



**Buffalo and Erie County Regional Development Corporation
Joint Annual Board of Directors & Membership Meeting
June 28, 2017
@ 9:00 a.m.
95 Perry Street
5th Floor - ESD Conference Room
Buffalo, New York 14203**

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of the May 24, 2017 Minutes of the Meeting of the Membership (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Pages 4-7)

3.2 Annual Report of the Directors (Page 8)

3.3 RDC Loan Status Report/Closing Report (Pages 9-10)

3.4 Nominating Committee Update

a) Election of Officers/Committee Appointments (Pages 11-14)

4.0 Adjournment - Next Meeting July 26, 2017

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

DATE AND PLACE: May 24, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph H. Emminger, Dottie Gallagher-Cohen, Tyra Johnson, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Louis Panzica, Hon. Mark C. Poloncarz, Sister Denise Roche, Paul V. Vukelic and Hon. Barry A. Weinstein

EXCUSED: ~~Hon. Byron W. Brown, Hon. Darius G. Pridgen, James F. Doherty, and David L. Lowrey,~~

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; and Robert G. Murray, Secretary

GUESTS: Maria Whyte, Deputy County Executive; Christopher Pawenski, Coordinator, Industrial Assistance Program, Erie County Environment & Planning; Andrew Federick, Erie County Senior Economic Development Specialist; Rebecca Gandour, Director of Development, City of Buffalo Office of Strategic Planning

There being a quorum present at 9:45 a.m., Ms. McDuffie called the meeting to order.

MINUTES

The minutes of the March 22, 2017 Meeting of the Board of Directors of the RDC were presented. Mr. Poloncarz moved, and Mr. Weinstein seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS:

EDA Waiver Request. Ms. Profic reviewed the facts behind the Buffalo Economic Renaissance Corporation (BERC) revolving loan fund which was funded by the Agency's contribution of Federal Economic Development Agency ("EDA") funds made to BERC between 1979 and 1983 to create BERC's "204 Land Reclamation Revolving Loan Fund" (the "Fund"). Ms. Profic noted that BERC is going through the process of dissolution, and because the Erie County Industrial Development Agency (the "Agency") is the original grantee of the EDA funds,

it is ultimately responsible for the Fund. Ms. Profic commented that EDA rules do not allow the Fund to be absorbed into the RDC's loan fund or otherwise reprogrammed and as such, the EDA amounts must be partially terminated or re-established. The funds can only be re-established for the original purpose which is to rehabilitate underutilized industrial facilities in blighted areas of the City of Buffalo, because no loans have been funded for at least the past 15 years by BEREC, it is questionable as to the usefulness of the Fund in today's economic development climate. As of April 2017, the Fund consists of approximately \$2,300,000 in cash and one active loan with a principal balance of \$116,483.00. The Fund has not complied with EDA reporting requirements for at least the last 10 years. After discussions with all parties and review with the Finance and Audit Committee and Executive Committee the Agency has determined that it is in its best interests to execute a partial termination of the Fund and to refinance the existing BEREC loan into the RDC's loan portfolio. BEREC has provided a letter requesting this action on its behalf and this will result in monies being returned to the EDA. The Agency is also requiring that BEREC enter into an agreement to absolve the Agency from future liability related to the original subgrant agreement. As such, Ms. Profic stated that the action today is approval of a resolution authorizing the RDC to request the necessary waiver from the EDA to allow the RDC to refinance the existing BEREC loan to be assigned to the RDC due to the fact that the BEREC FUND lending purposes are inconsistent with the existing RDC Loan Administration Plan and authorized uses of loan funds.

