RDC
REGIONAL DEVELOPMENT CORPORATION

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

ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203

September 23, 2026
at 12:00 p.m.

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of July 22, 2026 Minutes of the Meeting 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 and Audit Committee Update (Informational)
 a) 2027 Budget Timeline (Informational) (Page 8)
 b) Review of 2027 Proposed Budget (Informational) (Pages 9-13)
3.3 Loan Status Report (Informational) (Page 14)

4.0 Management Team Reports:

4.1 2027 Board Meeting Schedule (Informational (Page 15)

5.0 Adjournment- Next Meeting October 28, 2026

Draft
Subject to Board Approval

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

DATE AND PLACE:	July 22, 2026, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
PRESENT:	Dr. LaVonne Ansari, Grace Bogdanove, Hon. John J. Flynn, Lorry Goldhawk, Gregory Inglut, Tyra Johnson, Hon. Shawn Lavin, Brenda McDuffie, Hon. Brian Nowak, Hon. Sean Ryan, Hon. Taisha St. Jean Tard and Stephen Zenger
EXCUSED:	Rev. Mark Blue, Hon. Joel Feroleto, Glenn Nellis, Hon. Mark Poloncarz and Kenneth Schoetz
OTHERS PRESENT:	John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Jerry Manhard, Chief Lending Officer; Soma Hawramee, Director of Operations; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Brian Krygier, Director of Information Technology; Noah Cliff, Business Development Officer; Michelle Moore, Compliance Portfolio Manager; Erin Ellis, Project Manager; Alyssa Penny, Compliance Associate; Lori Szewczyk, Director of Grants and Special Projects; Dezmond Robinson, Bookkeeper; Daryl Spulecki, Loan Manager and Robert Murray, Esq., General Counsel/Harris Beach Murtha
GUESTS:	Zaque Evans on behalf of Erie County; Thomas Baines on behalf of the City of Buffalo; Padmaja Kumar and Yellamraju Kumar on behalf of Akron Community Pharmacy, Inc.; Matthrew R. Winfield on behalf of Herbert F. Farling Inc. and DarDrill, Inc.; and Jonathan Epstein on behalf of Buffalo News

There being a quorum present at 12:18 p.m., the meeting of the members of the Buffalo and Erie County Regional Development Corporation (the "RDC"), was called to order by Chair McDuffie.

MINUTES

The minutes of the June 24, 2026, meeting of the members of the board of directors, were presented. Ms. St. Jean Tard moved, and Mr. Ryan 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 $23.7M, made up of cash and loans receivable. Liabilities reflect amounts due to ECIDA, with an estimate of annual costs recorded each month. Fund balance is $23.5M. The June income statement reflects $50,000 of revenues, mostly loan interest income, and $36,000 of expenses. After non-operating revenue of $19,000, there was net income of $33,000 in June. The year-to-date income statement shows operating revenue of $296,000, $167,000 of operating expenses, and $106,000 of non-operating revenue, combining for net income of $235,602 so far in 2026. Ms. McDuffie directed that the report be received and filed.

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

APPROVAL OF THE FOLLOWING LOAN CASE

Akron Community Pharmacy, Inc., 12983 Main Street, Akron, New York 14001, $1,500,000 120-month loan, secured and guaranteed, to establish a retail pharmacy in Akron, New York. Mr. Manhard presented the loan case. General discussion ensued. Mr. Zenger moved, and Mr. Lavin seconded to approve of the loan. Ms. McDuffie called for a vote and the motion was approved.

Herbert F. Darling/DarDrill, Inc., 531 Filmore Avenue, Tonawanda, New York 14150, $850,000 84-month loan, secured and guaranteed, to purchase and buy-out the Herbert F. Darling company. Mr. Manhard presented the loan case. General discussion ensured. Mr. Loomis moved, and Mr. Nowark seconded to approve of the loan. Ms. McDuffie called for a vote and the motion was approved.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 12:51 p.m.

