RDC
REGIONAL DEVELOPMENT CORPORATION

Buffalo and Erie County Regional Development Corporation
Meeting of Board of Directors

ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203

October 22, 2025
at 12:00 p.m.

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of September 24, 2025 Minutes of the Board of Directors (Action Item) (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 4-7)
3.2 Finance & Audit Committee Update (Informational)
a) 2026 Budget Timetable (Informational) (Page 8)
b) Approval of 2026 Proposed Budget (Action Item) (Pages 9-13)
3.3 Loan Status Report (Informational) (Page 14)

4.0 Management Team Reports:

4.1 2026 Board Meeting Schedule (Informational) (Page 15)

5.0 Adjournment- Next Meeting November 19, 2025

Draft
Subject to Board Approval

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

DATE AND PLACE:	September 24, 2025, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
PRESENT:	Denise Abbott, Hon. Joseph Emminger, Lorry Goldhawk, Gregory Inglut, Brenda McDuffie, Glenn Nellis, Hon. Brian Nowak, Hon. Mark Poloncarz, Kenneth Schoetz and Hon. Taisha St. Jean Tard
EXCUSED:	Dr. LaVonne Ansari, Rev. Mark Blue, Jonathan Dandes, Dottie Gallagher, Tyra Johnson, Hon. Brian Kulpa and Hon. Christopher P. Scanlon
OTHERS PRESENT:	John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/ Assistant Secretary; Brian Krygier, Director of Information Technology; Atiqa Abidi, Accounting Manager; Lori Szewczyk, Director of Grants; Michelle Moore, Compliance Associate and Robert Murray, Esq., General Counsel/Harris Beach Murtha
GUESTS:	Zaque Evans on behalf of Erie County; Daniel Castle on behalf of Erie County; Nick Fiume, Britt Davis, Jeff Matthews on behalf of D'Youville University

There being a quorum present at 12:37 p.m., the meeting of the Buffalo and Erie County Regional Development Corporation (the "RDC"), was called to order by Chair McDuffie.

MINUTES

The minutes of the July 23, 2025, meeting of the members, were presented. Ms. St. Jean Tard moved, and Mr. Poloncarz 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. Abidi presented the August financial reports. The balance sheet shows that the RDC finished the month with total assets of $23.4M, consisting of cash and loans receivable. Liabilities reflect amounts due to ECIDA for estimated 2025 costs. Fund balance is $23.2M and increased slightly from July. The monthly income statement reflects $61,000 of revenues, and $23,000 of expenses. After non-operating revenue of $16,000, there was net income of $54,184 in August. The year-to-date income statement shows operating revenue of $380,000, $262,000 of operating expenses, and $145,000 of non-operating revenue, combining for net income of $262,987 so far in 2025. Loan interest income is about $37,000 below budget due to fewer loans than anticipated in the budget. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Abidi updated members on the most recent Finance & Audit Committee meeting whereat the following actions were taken: (1) recommended approval of an ILDC bond issuance which is before the Board; and (2) reviewed draft 2026 budgets for ECIDA, RDC, and ILDC.

2026 Budget Timetable. Ms. Abidi reviewed the budget process. The budgets were initially reviewed by the Finance & Audit Committee earlier this month. After today's presentation of the draft budget to the Board, there will be two Budget Q&A sessions for Board members on October 1 and October 7. These are optional sessions, with one in person and one via Zoom. Calendar invitations to both sessions will be sent to Board members after today's meeting as placeholders if you wish to attend. The Finance & Audit Committee will then be asked to make a formal recommendation on the budget, and it will be presented for Board approval at next month's meeting. Budgets must then be submitted to the ABO by November 1.

Review of 2026 Proposed Budget. Ms. Abidi reviewed the proposed 2026 budget. Ms. McDuffie directed that the report be received and filed.

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

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 12:43 p.m.

