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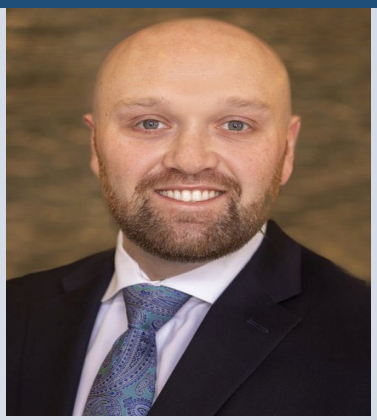
Summer 2021 Newsletter



PRESIDENT'S CORNER



It has been a few months since my last update. Things have continued to rebound from the onset of the pandemic and I hope that many of you are feeling that sense of normalcy. As we continue to transition back into pre-pandemic life, I ask each of you to take a moment to look back and reflect on all of the accomplishments we've made through such trying times. We successfully, traversing through significant obstacles, were able to quickly set up shop in our home offices, became teachers for our children and care-givers for our higher-risk friends and family members. I applaud and thank each and every one of you for all of the sacrifices you've made.

I also want to thank all of you for your continued support of the RMA Buffalo Chapter. We still managed to host a handful of virtual events and training courses with your participation. We are very optimistic as we kick off our next fiscal year. Please stay tuned for upcoming events, we are really hoping that in person events will startup in September 2021 with our 100th Anniversary Member Appreciation Event (more details to follow)

President – Jeremy Blecha
Tronconi Segarra & Associates
716-633-1373
jblecha@tsacpa.com

RMA BOARD MEMEBERS

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CONFRONTING THE HISTORY OF REDLINING

A Q&A WITH BENJAMIN WIGGINS, AUTHOR OF CALCULATING RACE: RACIAL DISCRIMINATION IN RISK ASSESSMENT for the April 2021 - *RMA Journal*

Throughout U.S. history, the opportunities denied to Black Americans have notably included access to credit and other financial services. Well into the 20th century, the practice of "redlining" effectively cut off minority groups and neighborhoods from mortgage financing. While redlining has ended, the damage remains: The inability to pass down wealth built through homeownership is a major reason that black families have one-tenth the wealth on average of white families.

RMA is committed to being a positive force in the progress toward true diversity, equity, and inclusion in the industry and society, and believes that requires understanding the struggles African Americans and other marginalized people have faced. In the following Q&A, historian Benjamin Wiggins describes how redlining came about, how it ended, and his hopes and concerns about continued progress toward fair access to financial services.

Wiggins is director of the Digital Arts, Sciences, & Humanities (DASH) Program for University Libraries and Affiliate Assistant Professor of History at the University of Minnesota. His research focuses on the history of risk assessment, insurance, finance, and race in the United States and England.

Read the entire article in the April 2021 edition of the RMA Journal.
https://rmajournal.org/rmajournal/april_2021/

UPCOMING EVENTS

100th Anniversary Event – September 2021 – Look out for information coming out on this exciting event!

Stay tuned for other exciting events throughout this year. We are always willing to take suggestions and help, so please reach out with any ideas!

THANK YOU TO OUR SPONSORS!

AMERISOURCE Business Capital

https://www.amerisource.us.com/

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https://pursuitlending.com/

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https://www.labellapc.com/

Community Bank N.A.

https://cbna.com/

RMA LIVE ONLINE

RMA's Virtual Courses Have Arrived

We are happy to share that many of the RMA courses we have offered in-person in the past are now available as live virtual courses! Our virtual courses will not only make professional development safe and easy for everyone, but also provide a more flexible, accessible learning environment for members far and wide. Most courses are made up of three two-hour sessions and seats are filling up fast, so be sure to sign up today!

Register now:
https://landing.rmahq.org/liveonlinecourses

BOARD MEMBER SPOTLIGHT

Thank you Bonnie Muench for over 15 years of service on the Buffalo Chapter RMA Board, including serving as Chapter President, and also as Chapter Vice President. We appreciate all your hard work!!



