

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

**DATE AND PLACE:** March 24, 2021, 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](http://www.ecidany.com).

**PRESENT:** Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph Emminger, Tyra Johnson, Richard Lipsitz, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Darius G. Pridgen, Sister Denise Roche and Kenneth A. Schoetz

**EXCUSED:** Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Hon. Howard Johnson, Hon. Brian Kulpa, Hon. Mark C. Poloncarz, Paul Vukelic and Renee Wilson

**OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Atiqah Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Jamee Lanthier, Compliance Officer; Beth O'Keefe, Business Development Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocienec, Administrative Coordinator; Robbie Ann McPherson, Director, Marketing & Communications, Pat Smith, Bookkeeper and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

**GUESTS:** Maria Whyte, Deputy County Executive; Hon. April Baskin; Andrew Federick, Erie County Senior Economic Development Specialist; Lisa Hicks on behalf of the City of Buffalo; and Seth Piccirillo on behalf of Buffalo Niagara Partnership

There being a quorum present at 1:11 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Regional Development Corporation was called to order by Chairwoman McDuffie.

## **MINUTES**

The minutes of the February 24, 2021 meeting of the members were presented. Mr. Nellis moved and Ms. Abbott 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 February 2021 financial report, noting that the balance sheet shows that the RDC ended the month with total assets of \$17.4M and net assets of \$17M. There was one loan payoff during the month, as noted in the portfolio summary. The February income statement shows \$46,000 of revenue, mostly loan interest income, and \$42,000 of expenses, netting to income of \$4,000 in February. The year-to-date income statement shows revenue of \$83,000 and \$72,000 of expenses, for net income of \$11,000 through the first two months of the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update and Committee Self-Evaluation. Ms. Profic presented this report including the Freed Maxick draft 2020 financial statements. Ms. Profic noted that the three main points of the presentation were an unmodified (clean) opinion on the financial statements, there were no uncorrected audit adjustments, and there were no material weaknesses or significant deficiencies noted (no management letter comments). The Committee also reviewed and recommend the following for approval: 2020 Public Authorities Report, 2020 Investment Report, Investment & Deposit Policy, Committee Charter, Committee Self-Evaluation, Management's Assessment of the Effectiveness of Internal Controls, and Corporate Credit Card Policy with no suggested changes. Each year the Committee completes a self-evaluation, based on the Committee Charter. In 2020, the Committee fulfilled its duties as documented. Ms. McDuffie directed that the reports be received and filed.

Audited Financial Statements. Ms. Profic stated that as a special-purpose government engaged in business-type activities, the RDC's financial statements are prepared based on Governmental Accounting Standards and include a Management's Discussion and Analysis section, which provides a condensed overview of the statements. The statements of net position (balance sheets), show total assets of \$17.3M as of December 31, 2020, a slight decrease from 2019. Loans receivable increased \$1M due to loans closed in 2020 and lower than normal principal repayments due to pandemic deferrals. The statements of revenues, expenses, and changes in net position (income statements) detail the \$28,000 decrease in net position for the year. Revenues of \$388,000 were down from \$500,000 in 2019, again due mostly to pandemic-related interest deferrals. Operating expenses decreased substantially from \$1.8M in 2019 to \$541,000 in 2020, due to a decrease in loan loss expense in 2020. The loans that were fully reserved at the end of 2019 were written off on 12/31/20. The cash flows statements details the changes in cash balances from year to year. The remainder of the financials are the notes, supplementary information, and the Schedule of Expenditures of Federal Awards. There were no findings or questioned costs noted as a result of the Single Audit. The report to the Board,

which documents the auditors' required communications, a summary of accounting estimates made within the financials, some recently issued accounting standards, and the management letter noting no significant deficiencies or material weaknesses. Ms. Profic stated an unmodified opinion was issued on the statements. These drafts were reviewed and discussed in detail with the Finance & Audit Committee on March 17, 2021, and they recommended approval to the Board. Ms. Profic also noted they will continue to work with Freed Maxick to file IRS Form 990 and the Data Collection Form.

Mr. Emminger moved and Ms. Benczkowski seconded to approve of the 2020 Audited Financial Statements. Ms. McDuffie called for the vote and the 2020 Audited Financial Statements were unanimously approved.

