

# **CHEEKTOWAGA ECONOMIC DEVELOPMENT CORPORATION**

## **MINUTES**

Board of Directors Meeting  
July 12, 2011 - 7:30 a.m.  
Millennium Hotel - Walden Avenue

Attending: **Board of Directors**

Debra Liegl	Richard Cielinski
Jack Patterson	Timothy Popielski
Joseph Funk	Edward Halady
Denis Serugendo	John Redman
Richard Velez	Donna Luh

**Resource Personnel**

David Jaworski, Legal Counsel  
Harry Sicherman, Consultant  
Robert Deemer, H. Sicherman & Company  
Jerome Gabryszak, Director of Community Development

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President Liegl called the meeting to order at 7:50 a.m.

**Reading of Minutes**

Motion by: Jack Patterson  
Seconded by: Joseph Funk  
Motion: To approve the minutes.  
Vote: Ayes: 10; Nays: 0; Abstentions: 0.

**Presentation of Loan Request from Greater Buffalo Veterinarians**

Robert Deemer reviewed the request for a business loan from Greater Buffalo Veterinarians. Items discussed included the number of jobs to be created, whether the project is in the Corporation's target area for this type of business and the obligations of the Corporation regarding relocation of existing tenants residing in a single-family house, located on the project site that will be demolished. It is projected that 5-6 full-time equivalent jobs will be created, including 1-2 receptionists, 1-2 Apartment-owner liaison and 2 skilled positions. Harry Sicherman pointed out that the Community Development program has a regulatory ratio threshold of \$50,000 per job on individual projects and \$35,000 per job for the entire loan portfolio. He suggested that consideration be given to lowering the loan amount to ensure compliance with the job threshold requirements or incorporate language in the loan agreement requiring repayment if the projected jobs are not created within three years. With respect to relocation of the tenants residing on the site, the tenants will likely be entitled to relocation payments, the cost of which would be several thousand dollars. A request was made to also ensure that a list of the equipment to be purchased if the loan is approved is obtained.

**Loan Request Summary**

Borrower: 4821 Genesee Associates, LLC  
Purpose of Loan: Furnishings and Equipment  
Loan Amount: \$250,000  
Term: 5 years

Interest Rate: 80% of Prime Rate to be set at the time of closing and adjusted annually thereafter or 80% of Prime Rate fixed for 5 years at the time of closing.  
Repayment: Monthly P&I in order to fully amortize the loan in 5 years.  
Commitment Fee: \$2,500 Maximum  
Collateral: First lien on receivables and inventory if no line of credit is obtained by the borrower.

After deliberation and discussion, the following motion was proposed.

Motion by: Richard Cielinski  
Seconded by: Richard Velez  
Motion: To table further consideration of the loan request pending confirmation and resolution of the following three issues: responsibilities and projected cost for relocating the tenants residing on the site; whether the project is located in one of the Corporation=s target areas, and the number and type of jobs to be created.  
Vote: Ayes: 0; Nays: 0; Abstentions: 1 (Timothy Popielski).

### **UCC Filings**

David Jaworski reported that any UCC filings that had expired will need to be renewed.

### **Adoption of Mission Statement and Policies**

Motion by: Donna Luh  
Seconded by: Jack Patterson  
Motion: To adopt the following mission statement for the Corporation: *The mission of the CEDC is to foster and promote economic development and the creation and preservation of employment opportunities within the Town of Cheektowaga in order to strengthen and expand the Town=s tax base, provide economic opportunity for all persons and improve the quality of life in the Town.*  
Vote: Ayes: 10; Nays: 0; Abstentions: 0

### **Amend Article IV, Section 5 of the By-Laws-Ex-Officio Members**

Motion: Edward Halady  
Seconded by: Timothy Popielski  
Motion: To amend Article IV, Section 5 of the By-Laws, as proposed by David Jaworski, to read as follows:  
*Ex-Officio Members of the Board of Directors: One (1) member of the Town Board of the Town of Cheektowaga, the Town of Cheektowaga Supervisor or his/her designee, and the Chairman of the Town=s Planning Board shall serve as ex-officio members of the Board of Directors, without vote, which ex-officio members of the Board of Directors shall be in addition to the number of permitted Directors as set forth in Section 1 of this Article.*  
Vote: Ayes: 10; Nays: 0; Abstentions: 0.

