

BUFFALO ECONOMIC
RENAISSANCE CORPORATION

THE HON. BYRON W. BROWN
CHAIRMAN

Buffalo Economic Renaissance Corporation
Minutes of the Meeting of the Board of Directors
901 City Hall
December 17, 2008

1.0 **Roll Call**

Members Present

Mayor Brown
Kevin Brady (Phone)
Miguel Santos
Donna Brown
Thomas Kucharski
Carolyn Murray
Michael Welch

Members Absent

Clifford Bell
Brian Davis
Michael Kubala
Frank Mesiah
Adam Walters

Staff Present

Brian Reilly
Divitta Alexander
Michelle Barron
Geraldine Ford
Melanie Gregg
Bernadette Taylor
Catherine Palko
Eric Gadley
Wayne Kwiatkowski
Tatisha Thompson

Roll Call: The roll of directors was called and a quorum was present.

2.0 **Reading of the Minutes-** Upon motion by Ms. Brown, seconded by Mr. Santos and unanimously carried the waiving of the reading and acceptance of the minutes of **November 19, 2008** was approved.

3.0 **Monthly Financial Report-** There is no monthly financial report to provide at this time.

4.0 **President's Report**

A. **Real Estate-** Mr. Reilly highlighted that BEREC executed one (1) new lease, it is as follows:

J&L Ice Services- J&L Ice will be leasing 4,921 sq. ft. at the William Gaiter Parkway, building #3. The term of lease is for three (3) years with 5% increases per year with two (2) one (1) year extensions with 5% increase. J&L is currently located in East Aurora, New York. The company sells ice and started its operations in January of 2000. Moving into a more central distribution location within the City of Buffalo is expected to increase the operation's efficiency and ultimately its sales. In addition to ice cube sales the owner will be opening an ice cream outlet store in the Gaiter Parkway facility. J

- B. **Empire Zone-** Mr. Reilly informed the board that Lorrie Abounader has officially resigned from BEREC to accept a position with the BNE, and that Geraldine Ford has assumed the responsibilities of the Empire Zone Coordinator.

Mr. Reilly further stated that there are currently 13 applications that have been submitted and approved by the local Empire Zone Administrative Board (since as early as October of 2007) that have been submitted to Empire State Development (ESD) for State approval. Additionally, the following two projects have been approved as Regionally Significant Projects: **RiverWright**, the ethanol facility along the Buffalo River and **API Heat Transfer**, a manufacturer that has decided to expand operations at its Cheektowaga facility.

- C. **Lending-** Mr. Reilly highlighted the following:

Loan(s) Closed in November- Two (2) loans closed in the month of November, they are as follows: **Celerity, LLC** and **Printing Prep, Inc.**, totaling \$302,500.

Loans Approved Pending Closing- There are thirteen (13) loans approved and not yet closed. They are as follows: **BUDC-AM&A's Warehouse Project, Dog Days of Buffalo, Club 31, Environmental Specialty Contractor, Oliver's Restaurant, Valentina! Authentic Spanish Cuisine, Chopafellaz Unisex Salon, Dimples Café, Flying Bison Brewing Company, Francesca's Italian Cuisine, Inc., Pellicano Meats & Produce, Pumpnick-n-Pastry Shoppe** and **F & S Design**, totaling \$1,645,000.

Active Deals in Underwriting- There are six (6) active deals, they are as follows: **Cedar's Bakery, Pano's Restaurant, Sonitrol Systems, Inc., Ulrich's Tavern, Multi-Optix** and **Elmwood Small Animal Hospital** totaling \$755,000.

- D. **Business Development-** Mr. highlighted the following:

Commercial Area Revitalization Effort ("CARE") Program - To date, BEREC received 280 applications for participation in the CARE Program, 149 projects were awarded and 83% of awarded projects were completed.

Small Business Resource Centers

Apollo	Serviced 77 clients
South Buffalo	Serviced 11 clients
West Side	Serviced 53 clients

Entrepreneurial Assistance Program (EAP) – The 15th session is currently underway with 26 participants enrolled. The session will end December 16th.

Upon motion by Ms. Brown, seconded by Ms. Murray and unanimously carried the President's report was approved.