2020 Investment Report. Ms. Profic noted that this report is required by Public Authorities Law and includes RDC's investment guidelines, the results of our annual audit, and detail of investment income and fees for the year. It was noted that a new account was opened related to the CARES Act revolving loan fund award. The amount of \$15,000 of investment income was earned on these accounts during 2020, and no fees were paid. This report was reviewed by the Finance & Audit Committee at their March 17, 2021 meeting and recommended to the Board for approval.

Mr. Lipsitz moved and Sister Denise seconded to approve of the 2020 Investment Report. Ms. McDuffie called for the vote and the 2020 Investment Report was unanimously approved.

Governance Committee Update, Committee Self-Evaluation and Board Self-Evaluation. Ms. McDuffie presented this report and noted same as ECIDA report at prior meeting. Ms. McDuffie directed that the report be received and filed.

2021 Loan Status Report. Mr. Manhard presented this report. Mr. Emminger thanked the RDC staff and RDC Loan Committee for their great work. Ms. McDuffie directed that the report be received and filed.

Approval of Board Certification of RLF Plan. Ms. Profic reviewed the memo regarding the Board certification of the Revolving Loan Fund plan. This is regarding our original/legacy loan fund, which was originally capitalized in the late 1970s/early 1980s. ECIDA was the original recipient/operator of the RLF, which was then moved to the RDC to administer. As part of our reporting to the EDA, the Board must certify that the RLF is being operated in accordance with the policies and procedures contained in the Loan Administration Plan. The most recent Administration Plan was approved October 1, 2018. Many of the requirements of the LAP overlap with Federal regulations and are tested as part of the Single Audit performed by Freed Maxick. In addition, Ms. Profic advise they asked Freed Maxick to perform a set of agreed-upon procedures to be performed in conjunction with the Single Audit. There were no findings or questioned costs from the single audit and two instances of documentation missing from existing borrowers. There were multiple attempts to obtain the documents and lending staff is continuing efforts to collect the documents.

Mr. Emminger moved and Ms. Abbott seconded to approve of the Board Certification of the RLF Plan. Ms. McDuffie then called for the vote and the following resolution was then unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION (THE "RLF LOAN BOARD" OR "RDC") IN CONNECTION WITH AN ANNUAL CERTIFICATION TO BE MADE UNDER THE STANDARD TERMS AND CONDITIONS AND ADMINISTRATIVE MANUAL REQUIREMENTS OF THE ECONOMIC DEVELOPMENT ADMINISTRATION (THE "EDA")

## **REVIEW AND ADOPTION OF POLICIES, REPORTS AND COMMITTEE CHARTERS**

The following policies, reports and committee charters, policies, amended policies, and charters were presented to board members, and brief discussion ensued noting that these are the same items previously reviewed and approved by the board of directors at the immediately preceding meeting of the members of the Erie County Industrial Development Agency:

- 2020 Mission Statement, Performance Measures and Results
- 2021 Mission Statement and Performance Measures
- 2020 Public Authorities Report
- Procurement Policy
- Sexual Harassment Policy
- Employee Compensation Program
- Code of Ethics & Conflict of Interest Policy
- Investment & Deposit Policy
- Whistleblower Policy and Procedures
- Defense & Indemnification Policy
- Finance & Audit Committee Charter
- Governance Committee Charter
- Property Disposition Guidelines
- Real Property Acquisition Policy
- Board Member Compensation, Reimbursement & Attendance Policy
- Travel, Conferences, Meals & Entertainment Policy
- Statement of Duties & Responsibilities of the Board of Directors
- Statement of the Competencies & Personal Attributes Required by Board Members
- Corporate Credit Card Policy

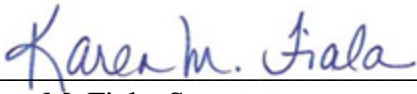
Mr. Lipsitz moved, and Mr. Blue seconded, to approve of all of the aforementioned policies, reports and committee charters, policies, amended policies, and charters. Ms. McDuffie called for the vote, and the motion was then unanimously approved.

## MANAGEMENT TEAM REPORT

Mr. Cappellino provided the 2020 Year in Review. 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 1:28 p.m.

Dated: March 24, 2021

  
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Karen M. Fiala, Secretary