Mr. Poloncarz moved and Mr. Nellis seconded to approve of the resolution. Ms. McDuffie called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION (THE "RDC") AUTHORIZING SUBMISSION OF A WAIVER REQUEST FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION RELATED TO PERMISSIBLE USE OF THE RDC LOAN FUND

Approval of Loan Administration Plan (LAP). Mr. Weathers and Mr. Manhard reviewed the proposed changes to the 2017 Loan Administration Plan, noting this is the same item that was reviewed and approved at the just completed Agency board of directors meeting held earlier this morning. Ms. Gallagher-Cohen moved and Mr. Blue seconded to approve of the resolution. Ms. McDuffie called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION (THE "RDC") APPROVING AN UPDATED LOAN ADMINISTRATION PLAN AS REQUIRED BY 13 C.F.R. SECTION 307.9 PRIOR TO SUBMISSION TO THE ECONOMIC DEVELOPMENT ADMINISTRATION (THE "EDA") FOR APPROVAL

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 9:48 a.m.

Dated: May 24, 2017

Robert G. Murray, Secretary

Regional Development Corporation
Financial Statements
As of May 31, 2017

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Balance Sheet
May 31, 2017

	May 2017	April 2017	December 2016
ASSETS:			
Restricted Cash**	\$ 8,317,229	\$ 8,324,661	\$ 2,414,368
Sequestered Cash**	-	-	6,482,286
Prepaid Expenses	-	-	-
Direct Loans *	10,152,305	10,110,176	9,757,152
50/50 Bank Participation Loans *	327,401	331,928	355,227
Loan Interest Receivable	-	-	-
Reserve for Loan losses	(343,395)	(343,395)	(299,083)
Total Loan Assets, net	<u>10,136,311</u>	<u>10,098,708</u>	<u>9,813,296</u>
TOTAL ASSETS	\$ 18,453,540	\$ 18,423,370	\$ 18,709,950
LIABILITIES & NET ASSETS			
Accounts Payable	\$ 3,000	\$ 3,060	\$ 16,757
Due to ECIDA	108,084	78,667	361,291
Other Liabilities	-	-	-
Total Liabilities	<u>111,084</u>	<u>81,727</u>	<u>378,048</u>
Restricted Fund Balance	18,342,456	18,341,642	18,331,902
TOTAL LIABILITIES & NET ASSETS	\$ 18,453,540	\$ 18,423,370	\$ 18,709,950

* Loan Portfolio Summary:	May 2017	April 2017	December 2016
# of Direct Loans	47	47	48
# of 50/50 Bank Participation Loans	4	5	6
	<u>51</u>	<u>52</u>	<u>54</u>

** Cash is invested in interest bearing accounts at KeyBank. The maximum FDIC insured amount is \$250,000, with the remainder collateralized with government obligations by the financial institution.

REGIONAL DEVELOPMENT CORPORATION ("RDC")

Income Statement

Month of May 2017

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 36,293	\$ 35,000	\$ 1,293
Interest Income - Cash & Inv.	646	687	(41)
Administrative Fees	938	1,250	(313)
Other Income	350	625	(275)
Total Revenues	38,226	37,562	664
EXPENSES:			
Management Fee - ECIDA*	\$ 27,917	\$ 27,917	\$ 0
Rent & Facilities Expenses	1,500	1,500	0
Professional Services	994	4,167	(3,173)
Other Expenses	7,002	271	6,731
Total Expenses	37,413	33,854	3,559
NET INCOME/(LOSS):	\$ 813	\$ 3,708	\$ (2,895)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2017 budgeted figures.

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Income Statement
Year to Date: May 31, 2017

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 175,057	\$ 175,000	\$ 57	\$ 175,057	\$ 171,575	\$ 3,482
Interest Income - Cash & Inv.	2,368	3,434	(1,067)	2,368	696	1,672
Administrative Fees	6,188	6,250	(63)	6,188	13,813	(7,626)
Other Income	3,496	3,125	371	3,496	5,261	(1,765)
Total Revenues	187,108	187,809	(701)	187,108	191,345	(4,237)
EXPENSES:						
Management Fee - ECIDA*	\$ 100,584	\$ 139,583	\$ (39,000)	\$ 100,584	\$ 108,417	\$ (7,833)
Provision for Loan Losses	44,312	50,000	(5,688)	44,312	(782)	45,094
Rent & Facilities Expenses	7,500	7,500	0	7,500	7,083	417
Professional Services	16,384	30,833	(14,449)	16,384	22,959	(6,575)
General Office Expenses	379	-	379	379	-	379
Other Expenses	7,395	1,354	6,041	7,395	325	7,070
Total Expenses	176,555	229,271	(52,716)	176,555	138,002	38,553
NET INCOME/(LOSS):	\$ 10,553	\$ (41,462)	\$ 52,015	\$ 10,553	\$ 53,343	\$ (42,790)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2017 budgeted figures.