5.0 **Action Items**

Late File Item - Upon motion by Mr. Kucharski, seconded by Mr. Welch and unanimously carried the acceptance of the following late file item was approved.

Empire Zone Consulting Services - Submitted to the BEREC Board of Directors ("Board"), is a request to enter into a consulting services agreement with RSM McGladrey, Inc., for a two year period, at an all-inclusive cost not to exceed \$15,600.00 for accounting services in connection with the Empire Zone Program and Renewal Community Program (the "Services").

Boardmembers expressed concern about BEREC's ability to terminate the agreement in the event that the Empire Zone Program is substantially reduced and/or eliminated.

Upon motion by Mr. Kucharski, seconded by Mr. Welch and unanimously carried the above item was approved upon the condition that the agreement affords BEREC the right to terminate in the event that the Empire Zone Program is substantially reduced and/or eliminated.

5.1 **Investment Guidelines** - Submitted to the BEREC Board of Directors ("Board") upon recommendation by the Finance Committee, is a request to adopt the attached resolution/Investment Policy and implement it effective immediately.

Additionally, BEREC seeks authority from the BEREC Board of Directors to take all such action, expend or apply such BEREC funds, execute all such documents, and exercise all such decision making as is, in the discretion of the BEREC President, reasonably necessary to facilitate the adoption and implementation of the Investment Policy.

Upon motion by Mr. Kucharski, seconded by Mr. Welch and unanimously carried the above item was approved.

5.2 **Quarterly Investment Report (Informational)** - Ms. Alexander informed the board that BEREC is required, under New York Public Authorities Law, to deliver a quarterly report to the Board of Directors detailing its new investments, the inventory of its existing investments, and the selection of its investment bankers, brokers, agents, dealers and/or auditors. Accordingly, attached Investment Report dated November 30, 2008 was submitted.

- 5.3 **Pension Plan-** Submitted to the BEREC Board of Directors ("Board"), is a request to adopt the attached resolution and enter the attached Adoption Agreement concerning the BEREC Pension Plan.

Additionally, BEREC seeks authority from the BEREC Board of Directors to take all such action, expend or apply such BEREC funds, execute all such documents, and exercise all such decision making as is, in the discretion of the BEREC President, reasonably necessary to meet BEREC's obligation to restate its Pension Plan as required by federal law.

Upon motion by Mr. Welch, seconded by Mr. Kucharski and unanimously carried the above item was approved.

In light of recent publication in the media concerning financial scams involving pension funds, the Board requested that staff to the following:

1. Review recent statements concerning the BEREC pension fund.
2. Have 2 qualified sources (independent from each other) review the statements, take a look at the plan and give an opinion to the Board as to the status of the plan (via the Finance Committee).
3. Ensure that we are receiving statements at least as frequently as quarterly.
4. Verify that adequate records are maintained regarding loans against the pension fund.

6.0 **Committee Reports**

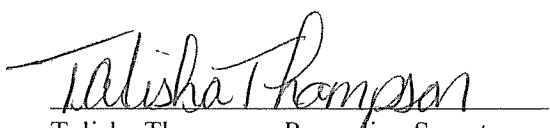
- 6.1 **Finance-** Mr. Brady stated that the committee had discussion on the Investment Policy
- 6.2 **Audit-** Mr. Santos stated that the committee had discussion on the Chief Financial Officer (CFO) for BEREC and status of the 2007-2008 independent audit.
- 6.3 **Real Estate-** Ms. Murray stated that the committee had discussion on the Beverly A. Gray Incubator, terms of the leases, and a Charter for the committee. Mr. Kwiatkowski stated that one other discussion was the former Ya Ya Brewhouse space.
- 6.4 **Governance-** No meeting.

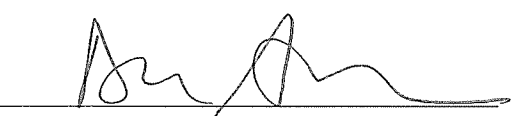
7.0 **Old Business-** N/A

8.0 **Executive Session-** Waived

9.0 **Adjournment-** Upon motion by Ms. Brown, seconded by Mr. Kucharski and unanimously carried the meeting adjourned at 2:00 P.M.

Respectfully submitted,

By: 
Talisha Thompson, Recording Secretary

Approved by: 
Divitta Alexander, Secretary of the Board