

**DEVELOPMENT CHENANGO CORPORATION**  
**BOARD OF DIRECTORS**  
**REGULAR MEETING MINUTES**  
**December 21, 2017, 8:00a.m.**

**Present:**

C. Carnrike; M. Weaver; D. Forsythe; J. Telesky; D. Rowe; J. Payne; M. Branham; W. Acee; A. Erath; L. Wilcox; C. Olin; S. Marshman; T. Stark; C. Covington; K. Smith

**Absent:** E. Larsen; D. Shea; T. Potter; P. McNeil; T. Dreyer; T. Slater; J. Lasicki; B. Osgood

**Contract Staff:** S. Craig; A. Larsen

**Finance:** S. Cwynar

**I. Call to Order**

Board Chair S. Marshman called the meeting to order at 8:04 a.m.

**II. Accept Meeting Minutes**

Upon review motion to approve the September 28, 2017 DCC Finance Committee Meeting Minutes by T. Stark, seconded by D. Forsythe. Ayes all. Approved.

Upon review motion to approve the October 5, 2017 DCC Board of Directors Meeting Minutes by T. Stark, seconded by D. Forsythe. Ayes all. Approved.

S. Marshman requested that old business be moved up the schedule and discussed.

**III. Old Business**

S. Craig provided an update on the Authorities Budget Office audit and exit conference. S. Craig highlighted the recommendations made by the ABO and DCC's response. S. Craig said that the exit conference will take place following the current meeting, at 9:30, and that board has been asked to sign a representation letter. S. Marshman asked for a summary of the letter's contents. S. Craig replied that the letter includes DCC's acknowledgement of its intent to comply with the applicable sections of the Public Authorities Law, and the board's responsibility over internal controls and compliance. D. Forsythe recommended signing the letter.

S. Craig urged board members to take the required training discussed in the ABO's report. C. Covington asked how often the training needed to be completed. S. Craig replied that it is required every three years.

S. Marshman asked if the executive committee should schedule a meeting to discuss the implementation of an action plan to address the issues raised by the ABO. S. Craig replied affirmatively and suggested changing DCC's policies to better reflect the operations of the organization. S. Craig said that DCC will also need to hold a meeting of a governance committee once a year to review policies and procedures.

Upon review motion to acknowledge receipt of the Authorities Budget Office representation letter and issue a response by S. Marshman, seconded by M. Weaver. Ayes all. Approved.

**III. Financial Report**

S. Cwynar reviewed the November 30, 2017 Financial Statements with the board.

S. Cwynar said that in the Statement of Financial Position, total current assets are nearly \$1,000,000 and receivable loans are \$649,000. Long term assets at fair market value are just over \$2,000,000. Other assets are at \$602,000. Total liabilities current are \$13,000. Long term liabilities are \$197,000, which we're starting to pay down. Total capital is \$3.4

million. Aged receivables total \$14,000, but this includes two write-offs. S. Craig said they have already been approved and written off, but haven't yet disappeared from the balance sheet. S. Cwynar said they will be removed in the next report. The write-off will not effect income, and will reduce DCC's allowance for bad debt. Aged payables are \$859,000.

In the statement of activities, the total current period totals around \$60,000 in revenue, which is \$2,000 less than budget. Year to date revenue is \$247,000, which is short of budget by \$6,000. Direct costs total year to date is \$15,000, which is over budget by \$2,000. Total expenditures is \$209,000. The largest expenditure is contractual services paid to Commerce Chenango. Legal and accounting fees are \$18,000. Audit fees are \$6,000. In the loan activity fund, there is a positive balance of \$10,000 year to date. Total dividends are \$17,000 for the year. Investment interest is \$6,000. Realized losses from last year total \$6,000. Unrealized gains were \$142,000. Net investment activity is about \$120,000. There were transfers to operations of \$30,000, which is in excess of budget (\$15,000). Total year to date net income is \$152,000.

