

SARATOGA COUNTY CAPITAL RESOURCE CORP.
Meeting Minutes October 25, 2016
Stewart's Office Plaza, Route 9, Malta, NY 12020

Members Present: Chairman Anita Daly, Arthur Johnson, Eugene Zeltmann, Matthew Veitch, Ann Frantti.

Staff Present: Raymond O'Connor, CEO; Jeffrey Reale, CFO, Jim Carminucci, General Counsel, Christopher Martell, Bond Counsel, Lori Eddy, Administrative Secretary.

Absent: John Wyatt, Valerie Muratori.

Chairman Daly called the meeting to order at 5:05 p.m.

Chairman Daly introduced new Director Dr. Ann Frantti. Chairman Daly stated Dr. Frantti has been an educator for many years. She is retired from the Shenendehowa School District where she served as a principal. Chairman Daly stated in the interest of full disclosure, Dr. Frantti worked with Chairman Daly for eleven years and that is how she got to know her so well. Beyond her capacity as a principal, she has worked with many not for profit organizations. She is also the author of a children's book called *Grandma's Cobwebs*, that she wrote to help children understand Alzheimer's Disease.

Dr. Frantti stated she does work with the Alzheimer's Association. Her mother passed from Alzheimer's disease over 20 years ago. She is the Alzheimer's Ambassador to Congressman Paul Tonko. She does that because of a personal interest and hoping that someday a cure for Alzheimer's or a method for prevention can be found. Dr. Frantti is grateful for the opportunity to serve on this board and looks forward to working with everyone. Chairman Daly stated she looks forward to working with her once again.

Approval of the August 8, 2016 meeting minutes:

A motion to approve the minutes was made by Mr. Zeltmann and seconded by Mr. Veitch . There was no further discussion. Director Frantti abstained. All board members voted in favor.

Approval of the October 4, 2016 meeting minutes:

A motion to approve the minutes was made by Mr. Johnson and seconded by Mr. Veitch. There was no further discussion. Director Frantti abstained. All board members voted in favor.

Chairman Daly then asked for a resolution approving the Saratoga Hospital Bond Resolution.

The following resolution was offered by Mr. Veitch and seconded by Ms. Frantti:

Resolution No. 9-2016 (Attached)

Resolved to approve the Saratoga Hospital Bond Resolution as presented.

Ayes – 4
Noes – 0
Abstain - 1
Adopted 4 – 0

Chairman Daly asked Mr. Reale to comment on the Financial Report. Mr. Reale prepared a detailed report of all of the financial transactions for the first nine months of the year. It was included in the board packet. At the end of the third quarter, we had a cash balance of \$265,600.15.

A motion to approve the Financial Report was made by Mr. Johnson and seconded by Mr. Zeltmann. There was no further discussion. All members voted in favor.

Chairman Daly asked for discussion on the Budget Report. Mr. Reale stated that as of September 30, 2016, expenses were in line with budget, however the only revenues received so far this year is the Raymond Watkin Apartment application fee. We have a deficit of \$21,127.34 for the first nine months. Mr. O'Connor stated that the Raymond Watkin Senior Housing project will probably not close before year end, but the Saratoga Hospital transaction is supposed to close in late November. If so, revenue will exceed budget.

A motion to approve the Budget Report was made by Mr. Johnson and seconded by Mr. Veitch. There was no further discussion. All members voted in favor.

Chairman Daly asked for a discussion of the Budget for 2017. Chairman Daly stated she has worked with Mr. Johnson and Mr. O'Connor on the budget and made some changes. The roles of General Counsel and Bond Counsel are being separated, so there is a new item in the budget for General Counsel. Our CFO has worked without compensation in the past, but he should be compensated for his work going forward. Some significant changes come in the form of conferences, marketing, other professional services, dues and memberships. A lot of what we do, and who we do it with, requires us to network with groups of people. That is most easily done by being affiliated with other organizations and/or participating in other events. Chairman Daly stated that she increased the expense numbers from Mr. O'Connor's original draft budget. There are from time to time conferences that may be a benefit for board members or the CEO to attend, whether it be a NYSAC conference or the Association of Towns. Of course, everything would need to receive the final approval of our counsel and the full board. Dues and Memberships is higher. Part of that has to do with the County reaching out to some Supervisors and the IDA and us. She had a conversation this morning with the Chairman of the Board and as a follow-up conversation she had with Mr. Johnson as a member of the IDA and Board member of the Board of Supervisors. The County has a membership with the Center for Economic Growth. They are changing their business to an investment model. The County has been paying \$10,000.00 a year to be affiliated with CEG. CEG wants to raise that to \$25,000.00. The County wants to remain at the \$10,000.00 level. CEG, in a meeting with the Chairman of the Board of Supervisors and others, suggested economic development drivers in the County, the IDA, the Partnership, and CRC, become partners for \$5,000.00 each. There is also the potential opportunity for the CRC to become an affiliate of the New York State Association of Counties. The New York State Association of Counties is highly involved with State government, with policy making. We had talked at a previous meeting about becoming members of the Saratoga County and Southern Saratoga County Chambers of Commerce. It was never the intention for us to collect fees from our customers and just watch a bank account grow. It was to find reasonable ways that we can further the economic development efforts of the County. These are the things she brings forward.

