



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

**ECIDA Offices  
95 Perry Street, 4<sup>th</sup> Floor Conference Room  
Buffalo, New York 14203**

**September 24, 2025  
at 12:00 p.m.**

- 1.0 Call to Order**
- 2.0 Approval of Minutes**
  - 2.1 Approval of July 23, 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) Review of 2026 Proposed Budget (Informational) (Pages 9-13)
  - 3.3 Loan Status Report (Informational) (Page 14)
- 4.0 Management Team Reports:**
  - 4.1
- 5.0 Adjournment- Next Meeting October 22, 2025**

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

**DATE AND PLACE:** July 23, 2025, at the Erie County Industrial Development Agency, 95 Perry Street, 4<sup>th</sup> Floor Conference Room, Buffalo, New York 14203

**PRESENT:** Denise Abbott, Dr. LaVonne Ansari, Jonathan Dandes, Lorry Goldhawk, Gregory Inglut, Tyra Johnson, Brenda W. McDuffie, Glenn Nellis, Hon. Brian Nowak, Hon. Mark C. Poloncarz, Kenneth A. Schoetz and Hon. Taisha St. Jean Tard

**EXCUSED:** Rev. Mark E. Blue, Hon. Joseph H. Emminger, Dottie Gallagher, Hon. Brian J. Kulpa and Hon. Christopher P. Scanlon

**OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Jerry Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Andrew Federick, Director of Property Development; Soma Hawramee, Compliance Portfolio Manager; Lori Szewczyk, Director of Grants; Michelle Moore, Compliance Associate; Robbie Ann McPherson, Director, Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris Beach Murtha Cullina PLLC

**GUESTS:** Zaque Evans on behalf of Erie County; Daniel Castle on behalf of Erie County; Greg Wales and Pete VanPutte on behalf of Premier Aerospace; Matthew Hubacher on behalf of Invest Buffalo Niagara and Jonathan Epstein on behalf of Buffalo News

There being a quorum present at 12:42 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 April 23, 2025, meeting of the members, were presented. Ms. St. Jean Tard moved, and Mr. Schoetz 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 June financial reports. The balance sheet shows that the RDC finished the month with total assets of \$23.3M, consisting of cash and loans receivable. Liabilities reflect amounts due to ECIDA for estimated 2025 costs. Fund balance is \$23.1M and increased slightly from May. The June income statement reflects \$48,000 of loan interest income, and \$48,000 of expenses. After non-operating revenue of \$17,000, there was net income of \$16,785 in June. The year-to-date income statement shows operating revenue of \$279,000, \$213,000 of operating expenses, and \$111,000 of non-operating revenue, combining for net income of \$168,650 so far in 2025. Loan interest income is about \$40,000 below budget due to fewer loans than anticipated in the 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.

## **APPROVAL OF THE FOLLOWING LOAN CASE**

Premier Aerospace NY, LLC d/b/a/ Ever-Fab, 12928 Big Tree Road, East Aurora, New York 14052, \$1,500,000 120-month term loan, secured and guaranteed. Mr. Manhard provided a summary of this loan request. General discussion ensued. Mr. Inglut moved, and Ms. Abbott seconded to approve the loan. Ms. McDuffie called for a vote and the motion to approve of the Premier Aerospace NY loan as generally described above, was unanimously approved.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 12:55 p.m.

Dated: July 23, 2025

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Elizabeth A. O'Keefe, Secretary

# **Regional Development Corporation**

## **Financial Statements**

As of August 31, 2025

# REGIONAL DEVELOPMENT CORPORATION ("RDC")

## Balance Sheet

August 31, 2025

	August 2025	July 2025	December 2024
<b>ASSETS:</b>			
Restricted Cash and Equivalents**	\$ 7,197,748	\$ 8,376,016	\$ 8,506,025
Accounts Receivable	339,946	325,719	280,185
Prepaid Expenses	-	-	2,500
Direct Loans *	16,441,721	15,200,112	15,031,278
Reserve for Loan losses	(558,109)	(560,227)	(554,968)
Total Loan Assets, net	15,883,611	14,639,886	14,476,310
<b>TOTAL ASSETS</b>	<b>\$ 23,421,305</b>	<b>\$ 23,341,621</b>	<b>\$ 23,265,020</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Accounts Payable	\$ -	\$ -	\$ 1,814
Due to ECIDA	217,153	191,653	322,041
Total Liabilities	217,153	191,653	323,855
Restricted Fund Balance	23,204,152	23,149,968	22,941,165
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 23,421,305</b>	<b>\$ 23,341,621</b>	<b>\$ 23,265,020</b>

<b>* Loan Portfolio Summary:</b>	<b>August 2025</b>	<b>July 2025</b>	<b>December 2024</b>
# of Legacy RLF Loans	37	36	34
# of CARES Act RLF Loans	27	27	28
	<u>64</u>	<u>63</u>	<u>62</u>

