

Saratoga County Capital Resource Corp.
Meeting Minutes October 28, 2014
Board of Supervisors meeting room, 40 McMaster Street, Ballston Spa, N.Y.

The meeting was called to order at 4:00 p.m. by Vice Chairman Art Johnson. The following members, staff and guests were present:

Members: Chairman Anita Daly, Arthur Johnson, John Wyatt, Eugene Zeltmann, Richard Dunn, Valerie Muratori.

Staff: Raymond O’Conor, CEO; James Carminucci, Counsel; Lori Eddy, Secretary.

Absent: Jeffrey Reale, CFO.

Approval of the July 29, 2014 minutes:

A motion to approve the minutes of July 29, 2014 was made by Ms. Muratori and seconded by Mr. Wyatt. All voted in favor and the motion was approved.

Mr. O’Conor presented the September 30, 2014 financial and budget reports. Mr. Zeltmann asked if anything could be done to enhance investment income. Mr. O’Conor stated that given the limited number of investment alternatives permitted, the only way to earn higher returns would be to extend investment maturities beyond five years, which he does not recommend. A motion was made by Mr. Wyatt and seconded by Mr. Dunn to approve the financial and budget reports as presented. All voted in favor and the motion was approved.

Mr. O’Conor presented the 2015 proposed budget that he and CFO Jeffrey Reale drafted. The Finance Committee met prior to the regular board meeting and recommended its approval. Mr. O’Conor discussed the prospect of a project with the Wesley Community in 2015 regarding the estimate of revenues. Expenses are consistent with 2014.

Mr. Johnson made a motion to adopt the 2015 Budget as proposed, seconded by Mr. Wyatt:

Resolution 15-2014

Resolved, to approve the 2015 Budget as presented. All voted in favor and the motion was approved.

Mr. O’Conor stated that the meeting schedule for 2015 consists of quarterly required meetings. Additional meetings may be scheduled to accommodate applicants.

Chairman Daly stated that a change needs to be made to the Governance Committee. Subsequent to Mr. Wyatt’s appointment to that committee, he became an employee of Saratoga National Bank. CEO O’Conor is Chairman of the bank’s board. Due to that conflict of interest, Mr. Wyatt has resigned from the Governance Committee. Chairman Daly appointed Ms. Muratori to the Governance Committee.

Mr. O’Conor stated there was one invoice in the amount of \$57.76 for the purchase of file boxes. A motion was made by Ms. Muratori to approve the invoice, seconded by Mr. Johnson. All voted in favor and the motion was approved.

Mr. O’Conor discussed a meeting with AIM Services regarding the refinancing of existing debt and additional financing for future capital projects. AIM would incur a very substantial prepayment penalty if it refinanced existing debt prior to 2016. The interest expense savings would not offset the penalty. The capital projects would likely initiate after 2015. We will probably take another look at this opportunity in 2016.

Chairman Daly stated she had asked Mr. O’Conor and Mr. Carminucci to review the law and policies regarding the issuance of grants. Mr. O’Conor and Mr. Carminucci discussed this extensively prior to the meeting. Mr. Carminucci discussed not-for-profit law and public authority law. He stated the Capital Resource Corporation is a public entity controlled by and related to the County. The law is scant, but inasmuch as the Corporation is an alter-ego of the County, he believes that the Capital Resource Corporation may devote funds for purposes consistent with its mission in partnership with Saratoga County. Mr. Dunn asked if there is specific legislation as to what can be done with Corporation funds. Mr. Carminucci replied no. Mr. Carminucci explained that the Authorities Budget Office has authority and oversight of the Corporations activities and has not been clear on all of the allowable uses of LDC funds.

Chairman Daly discussed the formation of the Saratoga County Prosperity Partnership. Its board is in the process of selecting an Executive Director. It is funded in the proposed Saratoga County 2015 budget. Chairman Daly requested support for a \$50,000 grant to Saratoga County specifically for economic development marketing purposes. Granting this money to the County gives us an opportunity to support its economic development initiatives. Mr. Zeltmann stated that a specific request should be made to the Capital Resource Corporation for funding, detailing the use of the funding if approved. There were questions as to the legal authority to do this. A question was posed by Ms. Muratori as to the limitations of grants, so as not to deplete the resources of the Corporation. Discussion continued and the members came to a consensus that grants would be considered on an individual basis given the Corporation’s financial condition and the suitability of the request. Mr. Carminucci recommended that a formal written request come from the County. Chairman Daly stated that a meeting should be held in November to receive and consider a grant request from Saratoga County. The meeting was scheduled for Wednesday, November 12th. Chairman Daly stated she will follow up with the County on a request prior to that meeting and Mr. Carminucci stated that he would consult with the County’s counsel to be certain that a grant is consistent with the law and our policies. Mr. O’Conor stated that if a request is submitted and approved, the 2014 budget will need to be amended.

Chairman Daly told the members that there is a vacancy on the Board. She asked that members submit the names of qualified nominees interested in serving as a member of the Board.

There being no further business to discuss, a motion to adjourn was made by Mr. Dunn and was seconded by Mr. Johnson. All voted in favor and the meeting was adjourned.

Respectfully submitted,

Lori A. Eddy, Administrative Secretary

Approved _____ Secretary _____