RECENT CHAPTER EVENTS – PPP AND ERC

Paycheck Protection Program & Employee Retention Tax Credits Financial Statement and Tax Impact - May 27, 2021

Presented by Charles Pezzino, CPA and Andrew Moon, CPA from Tronconi Segarra & Associates LLP. Attendees learned about two of the most important relief measures that have been provided under the COVID-19 stimulus packages. These programs will undoubtedly have a major economic impact and, therefore, it will be extremely important for readers of financial statements and tax returns to understand the reporting requirements. They also reviewed the impact on the recently passed New York State budget and how it will have an impact on tax returns.

Questions/Follow up?

cpezzino@tsacpa.com

amoon@tsacpa.com

RECENT CHAPTER EVENTS – CYBER RISK

Cyber Risk: Emerging Trends and Viable Solutions – April 28, 2021

Presented by Randy Glenn, AAI, CyRM, CCIC from Evans Insurance Agency and Daniel Greene, Esq., CIPP/E from Beckage PLLC. The emphasis on cyber security has never been more important as organizations struggle with work from home scenarios, increased vulnerabilities leading to more cyber incidents, and regulatory demands. Attendees learned about relevant topics including the regulatory and legal landscape, current incident trends, financing the risk through insurance, and best practices.

Questions/Follow up?

rglenn@evansagencyins.com

dgreene@beckage.com

STUDENT RESOURCE CENTER

RMA provides free student memberships and a student resource center!
https://landing.rmahq.org/SRC/landing-94UZ-1964NX.html

The student resource center provides tools and resources for students to:

- Build their network
- Get practical experience through internships
- Strengthen resumes
- Apply for Scholarships
- Gain insight beyond the textbook
- Get latest industry trends and research information
- Supplement university education

STUDENT SCHOLARSHIPS

Students in an undergraduate program who are interested in working in the banking industry may apply for an RMA Foundation Scholarship!

The RMA Foundation awards over $200,000 annually in scholarships ranging from $2,000 to $8,000!

The 2021-2022 scholarship window will open in September 2021. For more information:

https://landing.rmahq.org/SRC/scholarships-94UZ-1982TH.html%22

Real-estate Development Challenges in New York: Slag and Technologically Enhanced Naturally Occurring Radiological Material
By *Adam Zebrowski, LaBella Associates*

Imagine you are a real-estate developer. Over the last several years, you have meticulously planned the development of a parcel of land. You vetted all of your contractors. You completed all of the appropriate due diligence to control the risk related to the project, established a project budget with contingencies, and have secured project financing. Previous subsurface assessments identified urban soil at the parcel, which exhibits poor load bearing characteristics that will not support the planned improvements, or maybe even identified the presence of low level chemical impact. Either way, the project plans will require a significant quantity of soil to exported for landfill disposal.

During site preparation and grading activities, the soil is loaded into a fleet of trucks which transport the soil to the arranged landfill; however, upon arrival at the landfill facility, equipment designed to ensure radioactive waste does not enter the landfill alarms indicating the presence of radioactive material within each truck. While the trucks sit at the landfill full of soil, further evaluation of the soil in the trucks reveals the source of the radiation is slag intermixed with the soil destined for the landfill. Due to the retroactive nature of the slag, the landfill revokes disposal approval for the soil at their facility. At the site, site development activities cease as soil that must be removed remains at the Site, and arrangements to secure an alternative disposal facility are outstanding. After several weeks waiting for additional soil laboratory analysis results, soil disposal approval is obtained from a facility 400 miles from the Site. Soil disposal and transportation cost are now over double the original soil disposal budget and the project completion schedule is weeks behind.

This scenario and others like it have played out many times across Buffalo and Niagara Falls, and although several communities such as Niagara County have traditionally been considered radioactive slag hot spots, as we have seen an increase of economic
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development and reinvestment in Buffalo and other Upstate New York cities, it is my prediction that radioactive slag, or Technologically Enhanced Naturally Occurring Radiological Material (TENORM) bearing slag, will be uncovered at an increasing rate across the State of New York, and in communities where the presence of TENORM slag was historically not considered a risk.

