

MINUTES
OF THE LOAN COMMITTEE OF THE
BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
(RDC)

- DATE AND PLACE:** March 10, 2021, held via telephone conference. Governor Cuomo’s Executive Order 202.1, as amended, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA’s website at www.ecidany.com.
- MEMBERS PRESENT:** Denise Abbott, Hon. Joseph H. Emminger, Rebecca Gandour, Nancy LaTulip and Michael A. Taylor
- MEMBERS ABSENT:** David McKinley and Royce L. Woods
- OTHERS PRESENT:** John Cappellino, Chief Executive Officer; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Daryl Spulecki, Credit Analyst; Grant Lesswing, Business Development Officer; Robbie McPherson, Director, Marketing & Communication; Brian Krygier, System Analyst; Carrie Hocieniec, Administrative Coordinator; Jamee Lanthier, Compliance Officer; Beth O’Keefe, Business Development Officer; Lynette Bonilla, Temporary Help; Pietra G. Zaffram, Esq., Harris Beach PLLC; and Kevin Zanner, Esq., Hurwitz & Fine
- GUESTS:** None.

There being a quorum present at 9:08 a.m., the Meeting of the Members of the Buffalo and Erie County Regional Development Corporation was called to order by Chair, Mr. Emminger.

MINUTES

Upon motion made by Ms. Abbott, and seconded by Ms. LaTulip, and unanimously carried, it was:

RESOLVED, that the minutes of the RDC Loan Committee meeting of February 10, 2021 are hereby approved.

Ms. Abbott moved and Ms. Gandour seconded to enter into Executive Session for the purpose of reviewing the financial information for five (5) loans. The motion was then unanimously approved.

At 9:11 a.m., the Agency entered into Executive Session.

Upon motion made by Ms. Abbott and seconded by Ms. Gandour, and unanimously approved, the Agency terminated Executive Session at 9:56 a.m.

APPROVAL OF LOAN CASES:

166 Chandler Holdings, LLC (Thin Man Brewery), 166 Chandler Street, Buffalo, New York 14207, \$500,000 84/90 month term loan, secured and guaranteed. Mr. Manhard reviewed the loan application and loan case detailing the proposed 84 month term loan at 1% interest and 90 month term loan at 4% interest, proceeds of which will be used by the borrower to purchase new canning line. General discussion ensued.

Ms. Gandour moved to recommend that the proposed loan be approved and presented to the RDC Board of Directors for ultimate approval. Ms. Abbott seconded the motion. Mr. Emminger called for a vote and the motion was unanimously approved.

Allied Circuits, LLC, 22 James E Casey Drive, Buffalo, New York 14206, \$250,000 84 month term loan, secured and guaranteed. Mr. Spulecki presented the loan application and loan case detailing the proposed 84 month term loan, proceeds of which will be used by the borrower for working capital. General discussion ensued.

Ms. LaTulip moved to recommend that the proposed loan be approved and presented to the RDC Board of Directors for ultimate approval. Ms. Abbott seconded the motion. Mr. Emminger called for a vote and the motion was unanimously approved.

Amherst Pizza & Ale House, Inc., 55 Crosspoint Parkway #138, Getzville, New York 14068, \$250,000 84 month term loan, secured and guaranteed. Mr. Manhard reviewed the loan application and loan case detailing the proposed 84 month term loan, proceeds of which will be used by the borrower for working capital. General discussion ensued.

Mr. Taylor moved to recommend that the proposed loan be approved and presented to the RDC Board of Directors for ultimate approval. Ms. LaTulip seconded the motion. Mr. Emminger called for a vote and the motion was unanimously approved.

Capello Salon III Inc., 9424 Transit Road, East Amherst, New York 14051, \$175,000 84 month term loan, secured and guaranteed. Mr. Spulecki reviewed the loan application and loan case detailing the proposed 84 month term loan, proceeds of which will be used by the borrower for working capital. General discussion ensued.

Ms. Gandour moved to recommend that the proposed loan be approved with the removal of real estate collateral and presented to the RDC Board of Directors for ultimate approval. Ms. LaTulip seconded the motion. Mr. Emminger called for a vote and the motion was unanimously approved.

Radio One Buffalo, LLC, 2900 Genesee Street, Cheektowaga, New York 14225, \$250,000 84 month term loan, secured and guaranteed. Mr. Manhard reviewed the loan application and loan case detailing the proposed 84 month term loan, proceeds of which will be used by the borrower for working capital and equipment. General discussion ensued.

Ms. LaTulip moved to recommend that the proposed loan be approved and presented to the RDC Board of Directors for ultimate approval. Mr. Taylor seconded the motion. Mr. Emminger called for a vote and the motion was unanimously approved.

RDC LOAN PORTFOLIO UPDATE

Mr. Manhard stated the pipeline has 24 loans for approximately \$2.6M. To date there are 7 approved loans under the COVID Impact Fund, the new \$5M. Before today we had 7 loans for \$1.25M and today with the 5 loans approved, we are \$2.2M because \$250,000 is being funded out of the RDC Legacy Fund so we have a total of 12 loans we've approved over the last few months for \$2.2M so we are almost ½ through the Loan Fund. Mr. Manhard noted it has been discussed that the EDA could be asked for more funds. The RDC has hired two part-time people, one credit analyst and one loan administrator. The RDC is also working on 8 Microloans. Mr. Manhard advised they have engaged another economic development group to help us with the volume but only on a case-by-case basis. More advertising will go out in April. There are 34 loans using \$10.5M of the RDC Legacy Fund. Four of those loans are on some type of principal or interest deferment but remaining loans are current.

OTHER BUSINESS

Mr. Manhard noted annually the RDC is required to comply with reporting requirements and operating procedures set by the EDA for the Revolving Loan Fund and to comply with the Loan Administrative Plan. The RDC is required to annually certify that it is in compliance with the EDA terms and regulations. In order to certify, the RDC engage an outside accounting firm to perform an audit, and selected Freed Maxick to perform such an audit. Freek Maxick will review loan monitoring procedures and record keeping as well as loan documentation to make sure the RDC has the correct approvals and procedures.

Mr. Manhard also noted that staff have received a draft financial report which will be presented to the RDC Board for approval at the end of the month but there were no significant findings but they noted that two accounts did not have all the financial information required.

Draft
Subject to Committee Approval

Ms. Profic noted that Freed Maxick has been working on the annual financial audit and has provided drafts of the these reports which will be presented to the Finance & Audit Committee next week and the RDC Board at the end of the month. The reports found no management letter comments, audit findings or internal control deficiencies.

There being no further business to discuss, Mr. Emminger adjourned the meeting at 10:10 a.m.



Karen M. Fiala, Secretary