



Troy Community Land Bank *Finance Committee Meeting*

Date: November 22, 2019

Location: TCLB Office 200 Broadway, Suite 701, Troy, NY 12180

Time: 8:30am

Present: Sharon Nichols, Committee Chair, John Carmello, Member, John Cubit, Member, and Tony Tozzi, TCLB Staff

Minutes

- Chair Nichols called meeting to order at 8:32am;
- Chair Nichols conducted roll call;
- Chair Nichols requested any comments or questions related to previous meetings minutes from September 30, 2019;
 - Chair Nichols clarified the action item from September 30, 2019 related to the duplicate charge from Bowers: the duplicate charge has been reversed.

Review of YTD Financial Statements: Chair Nichols

- Chair Nichols reviewed financial documents and formats.
 - Clarified OCWEN (3325 Sixth Ave.) is a donated property:
 - \$83k recorded as *cash* donation;
 - \$75k recorded as *donated value of property*.
- City of Troy has donated five (5) additional properties in 2019;
- Staff Tozzi used assessed city property values for property values;
 - Accurate donated property values need to be determined;
 - Properties are showing up on Profit & Loss and Balance sheets for financial records: the assets value appearing on TCLB Balance sheet may be more than actual.

Compliance Highlight: Chair Nichols

- Approved Budget for TCLB 2020 are on website; TCLB is compliant;
 - Additional budget years were increased by 10%, per Attorney Hedgeman's advice, however future years are a complete unknown so the 2021, 2022, & 2023 budgets are estimated approximations.

Cash Flow/Management Analysis: Chair Nichols & Staff Tozzi

- ECP requires a new cash flow protection to better manage cash flow:
 - Chair Nichols and Staff Tozzi designed a cash flow projection for construction project costs through 12/31/19;

- Going into 2020 will be positive due to several factors including changes in project costs and timelines;
- Pioneer Loan Terms (best cash capital option, to date): Jason Urschel, Loan Officer emailed terms of loan:
 - Loan terms are 791 River St. property specific;
 - Unsecured LOC options were too low to move forward (CLF, BSNB, Coxsackie, & Pioneer);
 - Clarify the “M” versus “K” with Pioneer Bank;
 - After Staff Tozzi clarifies the ‘M’ and ‘K’ TCLB will present Loan Option to Board for approval.
- Large upcoming insurance payments can be spread out over time with a 25% down payment with remaining payments incurring a 4-6% interest rate:
 - Staff Tozzi explained how this would support positive cash flow;
 - Finance committee agrees that the terms are reasonable;
 - Payments to insurance can be presented to Board for approval.

Discussion: Staff Tozzi

- Discussed, in detail, 791 River St. construction delays;
 - Contractor timeline (second timeline submitted) demonstrated this project would be complete at this time;
 - Current contractor timeline has date of completion for 1/1/20;
 - Changes have been made without change orders submitted;
 - TAP has reviewed the change order process with the contractor
 - Staff Tozzi stated that A&D Committee Chair Brian Barker expressed some concerns related to project workmanship and design elements during their most recent meeting;
 - Staff Tozzi contacted architect for a response(s) to Member Barkers concerns – *outstanding bill for \$40k that will not be paid until questions and concerns are reasonably addressed*;
 - Staff Tozzi outlined potential issues that may come up with ECP regarding Round 3 funding if this project continues to stall;
 - Primary concern is maintaining satisfaction from ECP as primary funder.
- Staff Tozzi: 3325 Sixth Ave. update: no asbestos on second floor to be remediated and roof estimate from TAP came in lower than expected:
 - Roof and framing estimated cost \$16k.
- Staff Tozzi: update RE: SEAT meeting on 11/19/19; discussed roles and responsibilities as well as upcoming tasks:
 - Staff Tozzi believes Jeff Clark may be able to support in marketing endeavors and possible financial supports;
 - Associated costs would fall under SEAT contract;
 - \$60k 2019 budget will not be spent in entirety, Staff Tozzi would prefer to add left over 2019 funds for 2020;

- Website has encountered issues and will most likely be kept updated by Mika and ongoing maintenance responsibility will be determined at a later date.
- Staff Tozzi has contracted with a contractor for the use of a drone to capture aerial photographs for safety.
- Staff Tozzi would rather continue doing quarterly financial statements rather than Bowers as it is more cost and time efficient to continue producing ECP reports in house.
- Chair Nichols requested a Motion to adjourn: Member Cubit motioned and Member Carmello seconded; 3-0 motion to adjourn passed;
- Chair Nichols declared meeting adjourned at 9:30am.

Action Items

- Property Values need to be determined to reflect accurate information in TCLB financials
- Pioneer Loan Approval to Board
- Staff Tozzi clarify if TCLB can pay balance, in full, without penalty (for options/awareness)
- Consider the financial state budget options for TCLB related future years (continue with viable property donations from City)