S. Cwynar reviewed the 2018 budget. Budget revenues are \$281,000, 3% less than the previous year. Total expenditures is \$263,000, a 1% decrease. Excess of revenues over expenditures are budgeted at \$17,000. Municipal contributions are \$3,000. Project fees are \$10,000. Interest earned on the dairy revolving fund is \$5,000. Rent received is \$18,000, down from last year of \$22,000. There is a 3% staff increase, which is a decrease from 2017. S. Craig said that this can be attributed to plans utilize a loan underwriter. \$12,500 was moved from the salary line to the services line to reflect this change. S. Cwynar said rent and utilities has increased. Most other expenses are about 0% increase. Office supplies are down slightly. Legal and accounting fees are increasing by about 9%.

Motion to approve the November 30, 2017 Financial Statements by M. Branham, seconded D. Forsythe. Ayes all. Approved.

Motion to approve 2018 budget by M. Weaver, seconded by A. Erath. Ayes all. Approved.

#### **IV. New Business**

S. Craig discussed the Stony Ridge Maples loan amendment. The owner was involved in an accident is unable to make the regular loan payments. The owners would like to return to making \$50.00 payments for a period of six months, extending the full payment period by the same.

Upon review, motion to approve Resolution 2017-21 by A. Erath, seconded by M. Branham. Ayes all. Approved.

S. Craig discussed the administrative support and services agreement. The agreement has been amended from the previous year to more accurately capture the cross-functionality of employees within the three organizations.

Motion to approve 2018 Administrative Support and Services Agreement by M. Branham, seconded by J. Telesky. Ayes all. Approved.

#### **V. Economic Development**

S. Craig discussed the economic development report. The Hidden Springs Brew House may apply for a loan.

B. Acee said that he has been speaking with the owners of Value Holdings, who are leasing a building in Sherburne and plan to develop a combined data center, tarp assembly, and plastic recycling business or businesses. They have approached the Village of Sherburne with a request for a loan. S. Craig said that due to the amount of the loan requested (\$150,000), the Village, county, and DCC may each provide loans of \$50,000. However, there is currently scarce information on the business, and DCC will have to wait for more details before making a decision on how to proceed.

D. Forsythe asked if the owners had any projections for job creation. B. Acee said he didn't think the data center would yield many jobs. The owners are interested in Sherburne largely because of low electric rates. They would consume a

significant amount of energy, but would not utilize much Sherburne water or sewer. They are also considering uses for the heat that would be generated.

C. Carnrike discussed the Brownfield Opportunity Area program. There will be a public meeting January 10<sup>th</sup>, where the BOA Revitalization Plan will be presented.

S. Craig said that Chentronics will be moving into the former Norwich Aero building at 50 O'Hara Drive, but in the meantime will receive a sixty day extension of their lease at the airport incubator property.

S. Craig said the possible solar energy project's tax abatement is on hold until the Spring. Regulatory issues have delayed the project. The project is only financially sound with the application of the tax incentives they have requested. Part of the issue is in how the tax incentives are calculated. Whereas the typical PILOT is based on the assessed property value, the solar companies propose that it would make more sense to use megawatt-per-hour energy use as a basis for the calculation of incentives.

S. Craig said that a hotel owner from Peekskill, NY received State funding for a \$5,000,000 hotel project in downtown Norwich, at the former Morrisville building. This was followed by an announcement that the Norwich Howard Johnsons would be renovating and rebranding as a Best Western in late 2018.

S. Craig discussed progress on the railroad revitalization project. Crossing signals are being brought back online, and NYS&W is on pace to meet the June 12, 2018 project deadline.

S. Craig said the county Board of Supervisors have proceeded with the consideration of a lease for the site of a proposed hangar at the Warren Eaton Airport. The CCIDA may receive an application for a PILOT once the project goes ahead.

L. Wilcox said that NYSEG is in the process of upgrading a major transmission line across the County from the Jennison Plant in Bainbridge to the Norwich sub-station.

C. Olin discussed the Southern Tier East economic development plan, which has been drafted and submitted for finalization.

## **VI. Adjournment**

With no further business motion to adjourn by T. Stark, seconded by L. Wilcox. Meeting adjourned at 9:08 a.m.