Dated: September 24, 2025

Elizabeth A. O'Keefe, Secretary

Regional Development Corporation

Financial Statements

As of September 30, 2025

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Balance Sheet
September 30, 2025

	September 2025	August 2025	December 2024
ASSETS:			
Restricted Cash and Equivalents**	$ 7,550,566	$ 7,197,748	$ 8,506,025
Accounts Receivable	310,369	339,946	280,185
Prepaid Expenses	-	-	2,500
Direct Loans *	16,182,787	16,441,721	15,031,278
Reserve for Loan losses	(696,478)	(558,109)	(554,968)
Total Loan Assets, net	15,486,309	15,883,611	14,476,310
TOTAL ASSETS	$ 23,347,244	$ 23,421,305	$ 23,265,020
LIABILITIES & NET ASSETS			
Accounts Payable	$ -	$ -	$ 1,814
Due to ECIDA	244,613	217,153	322,041
Total Liabilities	244,613	217,153	323,855
Restricted Fund Balance	23,102,631	23,204,152	22,941,165
TOTAL LIABILITIES & NET ASSETS	$ 23,347,244	$ 23,421,305	$ 23,265,020

*** Loan Portfolio Summary:***	**September 2025**	August 2025	December 2024
# of Legacy RLF Loans	37	36	34
# of CARES Act RLF Loans	27	27	28
	64	63	62

** Cash and restricted cash is invested in interest bearing accounts at M&T Bank and obligations of the United States of America at Wilmington Trust. The maximum FDIC insured amount = $250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution. Collateral is not required for U.S. government obligations.

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Income Statement
Month of September 2025

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	$ 47,897	$ 50,000	$ (2,103)
Administrative Fees	-	1,458	(1,458)
Other Income	-	208	(208)
Total Revenues	47,897	51,667	(3,770)
EXPENSES:			
Management Fee - ECIDA*	23,100	23,200	(100)
Provision for Loan Losses	138,369	75,000	63,369
Rent & Facilities Expenses	2,400	2,417	(17)
Professional Services	(3,388)	1,667	(5,054)
General Office Expenses	-	375	(375)
Other Expenses	3,514	1,648	1,866
Total Expenses	163,995	104,306	59,689
OPERATING INCOME(LOSS):	(116,098)	(52,640)	(63,458)
NONOPERATING REVENUE:			
Interest Income	14,577	2,308	12,268
Total Nonoperating Revenue	14,577	2,308	12,268
NET INCOME/(LOSS):	$ (101,521)	$ (50,331)	$ (51,190)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2025 budgeted figures.

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Income Statement
Year to Date: September 30, 2025

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	$ 410,416	$ 450,000	$ (39,584)	$ 410,416	$ 440,284	$ (29,868)
Administrative Fees	17,500	9,375	8,125	17,500	3,650	13,850
Grant Income - CARES Act RLF	-	-	-	-	12,509	(12,509)
Other Income	146	1,875	(1,729)	146	16	130
Total Revenues	428,062	461,250	(33,188)	428,062	456,459	(28,398)
EXPENSES:						
Management Fee - ECIDA*	207,900	208,500	(600)	207,900	216,000	(8,100)
Provision for Loan Losses	141,510	225,000	(83,490)	141,510	93,642	47,868
Rent & Facilities Expenses	21,600	21,750	(150)	21,600	19,800	1,800
Professional Services	22,991	28,350	(5,359)	22,991	26,274	(3,283)
General Office Expenses	-	3,375	(3,375)	-	1,075	(1,075)
Other Expenses	32,203	14,831	17,372	32,203	20,256	11,947
Total Expenses	426,203	501,806	(75,603)	426,203	377,047	49,156
OPERATING INCOME(LOSS):	1,859	(40,556)	42,415	1,859	79,412	(77,554)
NONOPERATING REVENUE:						
Interest Income	159,607	20,775	138,832	159,607	130,347	29,260
Total Nonoperating Revenue	159,607	20,775	138,832	159,607	130,347	29,260
NET INCOME/(LOSS):	$ 161,466	$ (19,781)	$ 181,247	$ 161,466	$ 209,759	$ (48,294)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2025 budgeted figures.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)

