

SARATOGA COUNTY CAPITAL RESOURCE CORP.

January 9, 2018

Meeting Minutes

Stewart's Office Plaza, Route 9, Malta, NY 12020

Members Present: Chairman Anita Daly, Arthur Johnson, Valerie Muratori, Matthew Veitch,

Staff Present: Raymond O'Connor, CEO; Jeffrey Reale, CFO; Christopher Canada, Bond Counsel; James Carminucci, Counsel; Lori Eddy, administrative secretary.

Guests: Kyle Bernard, Comptroller, Skidmore College, Joseph Scott, Bond Counsel.

Absent: Ann Frantti, John Wyatt, Eugene Zeltmann.

Chairman Daly called the meeting to order at 4:10 p.m.

Chairman Daly stated the first item for our agenda is the SEQRA Resolution and Skidmore College Bond issue, which was distributed. Mr. Carminucci stated that Mr. Canada made a few changes that he will walk through. We just had those done today and did not have time to recirculate. Mr. Canada stated the first Whereas clause just deals with the creation of the CRC and then we get into the purpose of the CRC. The next Whereas clause gets into the authorized powers, one of which is the issuance of bonds which is what this project is about. We get into the application for the project from the College and the next paragraph talks about how the CRC must answer the requirements of SEQRA, State Environmental Quality Review Act, before they make their final determination to undertake the project. Also, the College prepared what is known as an Environmental Assessment Form which breaks down the project into detail. We reviewed that, the College reviewed that, and the Saratoga Springs Planning Board also reviewed that and made a determination that the project would not result in a significant adverse environmental impact. Pursuant to that, we are going to consider this an unlisted action. On page three, section one, based on the examination of the application from the College, the Environmental Assessment Form, and the Planning Board determination by the City of Saratoga Springs, the issuer makes the following findings. We get into the project and that no potential significant impacts to the environment are noted by the issuer. Based on that, the project constitutes an unlisted action, will not result in major impacts to the environment and the issuer has decided to prepare a negative declaration with respect to the project. That is attached to the back of this resolution. It is a synopsis of the environmental impact and why we are saying it won't have significant effect on the environment. If you look on the last two pages it is a breakdown of the project. That would be kept on file with the College and with the issuer. Mr. Canada stated with that he will entertain any questions or comments on the Resolution.

Chairman Daly asked for a resolution to accept the findings for Skidmore College as presented.

The following Resolution was offered by Mr. Veitch and seconded by Mr. Johnson.

Resolution No. 1-2018

Resolved to approve the resolution for the SEQRA findings for Skidmore College as submitted.

Ayes – 4 – 0

Noes – 0

Adopted 4 – 0

Mr. Canada stated next is the Bond Resolution. A lot of this is the same as the SEQRA Resolution. On page two, the second Whereas Clause talks about the Board adopting an inducement resolution on December 4th. The next paragraph gets into SEQRA and the resolution that was just adopted by the Board. The next one is the issuer now wants to issue its revenue bonds for the Skidmore project. The issuer and the College will enter into a loan agreement, the proposals of which will be provided to the College to finance the project and the College agrees to make loan payments to pay debt service on the bonds. The next paragraph talks about the pledge of assignment under which the issuer will assign its servicing rights in the loan agreement to the Trustee as security for the bonds. In connection with the marketing of some of the bonds, the issuer will enter into a bond purchase agreement and a preliminary official statement and a preliminary offering document and a final official statement. On page four, the bonds will be issued in book entry form, the issuer will need to execute certain documents in connection with the interest on the bonds being tax exempt. The Issuer will need to file an 8038 which is called the Information Return in this case, with the IRS. The next Whereas Clause on final page four, defines authorized officers, being the Chairperson, Vice Chair, or Chief Executive Officer. In this case, those individuals will be able to sign different documents for this transaction, execute the bonds, etc. On page five, in section one, the issuer determines by virtue of the certificate of incorporation, has the representative power in the Act, to go forward with this project. It is a desire in the public interest to do this transaction to issue the bonds. Section D, the members, directors and officers will not have personal liability under this Bond Resolution nor will the bonds be a debt of the State of New York or Saratoga County. In section two, the issuer authorizes officers to determine the form and substance of the bonds, to enter into the bond purchase agreement, and to determine the bond details under a certificate of determination and to enter into various documents including an arbitrage certificate as part of the tax information he quoted previously. In section three, the issuer delegates the authorized officers the power to approve the form and substance of the loan agreement and the underlying documents. The issuer is authorized to issue the bonds in a principal not to exceed \$45,000,000. The College will pay the administrative fee to the issuer, in this case \$100,000. Section five, the issuer delegates the authority to deem the preliminary offering document or the final offering document final. Then there is wording that the authorized officer is to execute and deliver the issuer documents, to affix the seal on documents and any other documents that need to be executed in connection with this financing. Mr. Canada stated that is the general synopsis of the document. Chairman Daly asked if there were any further questions. Mr. Scott stated the only thing he would add to what Mr. Canada said is that these are special obligation bonds, they are not bonds of the County and certainly there is no personal liability on the part of the members.

