

SARATOGA COUNTY CAPITAL RESOURCE CORP.

March 20, 2018

Meeting Minutes

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

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

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

Guests: Jon Lapper, Counsel, Hudson Headwaters Health Network; Christopher Tournier, CFO, Hudson Headwaters Health Network.

Absent: Ann Frantti, Jeff Reale, CFO.

Chairman Daly called the meeting to order 3:00 p.m.

Chairman Daly thanked everyone for attending. Just as a matter of protocol, we are saddened by the death of one of our board members, Eugene Zeltmann. We truly lost a good person who was a devoted board member and who had his heart and soul in the work of the agency.

Today, we are pleased to announce that we have before us an application from the Hudson Headwaters Health Network. Chairman Daly asked Mr. O'Connor to discuss the application. Mr. O'Connor stated a few weeks ago Mr. Jon Lapper, Hudson Headwaters Health Partners Counsel, spoke with him about this project and filed an application. Mr. Tournier is CFO of Hudson Headwaters Health Partners. They also submitted the last two years audited financial statements which are strong. Mr. O'Connor asked Mr. Lapper and Mr. Tournier to discuss the application.

Mr. Lapper stated they have seventeen facilities from the Canadian border to South Glens Falls. South Glens Falls has a small clinic and this project would be a significant addition. Hudson Headwaters was formed by Dr. Ruggi who just retired as the Chief Executive Officer, to bring health care to rural areas and the Adirondacks. It has been very successful. We have 800 employees in these seventeen facilities and their corporate offices are just off of Exit 18 in Queensbury. This is an exciting opportunity to serve an under served market in Moreau. We have the property under contract from Tom Burke, who owns the Dunkin Donuts franchises and it will be right next door to Dunkin Donuts. They expect to be all set with the Town, no variances, just site plan and then ready to submit. They expect to be able to close in early June. They have a rate lock until June. Mr. Lapper stated Mr. Tournier could answer any questions about Hudson Headwaters. Chairman Daly questioned, you have project number of employees to be 38 then 42. Are these new jobs? Mr. Tournier stated some of them will be. Today, we have roughly just under 6,000 square feet, but projected to be about 27,000 square feet. Not all of that would be theirs necessarily. He has been with the organization a little over eight years and when he got to the organization there were about 400 employees and as Mr. Lapper mentioned, we are in the 800 range. Mr. Tournier stated in our model we are a federally qualified health center. We have a Federal designation and we report to the Health Resource Service Administration in the Federal Government and their model for FQHC's is primary care, but within that the subset of behavioral health is there, dental, etc. Chairman Daly questioned eye vision as well. Mr. Tournier stated we are looking at that. Mr. Wyatt questioned if they had plans to further expand south? Mr. Tournier stated no not at this point but that doesn't mean that it couldn't occur. Mr. Wyatt questioned what are the dynamics that make it attractive to open a new facility? Mr. Tournier stated that is a good question. They look at demographics for sure and see if a need is under met, a lack of primary care, and a population base. Some of it is also driven by

