

SARATOGA COUNTY CAPITAL RESOURCE CORP.
Meeting Minutes January 26, 2016
Stewart's Office Plaza, Route 9, Malta, NY 12020

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

Staff Present: Raymond O'Connor, CEO; Jeff Reale, CFO, Jim Carminucci, Counsel, Lori Eddy, administrative secretary.

Absent: John Wyatt.

Chairman Daly called the meeting to order at 4:05 p.m.

Chairman Daly stated that she and Supervisor Johnson were reappointed and Mr. Veitch's reappointment was inadvertently missed at the last board of supervisors meeting, but will be reappointed. She stated that a vacancy remains and we would like to find someone outside of the geographic areas already represented. Ms. Muratori stated it would be great to have someone from the healthcare industry because it has become such a big part of the economy and community. Chairman Daly stated if the Board members could please keep this in mind.

Approval of the October 27, 2015 minutes:

A motion to approve the minutes was made by Mr. Veitch and it was seconded by Ms. Muratori. There was no further discussion. All board members voted in favor.

Approval of Governance Committee minutes of October 27, 2015:

Chairman Daly asked for a motion to approve the Governance Committee meeting minutes of October 27, 2015. Mr. Johnson made a motion to approve the Governance Committee meeting minutes as presented and it was seconded by Mr. Zeltmann. There was no further discussion. All Governance Committee members voted in favor.

Approval of Finance Committee minutes of October 27, 2015:

Chairman Daly asked for a motion to approve the Finance Committee meeting minutes of October 27, 2015. Ms. Muratori made a motion to approve the Finance Committee meeting minutes of October 27, 2015 and it was seconded by Mr. Johnson. There was no further discussion. All board members voted in favor.

Chairman Daly then discussed the re-appointment of officers of the Saratoga County Capital Resource Corporation.

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

Resolution No. 1-2016

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
- d) Chief Financial Officer – Jeffrey Reale

Ayes – 4

Noes – 0

Adopted 4 – 0

Chairman Daly then discussed the re-appointment of the board members to the following Committee Assignments:

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

Chairman Daly discussed the confidential evaluation of Board performance required to be completed by each Board member. All of the board members present completed the form.

Chairman Daly discussed the policy re-approvals. There were no changes to the policies. Mr. O’Conor stated there is one addition to the list from last year, the Conflict of Interest Policy. Chairman Daly asked for a motion to re-approve these policies.

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

Resolution No. 2-2016

Resolved to re-approve the following policies:

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

Ayes – 4

Noes – 0

Adopted 5 – 0

Chairman Daly asked Mr. Reale to discuss the financial reports. Mr. Reale stated that the balance sheet as of December 31, 2015 showed a cash balance of \$286,727.49. For the year we had a net loss of \$40,209.32. Mr. Reale discussed the transaction sheet for all of the transactions for the year. Mr. Reale stated that there was a typo on the budget, the second column says actual as of 9/30/2015 and it should read 12/31/15. The income for the year was just the interest income of \$155.23 and we had total expenditures of \$40,264.55 which gives us our net loss of \$40,209.32.

Chairman Daly then asked for a motion to approve the financial report as presented. Ms. Muratori made a motion to approve the report and it was seconded by Mr. Veitch. Mr. Veitch questioned whether the amount that was given to the County Prosperity Partnership was last year or 2014. Mr. O'Connor stated the funds went to the County in 2014 for the County's discretion to use for economic development purposes. There was no further discussion. All board members voted in favor.

Chairman Daly asked for a motion to approve the invoice presented in the amount of \$100.00 for Lori Eddy for secretarial services. Mr. Veitch made a motion to approve the payment of the invoice, seconded by Mr. Johnson. There was no discussion. All board members voted in favor.

