NCDC Bi-Monthly Board of Directors Meeting

Meeting Date: March 26, 2026, 08:00 am

General Summary

- **Quorum and Voting Changes Needed:** Current rules delay meetings; proposed changes aim to improve efficiency and reduce barriers.
- **Audit Transition to CLA Approved:** New audit firm selected for fiscal years 2024 and 2025 due to increased grant funding needs.
- **NCDC Secures $100,000 Grant:** For Norwich State Hospital remediation assessment; expecting further $4 to $6 million funding in July 2025.
- **Cultural District Initiative Launched:** NCDC appointed to lead; city council drafting an ordinance for formal designation and governance.
- **Upcoming Budget Approval Process:** Proposed budget to be reviewed by the executive committee before May meeting, aligned with city budget decisions.
- **Property Tax Challenges Persist:** NCDC faces financial strain from property taxes on gifted assets, impacting about $80,000 annually.

Notes

Governance and Bylaws

- The board is reviewing and considering changes to quorum and voting rules to reflect current funding realities and improve meeting efficiency.
- **Bylaws Committee Raises Quorum Issue Due to Funding Representation**
    - The current quorum rule requires a mix of six city/NPU representatives and nine non-city members, causing meeting delays if non-city members are absent.
    - Bob argued this creates unnecessary barriers since the city and NPU are primary funders providing about **$300,000** each annually.
    - He proposed eliminating this mixed quorum requirement to allow meetings to proceed with whoever attends, improving operational flow.
    - Recusal options for city/NPU members could address voting majority concerns without blocking meetings.
- **Concerns About Public Perception and Control Balance**
    - Some board members worry removing the distinction might create an impression of excessive city control over NCDC.
    - The original 51% private majority voting rule was likely designed for public confidence and legal clarity given public funding sources.
    - John suggested distinguishing paid city officials from volunteers serving on city boards to avoid penalizing community volunteers.
    - The bylaw committee will continue evaluating these points and prepare recommendations for board approval.

- **Board Composition and Term Cliff Highlighted by Nominating Committee**
    - John noted that **six of nine board members** will reach their term limits in **2030**, risking loss of continuity.
    - He emphasized the need to stagger board appointments to maintain governance stability.
    - The nominating committee will provide a full report at the next board meeting.
- **Global City Norwich Advisory Committee Reformation**
    - The committee is being reformed to better oversee ongoing activities.
    - Board members are encouraged to join, with details available through staff liaison Bobby.
    - This aims to improve board engagement and oversight of city-related initiatives.

Financial Management and Audit Improvements

- NCDC is undergoing significant financial system upgrades and audit transitions to handle increased grant funding and fiscal complexity.
- **Executive Committee Ratifies New Audit Firm Contract with CLA**
    - HRT, the prior audit firm, disengaged in late 2023, prompting a search for new auditors.
    - CLA was selected despite higher costs because they have the capacity to manage federal and state single audits required for increased grant funds.
    - CLA's proposal aligns closely with initial estimates, signaling fair pricing.
    - The contract covers audits for fiscal years **2024 and 2025**.
- **Engagement of Grassi Advisors for Audit Preparation**
    - Grassi Advisors was contracted for about **$20,000** to prepare NCDC for CLA’s audits and establish stronger financial controls.
    - This firm will help clean up past bookkeeping inconsistencies and set future governance processes to prevent recurring issues.
    - Their work includes establishing appropriate controls for the larger volume of grant funds flowing through NCDC.
- **Developing Internal Financial Oversight and Continuity Plans**
    - Discussion highlighted the need for an internal audit team or financial oversight committee to maintain continuity despite frequent bookkeeping changes.
    - Draft bylaws propose a finance committee chaired by the treasurer to monitor financial affairs regularly.
    - Long-term plans include possibly engaging multiple accounting firms to manage books as NCDC’s financial complexity grows.
    - Funding for administrative costs remains a challenge due to restrictions on grant funds.
- **Financial Position and Challenges with Property Taxation**
    - NCDC pays property taxes on gifted hospital and industrial properties, effectively transferring funds back to the city.
    - This creates a financial strain despite city funding support, with about **$80,000** impacted.

- Solutions are being developed but the current situation illustrates operational financial challenges.

