

SARATOGA COUNTY CAPITAL RESOURCE CORP.
Meeting Minutes April 25, 2017
Stewart's Office Plaza, Route 9, Malta, NY 12020

Members Present: Chairman Anita Daly, Arthur Johnson, Eugene Zeltmann, Ann Frantti.

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

Absent: Matthew Veitch, John Wyatt, Valerie Muratori.

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

Approval of the January 24, 2017 minutes:

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

Approval of the February 23, 2017 minutes:

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

Approval of minutes of public hearing for Trinity/St. Peter's, February 23, 2017:

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

Approval of the minutes of public hearing for RW Preservation, February 23, 2017:

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

Approval of the Audit Committee meeting minutes of March 16, 2017:

A motion to approve the Audit Committee meeting minutes was made by Mr. Johnson and seconded by Ms. Frantti. There was no further discussion. All board members voted in favor.

Chairman Daly stated the next agenda item is the Audit Committee Report. Mr. Johnson stated the Audit was fine and there were no findings. Mr. Reale stated he spoke with Ken Cusack and everything looked good. Chairman Daly stated Mr. O'Connor does a great job with all of our reports and records. Mr. O'Connor stated there were no exceptions to the Audit Report, all of the board members received a copy of the report, as did the Authorities Budget Office prior to the March 31 filing deadline.

Chairman Daly asked for a resolution to accept the Audit Report as presented. There was no further discussion.

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

Resolution No. 9-2017

Resolved, to approve the Audit Report as presented.

Ayes – 4
Noes – 0
Adopted 4 – 0

Chairman Daly stated the next agenda item is to accept the 2016 Audit Report on Internal Controls. Mr. O’Conor stated our independent auditors deemed we have appropriate internal controls in place such as dual signatures on checks and we have an independent CFO who prepares the financials. Mr. Reale stated it is a pretty standard letter and it says there are no deficiencies in the internal controls and everything we have in place is working. It is a good report.

Chairman Daly asked for a motion to accept the 2016 Audit Report on Internal Controls. There was no further discussion.

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

Resolution No. 10-2017

Resolved to approve the 2016 Audit Report on Internal Controls as presented.

Ayes – 4
Noes – 0
Adopted 4 – 0

Chairman Daly stated the next agenda item is the engagement of Cusack & Company, 2017, 2018 Audits. Mr. O’Conor stated last year we got a three-year proposal from Cusack & Company that the Board elected to accept and even though we accepted that proposal on a three year basis he would like the board to reaffirm its decision. They just completed this year’s audit that Mr. O’Conor and Mr. Reale went through in great detail. Cusack and Company did a great job, very responsive and timely. Mr. O’Conor recommended that we retain them for the second two years of the agreement. They had a small increase in the fee of about \$200 dollars a year.

Chairman Daly asked for a motion for the engagement of Cusack and Company for the 2017 and 2018 Audits. There was no further discussion.

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

Resolution No. 11-2017

Resolved to approve the engagement of Cusack and Company for the 2017 and 2018 Audits as presented.

Ayes – 4
Noes – 0
Adopted 4 – 0

Chairman Daly stated the next agenda item is the PARIS filings with the Authorities Budget Office. Mr. O'Connor stated there is a hard copy in the board meeting packet for everyone. He sent out the annual report at the end of March. The reports that are required are listed on the agenda. We have to report all Procurement transactions in excess of \$5,000 and we only had one for last year, Mr. O'Connor's CEO contract. The Investment Report is simple. All of our money is FDIC insured in the bank, or collateralized deposits for those amounts that are over the FDIC limit. The Performance Measurement Report is within the annual report. The Audit Report was submitted to the ABO prior to the March 31 deadline.

Mr. O'Connor stated he would like to discuss ABO Alerts. The ABO tracks who submits reports on a timely basis and they review them. On the ABO's website, there were over 100 organizations under their supervision that did not submit a budgets and/or annual report in 2016. It has the name of every agency that is not compliant. Some of them are State Agencies and others are local agencies. Mr. O'Connor questioned if Ms. Frantti had completed her Board training yet. Director Frantti stated she would be completing that soon. Mr. O'Connor stated another list on the ABO website includes directors who have not completed the mandatory training.

Mr. O'Connor stated on agenda item number 12, he wanted to make sure everyone had gotten their notice from the County Attorney's Office for the Ethics Disclosure form. The Board members discussed whether they received theirs or not. Mr. O'Connor will follow up with County Attorney Steve Dorsey on these disclosure forms.