Metal refining and slag byproduct

What is slag you ask? Slag is a byproduct of metal refining and is essentially a stony material which contains the impurities extracted from raw ore. The process to extract metal and separate impurities from the raw ore includes heating the raw ore until molten. Once a molten state is achieved, the undesirable impurities can be removed or "skimmed" from the molten metal being produced. The molten impurities are often then discarded, often historically released directly to the ground to cool producing a stony material, often but not exclusively appearing similar to volcanic rock.

Many of New York's industrial centers historically supported countless medium to small foundries, and also included some of the largest steel plants in the world during operation, each one of them producing slag as a byproduct of the metal refining process. Slag was produced in such significant quantities in Buffalo, it was often utilized throughout the community as a general fill material and placed beneath residential driveways, parking lots, roads/expressways, and building foundations. In Buffalo and Niagara Falls, slag was actively marketed to the public as fill material, and use of such was desirable as slag was inexpensive compared to traditional quarried materials. Anecdotally, I have heard from more than one source, that during the peak production of steel in Buffalo, quarries within the region were struggling to remain in business due to slag reducing the demand for stone products.

So why is some slag radioactive?

Try to imagine a container containing 80% water and 20% oil which is constantly being shaken. The shaken container and its contents represent raw iron ore extracted from a mine and transported to an iron or steel manufacturing facility. The water represents pure iron and the oil represents numerous naturally occurring impurities such as calcium, silicon, magnesium, and even any number of radioactive elements such as radium. Now let's imagine we are going to stop shaking the container. The unshaken container will represent the process of separating the pure iron and the impurities by superheating the ore (the contents of the container) until in a molten liquid state. As we all know oil is less dense than water, and as with the molten ore, the molten less dense impurities rise and separate from the molten iron and are "poured off" of the vessel.

Now that the iron has been removed, the slag byproduct contains much higher concentrations of the impurities than the original ore material. For example, assuming the ore material contained 20% impurities, and 5% of the impurities was a radioactive element such as radium, the final slag byproduct could contain 25% radium.

It is worth noting that factors such as the source of the ore and the type of metal being produced appear to be the main contributing factor to whether or not the slag byproduct is TENORM bearing. It has been established that slag produced from refining of uranium and phosphorus often is at higher risk of containing radioactive elements than slag produced from steel or iron manufacturing.

Assessment for TENORM

The United States Department of Environmental Protection defines Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) as, "naturally occurring radioactive materials that have been concentrated or exposed to the accessible environment as a result of human activities such as manufacturing, mineral extraction, or water processing." Currently, the New York State Department of Environmental Conservation has instituted a land disposal ban of TENORM in New York. This means if this material cannot be managed on-site, or requires disposal due to the presence of chemical impact, such requires disposal at an appropriate facility outside New York.

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If slag is encountered at a site during an environmental assessment or other subsurface disturbance, such can be screened using field instrumentation capable of detecting gamma radiation; however, ultimately the only method to confirm whether the slag is TENORM bearing is through gamma spectroscopy laboratory analysis. Considering the implications of the presence of TENORM bearing slag, it is highly recommended that if slag is encountered at a Site, that such be evaluated by a qualified consultant. Also, if a property has a history of metal refining/manufacturing, any environmental assessment of the Site should include evaluation for the potential presence of TENORM bearing slag.

Health Risk and Management

Commercial and residential properties in Niagara County have identified gamma radiation measurements 650 times higher than background. In addition, if structures are located nearby buried TENORM, there is a higher radon risk within those structures. While the United States Environmental Protection Agency and the NYSDEC have identified sites that require remediation in Erie and Niagara County, many of the Site's shown to contain TENORM bearing slag do not pose a significant health threat, and the radiation is simply blocked by the presence of overlying soils or asphalt/concrete surfaces. While not to downplay the potential for health risks related to the presence of TENORM slag, each impacted site must be evaluated independently, and often the presence of slag is something that needs to be managed on-site if possible, or considered during real-estate development site design and planning.

