

Saratoga County Capital Resource Corp.
Meeting Minutes October 27, 2015
Stewart's Office Plaza, Route 9, Malta, NY 12020

The meeting was called to order at 4:00 p.m. by Chairman Daly.

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 4:00.

Approval of the July 28, 2015 minutes:

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

Review of Financial Report as of September 30, 2015:

Chairman Daly stated the Finance Committee has reported the status of the financials as documented in the meeting packet. She asked if there were any questions. Chairman Daly asked for a motion to approve the Financial Report as of September 30, 2015. A motion to approve the Financial Report as presented was made by Mr. Johnson and seconded by Mr. Veitch. There was no further discussion. All board members voted in favor.

2016 Proposed Budget:

Chairman Daly discussed the 2016 Proposed Budget prepared by Mr. O'Connor and Mr. Reale. It must be filed with the ABO on or before October 31st.

The following resolution was offered by Mr. Johnson, seconded by Mr. Zeltmann;

Resolution No. 10 – 2015

Resolved, to adopt the 2016 Budget as presented.

Ayes – 5

Noes – 0

Adopted 5-0

2016 Meeting Schedule:

Chairman Daly discussed the 2016 meeting schedule. The dates are subject to change given the possibility of conducting additional business. A motion to approve the 2016 meeting schedule as presented was made by Ms. Muratori and seconded by Mr. Veitch. All board members voted in favor.

Invoices for Approval:

Mr. O’Conor stated there was only one invoice for approval, for secretarial services in the amount of \$80.00. A motion to approve the invoice was made by Ms. Muratori and seconded by Mr. Zeltmann. There was no further discussion. All board members voted in favor.

Mr. O’Conor stated the contract for secretarial services will expire at year end. Lori Eddy is willing to serve again. Mr. O’Conor asked the board to take action to renew the secretarial services contract for 2016. There are no changes from the 2015 contract.

A resolution was offered by Mr. Johnson and seconded by Mr. Zeltmann;

Resolution No. 11 – 2015

Resolved, to approve the renewal of the secretarial services contract for Lori Eddy.

Ayes – 5

Noes – 0

Adopted 5 - 0

Adoption of ABO recommended Conflict of Interest Policy:

Chairman Daly discussed the ABO’s recommended Conflict of Interest Policy. A copy of the policy had been distributed to all board members and staff. Ms. Muratori stated the Governance Committee discussed the policy and unanimously recommends adoption.

A resolution was offered by Mr. Veitch and seconded by Mr. Zeltmann;

Resolution No. 12 – 2015

Resolved, to adopt the Conflict of Interest Policy as presented.

Ayes – 5

Noes – 0

Adopted 5 - 0

Ms. Muratori stated that the Governance Committee recognized that Mr. O’Conor continues to do an excellent job for the Corporation and recommends renewing his contract for the 2016 calendar year. There are no changes to the 2015 contract.

A resolution was offered by Mr. Veitch, seconded by Mr. Zeltmann;

Resolution No. 13 – 2015

Resolved, to renew the contract for CEO services with Mr. O’Conor for 2016.

Ayes – 5

Noes – 0

Adopted 5 - 0

Chairman Daly discussed an amendment to a resolution regarding a Saratoga Hospital bond issuance. Mr. Carminucci stated that this relates to the bonds issued in January 2014 to finance a capital project. A capitalized interest account was set up from bond proceeds and estimated how much interest might be incurred during the construction phase which is intended to be financed from bond proceeds. At the end there was a surplus of \$617,000 in that account. Traditionally, once construction is closed out, that money gets rolled over into another account and is used to pay interest on the bonds going forward. There is an inconsistency in the bond indenture as to whether that was permissible. There is an amendment that has been circulated that essentially fixes that inconsistency so that those surplus funds can be used to pay debt service. It is consistent with the Internal Revenue Code. Mr. Carminucci stated he is asking for a resolution authorizing Chairman Daly, on behalf of the Capital Resource Corporation, to execute that amendment. It has been circulated amongst the various parties to the transaction including the Hospital and the Bond Trustee and everyone is on board with it. Ms. Muratori asked if this was money left after the construction. Mr. Carminucci stated it was money left in the capitalized interest account. Either construction was completed earlier than anticipated or interest expense was overestimated, or a combination of the two. It is not unusual.