Chairman Daly stated the next agenda item is the consideration for the Bond Resolution for RW Preservation (Raymond Watkin Senior Apartments). Mr. Martell stated we do have a preliminary closing date set for mid-June. This is a tax exempt bond in an amount not to exceed \$15,000,000. It is for the rehabilitation and sale of the Raymond Watkin Senior housing project. This bond is going to be publicly offered so there is going to be a preliminary official statement followed by an official statement. We don't know the terms of the bond yet. This is a trustee bond so there is going to be one representative for all of the owners of the bond. That Trustee is M&T. There is a mortgage on the entire parcel. Where it stands right now, we are just waiting for HUD to get back to us on comments to our documents, finalizing the overall contract for all of the apartments, determining rents. Mr. Martell explained that in deals involving low income housing or senior housing, assisted living the entity enters into a land use restriction agreement and this is a form that is filed with the County. It limits the use of the property to the items under section 142 of the code which is essentially they are using a 60/40 test, that 60% of the people living in the building have to be at or below the poverty level on this. That is where they are pegging it with the other 40 above. That is the one thing that is a little bit different than this and maybe a 501C3 deal. 95% of all the capital or all the bond proceeds need to be spent on capital expenditures, so something that would add value to the property. They are talking about painting, replacing items on the property essentially making it safer. He hasn't gotten the list from HUD yet of what is on the approved repair list. Mr. Zeltmann questioned is there any discussion as to whether or not that percentage will drive the quality of the housing to a lower level. Mr. Martell stated no. The reason is HUD is pretty strict on what the requirements are and HUD inspectors go to these places regularly and that could threaten what is called a HEP contract, which is essentially the government pays the rent in all these cases and collects the rent from the tenants. So, the HEP contract would be threatened to the extent that the circumstances dip below the threshold set by HUD. Mr. Martell stated correct. Mr. Zeltmann questioned if we have demonstrated somewhere that this is going to provide something on jobs so that we have it on our books. Chairman Daly stated that we entered into this project, and unless the employee situation has changed, we are just going to be maintaining the jobs that are there. There will be some construction jobs in the interim. Probably the bigger driver in getting behind this project was to provide needed housing for the seniors who are currently living there to be able to continue to live there and to be a place for this population of people who are an important part of our community. Mr. O'Connor stated in the application

and the revised application from RW, the existing jobs would be retained, possibly add one more full-time position. There are as many as 40 construction jobs in the renovation project. Mr. Zeltmann stated as long as we have that in the record. Mr. O’Conor stated that ends up in our annual report as well. It will show the fact that we closed on that transaction and what transpired and he would get written verification that that happened. Chairman Daly asked Mr. Martell if there was anything else that needed to be included. Mr. Martell stated he thought it was mentioned that this was non-recourse. This loan is the sole obligation of RW Preservation payable from the operation of the project. There is no recourse to the issuer in this case, just like all of the other bonds that have been issued. There is no recourse to the County.

Chairman Daly asked for a motion to approve the Bond Resolution for RW Preservation (Raymond Watkin Apartments). There was no further discussion.

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

Resolution No. 12-2017

Resolved to approve the Bond Resolution for RW Preservation (Raymond Watkin Apartments) as presented.

Ayes – 4
Noes – 0
Adopted 4 – 0

Chairman Daly stated the next agenda item is the review of our financial and budget reports as of 3/31/17. Mr. Reale stated through the first quarter, we took in \$199,729.14. Expenditures were \$19,633.21 for a net total of \$180,095.93. Mr. Reale stated the balance sheet as of March 31st, cash on hand is \$430,098.50. Mr. O’Conor stated all the transactions we had during the first quarter of the year are in the reports.

Chairman Daly asked for a motion to approve the Financial and Budget Reports as of March 31, 2017 as presented. There was no further discussion.

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

Resolution No. 13-2017

Resolved, to approve the Financial Report and the Budget Report as of March 31, 2017 as presented.

Ayes – 4
Noes – 0
Adopted 4 – 0

Mr. O’Conor stated there are some invoices to be paid. We have invoices payable to Lori Eddy for secretarial services, CFO’s services for Mr. Reale, Counsel Services for Mr. Carminucci and himself for the annual renewal of the McAfee software and the purchase of a separate hard drive for backing up all of our records. There is also the payment for Cusack and Company, which we approved in the contract last year. Similarly for the Philadelphia Insurance Company. The liability policy came due in March and that had been previously approved by the Board. Mr. O’Conor asked for a resolution to approve those invoices.

Chairman Daly asked for a motion to approve the invoices presented as follows: L. Eddy \$375.00, secretarial services, J. Reale \$450.00, CFO Services. J. Carminucci \$275.00, Counsel Services. R. O’Conor \$223.62 (McAfee software renewal. \$96.29, MP Hard Drive \$127.33). Cusack and Company \$3,300, 2016 Audit under approved three year contract. \$1,597.01, Philadelphia Insurance Co. liability insurance previously approved by the Board. There was no further discussion.