**Amend Article IV, Section 9 of the By-Laws-Code of Ethics**

Motion: Edward Halady  
Seconded by: Timothy Popielski  
Motion: To accept, adopt and amend Article IV, Section 9 of the By-Laws, as proposed by David Jaworski, to read as follows: Delete existing Section 9 and replace with the Code of Ethics document circulated at the April 6, 2011 Board of Directors Meeting as set forth below. The proposed Code of Ethics reflects the current best practices as determined by the ABO and incorporates the statutory requirements of the Public Authorities Accounting Act. Section 9-Code of Ethics: This code of Ethics shall apply to all Directors, Officers, Members and Staff of the Cheektowaga Economic Development Corporation (the Corporation). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Corporation=s Directors, Officers and Members to preserve public confidence in the Corporation=s mission.

**Responsibility of Directors, Officers, Members and Staff**

1. Directors, Officers, Members and Staff shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one=s official duties.
2. Directors, Officers, Members and Staff shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the Directors, Officers or Members official position that could create any conflict between their public duties and interests and their private interests.
3. Directors, Officers, Members and Staff shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business, or (b) the gift constitutes a tip, reward or sign of appreciation for an official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Corporation.
4. Directors, Officers, Members and Staff shall not use or attempt to use their official position with the Corporation to secure unwarranted privileges for themselves, members of their family or others, including employment with the Corporation or contracts for materials or services with the Corporation.

5. Directors, Officers, Members and Staff must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors, Officers, Members and Staff may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
7. Directors, Officers, Members and Staff shall manage all matters within the scope of the Corporation's mission independent of any other affiliations or employment. Directors, including ex-officio board Members, Officers, Members and Staff employed by more than one government shall strive to fulfill their professional responsibility to the Corporation without bias and shall support the Corporation's mission to the fullest.
8. Directors, Officers, Members and Staff shall not use Corporation property, including equipment, telephone, vehicles, computers or other resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Corporation's mission and goals.
9. Directors, Officers, Members and Staff are prohibited from appearing or practicing before the Corporation for two (2) years following employment with the Corporation, consistent with the provisions of Public Officers Law.

### **Implementation of Code of Ethics**

The code of Ethics shall be provided to all Directors, Officers, Members and Staff upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

The Board may designate an Ethics Officer who reports to the Board and shall have the following duties:

1. Counsel in confidence Corporation Directors, Officers, Members and Staff who seek advice about ethical behavior.
2. Receive and investigate complaints about possible ethics violations.
3. Dismiss complaints found to be without substance.
4. Prepare an investigative report of their findings for action by the Board.

5. Record the receipt of gifts or gratuities of any kind received by a Director(s), Officer(s), Member(s) or Staff, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

### **Penalties**

In addition to any penalty contained in any other provision of law, any Corporation Director, Officer, Member or Staff who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

### **Reporting Unethical Behavior**

Directors, Officers, Members and Staff are required to report possible unethical behavior by a Director, Officer, and Member of Staff of the Corporation to the Ethics Officer. Directors, Officers, Members and Staff may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Corporation.

Vote                   Ayes: 10; Nays: 0; Abstentions: 0.

### **Adoption of Article II, Section 11 - Responsibilities of Directors**

Motion:               Richard Cielinski  
Seconded by:       Jack Patterson  
Motion:               To amend Article II of the Corporation By-Laws to add Section 11,  
                              Responsibilities of Directors, as follows:

#### **Section 11-Responsibilities of Directors**

In addition to the responsibilities set forth in these By-Laws and as required by Law, all Directors shall review and execute at the time of taking the oath of office the following:

- A). Acknowledgment of Fiduciary Duties and Responsibilities; and
- B) Board Member Independence Certification

Vote:                   Ayes: 10; Nays: 0; Abstentions: 0.

