

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

- DATE AND PLACE:** September 23, 2020, held via telephone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This Board meeting is being live-streamed and made accessible on the Erie County Industrial Development Agency website at www.ecidany.com.
- PRESENT:** Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph Emminger, Hon. Howard Johnson, Tyra Johnson, Richard Lipsitz, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, and Sister Denise Roche
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Hon. Brian Kulpa, Hon. Darius G. Pridgen, Kenneth A. Schoetz, Renee Wilson and Art Wingerter
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Karen M. Fiala, Vice President/Secretary; Gerald Manhard, Chief Lending Officer; Dawn Boudreau, Director of Compliance; Beth O’Keefe, Business Development Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Lori Szewczyk, Director of Grants; Robbie Ann McPherson, Director of Marketing and Communications, and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Deputy County Executive Maria Whyte; Alex Carducci on behalf of the City of Buffalo; Kevin J. Zanner on behalf of Hurwitz & Fine; Amber Storr on behalf of Hurwitz & Fine; and Hon. April Baskin, Erie County Legislature

There being a quorum present at 1:00 p.m., the meeting of the RDC Board of Directors was called to order by its Chair, Ms. McDuffie.

MINUTES

The minutes of the August 26, 2020 meeting of the members were presented. Mr. Nellis moved and Mr. Lipsitz seconded, to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were then unanimously approved.

RDC LITIGATION MATTERS

Mr. Emminger moved and Mr. Johnson seconded to enter into Executive Session for the purpose of discussing a current RDC litigation matter. Ms. McDuffie called for the vote and motion was then unanimously approved.

At 1:04 p.m., the RDC entered into Executive Session.

Upon motion made by Sister Denise and seconded by Mr. Johnson, and unanimously approved, the RDC terminated Executive Session at 1:17 p.m.

Sister Denise moved, and Mr. Blue seconded, to accept the staff recommendations with respect to the current RDC litigation strategy. Ms. McDuffie called for the vote and the motion was unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the August 2020 financial report. Ms. Profic noted that the balance sheet indicates the RDC finished the month with total assets of \$17.2 million and net assets of \$17.0 million. The monthly income statement shows net income of \$6,000 for August. Total revenues were below budget by \$8,000. Loan interest income was under budget by \$5,000. Total expenses were also below monthly budget by \$3,000. The year-to-date income statement shows revenues of \$256,000, including just under \$234,000 of loan interest income. Total expenses of \$334,000 are mainly management fee costs (employees) and professional services (mainly legal and audit costs), for a net loss of \$77,000 through August. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic gave a report to the members on the joint Finance & Audit Committee meeting held on September 16, 2020. At this meeting the Committee reviewed and recommended the proposed IDA bond issuance for Related Affordable, LLC, reviewed again the 2021 budget process and timetable and reviewed the proposed budgets of the ECIDA, RDC and ILDC. There will be two voluntary Board Q&A educational sessions that will be held on October 2 and October 6. The Committee voted to recommend the proposed 2021 budgets of all three entities, subject to changes of greater than \$100,000 on any one budget line. If there are additional adjustments to the budget that need to be reviewed, the Committee will convene in October. Ultimately, the Board will be asked to take action on the budget in October for submission to the ABO by the November 1 deadline. The Committee also approved the retention of Freed Maxick as independent auditors for the ECIDA, RDC and ILDC 2020 financial statement audits.

Ms. Profic reviewed RDC's proposed budget for 2021 and explained the changes to the budget for 2021, along with risk factors impacting the budget. Budgeted revenues consist mainly of interest income from loans, at \$540,000 based on anticipated \$3M of loans closed by the end of 2020. Budgeted expenses are made up mainly of the ECIDA Management Fee (salary and benefit costs of ECIDA staff based on time spent on RDC business) and a provision for loan losses, estimated at 1.9% of projected outstanding loans, \$250,000 to be conservative. The budgeted figures result in a budgeted net loss of \$155,000. Ms. McDuffie directed that the report be received and filed.

RDC LENDING DEPARTMENT UPDATE

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

Update on Current Loan Customers. Mr. Manhard presented this report. Ms. McDuffie directed that the report be received and filed.

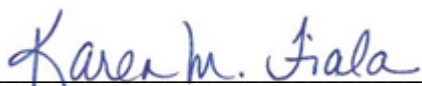
Status of COVID-19 Emergency Relief Business Loan Program. Mr. Manhard gave a status update to members. Ms. McDuffie directed that the report be received and filed.

MANAGEMENT TEAM REPORT

Mr. Cappellino presented the management team report. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 1:26 p.m.

Dated: September 23, 2020



Karen M. Fiala, Secretary