



**Community Development Finance Authority
Finance Committee Meeting**

**Second Start
17 Knight Street
Concord, NH 03301**

**February 14th, 2023
9:00 AM**

CDFA FINANCE COMMITTEE PRESENT: Michael Claflin, *Chair*, John Manning, and Robert Tourigny.

STAFF: Katherine Easterly Martey, *Executive Director*, Ian Hart, *Chief Financial Officer*, and Maureen Quinn, *Board Relations Manager*.

Mr. Claflin called the meeting to order at 9:02 AM. Mr. Claflin noted there were no announcements; there were no members of the public in attendance. There was no public comment.

Mr. Claflin called for a motion to approve the agenda, as presented.

Motion – 9:02 AM

Mr. Tourigny moved to approve the meeting agenda, as presented. Mr. Manning seconded, and the motion carried by a unanimous vote of the Committee.

A. Consent Agenda

Mr. Claflin called for questions or comments on the December 13th, 2022 draft minutes. None were offered. Mr. Manning noted he would abstain from the vote as he was not present at the December meeting.

Motion – 9:28 AM

There being no questions or comments, Mr. Tourigny moved to approve the Finance Committee minutes, as presented. Mr. Claflin seconded, and the motion passed with two (2) yea votes and one (1) abstention of the Committee.

B. Quarterly Financials – PE 12/31/2022

Mr. Hart reviewed the quarterly financials from period ending 12/31/2022. Mr. Hart highlighted the following items:

- In December 2022, CDFA converted its Bank of NH accounts into Insured Cash Sweep accounts; Mr. Hart noted the yield on these accounts had increased from between 0.0% and 0.3% in December 2021 to 3.0% in December 2022 (and then to 3.5% in January

2023).

- CDFA hired an Accounting Assistant, Ms. Anita Wade, in December 2022. The additional staffing will help address challenges of CDFA's complex and voluminous financial processes. It will also help the Asset Team free up bandwidth to invest in efficiency, automation, and other process improvements.
- The Balance Sheet reflects a transfer of \$1.25 million from Unrestricted Net Assets to the Clean Energy Fund, previously approved by the Board.
- The Income Statement reflects that 71% of tax credit dollars have been collected at the mid-year, pointing to strong and steady financial performance in the Tax Credit Program.
- Salaries and benefits are tracking slightly below budget projections.

Motion – 9:08 AM

Mr. Claflin thanked Mr. Hart for the review of the quarterly financials and called for a motion. Mr. Tourigny moved to accept the financials as presented and Mr. Manning seconded. The motion carried by a unanimous vote of the Committee.

C. CDFA Investment Strategy – 9:09 AM

Mr. Hart discussed CD investment options for CDFA. Under the current Board Handbook, he noted that the Board could only invest its Unrestricted Net Assets in CDs, but that limited investment pot and the low marginal benefit between CDs and the existing ICS accounts didn't justify investments at this time. Mr. Hart will continue to monitor the relative rates between CDFA's ICS accounts and published CD rates. The Committee suggested changes to the Investments section of the Board Manual to create greater flexibility for investment. Mr. Hart will propose updated language in a future Finance Committee meeting.

The Committee briefly discussed the different roles to be fulfilled by the Credit Committee and the Finance and Investment Committee. The Committee agreed and suggested the Finance and Investment Committee lens should be on investment policy and not on product and/or project development.

D. Insured Cash Sweep Update

Mr. Hart touched briefly on the cash sweep accounts and noted the arrangement is working well and these accounts will be monitored on a regular basis in an effort to maximize investment opportunity.

E. Credit Management Policy Update – 9:23 AM

Mr. Hart called the Committee's attention to the new Timing of Award section to be added to the CDFA Credit Management Policy. The section was drafted to encourage timely draw-down and right-sized use of CDFA loan awards. The Credit Committee had approved the added language, with revisions, the week before, and the full Board would be considering final inclusion later that morning.

Mr. Hart brought the subject of Critical Risks to Business before the Committee. In the December meeting, there had been a question as to whether CDFA might offer a borrowing rate

discount for critical risks to business. Mr. Hart noted that CDFA staff considered the recommendation, but determined the organization has better tools to address critical risk. The Committee discussed, and staff committed to document any exceptions to its standard lending terms, and to be periodically bring the exceptions before the Board.

F. Adjourn

Motion – 9:30 AM

Mr. Tourigny moved to adjourn the meeting. Mr. Clafin seconded, and the motion carried by a unanimous vote of the Committee.



Maureen Quinn, Board Relations Manager



Michael Clafin, Chair
CDFA Finance Committee