the Federal Government and grant opportunities. Ms. Muratori asked if they had some Saratoga people already going into their Queensbury facility. Mr. Tournier stated they do have some. There is a mix. They sometimes go into Queensbury, they will certainly go into the Moreau site. Obviously, expanding that that will help. Often times, we are the only ones taking Medicaid because most don't because economically it doesn't work for them. We have a mission. We receive federal grants for that. The mission is really regardless of the later fact. We are required to provide a sliding fee for folks and what that means is we take an application and it is driven by income and family members and where you are against the poverty guidelines. Essentially, your visit could be zero if you meet those requirements. That mission is important to us. Mr. Johnson questioned if the financing was \$8,000,000. Mr. Tournier answered \$7,700,000. Chairman Daly questioned if that was a combination of construction and equipment? Mr. Tournier stated we are going to put up \$4,000,000 of our own money. Essentially, that will be equipment plus equity. The \$7,700,000 would be for building. Ms. Muratori questioned if they were buying the property or leasing? Mr. Tournier stated we are buying. Mr. Carminucci stated you mentioned not all of the space would necessarily be occupied by the owner. Is there a pharmacy or something? Mr. Tournier stated there is potentially a pharmacy. It might be a new line of business for us. We might decide to do a pharmacy. In previous buildings we have partnered with other pharmacies. Mr. Canada questioned if there was lease space as well for practice groups. Mr. Lapper stated we expect that the tenant would be not-for-profit as well. We are in discussions but if that doesn't happen they would probably take it themselves. Chairman Daly asked Mr. Canada if there was anything he wanted to review with us on the application or the Resolution. Mr. Canada stated no. Ms. Muratori questioned what are the hours? Mr. Tournier stated it depends on the facility. For instance, they have urgent care at a couple of facilities so they might go 8-8. Sometimes it is 8-5 with certain days longer. Ms. Muratori questioned if they were doing that here? Mr. Tournier stated here we haven't really addressed the hours yet. Mr. Carminucci questioned if they do urgent care now in your existing facility. Mr. Tournier stated no, it is too small. Primarily they do urgent care in Warrensburg and at Broad Street in Glens Falls. Mr. Canada questioned what square footage would the pharmacy be? Mr. Tournier stated 2,500. Chairman Daly asked what their timeline was on the project? Mr. Tournier stated they close on the property by June and then really get right in the ground and hope to be open early next year. Chairman Daly stated that the project certainly falls within the mission of this organization and is similar to some projects that we have done in the past and is certainly an asset for Saratoga County and the residents of Saratoga County. Mr. Johnson stated he thinks it is a good project. Mr. Canada asked about engineering and environmental issues. It is going to be submitted to the Town of Moreau in the next two weeks, and we will have no problems getting through Moreau in a couple of months. Chairman Daly stated we will hold the public hearing an after the public hearing bring the project to the Board of Supervisors. We should be able to be on their calendar for April. Mr. O'Connor stated we had a meeting scheduled for April 24th which will be after the Board of Supervisors. After discussion it was decided that a public hearing would be scheduled for Tuesday, April 10th at 4:00 at the Stewart's Building in Malta.

Chairman Daly asked for a motion to accept the application for consideration for Hudson Headwaters Health Network as submitted.

The following resolution to accept the application for consideration was offered by Mr. Wyatt and seconded by Ms. Muratori. There was no further discussion.

Resolution No. 7-2018

Resolved to approve the application for Hudson Headwaters Health network as presented.

Ayes – 5

Noes – 0

Adopted 5 – 0

Chairman Daly stated we will move on and get this scheduled for a public hearing. Chairman Daly thanked Mr. Tournier and Mr. Lapper for attending. Mr. Tournier and Mr. Lapper then left the meeting.

Mr. O’Conor stated we need a vote on the Inducement Resolution that Bond Counsel has prepared for us. Mr. Canada stated it is similar to what we just went through for Skidmore.

Chairman Daly asked for a motion to go forward with the application for Hudson Headwaters Health Network and to set a public hearing for Tuesday, April 9, 2018.

The following resolution to set the public hearing for Hudson Headwaters Health Network for April 9, 2018 was offered by Mr. Johnson and seconded by Mr. Wyatt. There was no further discussion.

Resolution No. 8-2018

Resolved to approve the Inducement Resolution and set the public hearing for the application for Hudson Headwaters Health network as presented.

Ayes – 5

Noes – 0

Adopted 5 – 0

Chairman Daly stated the next item on the agenda is the Audit Report. Mr. Johnson stated the Audit Committee met and reviewed the 2017 Audit Report. There were no findings of any consequence in the report and the Committee approved accepting the 2017 Audit Report.

Chairman Daly asked for the motion to accept the 2017 Audit and Report. The motion was made by Mr. Wyatt and seconded by Mr. Johnson. There was no further discussion. All board members voted in favor.

Chairman Daly stated the next item on the agenda is the engagement of Cusack & Company as recommended by the Audit Committee for our internal auditors for 2018. The motion to engage Cusack & Company as recommended by the Audit Committee was made by Mr. Wyatt and seconded by Ms. Muratori. There was no further discussion. All board members voted in favor.

Chairman Daly stated the next agenda item is ABO PARIS filings. Mr. O’Conor stated he will be filing these later this afternoon or tomorrow with the Authorities Budget Office. Each of you has a copy of the Annual Report for 2017. There isn’t a whole lot new from prior years other than an update to projects in which we were engaged in 2017. The Saratoga Hospital issue back in January of last year and RW Preservation (Raymond Watkin Senior Apartments) are listed in there. There is an update to the financial information which is identical to what we just looked at in the Audit Report. If you recall back in October when we worked on the budget for this year and projecting out from here, we talked about the grant program and our prospective income. We made some changes to the original budget. The Authorities Budget Office requires in the annual report that we display the actual numbers for 2017, our estimates for 2018 and project out another four years. That information is on the last page of your packet.

A motion to accept and approve the annual report for PARIS filings was made by Mr. Veitch and seconded by Mr. Johnson. There was no further discussion. All board members voted in favor.

