

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

DATE AND PLACE: September 26, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Rev. Mark E. Blue, Hon. Patrick B. Burke, Dottie Gallagher, Tyra Johnson, Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Sister Denise Roche, Kenneth A. Schoetz, Charles F. Specht and Art Wingerter

EXCUSED: Hon. Diane Benczkowski, Hon. Bryon W. Brown, James F. Doherty, Hon. Joseph H. Emminger, Hon. Brian J. Kulpa, Hon. Darius G. Pridgen, and Hon. Mark C. Poloncarz

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

There being a quorum present at 9:01 a.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

The Minutes of the July 25, 2018, meeting of the Board of Directors of the RDC were presented. Mr. Lipsitz moved, and Sister Denise seconded, to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the financial statements, noting that the RDC finished the month of August with total assets of \$18.5 million and net assets of \$18.3 million. The monthly income statement reports net income of \$23,000 for August. Operating revenue of \$55,000 was ahead of budget by \$8,500. Total expenses were under budget by \$3,500. The year to date income statement shows revenue of \$324,000, being \$50,000 behind budget for the year, along with expenses of \$301,000, being \$115,000 under budget. The result is a net income of

\$23,000 through August. Ms. Gallagher queried as to the allocation of the management fee expense to the ECIDA. Ms. Profic responded the expense is almost 100% of Jerry Manhard and Michael Alexander's time, and allocated by hours worked to other employees, such as administrative support services. There being no further discussion, Ms. McDuffie directed that the report be received and filed.

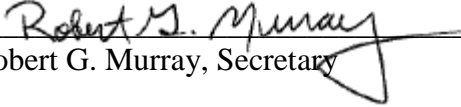
Proposed Budget Timetable. Ms. McDuffie and Ms. Profic reviewed the 2019 budget approval schedule, noting that a final budget must be submitted to the New York Authority Budget Office by November 1, 2018. Ms. McDuffie directed that the report be received and filed.

Review of 2019 Budget. Ms. Profic reviewed the RDC's 2019 Budget plus Three-Year Forecast, noting that budgeted revenues consist mainly of interest income from loans, at \$520,000 based on anticipated loan closings by the end of 2018 in the amount of \$5.3 million. Budgeted expenses are made up mainly of ECIDA management fees consisting of salary and benefit costs of ECIDA staff and a provision for loan losses, estimated at 1.4% of projected outstanding loans, being \$170,000 estimated on the conservative side. The budgeted figures result in a budgeted net loss of \$62,000. Ms. McDuffie encouraged members to reach out to Agency staff with any questions or concerns about the proposed budget.

2018 Loan Status Report/ 2018 Closing Report. Mr. Manhard presented this report. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, the meeting was adjourned at 9:10 a.m.

Dated: September 26, 2018


Robert G. Murray, Secretary