Chairman Daly asked for a motion to move forward the bond Resolution in favor of the Skidmore College Project as presented.

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

Resolution No. 2-2018

Resolved to approve the Resolution for the bond financing for the Skidmore College project as submitted.

Ayes – 4 – 0

Noes – 0

Adopted 4 – 0

Mr. Carminucci stated he sent a proposed resolution to County Attorney Steve Dorsey for the Board of Supervisors to take action on the 16th.

Mr. Bernard thanked the Board and was excused from the meeting.

Approval of the December 4, 2017 meeting minutes:

Chairman Daly asked for a motion to approve the minutes of the December 4, 2017 meeting minutes. The motion to approve the minutes was made by Mr. Johnson and seconded by Mr. Veitch. There was no further discussion. All board members voted in favor.

Chairman Daly stated the next agenda item is appointment of officers for the Capital Resource Corporation. She did not hear of any interest in changes to the Board as it stands now. She is putting forth the same positions that we have had in the past. Chairman Daly is willing stay on as Chair, Mr. Johnson is willing to stay on as Vice Chair and Secretary and John Wyatt as Treasurer.

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

Resolution No. 3-2018

Resolved to appoint the officers of the Capital Resource Corporation as follows:

- a) Chairman – Anita Daly
- b) Vice Chairman and Secretary – Arthur Johnson
- c) Treasurer – John Wyatt

Ayes – 4

Noes – 0

Adopted 4 – 0

Chairman Daly then discussed the reappointment of the board members to the Committee Assignments as stated below.

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

Resolution No. 4-2018

Resolved to appoint the members of the Committee Assignments of the Capital Resource Corporation as follows:

- a) Audit Committee: Johnson (Chairman), Zeltmann, Wyatt, Veitch;
- b) Governance: Muratori (Chairman), Zeltmann, Johnson and Veitch;
- c) Investment: Wyatt (Chairman), Johnson, Zeltmann, Frantti;
- d) Finance: All board members.

Chairman Daly stated that Board Evaluation forms are to be completed. Mr. O’Conor brought some copies for everyone to fill out and return to him at the end of the meeting.

Chairman Daly stated we need to re-approve our policies. Mr. O’Conor stated the only policy that had any change was internal controls. He drafted a change that is not dramatically different from what our practice has been in previous years. One of the changes is that Mr. Reale and himself will review all invoices. Also, Mr. Reale has been getting a duplicate of bank statements from himself, but going forward, Mr. Reale access bank information online. Mr. Reale questioned if the online banking was

going to be view only. Mr. O’Conor stated yes. Mr. O’Conor stated he recommends re-approval of the policies, including the changes to the internal controls as follows:

Chairman Daly asked for a motion to re-approve these policies.

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

Resolution No. 5-2018

Resolved to re-approve the following policies:

- a) By-laws
- b) Ethics Code
- c) Investment Policy
- d) Mission Statement
- e) Procurement Policy
- f) Property Disposition Policy
- g) Whistle Blower Policy
- h) Conflict of Interest Policy

Ayes – 4

Noes – 0

Adopted 4 – 0

Mr. O’Conor stated the following are the recommended changes to the Internal Controls/Financial Management Statement Policy.

“Checks received are deposited to the organizations sole deposit account either by the CEO or CFO. Wire transfers are received for bond closings. The CEO and CFO are informed of the deposit and enter the information into the bank ledger and a spreadsheet. The CEO receives statements from the bank, duplicates of which are provided to the CFO.

In regard to disbursements, the Treasurer, Chairman, Vice Chairman, and CEO are authorized signers on the bank account. Two signatures are required on all checks. Submitted vouchers and invoices are reviewed by the CEO. Those submitted by the CEO are reviewed by the CFO.

All payments are either authorized by the board, or made under contracts approved by the board. At every board meeting, a detailed report of all receipts and expenditures is presented to the board, as well as a period end balance sheet and budget to actual results”.

Chairman Daly asked for a motion to approve the Internal Controls/Financial Management Statement policy as amended dated December 31 2017.

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

Resolution No. 6-2018

Resolved to re-approve the Internal Controls/Financial Management Policy as presented.

