

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

DATE AND PLACE: October 23, 2019, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph H. Emminger, Tyra Johnson, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, Charles F. Specht and Art Wingerter

EXCUSED: Hon. Bryon W. Brown, James F. Doherty, Dottie Gallagher, Hon. Howard Johnson, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., Hon. Darius G. Pridgen and Kenneth A. Schoetz

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer, Gerald Manhard, Chief Lending Officer, Daryl Spulecki, Credit Analyst, and Karen M. Fiala, Assistant Treasurer/Secretary

GUESTS: Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist; Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

There being a quorum present at 12:37 p.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

The Minutes of the September 25, 2019, meeting of the Board of Directors of the RDC were presented. Sister Denise moved, and Mr. Nellis 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 provided a report on the September 2019 financial statements noting that the RDC finished the month of September with total assets of \$17.2 million and net assets of \$16.9 million. The monthly income statement shows a net loss of

\$590,000 for September. Overall revenues were slightly below the monthly budget. Total expenses were \$600,000 over budget for the month due to the quarterly review and adjustment of the loan loss reserve. The year to date income statement reflects \$424,000 of revenue and \$1.8 million of expenses, for a net loss of \$1.4 million through September. Ms. Profic noted that the provision for loan losses consists primarily of three large loans, and staff is hopeful that attempts to work out the loans will be successful. Any necessary write-offs at year end will be reviewed by the Loan Write-Off Committee. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic advised that at this meeting the Committee was joined by the Freed Maxick Director in charge of our year end audits, who gave a presentation of the audit plan for the upcoming year end. Ms. McDuffie directed that the report be received and filed.

Approval of 2020 Budget. Ms. Profic provided members with a status update of the 2019 budget process and noted that after the Board's review of the draft last month, there were no changes made requiring additional approval by the Finance & Audit Committee. The main source of revenue, interest income from loans, is budgeted at \$470,000 based on about \$2.0 million of loans closed by the end of 2019. Budgeted expenses are mainly ECIDA management fees (salary and benefits of ECIDA staff based on time spent on RDC activities) and a provision for loan losses, estimated at 1.4% of projected outstanding loans, or \$200,000 to be conservative. The budgeted figures result in a budgeted net loss of \$88,000.

General discussion ensued regarding 2019 projected loan loss expenses compared to budgeted 2020 loan loss expenses.

Mr. Poloncarz asked for a report on delinquent loans and loan status report. Mr. Weathers responded that four loans are in arrears and one loan is delinquent with its lead bank, but current with the RDC. Mr. Weathers continued on to state that the Loan Committee members, at their last meeting, began the process of establishing a policy to permit transparency with respect to delinquent loan disclosure.

Mr. Emminger moved and Sister Denise seconded to approve of the 2020 Budget. Ms. McDuffie then called for the vote and the motion was unanimously approved.

2020 Board Meeting Schedule. Mr. Weathers reviewed the 2020 Board meeting schedule.

There being no further business to discuss, Ms. McDuffie then adjourned the meeting at 12:46 p.m.

Dated: October 23, 2019



Karen M. Fiala, Secretary