

DEVELOPMENT CHENANGO CORPORATION

BOARD OF DIRECTORS REGULAR MEETING MINUTES March 22, 2018, 8:00a.m.

Present: L. Wilcox; M. Branham; C. Covington; B. Acee; J. Lasicki; J. Payne; B. Osgood; T. Potter; D. Rowe; D. Shea
M. Weaver; J. Telesky; C. Olin; S. Marshman

Absent: E. Larsen; T. Slater; C. Carnrike; A. Erath; T. Stark

Contract Staff: S. Craig; A. Larsen

Finance: S. Cwynar; T. Manzanero

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 February 22, 2018 DCC Finance Committee Special Meeting Minutes by M. Branham, seconded by M. Weaver. Ayes all. Approved.

Upon review motion to approve the December 14, 2017 DCC Finance Committee Meeting Minutes by M. Branham, seconded by M. Weaver. Ayes all. Approved.

Upon review motion to approve the December 21, 2017 DCC BOD meeting minutes by M. Branham, seconded by M. Weaver. Ayes all. Approved.

III. Financial Report

S. Cwynar reviewed the February 28, 2018 Financial Statements with the board. In the Statement of Financial Position, total current assets are \$393,000. There is an accounts receivable note that the comparative data from December 21, 2017 is before audit adjustments in the March packet, so there are some slight differences.

Long term assets consist of the investment accounts. Other assets are fixed assets at \$602,000. This hasn't been adjusted for depreciation. Under liabilities and capital, current liabilities are \$19,000. Long term liabilities consist of the STREDC loan of \$194,000. Total fund balance is \$3.5 million.

The Maynard microenterprise loan still open has the greatest allowance for bad debt. The dairy revolving loan fund contains \$147,000. Under aged accounts receivable there are notes on the Artists' Palette. They've paid \$3,000 over 90 days. Sunrise family farms is current. Under aged payables everything is current.

Total revenues year to date are \$55,000. We are under budget by \$8,000. Expenditures are normal. Investment activity is -\$7,000. Total net income is \$15,505, which is \$8,000 over budget.

M. Branham asked about the bad debt write-off. S. Cwynar said that it isn't really written off but reserved. By accounting terms it is considered as unlikely to be received after a certain point, and becomes a write-off only when the board decides to make that decision.

Motion to approve the February 28, 2018 Financial Statements by D. Shea, seconded by M. Branham. Ayes all. Approved.

IV. Economic Development

S. Craig presented the economic development report. The 29 Classic St. building in Sherburne is now under contract to Value Holdings LLC. They are establishing a data center and plan to create a tarp assembly business at the same site. The

co-owners approached DCC, the County, and Village of Sherburne about a \$150,000 loan to be split between the three. Contract staff T. Gray analyzed their business plan and provided a favorable report to the DCC finance committee, which approved a \$50,000 loan. The village loan was contingent on the loans of the County and DCC. The County loan is still pending before the Board of Supervisors. The DCC closing will take place after the County approves.

D. Shea said that this loan is the first instance of utilizing the services of T. Gray. D. Shea said that he did a thorough job and recommended him on the grounds of both quality and cost savings. S. Craig seconded this recommendation.

S. Craig discussed the Norwich hotel project. A meeting was held at Commerce Chenango between the developer, his partners, consultants, and local businesspeople. The general consensus is that the existence of two hotels in the City would be untenable.

M. Branham asked if there was any pushback on the project from local merchants, particularly in regards to the parking reconfiguration. S. Craig said there hasn't been, partly because engineers have been able to designate twenty additional parking spaces that didn't exist before.

S. Craig provided an update on the 50 O'Hara property. It is currently being outfitted by Chentronics as they prepare to move their operations there. They plan to move by the end of April. This will open the present Chentronics building and airport business incubator to the market.

S. Craig discussed the Norwich-Chenango solar project. A public hearing will be held April 18th regarding the granting of tax benefits. The project would create a 12 MWac solar farm in the Town of Norwich. Public benefits include 10% cost savings on power for approximately 3,000 homes, significant upgrades to the electric grid, an estimated \$300,000 spent on local construction materials, and the environmental benefit from lower emissions.

S. Craig provided an update on the railroad revitalization. Construction is continuing and a start-up in Greene is consideration rail use.

S. Craig said that Upstate Companies plans to build two hangars in the County, in Norwich and Sidney. They may be seeking benefits for these projects.

S. Craig said DCC is beginning to work with BOCES on workforce development.

S. Craig said that the museum district is receiving attention from the Norwich Building Tomorrow Foundation. They are funding designs for street-scaping on Rexford and State Streets. Our Foundation may be utilized as a conduit for research and grant applications.

S. Craig said that a meeting between Chobani and local stakeholders yielded a plan for a community impact fund started by the company.

Motion to approve the Economic Development Report by M. Weaver, seconded by M. Branham. Ayes all. Approved.

V. 2017 Audit

T. Manzanero presented his report on Development Chenango's audit for the year ending December 31, 2017. Two adjustments were made. The first adjustment was to prepaids. The second adjustment was to the receivable and payable for the New York Main Street grant. The audit otherwise went smoothly and found a financially healthy organization.

The overall net gain in net assets was \$155,000. Most of that came through unrealized gains in investments of \$128,000 and realized gains in investments of \$11,000. This was relatively similar to previous years.

In the financial statements, the breakdown of expenses shows that the most significant differences include the conditional loans that were forgiven and the railroad grant.

No deficiencies or material weaknesses were found.

D. Shea said that the finance committee reviewed and approved the audit.

Motion to accept the 2017 audit findings by M. Branham, seconded by D. Shea. Ayes all. Approved.

V. Adjournment

With no further business, motion to adjourn by D. Shea, seconded by M. Branham. Meeting adjourned at 8:37 a.m.