Project Updates and Capital Improvement Priorities

- Significant progress and upcoming milestones are planned for major development projects, with a focus on infrastructure and remediation.
- **Business Park North Road Construction and Anchor Tenant Progress**
  - The certificate for the road build was received, enabling finalization of construction documents over the next **10 weeks**.
  - NPU inputs for utilities are being finalized to support the road project expected to start construction in **summer 2025**.
  - Securing an anchor tenant's purchase and sales agreement remains a key goal for 2026.
- **Norwich State Hospital Remediation Grant and Assessment Underway**
  - NCDC secured a **$100,000** remediation assessment grant for the hospital property.
  - Time Bond is conducting the assessment with completion expected in about one month.
  - A subsequent application for **$4 to $6 million** remediation funding is planned for **July 2025**, with awards expected by **September**.
- **CIF Round Eight and Nine Capital Projects**
  - Round Eight secured about **$6.75 million** for Jubilee Park and intersection improvements at Main and Broadway.
  - The design and coordination challenges with private investors and grant requirements are being managed carefully to align projects.
  - Round Nine will open soon, with NCDC prioritizing funding requests for road completion and Dodd State property improvements.
- **Dodd State Redevelopment and Stadium Tenant Prospects**
  - Dodd State requires investment before tenant occupancy; funding strategies are being developed alongside CIF applications.
  - A prospective tenant for the stadium has received a green light for investment, marking a key positive milestone.
  - Parallel efforts are underway to secure both road and stadium funding streams through state and federal channels.

Strategic Initiatives and Organizational Development

- NCDC is enhancing organizational structure, community engagement, and cultural programming to support long-term growth.
- **Project Foundation Focuses on Scaling and Process Improvements**
  - Kevin emphasized the shift from fast building to scaling, highlighting the need to clean up systems while maintaining momentum.
  - The executive committee is encouraged to form a finance committee involving more board members to share oversight duties.

    - The reformed Global City Norwich Advisory Committee will provide additional board oversight and community connection.
    - Strategic planning, including an external review, is planned once operational stability is achieved.
- **Emerging Cultural District Initiative**
    - NCDC will lead the development of a formal Cultural District, building on years of groundwork.
    - The city council is drafting an ordinance to designate NCDC as the lead organization for the district.
    - State approval and formation of a governing advisory body are next steps, with plans to integrate existing arts and entertainment assets.
    - Board members are encouraged to consider participation in the Cultural District committee to support marketing and development.
- **Community Engagement and Working Lab Successes**
    - Foundry 66 reports **86 members** across multiple buildings with **100% occupancy** in some office spaces.
    - Working Lab is halfway through its eighth week, with strong participation and successful business launches like Tudor Rose Books planned for **April 15th**.
    - Partnerships with resource providers like Clear Pathway are being expanded to support contractors and property owners.
    - Upcoming events include a Contractors Networking Night on **May 14th** and a Women in Business Forum on **June 3rd**.
- **Project Peace Program Supports Economic Advancement**
    - Project Peace offers direct support in three areas: basic needs stability, workforce advancement, and opportunity for growth.
    - The program is actively assisting Working Lab participants, including entrepreneurs opening new businesses.
    - Community events and fundraising are planned to sustain and expand program impact.

Budget Planning and Operational Considerations

- The board is preparing for the 2026 budget cycle amid uncertainties around lease renewal and funding approvals.
- **Budget Timeline and Approval Process Outlined**
    - The board will receive the proposed budget electronically after executive committee review and prior to the May meeting.
    - Formal budget approval is scheduled for the May board meeting to align with city and NPU budget decisions expected by **June 6th**.
    - Board members were urged to submit any budget requests or priorities within the next month.
- **Lease Renewal for Current Facility is a Key Pending Issue**
    - NCDC's current lease is in its last year, requiring decisions on renewal or relocation within the next **90 days**.

    - The board will need to evaluate the lease terms and operational impacts during the budget process.
    - Discussions will consider whether the current building owner is suited to manage facility needs going forward.
- **Financial Reporting and Cash Position Reviewed**
    - Operating expenses and revenues are closely managed with some variances due to timing of grant pass-throughs.
    - Cash balances include both operating and restricted grant accounts; full balance sheets are being revised for audit readiness.
    - The overall financial management was described as solid despite the complexity of recent funding inflows and outflows.

Action items

- Bylaw Committee to review quorum and voting provisions further and recommend bylaw changes to the board for approval
- Recruit 1-2 additional members to the Global City Norwich Advisory Committee to support increasing workload
- Board members to verify accuracy of governance structure data on page two of meeting packet and provide feedback to Nominating Committee
- Nominating Committee to provide full report including potential board member adjustments at next board meeting
- Ratify and proceed with Norwich State Hospital remediation assessment grant spending as per Executive Committee approval
- Establish finance committee as outlined in draft bylaws to provide financial oversight and reduce sole reliance on executive committee
- Leverage CMDA consulting services to study vacant downtown properties and prioritize development projects for grant applications
- Finalize city ordinance and application for Cultural District designation; form overseeing committee under NCDC
- Plan and execute contractor networking event May 14 to engage property owners and contractors
- Monitor financial expenses and cash balances continuously; prepare proposed budget for executive committee review and board approval in May
- Evaluate premises lease renewal options prior to lease expiration
- Enter executive session for confidential discussion on real estate, personnel, and litigation

Kevin Brown

- Execute audit contract with CLA for 2024 and 2025 fiscal year audits as ratified
- Engage Grassi Advisors to prepare organization for audit readiness and improve financial controls