MEMORANDUM

TO: Buffalo & Erie County Regional Development Corporation Members
FROM: Mollie Profic, Controller
SUBJECT: Annual Report of Directors
DATE: June 28, 2017

Under Section 519 of the New York State Not-for-profit Corporation Law, RDC is required to present an annual report at its annual member meeting. The annual report is to include 1) information on the assets and liabilities of RDC as of the end of the prior fiscal year, 2) the principal changes in assets and liabilities during the prior fiscal year, 3) the revenue or receipts of RDC during the prior fiscal year, 4) the expenses or disbursements of RDC during the prior fiscal year and 5) The number of members of RDC as of the date of the report, together with a statement of increase or decrease in the number of members during the prior fiscal year and a statement of the place where the names and places of residence of the current members may be found.

The audited financial statements were previously approved by RDC's Board of Directors at their March 22, 2017 meeting and were presented to the RDC members in order to satisfy the first four requirements noted above. A copy of the audited financial statements can be found at <http://www.ecidany.com/about-us-corporate-reports>.

In satisfaction of the final requirement of the NYS Not-for-profit Corporation Law, RDC has 23 membership positions at May 24, 2017 which is the same as reported at the prior year's annual meeting. The names of the members of RDC may be found at: <http://www.ecidany.com/about-us-board-of-directors> while the places of residence of current board members may be found at the RDC offices at 95 Perry Street, Suite 403, Buffalo, New York 14203.

Under the RDC bylaws, the RDC is also required to present an Annual Policy Statement setting forth general objectives and guidelines for the Corporation. The RDC's website provides information regarding the various guidelines for RDC's loan programs at <http://www.ecidany.com/loans>. In addition, the RDC is required to complete a Loan Administration Plan (LAP) for the Federal Economic Development Administration which outlines detailed objectives and guidelines for the revolving loan fund. Copies of the LAP are available upon request.



Loan Status Report May 25, 2017 – June 28, 2017

<u>RDC Loans Approved Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
Dobutsu, LLC (Restaurant)	Buffalo	\$285,000

<u>RDC Loans Closed Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
(None)		

<u>Loans in Closing Process</u>	<u>Municipality</u>	<u>Amount</u>
Port O’Call Brewing (Brewery)	Buffalo	\$ 215,000

<u>Loans in the Pipeline</u>	<u>Municipality</u>	<u>Amount</u>
Emerge Capital Management (Financial Broker)	Buffalo	\$ 75,000
Mini Max Concrete	Tonawanda	\$ 43,600
Woodworker’s Club House (Retail)	West Seneca	\$ 18,000
		<u>\$ 136,000</u>

2017		
<u>Delinquency</u>	<u>Loan Balance Outstanding</u>	<u>Delinquency Rate</u>
2 Accounts	\$63,410	1%

<u>Loans Closed YTD</u>	<u>Loan Total YTD</u>	<u>Total New Jobs Projected</u>	<u>Retained Jobs</u>	<u>Private Investment</u>
4	\$1,267,500	14	501	\$7,627,000

RDC Loan Closings 2017

Project Name	Loan Amount	Jobs at App	Projected Year 3 Jobs	Project City	Closing Date	Project Product
HLM Contracting	\$ 30,000	1	1	Buffalo	1/19/2017	Micro Loan
Sherex Fastening Solutions	\$ 750,000	43	50	Tonawanda	3/24/2017	RDC Loan
Clearview Social	\$ 300,000	7	10	Buffalo	3/31/2017	RDC Loan
Radio One Buffalo, LLC	\$ 187,500	0	4	Cheektowaga	3/24/2017	RDC Loan