Dated: July 22, 2026

Mollie M. Profic, Vice President

Regional Development Corporation

Financial Statements

As of August 31, 2026

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Balance Sheet
August 31, 2026

	August 2026	July 2026	December 2025
ASSETS:			
Restricted Cash and Equivalents**	$ 8,345,509	$ 9,855,832	$ 8,590,325
Accounts Receivable	318,034	338,875	310,763
Direct Loans *	15,738,903	14,130,265	15,352,421
Reserve for Loan losses	(558,634)	(559,150)	(595,882)
Total Loan Assets, net	15,180,269	13,571,114	14,756,539
TOTAL ASSETS	$ 23,843,812	$ 23,765,821	$ 23,657,626
LIABILITIES & NET ASSETS			
Accounts Payable	$ -	$ -	$ 10,991
Due to ECIDA	219,134	192,236	326,803
Total Liabilities	219,134	192,236	337,794
Restricted Fund Balance	23,624,679	23,573,586	23,319,833
TOTAL LIABILITIES & NET ASSETS	$ 23,843,812	$ 23,765,821	$ 23,657,626

*** Loan Portfolio Summary:***	**August 2026**	July 2026	December 2025
# of Legacy RLF Loans	33	34	35
# of CARES Act RLF Loans	28	29	26
	61	63	61

** 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 2026

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	$ 52,065	$ 48,333	$ 3,732
Administrative Fees	9,690	1,458	8,232
Other Income	173	208	(36)
Total Revenues	61,928	50,000	11,928
EXPENSES:			
Management Fee - ECIDA*	24,500	23,200	1,300
Provision for Loan Losses	(517)	25,000	(25,517)
Rent & Facilities Expenses	2,300	2,250	50
Professional Services	1,588	5,417	(3,829)
General Office Expenses	98	333	(235)
Other Expenses	254	2,898	(2,643)
Total Expenses	28,224	59,098	(30,874)
OPERATING INCOME(LOSS):	33,704	(9,098)	42,802
NONOPERATING REVENUE:			
Interest Income	17,389	3,142	14,247
Total Nonoperating Revenue	17,389	3,142	14,247
NET INCOME/(LOSS):	$ 51,093	$ (5,956)	$ 57,049

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2026 budgeted figures.

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Income Statement
Year to Date: August 31, 2026

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	$ 393,578	$ 386,667	$ 6,911	$ 393,578	$ 362,519	$ 31,059
Administrative Fees	12,690	8,333	4,357	12,690	17,500	(4,810)
Other Income	718	1,667	(948)	718	146	573
Total Revenues	406,986	396,667	10,320	406,986	380,165	26,822
EXPENSES:						
Management Fee - ECIDA*	196,000	185,300	10,700	196,000	184,800	11,200
Provision for Loan Losses	(37,248)	200,000	(237,248)	(37,248)	3,141	(40,389)
Rent & Facilities Expenses	18,400	18,000	400	18,400	19,200	(800)
Professional Services	36,480	25,833	10,647	36,480	26,378	10,102
General Office Expenses	687	2,667	(1,980)	687	-	687
Other Expenses	31,615	23,183	8,432	31,615	28,689	2,926
Total Expenses	245,934	454,983	(209,049)	245,934	262,208	(16,274)
OPERATING INCOME(LOSS):	161,052	(58,317)	219,369	161,052	117,957	43,096
NONOPERATING REVENUE:						
Interest Income	143,793	25,133	118,660	143,793	145,031	(1,237)
Total Nonoperating Revenue	143,793	25,133	118,660	143,793	145,031	(1,237)
NET INCOME/(LOSS):	$ 304,846	$ (33,183)	$ 338,029	$ 304,846	$ 262,987	$ 41,859

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2026 budgeted figures.