Mr. O’Conor stated the agenda lists other reports that are filed with the Authorities Budget Office. The next item is the Procurement Report. We only have to report transactions in excess of \$5,000.00 and the

only one we had last year was the contract for Mr. O'Connor's services. The Investment Report was simple as well. All of our assets are in one bank account so that is all that gets reported to Authorities Budget Office. The Performance Measurement Report is included in the Annual Report. The Measurement Report is the summary of the transactions that we did with Saratoga Hospital and RW Preservation. He also noted that we accepted an application late in 2017 for the Skidmore project. The Audit Report is submitted to the ABO as well.

Mr. Wyatt questioned with the balance on the account, should we have a discussion with the bank to see if there is anything better interest bearing that we could move money into. Mr. O'Connor stated rates are raising and he thinks things are going to be a little more competitive. Mr. O'Connor stated he would reach out to Ballston Spa National Bank and see what else they can do for us. Mr. O'Connor commented he looked at rates and up until now, there was little reward for extending out. Mr. O'Connor stated our investment policy states that we can invest in any FDIC insured account and if our balances exceed FDIC limits the account must be collateralized with securities. We can also invest in securities authorized by the State Comptroller's Office. In a rising rate environment there is risk in going out longer term on bonds. Bond values go down as rates go up. He doesn't think this is right environment to do that. There is also the unpredictability of income for us. We were talking about the grant program and perhaps investing as much as \$40,000 a year in that. If interest rates rise higher and we still have a large balance it may be a good time to invest longer term.

Mr. O'Connor stated regarding the next item on the agenda, that he could not confirm who the board appointed as the Procurement Officer. Mr. O'Connor recommended that we appoint Mr. Reale for the position of Procurement Officer. Chairman Daly asked for a motion to appoint Mr. Reale as Procurement Officer. The motion was made by Mr. Wyatt and seconded by Ms. Muratori. There was no further discussion. All board members voted in favor.

Mr. O'Connor stated the next item on the agenda is submission of Ethics Disclosures with the County Attorney's Office. April 1st is the deadline. Chairman Daly stated to her knowledge they have all been done.

Mr. O'Connor stated Mr. Zeltmann was our Ethics Officer. We will need to appoint an Ethics Officer. Chairman Daly stated she would nominate Ms. Frantti for the position of Ethics Officer. Chairman Daly then asked for a motion to appoint Ms. Frantti as Ethics Officer. The motion was made by Mr. Wyatt and it was seconded by Ms. Muratori. There was no further discussion. All board members voted in favor.

Mr. O'Connor stated the next agenda item is invoices. The first invoice for \$3,400.00 is for Cusack & Company under a contract. The next item is Advantage Press. There were two bills, \$515.00 for brochures and \$150.00 for business cards. The third item is Great American Insurance Company in the amount of \$1,100.00 and Philadelphia Insurance Company in the amount of \$1,618.01, which are for liability, Directors and Officers coverage and the umbrella policy. The next item is for Mr. O'Connor in the amount of \$9.65 for postage to mail items to the accountant's office. He also purchased a multi-functioning device (printer, scanner, copier, fax) as the organization does not have one. One item that was not on the list was Chairman Daly's attendance of New York State Association of Towns annual conference. The travel and expenses related to that were \$1,010.00. Ms. Muratori made a motion to approve the invoices, seconded by Mr. Johnson. There was no further discussion. All board members voted in favor.

Mr. O'Connor stated the only other thing he had on the agenda was the next scheduled meeting was for April 24th but if we are meeting on April 10th we shouldn't need to meet again on the 24th.

Chairman Daly asked what do we want to do with respect to the grant program? Mr. O’Conor had a very nice idea about naming our grant program in memory of Gene Zeltmann. Ms. Muratori stated it is a nice idea. It would be helpful to have a bio on him so people would be able to relate to why we were naming this grant program for him. Chairman Daly stated she also would like to discuss a request. Until the time we have a formal grant program, if things are requested of us we can at least consider them. A request was brought to her attention from the Veterans Department of Saratoga County to sponsor their annual Veterans Day event, a 5K race. All of the proceeds that they get are turned back around to service the needs of veterans across Saratoga County. Mr. O’Conor asked that someone in the organization submit a formal written request and include the dollar. He can come back to the Board with the request. Ms. Muratori stated that she is still working on the details of our prospective grant program.

A motion to adjourn was made by Mr. Johnson, seconded by Mr. Veitch. All were in favor and the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Lori A. Eddy, Administrative Secretary

Approved _____ Date: March 20, 2018.