

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

- DATE AND PLACE:** March 26, 2025, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Denise Abbott, Dr. LaVonne Ansari, Patrick Boyle, Thomas R. Emmerling, Hon. Joseph H. Emminger, Dottie Gallagher, Tyra Johnson, Richard Lipsitz, Jr., Brenda McDuffie, Hon. Glenn R. Nellis, Hon. Brian Nowak, Kenneth A. Schoetz and Hon. Taisha St. Jean Tard
- EXCUSED:** Rev. Mark Blue, Hon. Brian Kulpa, Hon. Mark C. Poloncarz, and Hon. Christopher P. Scanlon
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O’Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Carrie Ann Hocieniec, Operations Assistant/ Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Brian Krygier, Director of Information Technology; Atiqah Abidi, Accounting Manager; Andrew Federick, Property and Business Development Officer; Robbie Ann McPherson, Director of Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris Beach Murtha
- GUESTS:** Zaque Evans, Daniel Castle and Michael Szukala on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of the Buffalo News

There being a quorum present at 1:18 p.m., the meeting of the Buffalo and Erie County Regional Development Corporation (the “RDC”), was called to order by its Chair, Ms. McDuffie.

MINUTES

The minutes of the December 18, 2024, meeting of the members, were presented. Mr. Lipsitz moved, and Ms. St. Jean Tard 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 February financial reports. The balance sheet shows that the RDC finished the month with total assets of \$23.1M, consisting of cash and loans receivable. Liabilities reflect amounts due to ECIDA for estimated 2025 costs. Fund balance is \$23M. The February income statement reflects \$39,000 of loan interest income, and \$27,000 of expenses. After non-operating revenue of \$17,000, there was net income of \$30,000 in February. The year-to-date income statement shows operating revenue of \$84,000, \$54,000 of operating expenses, and \$36,000 of non-operating revenue, combining for net income of \$66,845 so far in 2025. Loan interest income is about \$15,000 below budget, due to no loan closings so far in 2025. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic introduced Mr. Szukala, Chair of the Finance & Audit Committee, to the Board. Ms. Profic provided members with an update on the most recent Finance & Audit Committee meeting. She advised that the Agency's auditors, Lumsden McCormick, presented a draft of the 2024 audited financial statements. Ms. Profic reviewed the three main points of the presentation were an unmodified (clean) opinion on the financial statements, there were no uncorrected audit adjustments, and there were no material weaknesses or significant deficiencies noted (no management letter comments). The Committee also reviewed and recommend the items listed under #2-#4 for approval or re-adoption: 2024 Public Authorities Report, 2024 Investment Reports, and Investment & Deposit Policy. The Committee also approved the Finance & Audit Committee Self-Evaluation and reviewed Management's Assessment of the Effectiveness of Internal Controls and Corporate Credit Card usage.

The Committee Self-Evaluation was provided in the Board package. Each year the Committee completes a self-evaluation, as required by the Committee Charter. In 2024, the Committee officially convened a total of five times and fulfilled its duties as documented. Ms. McDuffie directed that the report be received and filed.

Audited Financial Statements. Ms. Profic reviewed the draft 2024 audited financial statements, required communications, and management letter. Lumsden's required communications with those charged with governance, which documents the auditors' responsibility related to the financial statement audit, notes that there were no matters of concern that arose related to the significant risks identified, a summary of accounting estimates made within the financials, that there were no uncorrected audit adjustments, and no disagreements with management. Ms. Profic stated, an unmodified opinion was issued on the statements. The most significant estimate for RDC is the allowance for uncollectible loans. The management letter noting no significant deficiencies or material weaknesses. The representation letter will be signed once the audit is approved by the board. As a special-purpose government engaged in business-type activities, the RDC's financial statements are prepared based on Governmental Accounting Standards and include a Management's Discussion and Analysis section, which provides a condensed overview of the statements. The balance sheets show total assets of \$23.3M at December 31, 2024, an increase of \$269,000 (1%) from 2023. Loans receivable decreased \$4.2M due to 6 loans closed in 2024 combined with principal repayments and several large payoffs. Cash and investments increased \$4.5M, reflecting more repayments than funds

disbursed. Current liabilities reflect mostly amounts due to ECIDA. Net position is grouped into Restricted (CARES Act RLF) and Unrestricted (Legacy RLF), reflective of the Federal and non-Federal nature of the two Revolving Loan Funds. The statements of revenues, expenses, and changes in net position (income statements) detail the \$260,000 increase in net position for the year. Operating revenues of \$581,000 were down from \$673,000 in 2023, due to a substantial decrease in loans receivable. Operating expenses increased from \$324,000 in 2023 to \$520,000 in 2024, due to an increase in the provision for uncollectible loans. At the end of 2024, RDC added \$161,000 to the allowance for uncollectible loans. Under non-operating revenues, \$12,000 of grant revenue related to CARES Act RLF administrative costs was recognized in 2024, along with \$187,000 of bank interest income. The cash flows statements detail the changes in cash balances from year to year. The overall increase in cash was due to loan repayments in excess of loans closed during the year, as well as RDC's investment in Treasury bills. The remainder of the financials are the notes, supplementary information, and the Schedule of Expenditures of Federal Awards. The CARES Act RLF requires a single audit. The Schedule of Findings and Questioned Costs, shows no findings or questioned costs noted as a result of the Single Audit. These drafts were reviewed and discussed in detail with the Finance & Audit Committee on March 20, and they recommended approval to the Board. We will continue to work with Lumsden McCormick to file IRS Form 990 and the Data Collection Form related to the single audit.