Ayes – 4
Noes – 0
Adopted 4 – 0

Review of the Financial and Budget Reports as of December 31, 2017:

Mr. Reale stated the first item is the balance sheet. Cash on hand as of December 31, 2017 is \$518,062.22. Chairman Daly questioned if that was with the apartment closing in there? Mr. O’Conor stated yews and Trinity Health Partners. Mr. Reale asked if there were any questions on the balance sheet. Mr. Reale stated the next item is our year-end budget. We had total revenues of \$325,389.15. Total expenditures for the year was \$57,379.50 for a gain of \$268,009.65. Mr. Reale asked if there were any questions on the budget. Mr. Reale stated the last page is the transactions for the year.

Chairman Daly asked for a motion to approve the Financial and Budget Reports as of December 31, 2017. The motion to approve the reports was made by Ms. Muratori and seconded by Mr. Veitch. There was no further discussion. All board members voted in favor.

Chairman Daly stated the next agenda item is invoices for approval as follows: Lori Eddy, Secretarial Services \$550.00; Jeffrey Reale, CFO services \$500.00; Lemery Greisler, Counsel Services (to be submitted at a later date); Saratoga County Chamber of Commerce membership dues \$435.00; Chamber of Southern Saratoga County Membership dues \$308.00; and Center for Economic Growth membership dues \$5,000.00.

Chairman Daly stated regarding the Center for Economic Growth membership dues of \$5,000.00, she would ask the Board to hold on that. She has not had a chance to converse with the other Boards to see what their participation is going to be, if any, so before we move ahead with that she would suggest making sure we are partners in something. Chairman Daly asked Mr. O’Conor if we have heard from them? Mr. O’Conor stated no, he has only received an invoice. Chairman Daly asked for a motion to approve the invoices with the exception of Lemery Greisler (to be submitted at a later date) and the Center for Economic Growth membership dues \$5,000.00. The motion to approve the invoices was made by Mr. Johnson and seconded by Mr. Veitch. There was no further discussion. All board members voted in favor.

Chairman Daly stated the next agenda item is Legal Counsel Retainer Agreement. Mr. O’Conor stated he did not know if the Retainer Agreement has to be renewed on an annual basis such as our other contracts. Mr. Carminucci stated it was intended to run until terminated.

Mr. O’Conor stated in regard to insurance policy renewals, these items generally come up between this meeting and our meeting in April. We don’t want our insurance policies to lapse, so if the Board and Counsel agree, when those policy renewals come in and if they are within the budget that we have appropriated for them, he would like authorization from the Board to pay the premiums. Chairman Daly asked if we had factored in an increase for those? Mr. O’Conor stated he did. He stated he believes the premiums from 2016 to 2017 are virtually identical. There was very little increase. In 2017 he sent out a proposal to get other quotes and our current insurance carrier was the lowest. Chairman Daly questioned what those companies were? Mr. Reale stated you have Great American Insurance and Philadelphia Insurance. Mr. O’Conor stated the agency is Marshall and Sterling Insurance. Mr. O’Conor stated there are two policies that come up in February and one in March. Mr. Reale stated you budgeted \$3,200.00 for 2018. The motion to approve the payment of the Insurance Policy renewal invoices within the budget limits previously established in the 2018 budget was made by Mr. Johnson and seconded by Ms. Muratori. There was no further discussion. All board members voted in favor.

Chairman Daly asked for a discussion on the next agenda item, Annual Audit preparation. Mr. O’Conor stated we have just about all documentation ready. We are waiting for one confirmation from Saratoga Hospital as to the balances of their bond issues as of December 31st.

Chairman Daly stated the date for the next Audit Committee meeting is March 20th.

Chairman Daly stated in other business, our membership with NYSAC has allowed us the opportunity to have a booth at their conference, which she politely declined. However, they are featuring us as a Gold Sponsor to the Conference and anyone who is here can attend the Conference as a part of the fee that we have paid. She would ask if you would like to go to please let her know. Chairman Daly stated to Mr. O’Conor that they have requested some information, such as what is on our brochure. Regarding the new website, Mr. O’Conor stated the only thing WebInstinct is waiting for to finalize the website, are images from Grammercy. Chairman Daly questioned what is the domain address? Mr. O’Conor stated it is saratogacapialesource.org.

Chairman Daly stated the Chamber has a dinner on January 25th and if any board member would like to attend that does not already have a ticket to the dinner, she would be more than happy to entertain the option of us buying a ticket.

Chairman Daly stated there is a press release going out on today’s application approval. The idea is not only to talk about the Skidmore College project but to also put the word back out there again about who we are and what we are and the service we have to offer.

Chairman Daly stated the next scheduled meeting is Tuesday, April 24th.

A motion to adjourn was made by Mr. Veitch, seconded by Mr. Johnson. All were in favor and the meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Lori A. Eddy, Administrative Secretary

Approved _____ Date _____