\*\* 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 August 2025

	<b>Actual vs. Budget</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES:</b>			
Interest Income - Loans	\$ 53,680	\$ 50,000	\$ 3,680
Administrative Fees	7,500	1,458	6,042
Other Income	-	208	(208)
Total Revenues	61,180	51,667	9,513
<b>EXPENSES:</b>			
Management Fee - ECIDA*	23,100	23,200	(100)
Provision for Loan Losses	(2,117)	-	(2,117)
Rent & Facilities Expenses	2,400	2,417	(17)
Professional Services	-	1,667	(1,667)
General Office Expenses	-	375	(375)
Other Expenses	55	1,648	(1,593)
Total Expenses	23,438	29,306	(5,869)
<b>OPERATING INCOME(LOSS):</b>	37,742	22,360	15,382
<b>NONOPERATING REVENUE:</b>			
Interest Income	16,442	2,308	14,134
Total Nonoperating Revenue	16,442	2,308	14,134
<b>NET INCOME/(LOSS):</b>	\$ 54,184	\$ 24,669	\$ 29,516

\* 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: August 31, 2025

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
<b>REVENUES:</b>						
Interest Income - Loans	\$ 362,519	\$ 400,000	\$ (37,481)	\$ 362,519	\$ 393,840	\$ (31,321)
Administrative Fees	17,500	8,333	9,167	17,500	3,650	13,850
Grant Income - CARES Act RLF	-	-	-	-	12,509	(12,509)
Other Income	146	1,667	(1,521)	146	16	130
Total Revenues	380,165	410,000	(29,835)	380,165	410,016	(29,851)
<b>EXPENSES:</b>						
Management Fee - ECIDA*	184,800	185,300	(500)	184,800	192,000	(7,200)
Provision for Loan Losses	3,141	150,000	(146,859)	3,141	-	3,141
Rent & Facilities Expenses	19,200	19,333	(133)	19,200	17,600	1,600
Professional Services	26,378	25,200	1,178	26,378	25,204	1,175
General Office Expenses	-	3,000	(3,000)	-	1,075	(1,075)
Other Expenses	28,689	13,183	15,506	28,689	20,107	8,582
Total Expenses	262,208	396,017	(133,808)	262,208	255,986	6,223
<b>OPERATING INCOME(LOSS):</b>	117,957	13,983	103,973	117,957	154,030	(36,073)
<b>NONOPERATING REVENUE:</b>						
Interest Income	145,031	18,467	126,564	145,031	105,678	39,353
Total Nonoperating Revenue	145,031	18,467	126,564	145,031	105,678	39,353
<b>NET INCOME/(LOSS):</b>	\$ 262,987	\$ 32,450	\$ 230,537	\$ 262,987	\$ 259,708	\$ 3,280

\* 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**

<b><u>Date</u></b>	<b><u>Description</u></b>	
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 <u>via Zoom</u> (voluntary).	
October 7 10:00 a.m.	Board Q&A budget session #2 <u>in person</u> (voluntary).	
October 16 12:00 p.m.	<ul style="list-style-type: none"> <li>• Adjustments to budgets based on Board feedback (if necessary).</li> <li>• Finance &amp; Audit Committee meeting to recommend final budgets.</li> </ul>	
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**

	<b>Proposed Budget 2026</b>	<b>Approved Budget 2025</b>	<b>Projected 2025</b>	<b>Actual 2024</b>
<b>REVENUES:</b>				
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
<b>EXPENSES:</b>				
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
<b>NET INCOME/(LOSS):</b>	\$ 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.

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

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

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

	<b>Proposed Budget 2026</b>	<b>Legacy Fund</b>	<b>CARES Act RLF</b>
<b>REVENUES:</b>			
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
<b>EXPENSES:</b>			
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
<b>NET INCOME/(LOSS):</b>	\$ 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**

	<b>Proposed Budget 2026</b>	<b>Forecast 2027</b>	<b>Forecast 2028</b>	<b>Forecast 2029</b>
<b>REVENUES:</b>				
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
<b>EXPENSES:</b>				
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
<b>NET INCOME/(LOSS):</b>	\$ 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.



## Loan Status Report September 2025

### RDC Loans Approved Since Last Meeting

Precision Aerospace NY, LLC

### Municipality

East Aurora

### Amount

\$1,500,000

### RDC Loans Closed Since Last Meeting

Precision Aerospace NY, LLC

### Municipality

East Aurora

### Amount

\$1,500,000

### Loans in Closing Process

None

### Municipality

### Amount

### Loans in the Pipeline

None

### Municipality

### Amount

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

MBE/WBE Loans: 0

## Loan Portfolio Performance

### Past Due Loans:

<u>Name</u>	<u>Loan Balance</u>	<u>Principal/Interest Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
Affordable Technology Solutions	\$28,456	\$28,456	360+	Borrower filed Chapter 13 Bankruptcy. All collection efforts have been exhausted.

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

$\$156,831 / \$16,484,655 = 1.0\%$  Delinquency Rate (65 total loans in portfolio)

**RDC Funds Available to Lend:** \$7,513,214