### **Article X-Committees - Renumber Existing Section 2 as Section 3. Add a New Section 2**

Motion:               Jack Patterson  
Seconded by:       Timothy Popielski  
Motion:               To renumber existing Section 2 of Article X as Section 3, and add a new  
                              Section 2, as follows:

**Article X - Section 2-Standing Committees**

The Board of Directors shall designate as Standing Committees the following:

A) Governance Committee: The Governance Committee shall be comprised of the following:

- (i) The Governance Committee shall be comprised on not less than three (3) independent members (as defined in Section 2825 of the New York Public Authorities Law, as amended from time to time), who shall constitute a majority on the committee, and shall keep the board informed of current best governance practices; review corporate governance trends; recommend updates to the corporate governance principals; advise the board on the skills and experiences required of potential board members; examine ethical and conflicts of interest issues; perform board self-evaluations; and to recommend by-laws which include rules and procedures for conduct of board business, as required by Public Authorities Law '28224, and as more particularly set forth in the Governance Committee charter.

B) Audit Committee: The Audit Committee shall be comprised of the following:

- (i) The Audit Committee shall be comprised of not less than three (3) independent members (as defined in Section 2825 of the New York Public Authorities Law, as amended from time to time), who shall constitute a majority on the committee, and who shall possess the necessary skills to understand the duties and functions of the audit committee and who shall be familiar with corporate financial accounting practices, and who shall serve for terms of one (1) year, and thereafter until their successors are appointed; and such other individuals as the Board may designate from time to time. A majority of the members of the Board shall designate the committee chair for the Audit Committee.
- (ii) The Audit Committee's responsibilities shall be as required by Public Authorities Law ' 2824, and as more particularly set forth in the Audit Committee charter.

Vote: Ayes: 10; Nays: 0; Abstentions: 0.

**Appointment of Audit Committee**

Motion: Debra Liegl  
Seconded by: Jack Patterson  
Motion: To appoint the following Directors to the Audit Committee: James Antkowiak, Richard Cielinski and Timothy Popielski.  
Vote: Ayes: 10; Nays: 0; Abstentions: 0.

**Appointment of Governance Committee**

Motion: Debra Liegl  
Seconded by: Edward Halady  
Motion: To appoint the following Directors to the Governance Committee: Timothy Popielski, John Redman and Patricia Cwiklinski.  
Vote: Ayes: 10; Nays: 0; Abstentions: 0.

**Adoption of Whistle Blower, Travel and Investment Policies**

Motion: Jack Patterson  
Seconded by: Richard Cielinski  
Motion: To adopt the following Corporation Policies: Whistle Blower, Travel and Investment Policies.  
Vote: Ayes: 10; Nays: 0; Abstentions: 0.

**WHISTLE BLOWER POLICY**

**Scope**

Section 2824 of the Public Authorities Reform Act of 2009 requires the Cheektowaga Economic Development Corporation (the Corporation) to establish written policies and procedures concerning the protection of Whistleblowers.

**Applicability**

This policy shall apply to the Corporation=s Board of Directors, Officers, Members and any other affiliated entities that may be established by the Corporation.

**Definition**

AWhistleblower@ shall mean any Board of Directors, Officers, Member of the Corporation who discloses information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by a Board of Directors, Officers or Member of the Corporation, concerning the Corporation=s investments, travel, acquisition of real or personal property, the disposition of real or personal property and the procurement of goods and services.

### **Actions by an Authority**

Pursuant to the Public Authorities Reform Act of 2009 the Corporation shall not fire, discharge, demote, suspend, threaten, harass or discriminate against an Director, Officer or Member of the Corporation because of the employee=s role as a whistleblower, insofar as the actions taken by the employee are legal.

### **Communications with the Authorities Budget Office (ABO)**

Any communications between a Director, Officer or Member of the Corporation and the ABO pursuant to Public Authorities Reform Act of 2009 shall be held strictly confidential by the authorities budget office, unless the employee specifically waives in writing the right to confidentiality, except that such confidentiality shall not exempt the authorities budget office from disclosing such information, where appropriate, to the state Inspector General in accordance with section fifty-five of the executive law, or prevent disclosure to any law enforcement authority.

