

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

**DATE AND PLACE:** October 24, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 5<sup>th</sup> Floor ESD Conference Room, Buffalo, New York 14203

**PRESENT:** Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Patrick B. Burke, Hon. Joseph H. Emminger, Tyra Johnson, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche, Kenneth A. Schoetz and Art Wingerter

**EXCUSED:** Hon. Bryon W. Brown, James F. Doherty, Dottie Gallagher, John J. Mudie and Charles F. Specht

**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; Michael Alexander, Loan Manager and Robert G. Murray, Secretary

**GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; and Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department

There being a quorum present at 10:03 a.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

**MINUTES**

The Minutes of the September 26, 2018, meeting of the Board of Directors of the RDC were presented. Mr. Burke moved, and Mr. Lipsitz 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 September with total assets of \$18.5 million and net assets of

\$18.2 million. The monthly income statement reflects a net loss of \$50,000 for September. Operating revenue of \$45,000 was behind budget by \$2,000. Total expenses were over budget by \$15,000; however, note that this includes a non-cash adjustment to the provision for loan losses. The year to date income statement shows revenue of \$369,000, being \$52,000 below budget for the year, along with expenses of \$396,000, being \$71,000 under budget. The result is a net loss of \$27,000 through September. Ms. McDuffie directed that the report be received and filed.

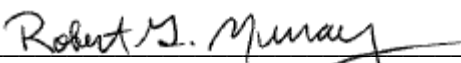
Approval of 2019 Operating Budget. Ms. Profic presented the 2019 RDC Budget noting there were no significant changes made since the draft budget was presented to the RDC during last month's board meeting and certainly no significant changes made requiring additional Finance and Audit Committee review. Ms. Profic reviewed changes to the 2019 budget in comparison to 2018, confirmed that the main source of revenue is interest income from loans, which is budgeted at \$520,000 based on an anticipated \$5.3 million of lending closed by the end of 2018. Ms. Profic explained that budgeted expenses are mainly the ECIDA management fee, which includes salary and benefit costs of ECIDA staff based on time spent on RDC matters and a provision for loan losses, estimated at 1.4% of projected outstanding loans, being \$175,000. The budgeted figures result in a budgeted net loss of \$62,000.

Mr. Poloncarz thanked staff for preparing a thorough and conservative budget and noted that the percentage for loan losses continues to decline year over year which is evidence of good management by Mr. Manhard and Mr. Alexander. Mr. Poloncarz then moved and Sister Denise seconded, to approve of the RDC 2019 Budget and Three Year Forecast. Ms. McDuffie called for the vote and the 2019 Budget and Three Year Forecast was unanimously approved.

2018 Loan Status Report/ 2018 Closing Schedule. 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 10:11 a.m.

Dated: October 24, 2018

  
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Robert G. Murray, Secretary