Mr. O'Connor stated that although these items may be in the budget, an actual expenditure has to be brought before the Board to be approved. Mr. Veitch stated becoming members of the two Chambers is a great idea. Ms. Frantti stated she thought so as well. Chairman Daly stated one thing we also talked about at the last meeting was how to become more appealing to some of the smaller not-for-profits. Can we revisit our fee structure?

Mr. Zeltmann asked if CEG supports not for profit organizations. If it does, that's fine. If it doesn't, then we should think about it. Mr. O'Connor stated a number of organizations across a broad spectrum of industries have gone to investor model. He is not familiar with how the Center for Economic Growth is doing it, but similar organizations have accepted a substantial one-time sum instead of annual dues. He doesn't know if the Center for Economic Growth is thinking along those lines, expecting \$5,000 or \$10,000 a year every year. Mr. Johnson stated that was one of the questions that would be answered. Mr. Carminucci stated in answer to Mr. Zeltmann's question it is something you want to pose to them. Given that their mission is to increase economic development in the Capital region, the fact that not-for-profits comprise a big portion in the overall economy, his guess is that they have in the past and would continue to assist not-for-profits, as well as for profit corporations. Mr. Veitch asked if we can lend to organizations outside of our county. If we become an affiliate of NYSAC, he thinks that broadens us to state wide potential customers or clients. Mr. Martell stated we are limited to Saratoga County. Chairman Daly stated she knows there are other trade organizations that are affiliates of NYSAC. We should only join if it is going to be directly beneficial for us. Mr. Veitch stated he was just trying to figure out how that fits in. Mr. Zeltmann questioned if we had any obligations in our budget that has to go to the ABO by a specific date. We know that we have to have a budget by the end of October. Are we all straight with our submittals to them? Mr. O'Connor stated everything that has had to be filed, has been filed by the appropriate deadline. When we submit our budget information to the ABO, we report actual results for the end of 2015, projected results for year-end for 2016 and then project four more years out. Chairman Daly asked if there were any further questions on the budget.

Chairman Daly then asked for a resolution to adopt the proposed 2017 budget as presented.

The following resolution was offered by Mr. Johnson and seconded by Mr. Zeltmann:

Resolution No. 10-2016

Resolved, to approve the proposed 2017 budget as presented.

Ayes – 5

Noes – 0

Adopted 5 – 0

Chairman Daly then asked for a discussion on the Authorities Budget Office submission. Mr. O'Connor stated that the budget and projections will be submitted to the ABO tomorrow.

Chairman Daly stated the next agenda item is the 2017 meeting schedule. This is our quarterly meeting schedule, but we will meet in addition to these dates if necessary to accommodate an applicant. Mr. O'Connor noted the Audit Committee meeting on March 14th. Before the end of March, we have to submit the Audit results and financials for year-end 2016 to the ABO. In addition to approving the Audit, the Audit Committee will make a recommendation for approval to the full Board.

Chairman Daly stated the next agenda item is an invoice for approval in the amount of \$80.00 for Administrative Secretary expense. Chairman Daly asked for motion to approve the payment of the invoice as presented. A motion was made by Mr. Veitch to approve the payment of the invoice as submitted. The motion was seconded by Ms. Frantti. There was no further discussion. All board members voted in favor.

Chairman Daly stated the next agenda item is the renewal of contracts. She will turn it over to the Governance Committee who will discuss the contracts. Chairman Daly stated we will start with the Administrative Secretary contract.

Ms. Eddy was excused from the meeting.

Mr. Johnson told the board members that the Governance Committee recommended by resolution to renew Ms. Eddy's contract as Administrative Secretary for one year, beginning January 1, 2017. Chairman Daly then asked for a resolution at the recommendation of the Governance Committee to approve the renewal of the Administrative Secretary contract at an hourly rate of \$50.00.