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

Resolution No. 14-2017

Resolved to approve the invoices for payment as presented.

Ayes – 4

Noes – 0

Adopted 4 – 0

Mr. O’Conor discussed pending projects. He stated that he and Chairman Daly had visited Ellis Hospital to talk to their CEO and their CFO about possible projects they might have in the County. There is nothing on the immediate horizon. Mr. O’Conor asked Mr. Martell if we have heard anything about a closing for Trinity Health Partners. He hasn’t been informed of a closing date. Mr. Carminucci hasn’t heard back from them either.

Chairman Daly stated we started talking last year about coordinating county economic development under one brand in a unified effort. We have with us today Shelby Schneider from the Saratoga County Prosperity Partnership and she is here to present a marketing proposal. Ms. Schneider distributed a proposal to the Board members and stated that it talks a little bit about the purpose, what we are doing and why. We are looking to create a cohesive look and feel amongst all of the stakeholders that are touching economic development, including the Saratoga County Prosperity Partnership, the Capital Resource Corporation, the Saratoga County Industrial Development Agency, as well as the Luther Forest Technology Campus. What we are proposing, number one, is logo development. We have a proposal right now that we could get a logo which would have the same color scheme as the both the Partnership, the IDA and Luther Forest Technology Campus, green and blue. We have been talking with Indycamp Graphics for \$350.00. We will get a logo in different versions of that and also in black and white so that you can use it on the web, or in print materials. What we are also proposing is a style guide which will offer business card design and letterhead design and then what we could do on your behalf is , once approved, is shop that out for different printing services depending on demand what you would need. We can also develop a brochure for the CRC if necessary. We are also talking about doing communications support for CRC. Something else that we are doing is the Partnership is re-developing our website so we are also doing one for the Luther Forest Technology Campus and the Saratoga County IDA. So, if we are in there, it is just as easy to add another project on board. It would all be in compliance with the PAAA requirements and we would also create something simple enough so that you would have a back-end system and passwords so that you would have the ability to upload yourself or we can do that on your behalf because you are required to submit your meeting notices, your minutes and all of your other critical paperwork on that site. Mr. O’Conor questioned Ms. Schneider, in relation to that, right now in addition to the current minutes, notices and agendas, there are a number of policies that are posted on there. We currently have a page on the County website so it would also include extracting all of that. Ms. Schneider stated we can add all of that to this, but that shouldn’t be an issue at all. When the Partnership started, all of our information was on the County website as well. Something that we did fairly recently was we migrated everything over to our site right now. And, the new site, it is just going to be a migration move over. You do it once and it is not that hard to do over again. It is just as easy for you to upload it as it is

for you to upload it into an email and send it to someone and ensure that you are in compliance with those things. Also, she added photography. What we are trying to do is create a cohesive brand and aggregate all of our business that we have from those four organizations to get better deals with vendors. The website is probably going to be the most expensive component of this. But, just to get started, \$2,500 is more than enough for your logo and brochure development. But you won't get very far with the website unless we just put a page on our website which is not what your goal and intent is to do. Ms. Schneider stated she knows the IDA website was around \$9,000 but she thinks she could get a better price because she thinks this is going to be simpler. Mr. Zeltmann stated he thought we could put a not to exceed \$2,500 to cover the things we have already discussed other than the website and that gets us going. Ms. Schneider stated \$2,500 would be a great starting point. What she will do is at your next meeting deliver a logo, business cards, and a probably a three-panel brochure to start working with.

Chairman Daly asked for a motion to approve an agreement with the Prosperity Partnership to develop for the Capital Resource Corporation the basic marketing items in an amount not to exceed \$2,500.00. Mr. Reale questioned if this was a flat fee or per hour charge. Ms. Schneider stated it is not to exceed \$2,500.00 and then she would come back to the Board. There was no further discussion.

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

Resolution No. 15-2017

Resolved to approve the expenditure not to exceed \$2,500.00 for the development of the Capital Resource Corporation's basic marketing items as presented.

Ayes – 4

Noes – 0

Adopted 4 – 0

Chairman Daly asked if there was any further business to discuss. Mr. Zeltmann questioned when the next meeting date would be. Mr. O'Connor stated the next meeting would be July 25, 2017 at 4:00 p.m.

A motion to adjourn was made by Mr. Zeltmann, seconded by Mr. Johnson. All were in favor and the meeting was adjourned at 3:54 p.m.

Respectfully submitted,

Lori A. Eddy, Administrative Secretary

Approved _____ Date _____