

DEVELOPMENT CHENANGO CORPORATION

BOARD OF DIRECTORS REGULAR MEETING MINUTES December 20, 2018, 8:00 a.m.

Present: L. Wilcox; M. Branham; C. Covington; B. Acee; J. Lasicki; B. Osgood; T. Potter; D. Rowe; D. Shea; J. Telesky; C. Olin; A. Erath; T. Stark

Absent: E. Larsen; C. Carnrike; C. Andrews

Contract Staff: S. Craig; A. Larsen

Finance: S. Cwynar

I. Call to Order

Board Chair A. Erath called the meeting to order at 8:06 a.m.

II. Financial Report

S. Cwynar reviewed the November 30, 2018 financial statements. Fixed assets are at \$569,000. Depreciation will be added to that at year-end. S. Cwynar provided an overview of existing loans. The statement of activities has been broken into quarters by request of the board at a previous meeting. Total revenues for the fourth quarter year-to-date are \$15,500 with direct costs of \$3,000 for a gross income of \$12,000. Contracted expenses for the quarter are \$31,000, creating a quarterly loss of \$19,000. Loan fund activity was at \$4,800. Investment activity for the fourth quarter saw unrealized gains of \$66,000. This accounts for most of the loss for the year.

D. Shea said we have a provision to take \$30,000 out of investments, which was not done this year.

Motion to approve the November 30, 2018 Financial Statements by C. Olin, seconded by M. Branham. Ayes all. Approved.

III. Meeting Minutes

Upon review motion to approve the October 4, 2018 Finance Committee meeting minutes by D. Shea, seconded by C. Olin. Ayes all. Approved.

Upon review motion to approve the September 7, 2018 Finance Committee special meeting minutes by D. Shea, seconded by M. Branham. Ayes all. Approved.

Upon review motion to approve August 22, 2018 Commerce Chenango/Development Chenango joint meeting minutes by M. Branham, seconded by D. Shea. Ayes all. Approved.

Upon review motion to approve June 14, 2018 Finance Committee meeting minutes by M. Branham, seconded by T. Stark. Ayes all. Approved.

Upon review motion to approve May 21, 2018 Finance Committee special meeting minutes by D. Shea, seconded by C. Olin. Ayes all. Approved.

Upon review motion to approve March 22, 2018 Finance Committee meeting minutes by D. Shea, seconded by C. Olin. Ayes all. Approved.

Upon review motion to approve March 22, 2018 regular meeting minutes by J. Telesky, seconded by T. Stark. Ayes all. Approved.

Upon review motion to approve March 22, 2018 annual meeting minutes by M. Branham, seconded by D. Rowe. Ayes all. Approved.

IV. New Business

S. Craig introduced Resolution 2018-10, re-appointment of Sheila Marshman to the board of directors and finance committee.

Motion to approve Resolution 2018-10 by D. Rowe, seconded by T. Stark. Ayes all. Approved.

A. Erath introduced Resolution 2018-9, Authorizing Development Chenango Corporation Credit Card Application. S. Craig said a change of rules at M&T requires non-profits to have a board resolution authorizing the possession of an M&T credit card.

A. Erath recommended an amendment to the resolution clarifying a credit limit of \$20,000.

T. Stark asked if there was any restriction on who is authorized to use the card. S. Craig responded that he was the only person authorized.

Motion to approve Resolution 2018-9 as amended by D. Shea, seconded by M. Branham. Ayes all. Approved.

A. Erath introduced Resolution 2018-11, Approve Business Assistance Loan to Otsego Medical Services. S. Craig said the loan would apply to Dr. Dohner's Norwich Family Care. The loan would be used for upgrades to their Norwich facility. Dr. Dohner recently paid off a previous DCC loan.

T. Stark asked for clarification on the terms of the loan. S. Craig said that it would be 4% interest over 5 years.

Motion to approve Resolution 2018-11 by C. Olin, seconded by M. Branham. Ayes all. Approved.

S. Craig said that A. Erath would be retiring her seat on the board at the end of the year. This will be addressed during board nominations in Spring of 2019. D. Shea, as current Vice Chair, will move to the position of Chair.

J. Telesky discussed the 2019 budget. It is similar to the 2018 budget. An allocation has been made to the President/CEO transition phase expected for summer of 2019. Investment earnings have been brought down.

Motion to approve the 2019 Development Chenango Corporation budget by M. Branham, seconded by D. Shea. Ayes all. Approved.

V. Economic Development Report

S. Craig presented the economic development report. The Otsego Medical Services loan is the fourth loan approved in 2018. There are also other loan applications in the pipeline, including Mikalunas Farms, Lilley Farms, and others who've made requests for application forms.

Opportunity funds were introduced as part of the 2017 Tax Cuts and Jobs Act, which incentivizes investment in low income areas. Federal taxes on capital gains can be reduced and deferred for a significant period by investment in an opportunity fund. Chenango County has one census tract designated as such and is eligible for this program.

S. Craig said the High Bridge Wind Project in Guildford has approached the IDA about a PILOT application.

The New York Consolidated Funding Applications awards were recently announced. Chenango county received funding for three projects. These were a Town of Greene economic development plan, a salt storage shed in the Town of Pitcher, and the J.D. Granary in Smyrna.

Norwich Meadows Farms has been in contact with Development Chenango regarding the construction of a cold storage facility at the Earl B. Clark business park. The building would be constructed by Development Chenango and leased to

Norwich Meadows Farms. The facility would eventually be owned by Norwich Meadows Farms, and would allow them to significantly expand capacity.

Motion to approve the economic development report by C. Olin, seconded by M. Branham. Ayes all. Approved.

V. Adjournment

With no further business motion to adjourn by M. Branham, seconded by D. Shea. Meeting adjourned at 8:53 a.m.