The following resolution was offered by Mr. Johnson and seconded by Mr. Veitch:

Resolution No. 11-2016

Resolved to approve the Administrative Secretary contract at an hourly rate of \$50.00.

Ayes – 5

Noes – 0

Adopted – 5 – 0

Ms. Eddy rejoined the meeting.

Mr. O'Connor was excused from the meeting

Mr. Johnson stated the Governance Committee also discussed the CEO's performance and contract renewal for 2017. It was the recommendation by resolution of the Governance Committee to renew the contract with Mr. O'Connor as CEO for 2017, at a salary of \$32,000.

The following resolution was offered by Mr. Johnson and seconded by Mr. Veitch:

Resolution No. 12-2016

Resolved to approve the CEO contract at a rate of \$32,000.00 annually for 2017 as discussed.

Ayes – 5

Noes – 0

Adopted – 5 – 0

Mr. O'Connor then rejoined the meeting.

Chairman Daly stated the next agenda item is the CFO contract.

Mr. Reale was excused from the meeting.

Chairman Daly asked Mr. O'Connor to discuss the specifics of the contract and how he arrived at the hourly rate and number of hours. Mr. O'Connor stated Mr. Reale is a CPA. He has 30 years of experience in municipal finance. He is efficient and accurate. Based on our four quarterly meetings, plus Audit Committee meeting and taking into account time for statement preparation, I estimated 20 hours of work at a rate of \$100.00 per hour. \$100.00 per hour is a modest hourly rate for someone with his experience and credentials. 20 hours multiplied by \$100.00 per hour gives us the \$2,000 in the budget. Chairman Daly asked what would result if the hours estimated were insufficient. Mr. O'Connor stated that this is the first year for this arrangement. The estimate should be fine, but we can amend the budget if necessary during the year.

The following resolution was offered by Mr. Veitch and seconded by Mr. Johnson:

Resolution No. 13-2016

Resolved, to approve the CFO contract at a rate of \$100.00 per hour billed on a quarterly basis for 2017 as discussed.

Ayes – 5

Noes – 0

Adopted – 5 – 0

Mr. Reale rejoined the meeting.

Chairman Daly stated the next agenda item is the General Counsel Contract.

Mr. Carminucci then left the meeting.

Mr. Johnson questioned what the agreed upon rate was for Mr. Carminucci. Mr. O’Conor stated Mr. Carminucci’s normal rate is \$325.00 per hour and we discussed a rate of \$275.00 per hour. It is up to the board, but Mr. Carminucci mentioned having a retainer agreement with no up-front fee. He would bill out for actual hours worked.

The following resolution was offered by Mr. Johnson and seconded by Mr. Zeltmann:

Resolution No. 14-2016

Resolved to approve the General Counsel Retainer Agreement at a rate of \$275.00 per hour.

Ayes – 5

Noes – 0

Adopted – 5 – 0

Mr. Carminucci then rejoined the meeting.

Chairman Daly stated the next agenda item is pending applications and prospects. Mr. O’Conor stated the Saratoga Hospital transaction should close before Thanksgiving. Regarding the Raymond Watkin Apartments, they are doubtful about closing before year-end. They have tax credit and other legal and financial hurdles to get over. They are still hoping to close the deal but it probably would be in the first quarter of next year. Mr. O’Conor stated that he and Mr. Johnson paid a visit to the folks at AIM Services. We had talked to them more than a year ago, because they have debt with relatively high interest rates. However, the financing that they have in place is subject to a stiff prepayment penalty if they refinance. That prepayment penalty goes away at the end of this year, or early next year. They are also possibly building a new structure and expanding their facilities because they have an extraordinary amount of demand. In 2017, or possibly 2018, we may be able to help them with a substantial transaction. Chairman Daly asked Mr. O’Conor if there was any word on the Skidmore Science Center. Mr. O’Conor stated he believes they are still fundraising. We will have to see how far the fundraising commitments go.

Chairman Daly asked if there was any further business to discuss. Mr. Martell stated if he could, he would like to pass out what he has put together, a summary of the purposes, special powers and general powers

of the CRC. If you are thinking of an expenditure you want CRC to consider, all you need to do is tie it to one of these powers. As you will see, there is no theory in here. It is all taken right from the statute.

There being no further business, a motion to adjourn was made by Mr. Johnson, seconded by Mr. Veitch. All were in favor and the meeting was adjourned at 5:50 p.m.

Respectfully submitted,

Lori A. Eddy, Administrative Secretary

Approved _____ Date _____