Mr. Nellis moved and Ms. Gallagher seconded to approve of the audited financial statements. Ms. McDuffie called for the vote and the audited financial statements were unanimously approved.

2024 Investment Report. Ms. Profic reviewed this report which is required by Public Authorities Law and includes RDC's investment guidelines, the results of the annual audit of these guidelines, and detail of investment income and fees for the year. Interest income of \$187,000 was earned on these accounts during 2024, compared to \$73,000 in 2023, and no fees were paid. This report was reviewed by the Finance & Audit Committee at their March 20 meeting and recommended to the Board for approval.

Ms. Gallagher moved and Mr. Emmerling seconded to approve of the 2024 Investment Report. Ms. McDuffie then called for the vote and the 2024 Investment Report was unanimously approved.

Governance Committee Update: Ms. McDuffie provided the Board members with an update on the most recent Governance Committee meeting and the self-evaluations of the Committee and the Board of Directors. Ms. McDuffie directed that the report be received and filed.

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

Approval of Board Certification of Loan Administration Plan-CARES Act RLF. Mr. Manhard reviewed this resolution with Board members. Ms. Gallagher moved and Mr. Emminger seconded to approve of the Board Certification of Loan Administration Plan-CARES Act RLF as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION (THE “RLF LOAN BOARD” OR “RDC”)
IN CONNECTION WITH AN ANNUAL CERTIFICATION TO BE MADE
UNDER THE STANDARD TERMS AND CONDITIONS AND
ADMINISTRATIVE MANUAL REQUIREMENTS OF THE FEDERAL
ECONOMIC DEVELOPMENT ADMINISTRATION

ANNUAL REPORTS & POLICIES

2024 Mission Statement, Performance Measures and Results. Ms. O’Keefe reviewed the 2024 Mission Statement, Performance Measures and Results. This statement and measures were reviewed by the Governance Committee at their meeting on March 19th and has been recommended to the Board for approval.

Mr. Emminger moved and Ms. St. Jean Tard seconded to approve of the 2024 Mission Statement, Performance Measures and Results. Ms. McDuffie called for the vote and the 2024 Mission Statement, Performance Measures and Results was unanimously approved.

2025 Mission Statement and Performance Measures. Ms. O’Keefe reviewed the 2025 Mission Statement and Performance Measures. This statement and performance measures were reviewed by the Governance Committee at their meeting on March 19th and has been recommended to the Board for approval.

Ms. Gallagher moved and Ms. St. Jean Tard seconded to approve of the 2025 Mission Statement and Performance Measures. Ms. McDuffie called for the vote and the 2025 Mission Statement and Performance Measures was unanimously approved.

2024 Public Authorities Report. Ms. Profic reviewed the 2024 Public Authorities Report. Ms. Profic stated as a Public Authority of the State of New York, ECIDA and its affiliates are required to comply with the NYS Public Authorities Law and submit a comprehensive annual report including information on several topics. Several of the items are covered by other documents, like the operations and accomplishments and financial statements, which are noted throughout the document. The third item, Mission Statement & Performance Measurements, is updated each year with actual results. Many of the items included are standard from year to year and are also approved or re-adopted by the Board annually and was updated for 2023 to update the work underway at ILDC-owned properties, the RDC’s lending activity, and the approval of the Economic Inclusion Policy. Attachments include outstanding bond information, salary & benefit information, projects undertaken by each entity, our Property Report, Board Member attendance, and the Procurement Reports for each entity. Once approved, the certification will be signed by Mr. Cappellino and Ms. Profic and the report will be posted to the website. This report was reviewed by the Governance Committee at their meeting on March 20th and the Finance & Audit Committee at their meeting on March 21st and has been recommended to the Board for approval.

Mr. Lipsitz moved and Mr. Nellis seconded to approve of the 2024 Public Authorities Report. Ms. McDuffie called for the vote and the 2024 Public Authorities Report was unanimously approved.

RE-ADOPT POLICIES AND CHARTERS

Ms. Profic noted that Items 4(d)-4(i) on the agenda are either re-adoptions of policies or approvals, as required by the ABO. Harris Beach Murtha has reviewed each of the items for any pertinent updates and have communicated to us minor updates for items: (d) Airborne Infectious Disease Policy, (e) FOIL Policy, (f) Investment and Deposit Policy, (g) Property Disposition Guidelines; (h) Record Retention and Disposition Policy, and (i) Sexual Harassment Policy. All of the policies were reviewed with either the Governance or Finance & Audit Committee and recommended to the Board for approval. Mr. Lipsitz moved and Ms. St. Jean Tard seconded to approve of the various polices and charters as itemized below. Ms. McDuffie called for the vote and the following policies were then unanimously approved:

- Airborne Infectious Disease Policy
- Freedom of Information Law (FOIL)
- Investment and Deposit Policy
- Property Disposition Guidelines
- Record Retention and Disposition Policy
- Sexual Harassment Policy

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 1:30 p.m.

Dated: March 26, 2025



Elizabeth A. O'Keefe, Secretary