### **Reporting Unethical Behavior**

Officers, Directors and Members are required to report possible unethical behavior by a Director, Officer or Member of the Corporation to the Ethics Officer. Directors, Officers and Members may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Corporation.

## **TRAVEL POLICY**

### **Objective**

The purpose of this Travel and Conferences Policy (Policy) is to outline the policies and procedures the Cheektowaga Economic Development Corporation (the Corporation) will follow with respect to these and other related expenditures in accordance with Section 2824 of the Public Authorities Reform Act of 2009.

### **Applicability**

This policy shall apply to the Corporation=s Board of Directors, Officers, Members and any other affiliated entities that may be established by the Corporation.

### **General Guidelines**

It is the general policy to pay reasonable and necessary travel and conferences expenses incurred as a result of official business subject to the presentation of appropriate documentation. Any exception or potential exception to this Policy must be submitted to the Board for approval.



## **Travel**

### **A. Approval of Travel**

Travel involving overnight accommodation or travel requires the approval of the Board.

### **B. Personal Travel**

Personal travel is not reimbursable. This exclusion applies to personal travel which interrupts official travel, or precedes or follows a business trip.

### **C. Reimbursable Travel Expenses**

Transportation expenses shall be reimbursed based on an economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip. Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier. Every reasonable effort should be made to cancel reservations on a timely basis to avoid no-show or late cancellation charges.

#### **1. Automobile Travel**

- i) Personal vehicle travelers may use their personal vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. In most circumstances, mileage shall be computed as the distance traveled to the business destination.

Mileage will be reimbursed at the prevailing IRS mileage rate reimbursement limits. Expenses related to the mechanical failure or accidents to personal cars are not reimbursable. When utilizing a personal vehicle for business, travelers must maintain liability insurance on the vehicle in accordance with New York State requirements. The Corporation may periodically request proof of insurance from such travelers.

- ii) Rental cars may be rented when renting would be more advantageous to the Corporation than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model requested unless the itinerary, number of travelers or baggage support the choice of a larger vehicle. The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. Liability and physical damage coverage offered by the rental company should be declined.

- iii) Miscellaneous automobile-related expenses, charges for parking, ferries, bridges, tunnels, or toll roads while an individual is traveling on Corporation business will be reimbursed.

#### **2. Air Travel**

Whenever practicable, travelers are expected to use tourist, economy or coach. The lowest cost air travel should take precedence after considering departure/arrival times and number of stops.

### **3. Surface Transportation used in Lieu of Air Travel**

If advance approval has been obtained, a traveler may use surface transportation for personal reasons even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, taxis and ferried incurred while in transit by surface transportation may be reimbursed. Such costs shall not exceed the cost of airfare, based on the cost of regular coach fare available for the location of travel from a standard commercial air carrier plus transportation costs to and from the airport.

### **4. Other Forms of Transportation**

Rail, shuttle, subway or bus transportation may be used if it is convenient and less expensive than alternative transportation.

### **5. Food and Lodging**

Lodging, meals, tips, and related miscellaneous expenses while an individual is on travel status for the Corporation will be reimbursed in their actual, reasonable amounts when properly documented. Accommodations are expected to be comfortable and appropriate to the particular purpose of the trip- not luxurious or extravagant. Wherever possible the New York State sales tax exemption should be claimed.

### **6. Miscellaneous Travel Expenses**

Examples of miscellaneous travel expenses that are reimbursable are the following: reasonable tips for baggage handling, etc; business telephone or internet calls and occasional, reasonable personal calls; highway and bridge tolls; necessary parking fees; small supplies on an emergency basis; fees for visas, passports, and inoculations are allowable when they are a specific and necessary condition of fulfilling a work assignment.

### **7. Travel Expenses Not Reimbursed**

Expenses that are not reimbursable include: lost or stolen tickets, cash, or personal property; fines; accident insurance premiums; child, pet or house-sitting expenses; penalties or fees for cancellation or change of discounted tickets when the cancellation or change came about from personal rather than Corporation choice; in-room movie or video game rentals; hotel mini-bar charges; dry cleaning (unless the Corporation requests that the traveler extends their regularly scheduled trip or when the traveler is away from home for more than six days); all costs pertaining to spouses, partners or other non-Corporation personnel accompanying the traveler.

