

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

**DATE AND PLACE:** October 23, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4<sup>th</sup> Floor Conference Room, Buffalo, New York 14203

**PRESENT:** Denise Abbott, Rev. Mark Blue, Patrick Boyle, Hon. Joseph H. Emminger, Hon. John J. Gilmour, Michael P. Hughes, Hon. Brian Kulpa, Richard Lipsitz, Jr., Brenda McDuffie, Glenn R. Nellis, Hon. Brian Nowak, Hon. Christopher P. Scanlon and Kenneth A. Schoetz

**EXCUSED:** James Doherty, Thomas R. Emmerling, Dottie Gallagher, Tyra Johnson and Hon. Mark C. Poloncarz

**OTHERS PRESENT:** John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiq Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Daryl Spulecki, Assistant Loan Manager; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Michelle Moore, Compliance Associate; Elizabeth Hughes, General Counsel/Harris Beach PLLC and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

**GUESTS:** Zachary Evans on behalf of Erie County; Daniel Castle on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of the Buffalo News; J. Dale Shoemaker on behalf of Investigative Post

There being a quorum present at 12:30 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 24, 2024, meeting of the members, were presented. Mr. Kulpa moved, and Mr. Nellis seconded, to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were then unanimously approved.

## REPORTS/ACTION ITEMS/INFORMATION ITEMS

Finance and Audit Committee Update. Ms. Profic advised that the committee last met on September 17 and noted we are coming to the end of our 2025 budget process. The Board will be asked to vote on the 2025 budget today in order to meet the November 1 ABO deadline. Mr. Lipsitz directed that the report be received and filed.

Approval of 2025 Proposed Budget. Ms. Profic reviewed the RDC's 2025 proposed budget. Ms. Profic explained the narrative portion which gives an overview of the budget and any changes, along with risk factors impacting the budget. Budgeted revenues consist of mainly interest income from loans, at \$600,000 based on anticipated loan closings by the end of 2024. 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 1.8% of projected outstanding loans or \$300,000. The budgeted figures result in budgeted net income of \$25,625. Ms. Profic noted the provision for loan losses is a conservative estimate and the budget is broken out by loan fund. Ms. Profic also reviewed the 3-year forecast as required by the ABO.

Mr. Nellis moved and Mr. Scanlon seconded to approve of the 2025 proposed Budget. Ms. McDuffie then called for the vote and the motion was unanimously approved.

Governance Committee Update. Ms. Profic advised the Board that the Governance Committee met on October 18 to review the recommendations for professional legal services. She advised this was the culmination of about a 4 month process, as documented below:

- RFP developed with feedback from staff, Governance Committee, prior RFP
- RFP distributed in July via multiple channels to reach as many firms as possible
- 5 proposals were received – firms were invited to propose on any combination of positions, however no contingent proposals were permitted
- Staff committee reviewed and scored proposals based on the qualifications and experience of assigned attorneys as well as the firm overall, proposed hourly rates/fees, and M/WBE development.
- After the initial scoring, the committee interviewed 3 firms
- After the interviews were complete, the staff committee regrouped to discuss overall recommendations based on the results of the interviews

Ms. Profic advised that the Governance Committee concurred with the staff committee's recommendations and requested the Board approve entering into contracts with the recommended firms and noted that the contracts will be for a period of three years, with 2 one-year extensions available (can be exercised with Governance Committee approval).

Ms. McDuffie then asked for a motion authorizing the President, Executive Vice President, Treasurer and/or Assistant Treasurer to enter into a contract for legal services with each of the following law firms as recommended by the Governance Committee: Harris Beach as General Counsel, Tax-Exempt Bond Counsel-conflict counsel and Loan Counsel-conflict counsel, Hodgson Russ as Tax-Exempt Bond Counsel; and Hurwitz & Fine as Loan Counsel and

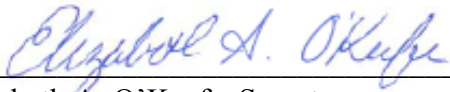
General Counsel-conflict counsel. Mr. Schoetz moved, and Mr. Kulpa seconded, to engage the aforementioned law firms as noted. Ms. McDuffie called for the vote and the motion as unanimously approved.

Loan Status Report. Mr. Spulecki provided this report to Board members. Ms. McDuffie directed that the report be received and filed.

Financial Report. Ms. Profic presented the September financial reports. The balance sheet shows that the RDC finished the month with total assets of \$23.1M, consisting of cash and loans receivable. Liabilities reflect amounts due to ECIDA for estimated 2024 costs. Fund balance is \$22.9M. The September income statement reflects \$46,000 of loan interest income, and \$121,000 of expenses. Included in that figure is \$94,000 of provision for loan losses, a non-cash expense. After non-operating revenue of \$25,000, there was a net loss of \$50,000 for September. The year-to-date income statement shows operating revenue of \$456,000, \$377,000 of operating expenses, and \$130,000 of non-operating revenue, combining for net income of \$209,759 so far in 2024. Loan interest income is about \$100,000 below budget, due mostly to loan payoffs received early in 2024 that were not budgeted for. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 12:39 p.m.

Dated: October 23, 2024

  
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Elizabeth A. O'Keefe, Secretary