4 Projects Closed
14 Jobs Projected

\$ 1,267,500 51 65

Total:

2017-2018 ECIDA/RDC/ILDC Board Committees & Officers – DRAFT VERSION

Executive Committee ECIDA/RDC	Current Committee Members	Proposed Committee Members
7 Board members, President & CEO, as specified in By-Laws	Chair * - McDuffie (Chair)	Chair * - McDuffie (Chair)
	Vice Chair * - Lipsitz	Vice Chair * - Lipsitz
	County Executive * - Poloncarz	County Executive * - Poloncarz
	Mayor Buffalo * - Brown	Mayor Buffalo * - Brown
	Emminger*	Emminger* (Chair, RDC Laon Committee)
	(Vacant) – Chair of Finance & Audit)	Glenn Nellis (Representing the Finance & Audit Committee)
	Pridgen* (Chair, Loan Write-Off)	Pridgen* (Chair, Loan Write-Off)
	President & CEO - Steve Weathers [non-voting]	President & CEO - Steve Weathers [non-voting]

Policy Committee ECIDA/RDC	Current Committee Members	Proposed Committee Members
At least 3 Board members specified in By-Laws 12- Meetings a year	Lipsitz* (Chair)	Lipsitz* (Chair)
	Blue	Blue
	Brown	Brown
	Coleman	Coleman
	DiPirro	DiPirro
	(Vacant)	Lorigo
	McDuffie	McDuffie
	Mudie	Mudie
	Nellis	Nellis
	Smith (BNP)	Smith (BNP)
	State	State
	Szymanski (Association of Town Governments)	Szymanski (Association of Town Governments)
	Vukelic	Vukelic
	Whyte	Whyte
	(Vacant)	

Governance Committee ECIDA/RDC/ILDC	Current Committee Members	Proposed Committee Members
At least 3 Board members specified in By-Laws. Not less than 3 independent members per PAL. 1-2 Meetings a Year	McDuffie*(Chair)	McDuffie*(Chair)
	Benczkowski*	Benczkowski*
	Lowrey*	Tyra Johnson-Hux
	State	State
	Whyte	Whyte

*=Board members who fill seats required by By-laws
Nominating Committee Approved Date- 06/20/2017
Board Approved Date-
Revised Date –

2017-2018 ECIDA/RDC/ILDC Board Committees & Officers – DRAFT VERSION

Finance & Audit Committee ECIDA/RDC/ILDC	Current Committee Members	Proposed Committee Members
At least 3 Board members specified in By-Laws. Not less than 3 independent members per PAL. 2-3 Meeting a Year	Beckwith, Penny	Beckwith, Penny
	Doherty*	Doherty*
	Emminger	Emminger
	Nellis*	Nellis*
	Roche	Roche
	Szukala, Michael	Szukala, Michael (Chair)
	Witzleben, William (M&T)	Witzleben, William (M&T)

Loan Committee ECIDA/RDC	Current Committee Members	Proposed Committee Members
By-Laws specify no more than 5 members of the Policy Committee plus 2 City members and 1 County member 3-12 Meetings a Year	[Other] Emminger (Chair)	Other] Emminger (Chair)
	[Policy] Mudie	Roche
	[City 1] Tom Grys (Wells Fargo Bank)	[City 1] Tom Grys (Wells Fargo Bank)
	[City 2] Rebecca Gandour	[City 2] Rebecca Gandour
	[County 1] David McKinley (Community Bank N.A.)	[County 1] David McKinley (Community Bank N.A.)
	[Other] Nancy LaTulip	[Other] Nancy LaTulip
	[Other] Michael Taylor (NYBDC)	[Other] Michael Taylor (NYBDC)

