

SARATOGA COUNTY CAPITAL RESOURCE CORP.
October 22, 2019
Meeting Minutes
Stewart's Office Plaza, Route 9, Malta, NY 12020

Members Present: Chairwoman Anita Daly, Matthew Veitch, Art Johnson, Mark Hillman.

Staff Present: Raymond O'Connor, CEO; Jeff Reale, CFO; Chris Canada, Bond Counsel; Lori Eddy, administrative secretary.

Absent: Ann Frantti, Valerie Muratori.

Chairwoman Daly called the meeting to order at 5:00.

Approval of the July 23, 2019 meeting minutes

Chairwoman Daly asked for a motion to approve the minutes of the July 23, 2019 meeting. The motion to approve the minutes was made by Mr. Veitch and seconded by Mr. Johnson. There was no further discussion. All board members voted in favor.

Review of Financial & Budget Report

Chairwoman Daly asked Mr. Reale to review the financial reports as of September 30, 2019. Mr. Reale asked if there were any questions on the financial statements as discussed previously in the Finance Committee meeting. There was no further discussion regarding the financial reports.

The following Resolution to approve the Financial Report and the Budget Report as of September 30, 2019 as presented to the Finance Committee was offered by Mr. Hillman and seconded by Mr. Veitch.

Resolution No. 4-2019

Resolved, to approve the Financial Report and the Budget Report as of September 30, 2019 as presented:

Ayes- 4

Noes – 0

Adopted 4-0

2020 Proposed Budget

Chairwoman Daly asked Mr. O'Connor to discuss the 2020 Proposed Budget. Mr. O'Connor stated in the Finance Committee we talked about our internal budget. He also has to share with the Board before he submits to the Authorities Budget Office, the forecasted budget going out to 2023. At the top of page eight, you see the headings, reporting the actual results for 2018, an estimate where we are going to be at the end of 2019, and then the adopted budget for 2020 and forecasts for the following three years. As far as revenue is concerned he has put in one transaction of \$10,000,000. Sometimes we are over that. Sometimes, like this year, we are under. Regarding investment earnings, interest rates are lower than they were in the past year, so he anticipates interest income going out a couple of years will probably be flat. If you look on page nine, on the expense side, professional services and supplies and materials are modest. Grants and donations are rounded off to \$30,000 and expect something similar in the coming years. He shows a modest profit for the next three years. The Board should pass a resolution to approve the ABO submission. Chairwoman Daly stated she wanted to mention for the Board's sake and for the

2020 Budget under Community Development Grants, that \$30,000 basically is the Chamber Program that we sponsored, the Institute of Management Program which was sponsored at \$27,000.00 and \$1,500.00 for the County Veterans Foundation. Chairwoman Daly stated under Dues and Membership Fees we have the NYSAC membership and the Chamber of Commerce memberships. We keep a line item for conferences because there has been in the past, and she is sure there will continue to be, particularly with NYSAC, opportunities to participate in workshops and different networking opportunities. Chairwoman Daly asked if someone would like to offer the 2020 Budget for approval.

The following resolution to approve the 2020 Proposed Budget was offered by Mr. Veitch and seconded by Mr. Johnson. There was no further discussion.

Resolution No. 5-2019

Resolved to approve the 2020 Proposed Budget and ABO Budget Report with an amendment to Other Professional Services, increasing it to \$3,000.00.

Ayes – 4

Noes – 0

Adopted 4 – 0

Authorities Budget Office Conduit Debt Report:

Mr. O’Conor wanted to make the Board aware that along with many other Public Authorities, the Comptroller’s Office and the Authorities Budget Office looked at our past issuances of debt. One of the issues that they examined, which was the same one that the IRS looked at, was for Saratoga Hospital. Part of that hospital transaction from 2017 was the refinance of existing debt. The Authorities Budget Office believes that we reported the correct amount of total debt, however, that the allocation for the refinance portion of that debt was off by \$50,000. They asked us to amend that report from 2017 to move \$50,000.00 from new debt to refinanced debt. It was debt issued by the IDA in the past. Mr. O’Conor thought we reported it accurately, but the ABO said to change it. The matter does appear in a public report.

Report on the IRS Matter:

Mr. O’Conor stated, if everyone recalls, the IRS questioned the tax-exempt status of that same 2017 Saratoga Hospital debt issue and we hired Chris Canada and his firm to represent us in response to the IRS over that matter. Mr. Canada stated if you look on page ten, after responding to the IRS it issued a letter that says we are fine. The interest on the bonds remains tax exempt for federal tax purposes. He will contact the Hospital to let them know about this. The fees incurred by his firm will be borne by the Hospital. Mr. O’Conor stated if you remember the crux of the matter was the IRS claimed that the cost of issuance, our fees, other expenses of Bond Counsel, etc., exceeded 2% of the amount being financed when in fact, it did not. So, Mr. Canada, his firm and Saratoga Hospital put together the necessary documentation to show that those expenses were indeed less than 2% of the debt issued. Mr. O’Conor thanked Mr. Canada for the work done on this matter.

