

DEVELOPMENT CHENANGO CORPORATION
FINANCE COMMITTEE
MEETING MINUTES
December 14, 2017

Present: C. Olin, M. Weaver, D. Shea, D. Forsythe, S. Marshman, J. Telesky, A. Erath

Via Phone:

Absent:

Contract Staff: S. Craig, A. Larsen

Finance: S. Locke

Guest:

I. Call to Order

D. Forsythe called the meeting to order at 8:04 a.m.

II. Minutes

Upon review motion to approve the September 28, 2017 Finance Committee meeting minutes by D. Forsythe, seconded by D. Shea. Ayes all. Approved.

III. Financial Report

S. Locke reviewed the November 30, 2017 financial report with the committee.

D. Forsythe asked about the Town of Norwich and Artist's Palette aged receivables. S. Craig said that he met with the Norwich Town Board and that the \$1,500 would be paid. The Artist's Palette payments owed are from the previous year and are beginning to be paid following the rent reduction in her lease renewal. D. Shea said that DCC needs to create a specific schedule including a plan for interest payments, to address the amount owed.

D. Shea asked when the Redner and Munro loans that were written off at the previous board meeting would be removed. S. Locke said he would ask Kathy Jo.

Upon review motion to approve the November 30, 2017 financial statements by D. Shea, seconded by C. Olin. Ayes all. Approved.

IV. Other Business

S. Craig discussed Stony Ridge Maples. The owners have requested an altered payment schedule following an injury preventing the full operation of the business. Payments would be reduced to \$50.00 from \$234.68 for a period of six months, after which the payment period would be extended. M. Weaver said that in the resolution prepared for the amendment the location of the business should be changed from the Town of South Otselic to the Town of Otselic.

D. Shea asked if there is a provision in the original agreement allowing for modifications in the event of injury or hardship. S. Craig replied that there is.

D. Forsythe asked that the six-month extension of the payment period will need to be added to Resolution 2017-21.

Motion to recommend to the Board that Resolution 2017-21 be adopted, as modified, by C. Olin, seconded by M. Weaver. Ayes all. Approved.

S. Craig discussed the 2018 budget. D. Shea requested that the transfer to operations be adjusted back to \$30,000 in the budget for the full board. S. Craig said that the transfer was made but is not reflected in this budget. The adjustment will be made.

D. Shea asked how capital gains realized and unrealized are accounted for in the budget. They make up \$30,000 of the budget but are difficult to forecast, and it is unclear why revenues are appearing in a separate section of the budget under Investment Activity. D. Forsythe said the revenues appearing in the investment activity section of the budget created the appearance of double accounting and should be clarified before being sent to the full board. The investment activity report does not present any problems itself but should be removed from the budget to avoid confusion. S. Locke will discuss the investment activity section of the budget and the possibility of its removal with S. Cwynar before the DCC Board meeting.

Upon review, Motion to recommend adoption of the budget to the full board by M. Weaver, seconded by J. Telesky.

S. Craig discussed the possibility of contracting out for loan underwriting instead of replacing Liz Bunce with another full time position. Development Chenango's full time positions take considerable time and resources to train, and typically depart shortly after these investments in training and/or accreditation are completed. Outsourcing the loan underwriting portion of that position would avoid that recurring cycle.

D. Shea said we should look at how many hours on average are spent on loans, how much will be paid out for the service, and how the 2018 budget will be impacted.

D. Forsythe said that the salary line in the budget is overstated if this option is selected. The budget should be amended for the full board. A new line item should be created in the budget for the loan underwriting in 2018 (Professional Services), and funding re-allocated from Contracted Services.

D. Shea asked when S. Craig planned to have the loan underwriting services in place. S. Craig replied that he was expecting to in the first quarter.

S. Craig said that the certificate of incorporation was amended. No structural changes were made but the paperwork was updated.

The committee discussed various alternatives to Development Chenango's current employment structure and organization.

D. Forsythe recommended that the committee discuss possible re-organization of contracted and professional services with the full board. This discussion should include potential funding sources for the legal costs associated with reorganization.

V. Adjournment

With no further business motion to adjourn made by D. Shea, seconded by M. Weaver. Ayes all. Meeting adjourned at 8:58 a.m.