Staff Loan Committee RDC	Current Committee Members	Proposed Committee Members
No by-law requirement 12-15 Meetings a Year Per the Loan Administration Plan (LAP), the Board may also establish or appoint other Loan Committee members to approve strategic loans and other designated loan programs	President & CEO - Steve Weathers (Chair)	President & CEO - Steve Weathers (Chair)
	Exec. V.P. -John Cappellino	Exec. V.P. -John Cappellino
	Treasurer – Mollie Profic	Treasurer – Mollie Profic
	Assistant Treasurer – Karen Fiala	Assistant Treasurer – Karen Fiala
	David Stebbins - BUDC	David Stebbins - BUDC

Loan Write-off Committee ECIDA/RDC/ILDC	Current Committee Members	Proposed Committee Members
At least 3 Board members specified in By-Laws 1 Meeting a Year	Pridgen* (Chair)	Pridgen* (Chair)
	Beckwith, Penny	Beckwith, Penny
	Doherty*	Doherty*
	(Vacant)*	(Vacant)*
	Witzleben, William (M&T)	Witzleben, William (M&T)

*=Board members who fill seats required by By-laws
Nominating Committee Approved Date- 06/20/2017
Board Approved Date-
Revised Date –

2017-2018 ECIDA/RDC/ILDC Board Committees & Officers – DRAFT VERSION

Investment Review Committee ECIDA/RDC	<u>Current Committee Members</u>	<u>Proposed Committee Members</u>
No by-law requirement	Poloncarz, Mark (Chair)	Poloncarz, Mark (Chair)
4-6- Meetings a Year	Alpert, Alan	Alpert, Alan
	Bell, Clifford	Bell, Clifford
	Gallagher-Cohen, Dottie	Gallagher-Cohen, Dottie
		Johnson-Hux, Tyra
	Lowrey, David	Lowrey, David
	McMahon, Diane	McMahon, Diane
	Panzica, Louis	Panzica, Louis

Nominating Committee ECIDA/RDC/ILDC	<u>Current Committee Members</u>	<u>Proposed Committee Members</u>
Number of members not specified in By-Laws	Poloncarz (Chair)	Poloncarz (Chair)
1 Meeting a Year	(Vacant)	Rev. Blue
	Gallagher-Cohen	Gallagher
	Lipsitz	Lipsitz
	Roche	Roche

Compensation Committee ECIDA	<u>Current Committee Members</u>	<u>Proposed Committee Members</u>
No by-law requirement	Poloncarz (Chair)	Poloncarz (Chair)
1-2 Meetings a Year	Doherty	Doherty
	Gallagher-Cohen	Gallagher-Cohen
	Lowrey	Lowrey
	Weinstein	Lipsitz

*=Board members who fill seats required by By-laws
 Nominating Committee Approved Date- 06/20/2017
 Board Approved Date-
 Revised Date --

2017-2018 ECIDA/RDC/ILDC Board Committees & Officers – DRAFT VERSION

OFFICERS	Officers		
	ECIDA	RDC	ILDC
Chair	Brenda McDuffie		Hon. Mark Poloncarz
Vice Chair	Richard Lipsitz		
President & CEO	Steve Weathers		
Executive Vice President	John Cappellino		
Treasurer	Mollie Profic		
Assistant Treasurers	Michael Alexander, Bradley Bach, Karen Fiala, Jerry Manhard		
Secretary	Robert Murray		
Assistant Secretary	Pietra Lettieri-Zaffram		

OTHER DESIGNATED POSITIONS	DESIGNATED POSITIONS
Controller	Mollie Profic
Chief Lending Officer	Jerry Manhard
Contracting Officer (required in Property Disposition Policy)	Mollie Profic
Electronic Records Retention Officer	Brian Krygier
Ethics Officer (required in Conflict of Interest Policy)	John Cappellino
FOIL Officer	Karen Fiala
Human Resources Officers	Mollie Profic Pat Smith
Non-electronic Records Retention Officer	Dawn Boudreau

*=Board members who fill seats required by By-laws
 Nominating Committee Approved Date- 06/20/2017
 Board Approved Date-
 Revised Date –