Invoices for approval:

Chairwoman Daly stated you will see the Saratoga County Veterans Service Agency invoice is for \$1,500.00 that was included in our budget. Chairwoman Daly asked for a motion to approve the three invoices as presented in the amounts of \$115.00 to Lori Eddy, Web Instinct – website updates \$120.00, Saratoga County Veterans Service Agency, \$1,500.00, as well as the payment of \$2,000.00 to the Saratoga County Prosperity Partnership for the Live Stories subscription. A motion to approve the payments was made by Mr. Veitch and seconded by Mr. Johnson. There was no further discussion. All board members voted in favor.

Mr. O’Conor would like to mention one more item with relation to another ABO audit item. Our original website was set up and hosted on the same website as Saratoga County Government. All of our minutes, agendas, documents and policies were on the Saratoga County website. When we created our own website through Web Instinct, all of those documents were supposed to be carried over on to the new website. One document that was missed was our Whistleblower Policy. The ABO examined our website and did not see the Whistleblower Policy. The policy still appeared on the old website, but inadvertently was not posted to the new website. Web Instinct has since posted it to the new website.

Renewal of Administrative Secretary Contract

Chairwoman Daly asked for a motion to approve the Administrative Secretary contract as recommended by the Governance Committee. The motion to approve the Administrative Secretary contract with a \$55.00 hourly rate was made by Mr. Johnson and seconded by Mr. Veitch. There was no further discussion.

Resolution 6-2019

Resolved, to renew the Secretary service contract with Lori Eddy.

Ayes – 4
Noes – 0
Adopted 4-0

Renewal of CFO Contract

Chairwoman Daly asked for a motion to approve the CFO contract at a fixed amount of \$2,400.00 per year. The motion was made by Mr. Johnson and seconded by Mr. Veitch. There was no further discussion.

Resolution 7-2019

Resolved, to approve the renewal of the CFO contract with Jeffrey Reale.

Ayes – 4
Noes – 0
Adopted 4-0

Renewal of CEO Contract

Chairwoman Daly asked for a motion to approve the CEO contract as recommended by the Governance Committee, increasing annual compensation to \$36,500.00. The motion to approve the CEO contract was made by Mr. Johnson and seconded by Mr. Hillman. There was no further discussion.

Resolution 8-2019

Resolved, to approve the renewal of the CEO contract with Raymond O’Conor.

Ayes – 4
Noes – 0
Adopted 4-0

Saratoga County Institute of Management Agreement:

Chairwoman Daly stated the next agenda item is the Saratoga County Institute of Management Agreement. This is a program we sponsor with the Chamber of Commerce. Chairwoman Daly asked Mr. O’Conor to discuss this agenda item. Mr. O’Conor stated that it was recommended we have a written agreement between us and the Chamber of Commerce for the funding of the program. He worked with Kathleen Fyfe at the Chamber to draft an agreement. He sent Mr. Carmiucci a copy. Mr. Carminucci didn’t recommend any changes. The agreement states that we will provide \$27,000.00 in funding per year for the program. There is a summary description of how the Chamber will use the funds. Funding must be approved by the Board on an annual basis. Mr. O’Conor stated we should have a motion to approve the grant and agreement between us and the Saratoga County Institute of Management.

Chairwoman Daly asked for a motion to approve the Saratoga County Institute of Management contract as presented in the amount of \$27,000 annually. The motion to approve the contract was made by Mr. Veitch and seconded by Mr. Hillman. There was no further discussion.

Resolution 9-2019

Resolved, to approve the Saratoga County Institute of Management contract as presented in the amount of \$27,000 annually.

Ayes – 4
Noes – 0
Adopted 4-0

Report on prospects and applications:

Mr. O’Conor has been in touch with Wesley. He spoke with Brian Nealon a couple of weeks ago and he gave him an update on their capital campaign, the initial phase of which went better than anticipated. Now they are in the broader campaign and he would guess around the second quarter of next year they will probably wrap that up and talk with us about financing. Mr. Hillman questioned if that was in the \$10,000,000.00 range? Mr. O’Conor stated he is not sure what the amount is, but it could be.

Mr. O’Conor stated in addition, he stopped at the Hudson Headwaters Health Network facility. It is well under construction in South Glens Falls. Chairwoman Daly asked what was their anticipated opening date? Mr. O’Conor stated he thinks they are looking at early 2020.

2020 Meeting Schedule:

Chairwoman Daly stated we have provided the 2020 meeting schedule in the back of your packet. Due to conflicts, the January meeting was changed to Wednesday, January 22nd. Chairwoman Daly stated we will leave the other dates as they are and change them if necessary.

Board terms expiring 12/31/19 – Ann Frantti and Matthew Veitch:

Chairwoman Daly stated we have two Board terms expiring for Mr. Veitch and Ms. Frantti. Mr. Veitch has generously said that he would love to continue to work on this Board. Ms. Frantti will as well. We have one vacancy.

Chairwoman Daly asked if there was any further business to discuss. There being no other matters for discussion, on a motion by Mr. Johnson, seconded by Mr. Hillman, the meeting was adjourned.

Secretary

Date