2026 Budget Process

Date	Description	
July-August	Review of draft 2026 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
September 3	Finance & Audit Committee meeting – initial review and discussion of proposed budgets.	✓
September 24	Review of 2026 proposed budgets at Board meetings.	✓
October 1 10:00 a.m.	Board Q&A budget session #1 via Zoom (voluntary).	✓
October 7 10:00 a.m.	Board Q&A budget session #2 in person (voluntary).	✓
October 16 12:00 p.m.	• Adjustments to budgets based on Board feedback (if necessary). • Finance & Audit Committee meeting to recommend final budgets.	
October 22	Board meetings – action to approve final 2026 budgets.	
November 1	Deadline for final approved budgets to be submitted to the ABO.	

Buffalo & Erie County
Regional Development Corporation
Proposed 2026 Budget

Regional Development Corporation (RDC)

Proposed 2026 Budget + 3 Year Forecast

The Buffalo and Erie County Regional Development Corporation ("RDC") operates two revolving loan funds ("RLF") that provide loans to eligible businesses under each RLF's lending parameters. One, the Coronavirus Aid, Release, and Economic Security (CARES) Act RLF, has federal restrictions.

A. Key Budget Assumptions:

In 2026, the RDC expects to fund new loans of around $1.8 million. This is expected to be offset by $1.4 million in loan repayments to the RLFs. Interest income on loans is expected to be around $580,000 for 2026, which represents a 6.7% increase from the $543,800 projected for 2025.

B. Overview of Changes in 2026 Budget:

Key changes between the 2026 budget and the projected 2025 results are:

- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide to the revolving loan funds, since RDC has no employees of its own. The fee is expected to increase by $7,000 or 2.6% in 2026 due to anticipated increases in ECIDA staff salaries and benefits.

- The budgeted amount for the provision for loan losses is $300,000 for 2026. The provision represents approximately 2.0% of the estimated active loan portfolio balance. The mission of the RDC is to deal primarily with businesses unable to adequately finance operations through normal commercial banking channels. Historically, the loan fund has been a working capital lender, rather than a fixed asset lender, taking junior collateral positions. The CARES Act RLF operates with a higher risk tolerance than our legacy RLF, which will likely result in higher loan losses. The charge-off rate for loans issued over the past 10 years is about 4.8%, versus a historical portfolio charge-off rate of approximately 20.42%.

C. Summary of Risk Factors Impacting the 2026 Budget:

The following significant risk factors may influence the 2026 budget:

1. Due to the numerous uncertainties, value of collateral, guarantees, etc., RDC's actual loan losses may vary significantly from the loan loss amount budgeted.

2. Interest income may vary from the budgeted amount as the budget is based on an estimate of active loans. Due to economic factors and the overall business climate, loans closed could vary significantly from estimates.

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2026

	Proposed Budget 2026	Approved Budget 2025	Projected 2025	Actual 2024
REVENUES:				
Interest Income - Loans	$ 580,000	$ 600,000	$ 543,779	$ 576,778
Administrative Fees	17,500	17,500	25,000	4,050
Grant Income	-	-	-	12,509
Other Income	2,500	2,500	219	16
Interest Income - Cash & Investments	137,700	77,700	259,731	187,177
Total Revenues	737,700	$ 697,700	$ 828,728	$ 780,530
EXPENSES:				
ECIDA Management Fee*	278,000	288,000	271,000	277,315
Provision for Loan Losses	300,000	350,000	4,711	160,968
Rent & Facilities Expenses	27,000	27,200	27,000	23,676
Professional Services	38,750	51,900	30,668	30,475
General Office Expenses	8,875	3,500	53	2,344
Marketing Expense	25,000	18,275	34,296	25,641
Total Expenses	677,625	738,875	367,727	520,418
NET INCOME/(LOSS):	$ 60,075	$ (41,175)	$ 461,001	$ 260,111

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the RDC.

