

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

DATE AND PLACE: November 20, 2019, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Hon. Joseph H. Emminger, Hon. Howard Johnson, Tyra Johnson, Richard Lipsitz, Jr., Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, Kenneth A. Schoetz and Art Wingerter

EXCUSED: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Bryon W. Brown, James F. Doherty, Dottie Gallagher, Hon. Brian J. Kulpa, Hon. Darius G. Pridgen and Charles F. Specht

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

GUESTS: Robert G. Murray, Esq., General Counsel/Harris Beach PLLC; Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 12:05 p.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

The Minutes of the October 23, 2019, meeting of the Board of Directors of the RDC were presented. Sister Denise moved, and Mr. Emminger 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 October 2019 financial statements noting that the RDC finished the month of October with total assets of \$17.2 million and net assets of \$16.9 million. The monthly income statement shows income of almost \$10,000 for October. Overall revenues were below the monthly budget by about \$6,000. Total expenses

were also under budget for the month by \$4,000. The year to date income statement reflects \$464,000 of revenue and \$1.8 million of expenses, for a net loss of \$1.4 million through October. Ms. McDuffie directed that the report be received and filed.

Update and Discussion for Reporting Loan Delinquencies. Mr. Weathers reviewed the status of the Delinquent Loan Report and noted the RDC Loan Committee has met twice to discuss the presentation of past due versus delinquent versus defaulted loans. Mr. Weathers disclosed new RDC procedures for loan delinquency reporting as follows:

1. *Past Due: Payment 1-89 days Past Due*
 - a. RDC staff works with borrower to cure delinquency.
 - b. Loan status not reported to RDC Board at this time.
2. *Delinquent: 90+ days Past Due*
 - a. Staff will continue working with borrower to cure delinquency.
 - b. Loan status reported to RDC Board: loan balance, days past due, amount past due.
3. *Default: Legal action filed*
 - a. Legal action filed against borrower.
 - b. Legal action(s) taken to collect balance reported to RDC Board.
 - c. Loan status reported to RDC Board: borrower name, loan balance, days past due, amount past due.

Mr. Emminger confirmed that the RDC Loan Committee had two meetings to discuss reporting and disclosure, and that significant input from all Committee members was obtained wherein discussion revolved around balancing fairness and disclosure with attempts to assist a borrower if there is only a short term struggle.

Mr. Poloncarz thanked the RDC Loan Committee for their efforts, expressed his opinion that there should be more disclosure, and asked for clarity on the meaning of the term “default”.

Mr. Manhard confirmed RDC loan agreements have defined default provisions, and when a loan is in default, the loan agreement permits the RDC to take certain recovery actions, like sending a demand letter, for instance.

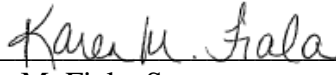
Mr. Wingerter asked if the “default” language per the proposed policy gives flexibility to the RDC. Mr. Manhard confirmed that it does.

Ms. McDuffie directed that the report be received and filed.

RDC Loan Status Report. Mr. Manhard reviewed the RDC Loan Status Report. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, Ms. McDuffie then adjourned the meeting at 12:28 p.m.

Dated: November 20, 2019



Karen M. Fiala, Secretary