audit Committee met on September 12, 2017 and concurred with the staff committee recommendation selecting Freed Maxick to provide professional auditing services to the RDC for the 2017 and 2018 audits, with an option of contracting with the firm for 2019, 2020, and 2021. Mr. Emminger moved, and Mr. Lorigo seconded, to select Freed Maxick to provide professional auditing services for the 2017 and 2018 fiscal years and to continue to allow Freed Maxick to be retained to provide auditing services for 2019, 2020 and 2021 based on satisfactory review and approval of the RDC's Finance and Audit Committee of Freed Maxick's prior performance. Ms. McDuffie called for the vote, and the motion was unanimously approved.

Banking Resolution Approval. Ms. Profic reminded Board members that on August 23, 2017, the RDC approved designation of M&T Bank as the official depository of funds. Related thereto, M&T Bank has a standard form of a public funds certified resolution which they require be approved by this Board. Mr. Nellis moved, and Sister Denise seconded, to approve of this M&T Bank public funds certified resolution. Ms. McDuffie called for the vote, and the aforementioned motion was unanimously approved.

2018 - RDC Board Meeting Schedule. Ms. McDuffie reviewed the 2018 RDC proposed meeting schedule.

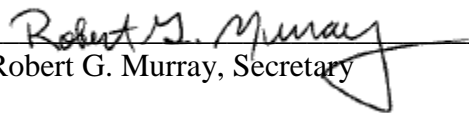
RDC Loan Status Report/RDC Closing Schedule. Mr. Manhard presented this report. Ms. McDuffie directed that the report be received and filed.

**APPROVAL OF LOAN CASE:**

Buffalo Brewery Leasing, LLC/Thin Man Brewery of Buffalo, LLC/492 Elmwood Avenue, LLC, 166 Chandler Street, Buffalo, New York - \$1,700,000, 7.5 term loan, secured and guaranteed for purchase of new equipment related to expansion of brewery operations. Mr. Manhard presented the loan case. General discuss ensued. Mr. Weinstein moved, and Mr. Emminger seconded, to approve of the loan. Ms. McDuffie called for the vote, and the loan as proposed was then unanimously approved.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 10:10 a.m.

Dated: September 27, 2017

  
Robert G. Murray, Secretary