Provision for Loan Losses	2026 Budget	2025 Budget
Estimated Loan Balance	$ 14,910,000	$ 20,078,000
Provision for Loan Losses	$ 300,000	$ 350,000
Percentage of Loans	2.0%	1.7%

	Legacy Fund	CARES Act RLF
Capital Base	$ 18,925,636	$ 5,030,834
Loans outstanding at 8/31/2025	13,808,168	2,635,087
Balance remaining	$ 5,117,468	$ 2,395,746

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2026
Presented by Fund

	Proposed Budget 2026	Legacy Fund	CARES Act RLF
REVENUES:			
Interest Income - Loans	$ 580,000	$ 540,000	$ 40,000
Administrative Fees	17,500	12,500	5,000
Other Income	2,500	2,500	-
Interest Income - Cash & Inv.	137,700	128,100	9,600
Total Revenues	737,700	683,100	54,600
EXPENSES:			
ECIDA Management Fee*	278,000	238,000	40,000
Provision for Loan Losses	300,000	200,000	100,000
Rent & Facilities Expenses	27,000	14,850	12,150
Professional Services	38,750	18,415	20,335
General Office Expenses	8,875	3,350	5,525
Marketing & Other Expenses	25,000	24,275	725
Total Expenses	677,625	498,890	178,735
NET INCOME/(LOSS):	$ 60,075	$ 184,210	$ (124,135)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the RDC.

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed 2026 Budget and Three Year Forecast 2027-2029

	Proposed Budget 2026	Forecast 2027	Forecast 2028	Forecast 2029
REVENUES:				
Interest Income - Loans	$ 580,000	$ 585,000	$ 590,000	$ 595,000
Administrative Fees	17,500	15,000	15,000	15,000
Other Income	2,500	5,000	5,000	5,000
Interest Income - Cash & Investments	137,700	50,000	50,000	50,000
Total Revenues	737,700	655,000	660,000	665,000
EXPENSES:				
ECIDA Management Fee*	278,000	284,000	290,000	296,000
Provision for Loan Losses	300,000	300,000	300,000	300,000
Rent & Facilities Expenses	27,000	28,000	28,000	28,000
Professional Services	38,750	40,000	40,000	40,000
General Office Expenses	8,875	3,500	3,500	3,500
Marketing Expense	25,000	10,000	10,000	10,000
Total Expenses	677,625	665,500	671,500	677,500
NET INCOME/(LOSS):	$ 60,075	$ (10,500)	$ (11,500)	$ (12,500)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the RDC.

RDC
REGIONAL DEVELOPMENT CORPORATION

Loan Status Report
October 2025

RDC Loans Approved Since Last Meeting	Municipality	Amount
Five Star Automotive of Buffalo, Inc.	Cheektowaga	$200,000

RDC Loans Closed Since Last Meeting	Municipality	Amount
Precision Aerospace NY, LLC	East Aurora	$1,500,000

Loans in Closing Process	Municipality	Amount
None		

Loans in the Pipeline	Municipality	Amount
None		

2025 - Loans Closed	YTD Loan Total	Jobs to be Created	Retained Jobs	Dollars Leveraged
4	$3,557,000	20	59	$3,311,000

MBE/WBE Loans: 0

Loan Portfolio Performance

Past Due Loans:

Name	Loan Balance	Amount Past Due	Days Past Due	Comments
Affordable Technology Solutions	$28,456	$28,456	360+	Filed Bankruptcy- Ch. 13 Collection efforts exhausted
Dobutsu, Inc.	$128,375	$23,370	180+	Liquidating equipment, working out loan deficiency

Portfolio Delinquency Rate (90+ day Past Due Outstanding Loan Balance *divided by* Portfolio Balance):

$156,831 / $16,224,065 = **1.0% Delinquency Rate** (65 total loans in portfolio)

RDC Funds Available to Lend: $7,820,113

ECIDA & RDC Board of Directors
Monthly Meeting Schedule - 2026
4th Wednesday of the Month except for November & December

January 28

February 25

March 25

April 22 (Annual Meeting)

May 27

June 24

July 22

August 29

September 23

October 28

November 18

December 16

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