Erie County Industrial Development Agency (ECIDA)
Buffalo & Erie County Regional Development Corp (RDC)
Buffalo & Erie County Industrial Land Development Corp (ILDC)

2027 Budget Process

Date	Description	
July-August	Preparation and review of draft 2027 budgets by ECIDA management. (a) Review proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
September 3	Finance & Audit Committee meeting – initial review and discussion of proposed budgets.	✓
September 23	Review of 2027 proposed budgets at Board meetings.	
October 1 10:30 am	Board Q&A budget session <u>in person</u> (voluntary).	
October 6 10:00 am	Board Q&A budget session <u>via Zoom</u> (voluntary).	
October 15 12:00 pm	• Adjustments to budgets based on Board feedback (if necessary). • Finance & Audit Committee meeting to recommend final budgets.	
October 28	Board meetings – action to approve final 2027 budgets.	
November 1	Deadline for final approved budgets to be submitted to the Authorities Budget Office.	

Buffalo & Erie County
Regional Development Corporation
Proposed 2027 Budget

Regional Development Corporation (RDC)

2027 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 2027, the RDC expects to fund new loans of around $4 million. This is expected to be offset by $1.5 million in loan repayments to the RLFs. Interest income from loans is expected to be around $620,000 for 2027, which represents a 5.9% increase from the $585,500 projected for 2026.

B. Overview of Changes in 2027 Budget:

Key changes between the 2027 budget and the projected 2026 results are:

- The ECIDA Management Fee represents a fee charged by 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 $9,000 or 3.0% in 2027 due to anticipated increases in ECIDA staff salaries and benefits.

- The budgeted amount for the provision for loan losses is $250,000 for 2027. The provision represents approximately 1.6% 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 combined charge-off rate for loans issued over the past 10 years is about 5.0%, versus a historical portfolio charge-off rate of approximately 26.75%.

C. Summary of Risk Factors Impacting the 2027 Budget:

The following significant risk factors may influence the 2027 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.

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BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2027

	Proposed Budget 2027	Approved Budget 2026	Projected 2026	Actual 2025
REVENUES:				
Interest Income - Loans	$ 620,000	$ 580,000	$ 590,367	$ 566,443
Administrative Fees	20,000	17,500	27,880	18,500
Other Income	3,000	2,500	718	40,054
Interest Income - Cash & Investments	187,800	137,700	257,036	208,659
Total Revenues	830,800	$ 737,700	$ 876,002	$ 833,656
EXPENSES:				
ECIDA Management Fee*	307,000	278,000	298,000	282,599
Provision for Loan Losses	250,000	300,000	(55,872)	68,070
Rent & Facilities Expenses	27,000	27,000	27,000	26,563
Professional Services	44,700	38,750	45,345	35,258
General Office Expenses	6,250	8,875	981	833
Marketing Expense	50,000	35,000	46,415	41,665
Total Expenses	684,950	687,625	361,870	454,988
NET INCOME/(LOSS):	$ 145,850	$ 50,075	$ 514,132	$ 378,668

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the RDC.

Provision for Loan Losses	2027 Budget	2026 Budget
Estimated Loan Balance	$ 15,370,000	$ 14,910,000
Provision for Loan Losses	$ 250,000	$ 300,000
Percentage of Loans	1.6%	2.0%

	Legacy Fund	CARES Act RLF
Capital Base	$ 17,616,282	$ 3,935,893
Loans outstanding at 8/31/2026	13,371,776	2,367,006
Balance remaining	$ 4,244,506	$ 1,568,886

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BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")

Proposed Budget for 2027

Presented by Fund

	Proposed Budget 2027	Legacy Fund	CARES Act RLF
REVENUES:			
Interest Income - Loans	$ 620,000	$ 530,000	$ 90,000
Administrative Fees	20,000	15,000	5,000
Other Income	3,000	2,500	500
Interest Income - Cash & Inv.	187,800	162,300	25,500
Total Revenues	830,800	709,800	121,000
EXPENSES:			
ECIDA Management Fee*	307,000	267,000	40,000
Provision for Loan Losses	250,000	200,000	50,000
Rent & Facilities Expenses	27,000	15,120	11,880
Professional Services	44,700	29,016	15,684
General Office Expenses	6,250	1,250	5,000
Marketing & Other Expenses	50,000	49,250	750
Total Expenses	684,950	561,636	123,314
NET INCOME/(LOSS):	$ 145,850	$ 148,164	$ (2,314)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the RDC.

