

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

DATE AND PLACE: October 26, 2022, at Center of Excellence in Bioinformatics and Life Sciences (CBLS), 701 Ellicott Street, Conference Room B2-205, Second Floor, Buffalo, New York 14203

PRESENT: Denise Abbott, Hon. Joseph Emminger, Hon. Howard Johnson, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Jr., Denise McCowan, Brenda W. McDuffie, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen and Kenneth A. Schoetz

EXCUSED: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Michael P. Hughes, Hon. Glenn R. Nellis and Paul Vukelic

OTHERS PRESENT: John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations/Secretary; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Gerald Manhard; Chief Lending Officer/Secretary; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager, Brian Krygier, Director of Information Technology; Carrie Hocienec, Operations Assistant/Assistant Secretary; Talia Johnson-Huff, Project Manager; Laurie Hendrix, Administrative Coordinator; Robert G. Murray, Esq., General Counsel/Harris Beach PLLC and Terrence M. Gilbride and Christopher C. Canada, Bond Counsel/Hodgson Russ LLP

GUESTS: Zachary Evans and Thomas Baines on behalf of Erie County; Bukola Millia on behalf of Workforce Investment Board and J. Dale Shoemaker on behalf of Investigative Post

There being a quorum present at 1:15 p.m., the meeting of the Buffalo and Erie County Regional Development Corporation (the “RDC”), was called to order by its Chair, Ms. McDuffie.

MINUTES

The minutes of the September 28, 2022 meeting of the members were presented. Mr. Johnson moved and Ms. Abbott seconded, to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were then unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the September 2022 financial report. The balance sheet shows the RDC finished the month with total assets of \$22.3M, consisting mainly of cash

and loans receivable. Liabilities reflect amounts due to ECIDA for 2022 costs and net assets are \$22.1M. The September income statement shows \$48,000 of revenue, mainly loan interest income, and negative \$19,000 of expenses. The provision for loan losses was reduced by \$45,000 as a result of a borrower no longer requiring a reserve due to resuming regular payments. As a reminder, the portfolio is reviewed internally on a quarterly basis, and these adjustments may be temporary. Overall net income for the month was \$67,000. The year-to-date income statement shows revenues of \$603,000 and \$241,000 of expenses, for net income of \$362,000 through September. Of this revenue, \$194,000 is the last of the CARES Act grant income, which will be used for the ongoing administrative costs of that loan portfolio. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update: Ms. Profic advised that the Committee met on October 17 and reviewed, and recommended for approval, the 2023 budget to the members for formal consideration.

A. 2023 Budget Timetable. Ms. Profic reviewed the 2023 proposed budget review process.

B. Review of Proposed 2023 Budget. Ms. Profic reviewed the proposed 2023 budget including a narrative which provides an overview of the budget and any changes, along with risk factors impacting the budget. She stated that the budgeted revenues consist of mainly interest income from loans, at \$630,000 based on anticipated loan closings by the end of 2022. Also, budgeted expenses are made up mainly of the ECIDA Management Fee (salary and benefit costs of ECIDA staff based on time spent on RDC business) and a provision for loan losses, estimated at 2.4% of projected outstanding loans or \$450,000. The budgeted figures result in a budgeted net loss of \$197,000. Ms. Profic noted that the provision for loan losses figure is a conservative estimate.

Mr. Emminger moved and Mr. Johnson seconded to approve of the RDC 2023 Budget. Ms. McDuffie then called for the vote and the RDC 2023 Budget was unanimously approved.

Loan Status Report. Mr. Manhard provided this report to members. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 1:22 p.m.

Dated: October 26, 2022



Elizabeth A. O'Keefe, Secretary