Final Thoughts

Just like traditional environmental contaminants, TENORM slag can be assessed and managed when identified early on; however, it appears that this issue has historically been considered an issue isolated to the Buffalo Niagara Metropolitan area. As more knowledge is established related to TENORM slag within the regulatory, real-estate development, and environmental consulting communities, and more and more brownfield properties are redeveloped in New York State's urban cores, there is the potential for TENORM slag to be encountered in locations not traditionally considered at risk. We can also expect that the NYSDEC and EPA adjust regulatory standards increasing scrutiny on this issue.

About the author:

Adam Zebrowski manages business development efforts for Western New York, Western Pennsylvania, and Ohio. While Adam's primary skill set is derived from 13 years of environmental consulting and client management, Adam has experience as a client liaison when projects require any of the diverse multi-disciplinary engineering and architectural services offered by LaBella Associates. Adam's project and client management experience has allowed Adam to build an understanding of the fundamental necessities required for successful projects and long term client relationships. Applying the ethical and transparent business practices that are at the core of LaBella Associates business model, over the last 13 years, Adam has developed and maintained client relationships acres the Northeastern United States with a variety of developer, financial institution, attorney, municipal, and county clients.

RMA UPDATES

RMA TAKES ACTION ON TOP RISKS

RMA provides numerous resources to keep members informed of the latest thinking on the top risks facing the industry. Members are encouraged to discuss the particular ways these risks will affect their institutions, and to get the latest perspectives on them through RMA's various communication channels, which include award-winning RMA Journal articles, the Industry Insider e-newsletter, our new Risk Readiness Webinar Series, LinkedIn posts, blog posts, podcasts, round tables, forums, conferences, and website resources.

https://www.rmahq.org/rma-takes-action-on-top-risks/

RMA'S WHARTON PROGRAM

The RMA/Wharton Advanced Risk Management Program Application window is Now Open!

RMA, in partnership with The Wharton School, offers the only advanced risk management program aimed at developing C-suite risk professionals at financial institutions. The program meets a critical need in the industry to integrate risk management with financial management and strategy. In fact, many former participants are now CROs.

Enroll today: https://lnkd.in/eWJg2kD
Learn more about the program: https://lnkd.in/eYbwZ8T

ABOUT OUR CHAPTER

We are over 350 members strong in representing banks, financial institutions and professional organizations dedicated to risk management in Upstate New York. As one of over 120 active RMA Chapters, the Buffalo RMA Chapter plays an active role in fulfilling the mission. Through our area general meetings and educational events we enrich financial services professionals and our region's banking community. It's an important undertaking that is led and implemented by loyal volunteers from area institutions -- bringing RMA to you in your local market area.

SPONSORSHIP OPPORTUNITIES

RMA sponsorship and involvement in our local Buffalo Chapter will be of great benefit to your organization. In a time when many are very focused internally, RMA provides a "window to the world" keeping you on the leading edge with timely knowledge and access to contacts in the financial industry. Sponsorship offers you the opportunity of introducing your colleagues to Western New York commercial lenders and other credit professionals in a favorable setting for a fraction of the cost. Sponsorship offers an unparalleled opportunity to meet lenders and credit professionals who are in a position to recommend your firm's services either to their own institution or to their customers.

General meetings and events center on luncheon programs with featured speakers, panels, educational forums and social events.

Sponsorship is the perfect solution for firms looking to target market lending professionals who are not only a source of business themselves but may also provide secondary referrals to their customers.

CONTACT: Charlie Brooks - cbrooks2@mtb.com

KEEP IN TOUCH

https://www.linkedin.com/company/rma-the-risk-management-association-buffalo-chapter/

https://community.rmahq.org/buffalo/home?ssopc=1