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

Resolution No. 14-2015

Resolved, based on counsel’s recommendation, to authorize Chairman Daly to execute an amendment to the Trust Indenture relating to the 2014 Saratoga Hospital Bond Issuance.

Ayes – 5

Noes – 0

Adopted 5 – 0

Chairman Daly asked Mr. O’Conor to discuss the Adirondack Aquatic Center. She stated she and Supervisor Johnson met with these folks. Mr. O’Conor stated Chairman Daly introduced him to some of the people associated with the project and he had a subsequent conversation with one of them. It is proposed to be a \$22,000,000 to \$23,000,000 Aquatic Center located in Malta. In his discussions with one of the principals involved in the project, she said they were currently raising funds in order to purchase the property. Concurrently, they are working on design and engineering for the project. Once

they secure the funding to purchase the property and purchase it, they would start the fundraising necessary to build it. It is a long haul to make this kind of project come to fruition. There probably is not an opportunity on the immediate horizon for us to provide funding. There is a chance that it might happen in 2016, but probably be sometime after 2016. Ms. Muratori asked if they have done this in other places. Mr. O'Connor stated there are aquatic centers in other locations across the country. Ms. Muratori asked if the principals are local. Mr. O'Connor stated they are. Mr. Zeltmann questioned how it compares to the Waterworld in Lake George. Mr. O'Connor stated this is not a tourist type of recreational facility with slides and a splash park. It is for swimming and diving. Chairman Daly said there is also a therapeutic element to it. It is a sports design. She questioned whether the land was being donated to them. Mr. O'Connor did not know the answer to that. Mr. Zeltmann questioned who might use this type of facility. Chairman Daly stated as she understood they are making it available to all the schools. It will be an Olympic type of training facility for competitive swimming and diving. Ms. Muratori stated many pools are busy with the competitive swimming.

Mr. O'Connor discussed that he had a conversation with a representative of Skidmore College recently. They are in the quiet phase of raising money from major donors for a proposed \$100,000,000 Sciences Center. The next phase would be a public campaign. Once they have finished that phase, we will see if there is an opportunity for us to provide supplemental financing. The earliest would be September, 2016 before we know. Chairman Daly asked if there was a timetable for that. Mr. O'Connor stated he didn't know if they had a hard date. He thinks it is driven by their ability to raise funds for the project. Mr. Zeltmann asked if we have participated with them in the past. Mr. O'Connor stated we did finance existing debt that they had. Mr. Zeltmann asked if that is seen as unusual funding for educational institutions in New York State, an organization like us funding a private college. Mr. Carminucci stated RPI was recently in the paper. They approached our counterpart recently in Rensselaer County for financing a capital project in the range of fifty to sixty million dollars. These types of projects are common.

Mr. O'Connor then discussed the Wesley Community. They have a pending project at Exit 12 on the hospital campus. They also have a number of on campus projects in Saratoga Springs that they are working on. He will be talking with CFO Shelly Amato probably during the first quarter of 2016.

Ms. Muratori asked about the status of the Saratoga PLAN project. Mr. O'Connor stated he spoke with Saratoga PLAN Executive Director Maria Trabka. They are fundraising and hope to raise most if not all of the funds needed to purchase the Pitney Farm.

Chairman Daly asked if there was any further business for discussion. There being none, Chairman Daly then asked for a motion to adjourn the meeting.

A motion to adjourn was made by Mr. Johnson, seconded by Mr. Zeltmann. All were in favor and the meeting was adjourned at 4:32 p.m.

Respectfully submitted,

Lori A. Eddy, Administrative Secretary

Approved _____ Date _____