

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

DATE AND PLACE: October 25, 2023, at the Center of Excellence in Bioinformatics and Life Sciences (CBLIS), 701 Ellicott Street, The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203

PRESENT: Hon. Diane Benczkowski, Rev. Mark Blue, Hon. Joseph Emminger, Dottie Gallagher, Hon. Howard Johnson, Richard Lipsitz, Jr., Brenda McDuffie, Denise McGowan, Hon. Glenn R. Nellis, Hon. Mark Poloncarz, Kenneth A. Schoetz and Paul Vukelic

EXCUSED: Denise Abbott, Hon. Bryon W. Brown, James Doherty, Michael P. Hughes, Tyra Johnson, Hon. Brian Kulpa and Darius G. Pridgen

OTHERS PRESENT: John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Gerald Manhard, Chief Lending Officer; Atiq Abidi, Accounting Manager; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Laurie Hendrix, Administrative Coordinator and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Zachary Evans on behalf of Erie County

There being a quorum present at 12:48 p.m., the meeting of the Buffalo and Erie County Regional Development Corporation (the “RDC”), was called to order by its Chair, Ms. McDuffie.

MINUTES

The minutes of the September 27, 2023, meeting of the members were presented. Ms. Gallagher moved, and Mr. Vukelic 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. Abidi presented the September financial reports. The balance sheet shows that the RDC finished the month with total assets of \$22.8M, consisting mainly of cash and loans receivable. Liabilities reflect amounts due to ECIDA for 2023 costs and net assets are \$22.5M. The September income statement shows \$61,000 of revenue, mainly loan interest income, and \$26,500 of expenses. Overall net income for the month was \$34,600. The year-to-

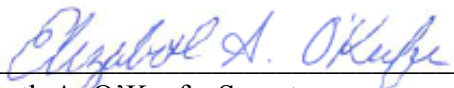
date income statement shows revenues of \$582,000 and \$272,000 of expenses, for net income of \$309,000 through September. Ms. McDuffie directed that the report be received and filed.

Review of 2024 Budget Timetable and Approval of 2024 Proposed Budget. Ms. Abidi reviewed the budget review process. She stated that the RDC held two Budget Q&A sessions since the last Board meeting and had some good insights and conversation around the process. Ms. Abidi also recommended the proposed 2024 budget be approved and explained the changes to the budget for 2024 and the budget itself. Budgeted revenues consist of mainly interest income from loans, at \$720,000 based on anticipated loan closings by the end of 2023. Currently six loans for \$4.45M closed in 2023. 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 2.7% of projected outstanding loans or \$550,000. The reserve for loan losses was recommended by the Board members to be reduced to \$350,000 from \$550,000. The budgeted figures result in a budgeted net income of \$17,675. Ms. Abidi noted that the provision for loan losses is a conservative estimate. She reviewed the budget as broken out by loan fund. Ms. Abidi also reviewed the 3-year forecast as required by the ABO. Ms. Gallagher moved and Mr. Vukelic seconded to approve of the proposed 2024 budget. Ms. McDuffie then called for the vote and the motion was unanimously approved.

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

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 1:00 p.m.

Dated: October 25, 2023



Elizabeth A. O'Keefe, Secretary