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BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")

Proposed 2027 Budget and Three Year Forecast 2028-2030

	Proposed Budget 2027	Forecast 2028	Forecast 2029	Forecast 2030
REVENUES:				
Interest Income - Loans	$ 620,000	$ 625,000	$ 630,000	$ 635,000
Administrative Fees	20,000	15,000	15,000	15,000
Other Income	3,000	5,000	5,000	5,000
Interest Income - Cash & Investments	187,800	50,000	50,000	50,000
Total Revenues	830,800	695,000	700,000	705,000
EXPENSES:				
ECIDA Management Fee*	307,000	314,000	321,000	328,000
Provision for Loan Losses	250,000	275,000	275,000	275,000
Rent & Facilities Expenses	27,000	28,000	28,000	28,000
Professional Services	44,700	40,000	40,000	40,000
General Office Expenses	6,250	3,500	3,500	3,500
Marketing Expense	50,000	10,000	10,000	10,000
Total Expenses	684,950	670,500	677,500	684,500
NET INCOME/(LOSS):	$ 145,850	$ 24,500	$ 22,500	$ 20,500

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the RDC.

RDC
REGIONAL DEVELOPMENT CORPORATION

Loan Status Report
September 2026

RDC Loans Approved Since Last Meeting	Municipality	Amount
Iroquois Bar Corp. (cement/paving)	Buffalo	$1,938,000
Akron Community Pharmacy (pharmacy)	Akron	$1,500,000
Herbert F. Darling Inc. / Dardrill, Inc (heavy construction)	Buffalo	$ 850,000
WNY Cylinder Works, LLC (cylinder repair)	Lancaster	$ 250,000
G & F Contracting (Outdoor kitchen fabricator)	Buffalo	$ 250,000

RDC Loans Closed Since Last Meeting	Municipality	Amount
MDJC, LLC (Santasiero's Restaurant)	Buffalo	$ 200,000
Iroquois Bar Corp. (cement/paving)	Buffalo	$1,938,000
Herbert F. Darling Inc. /Dardrill, Inc. (heavy construction)	Buffalo	$ 850,000

Loans in Closing Process	Municipality	Amount
G&F Contracting Services, LLC (EZ Finish Systems)	Buffalo	$ 250,000
Akron Community Pharmacy (pharmacy)	Akron	$1,500,000
WNY Cylinder Works, LLC (cylinder repair)	Lancaster	$ 250,000

Loans in Pipeline	Municipality	Amount
4	Various	$3,400,000

2026 – Loans Approved	Loan Total	Jobs to be Created	Retained Jobs	Dollars Leveraged
10	$5,509,500	61	252	$9,036,000

MBE/WBE/Vet Loans: 4 (40%)

2025 – Loans Approved	Loan Total	Jobs to be Created	Retained Jobs	Dollars Leveraged
7	$4,028,500	35	110	$4,888,733

MBE/WBE/Vet Loans: 1

Loan Portfolio Performance

Past Due Loans:

Name	Loan Balance	Amount Past Due	Days Past Due	Comments
Dobutsu, Inc.	$128,375	$46,740	365+	Negotiated a settlement offer

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

$128,375 / $15,782,273 = 0.8**% Delinquency Rate** (65 total loans in portfolio)

RDC Funds Available to Lend: $5,420,918

ECIDA & RDC Board of Directors
Monthly Meeting Schedule - 2027
4th Wednesday of the Month except for November & December

January 27

February 24

March 24

April 28 (Annual Meeting)

May 26

June 23

July 28

August 25

September 22

October 27

November 17

December 15

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