The above listings are not all-inclusive and items not listed will be reviewed on a case-by-case basis.

### **Conferences and Seminars**

Reimbursement of conference and seminar fees and related hotel and meal expenses will be limited to those reasonable, necessary, approved expenses which are reported in an Expense Report with supporting receipts or documentation. The Corporation will only reimburse reasonable meal and beverage expenses of guests when the purpose of the meeting is to discuss Corporation business. If this is the case, the Corporation requires that the traveler provide a listing of the guests whose costs are being reimbursed, their organization and title and the business purpose of the meeting. If a conference registration fee includes an extra charge for social activities, such as site-seeing tours, golf outings, etc., these charges are considered personal expenses and will not be reimbursed.

### **Does of Professional or Technical Organizations**

Dues for approved memberships in professional or technical organizations are related to directors or officers responsibilities.

### **Advances**

Cash advances will not be paid.

### **Reimbursement Approval**

Reimbursement may be requested as soon as the individual has made the expenditure, completed their Expense Report and had it approved. The Board must approve Expense Reports. In approving a request to reimburse, the Board must determine that: the expenditure serves a clear and necessary business purpose of benefit to the Corporation; the expenditure of funds is reasonable, cost effective, and in accordance with the best use of Corporation administered funds; any alternatives that would have been equally effective in accomplishing the desired objectives were considered.

If a required receipt is lost or unavailable, a written explanation of the circumstances must accompany the reimbursement request.

## **INVESTMENT POLICY**

### **Scope**

Section 2925 of the Public Authorities Law requires the Cheektowaga Economic Development Corporation (the Corporation) to adopt by resolution comprehensive investment guidelines which detail its operative policy and instructions to officers regarding the investment, monitoring and reporting of funds of the Corporation.

In addition to the requirements set forth in Section 2925 of the Public Authorities law, the Corporation is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal law, which govern the deposit and investment of funds for the Corporation's own use and account.

This investment policy is adopted by the Corporation pursuant to the foregoing provisions of the Public Authorities Law and General Municipal law and shall apply to all moneys and other financial resources available for investment on the Corporation=s own behalf or, where applicable, on behalf of any other entity or individual.

## **Governing Principles**

### **A. Investment Objectives**

The primary objectives of the Corporation=s Investment Policy are, in order of priority, as follows (i) to conform with all applicable federal, state and local laws and legal requirements; (ii) to adequately safeguard principal; (iii) to provide sufficient liquidity to meet all operating requirements of the Corporation; and (iv) to obtain a reasonable rate of return.

### **B. Diversification**

As the Corporation is subject to the deposit and investment restrictions set forth in Sections 10 and 11 of the General Municipal law, the opportunity to diversify among types of investments is limited. Subject to these legal restraints, however, the policy of the Corporation is to diversity by investment instrument by maturity and where practicable by financial institutions.

### **C. Internal Controls**

1. All funds received by an Officer or Member of the Corporation shall be promptly deposited with the depositories designated by the Corporation for the receipt of such funds.
2. Pursuant to Section 11(7) of the General Municipal law, the corporation shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidence of indebtedness held by the Corporation for investment and deposit purposes. Such record shall identify the security, the funds for which it is held, the place where kept, the date of sale or other disposition, and the amount received from such sale or other disposition.
3. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized uses or disposition, that transactions are executed in accordance with management=s authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

### **D. Authorized Financial Institutions and Dealers**

The Corporation shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments that may be outstanding with each financial institution or dealer. All financial institutions with which the corporation conducts business must be creditworthy as determined by criteria established by the Corporation. All banks with which the Corporation does business shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation.

## **E. Purchase of Investments**

The Corporation may contract for the purchase of investments directly. All purchased obligations, unless registered or inscribed in the name of the Corporation shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed to the Corporation by the bank or trust company and shall be held pursuant to a written custodial agreement.