Chairman Daly then asked Mr. O'Connor to discuss the agenda item for insurance policy renewals. Mr. O'Connor stated that our insurance policies come up for renewal at the end of March. Because of our quarterly meeting schedule, we had a special meeting to approve it. Mr. O'Connor contacted Marshall and Sterling and there was another agency, McPhillips Agency, which asked if they could provide a quote. McPhillips Agency is a subsidiary of Glens Falls National Bank which is a subsidiary of Arrow Financial Corporation and Mr. O'Connor is the Chairman of the Board of Saratoga National Bank, which is also a subsidiary of Arrow Financial Corporation. Mr. O'Connor stated that he does not vote on this matter, he told the gentleman from the McPhillips Agency that he could provide a quote. The quote from Marshall and Sterling, were lower in aggregate. Our policies would cost us a total \$2,379.03. The quote we got from McPhillips was \$2,677.33. Mr. Veitch questioned the amount paid last year for insurance of \$2,913.01. Mr. O'Connor stated that included an additional policy which was added at the end of the year to cover the use of the Prosperity Partnership meeting facility. Mr. Zeltmann questioned whether the coverages matched. Mr. O'Connor stated he provided a copy of the current policies to ensure that both agencies were quoting for the same coverage. Chairman Daly asked for a motion to approve the renewal of the Marshall and Sterling insurance policies for the coming year. Mr. Zeltmann made a motion to approve the renewal of the insurance policies with Marshall and Sterling in the amount of \$2,379.03, seconded by Ms. Muratori. There was no further discussion. All board members voted in favor.

Chairman Daly asked for a discussion on other business. Mr. O'Connor stated that he and Mr. Carminucci have had a couple of conversations with two potential borrowing entities. The Adirondack Trust Company contacted Mr. Carminucci about possibly refinancing existing debt of the Wesley Community. The Wesley Community is also making capital improvements on their present campus and a possible new facility in Malta. We had conversations with the attorney representing the owners of the Raymond Watkins apartments. It is Section 8 housing for low to moderate income senior citizens in Saratoga Springs. The property is owned by a partnership, and the general partner wants to make improvements to the property. Mr. Carminucci and Mr. O'Connor will follow up with the prospective applicant. Ms. Muratori mentioned the YMCA's recent capital campaign announcement. Mr. O'Connor also stated that he spoke with Paul Loomis, a former Capital Resource Corporation board member recently about the aquatic center that is proposed in Malta. It still has a way to go. Chairman Daly stated that Mr. Vanags will more than likely chat with you about a new project. Mr. O'Connor asked if this was the building proposed in the Luther Forest Technology Campus. Chairman Daly stated this is a proposed manufacturing technology education center, designed to help provide training and workforce development. There are potential partners; RPI, SUNY and others health care industry. Mr. Vanags will

be speaking with Mr. O’Conor about partnering with the CRC from a perspective of potentially financing it. Mr. Johnson pointed out he believes the Partnership has authority to finance it too.

Chairman Daly asked if there was any other business to discuss. Mr. O’Conor stated that on the agenda he had listed meetings which need to occur such as the Audit Committee and full Board meeting. Mr. Johnson stated that he would not be able to attend the meeting as listed on the agenda. Mr. O’Conor stated that we have to file the Audit and Annual report with the ABO before March 31st. The Audit Committee meeting was rescheduled for March 7th at 2:30 p.m.

Ms. Muratori asked if there were discussions with the Prosperity Partnership about the potential of having conflicts with the mission between it and the CRC. Mr. Carminucci stated there is some overlap with financing authority. Chairman Daly stated she wants to preserve the CRC’s place in the County’s economic development efforts. She thinks that an entity like the Prosperity Partnership is focused on recruiting new businesses and job creation. The CRC has one mission and one focus, mainly supporting not for profit organizations. Mr. O’Conor thought a joint resolution between the Boards of both organizations might be helpful as to their roles. Chairman Daly stated she would speak to the Partnership Board Chairman about this. This will be reported on in a future meeting.

A motion to adjourn was made by Mr. Johnson, seconded by Mr. Veitch. All were in favor and the meeting was adjourned at 4:54 p.m.

Respectfully submitted,

Lori A. Eddy, Administrative Secretary

Approved _____ Date: April 26, 2016