## **Investments**

### **A. General Policy**

It is the general policy of the Corporation that funds not required for immediate expenditure shall be invested as described below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

### **B. Permitted Investments**

The President is authorized to invest funds not required for immediate expenditure in the following investments permitted under Section 11 of the General Municipal Law.

1. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is secured in the same manner as provided in Deposits section below of this Investment Policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained.
2. Such other obligations as may be permitted under Section 11 of the General Municipal Law. All investments shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase, and comply with such other requirements as set forth in Section 11 of the General Municipal Law.

## **Deposits**

### **A. Designation of Depositories**

The Corporation, by resolution, designates one or more commercial banks or trust companies for the deposit of Corporation funds received by the Corporation. Such resolution shall specify the maximum amount that may be kept on deposit at any time with each bank or trust company. Such designations and amounts may be changes at any time by further resolution of the Corporation.

### **B. Collateralization of Deposits**

In accordance with Section 10 of the General Municipal Law, all deposits of the Corporation (including certificates of deposit and special time deposits) in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured as defined by Section 10 of the General Municipal Law, at least equal to the aggregate amount of deposits.

### **C. Safekeeping and Collateralization**

Eligible securities used for collateralizing deposits shall be held by the depository and/or third party bank or trust company subject to security and custodial agreements as described below.

1. **Security Agreement Requirements.** The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any, an any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the depository or its custodial bank.
2. **Custodial Agreement Requirements.** The custodial agreement shall provide the securities held by the bank or trust company, as agent of and custodian for the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The custodial agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities and may include such other terms as the Corporation Board deems necessary.

## **Monitoring and Reporting Obligations**

The following monitoring and reporting procedures shall be applicable in connection with the deposit and investment of funds subject to this Investment Policy:

### **A. Monthly Monitoring**

Each cash and investment account statement will be reviewed and reconciled by the President on a monthly basis. The Board will review each account reconciliation for accuracy and will investigate any unusual items noted.

### **B. Monitoring and Reporting**

Pursuant to Section 2925(5) of the Public Authorities Law, the President shall present a report at each meeting of the Corporation Board of Directors which will include the following information: (i) the cash and investment balances of the Corporation; (ii) identification of any new investments since the last report; (iii) information concerning the selection of investment bankers, brokers, agents, dealers or auditors since the last report; and (iv) the names of the financial institutions holding Corporation deposits.

### **C. Annual Monitoring and Reporting**

1. On an annual basis, the Corporation will obtain an independent audit of its financial statements, which shall include an audit of its cash and investments and the Corporation's compliance with this Investment Policy. The results of the independent audit shall be made available to the Corporation Board at the time of its annual review of this Investment Policy.
2. Pursuant to Section 2926(6) of the Public Authorities Law, the Corporation shall, on an annual basis, prepare and submit for Corporation Board approval an investment report which shall include this Investment Policy, amendments to the Investment Policy since the last investment report, an explanation of the Investment Policy and any amendments, the results of the annual independent audit, the investment income record of the Corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the last investment report. The investment report will be distributed to those individuals identified in Section 2925(7) (b) of the Public Authorities Law. The Corporation shall make available to the public copies of its investment report upon reasonable request.

### **Annual Review**

This investment policy shall be reviewed and approved by the Corporation's Board of Directors on an annual basis.

### **Savings Clause**

Nothing contained in Section 2925 of the Public Authorities law shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into by the Corporation in violation of, or without compliance with the provisions of Section 2925 of the Public Authorities Law.

### **Business Card Ad**

Motion: Joseph Funk  
Second: Donna Luh  
Motion: To purchase a business card ad for \$220.00 in the Cheektowaga Chamber of Commerce publication.  
Vote: Ayes: 8; Nays: 0; Abstentions: 2 (Debra Liegl and Edward Halady).

### **Adjourn**

Motion: Joseph Funk  
Second: Edward Halady  
Motion: To adjourn the meeting (9:23 p.m.)  
Vote: Ayes: 10; Nays: 0; Abstentions: 0.

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Jack Patterson, Corporation Secretary