

Saratoga County Capital Resource Corporation

Minutes 2012

Saratoga County Capital Resource Corporation Minutes

October 23, 2012 – 3:30 p.m.

Present: Tom Wood; Anita Daly, Arthur Johnson, Steve Dorsey, Gene Zeltmann, Paul Loomis, Valerie Muratori, Rick Dunn and Raymond O'Connor.

Mr. Wood called the meeting to order and welcomed all in attendance. He said at the Board of Supervisors August 21, 2012 meeting a resolution was passed to create the formation of the Capital Resource Corporation. Since that time, paperwork has been put together and has been sent to the State in Albany to be properly recorded.

A copy of the resolution and the Proposed By-Laws of the corporation were distributed to all committee members for their review.

Mr. Wood said the by-laws call for the election of officers consisting of Chairman, Vice Chairman, Secretary and Treasurer and would be by the election process coming from the seven members of the corporation.

Mr. Wood requested a nomination for the position of Chairman. Mr. Johnson nominated Ms. Daly as Chairman. He stated that Ms. Daly has served as chairman of the county Economic Development Committee for at least the last three or four years. She is very familiar with the other outside agencies such as SEDC and the IDA, and she also serves on the State Regional Economic Development Council. Mr. O'Connor seconded. The vote was unanimous.

Ms. Daly said she looks forward to working with the committee, and knows that the committee is just getting started. We have been here on the ground for a long time trying to look at what the county needs and how we can move forward and serve the people of the county. Continuing to have a vision for leadership for tomorrow, we know that this Capital Resource Corporation will form the many steps needed for further economic development efforts.

Ms. Daly placed a nomination for Mr. Johnson as Vice Chairman of the committee. She said Mr. Johnson has a keen sense of commitment and leadership that he has shown for economic development with his work with the IDA. Mr. O'Connor seconded the nomination. The vote was unanimous.

Mr. Wood requested a nomination for the position of Secretary. Ms. Daly asked if there was someone on the committee that would be interested in the position.

Ms. Daly said Mr. Dorsey has been very instrumental in getting the Certificate of Incorporation completed along with Mr. Carminucci from Lemery Greisler. She said Mr. Carminucci was unable to attend the meeting today.

Ms. Daly said the Secretary position would not involve the taking of minutes, as that position would be filled separately.

Mr. Dorsey reviewed the roll of Secretary as follows: He stated that the duties of the secretary, as outlined in the proposed by-laws, are not something that the committee is locked into. He said the committee can define the duties of the secretary as they see fit. Generally the secretary would keep the books and records of the corporation along with the Corporate Seal of the Corporation should it need to be affixed to any contracts. He said if someone else is going to be doing the minutes of the meetings there would really be no more responsibilities for the secretary.

Mr. Johnson asked if the CFO and treasurer would have the same responsibilities or would they be different. Mr. Dorsey said they could be similar. He said it would be wise to keep all the corporate records in one location. There would be joint custody of the records between the CFO and the Secretary of the corporation.

Mr. Dorsey said it wasn't mentioned in the by-laws, but suggested that it might be the duty of the secretary to send out the meeting notices together with the agenda.

Ms. Daly nominated Mr. Dunn for the position of Secretary. Mr. Dunn said he would accept the position of Secretary on the provision that he does not have to take any minutes of the meetings. Mr. O'Connor seconded the motion. The vote was unanimous.

Mr. Wood requested a nomination for the position of Treasurer. Mr. Johnson nominated Mr. O'Connor for the position of Treasurer. Mr. O'Connor said he would accept the position as long as he was not responsible for the day to day carrying out of the financial records. Mr. Loomis seconded. The vote was unanimous.

Ms. Daly said in the by-laws, as they are written, it calls for the committee to have a CEO and a CFO. She said at this time she is hopeful that the committee would support the appointment of Larry Benton as CEO. She said this entity will serve very similar to the IDA, where Mr. Benton has served for many years.

Ms. Daly requested a vote of support with Larry Benton serving the roll of CEO and following up with another vote at a later time with regard to compensation.

Mr. Zeltmann asked if Mr. Benton was prepared to have a no vote in the event that some unforeseen event takes place that would keep the corporation from compensating him for his services. Mr. Zeltmann said he would not like the corporation to be in a position of being contested by someone who did work for us and then we weren't able to pay him because through our brief discussions it is possible

that we may not be able to pay him or to the level that he should be paid. He asked if that was an issue. Ms. Daly said she did not believe that would be an issue.

Mr. Dunn said he did not want to speak for the IDA, but he thought that they might be able to rustle up some support from the IDA for compensation if they had to. He said for a short term duration, we really need Larry Benton because he is the only one that understands the PARIS System really well.

Mr. O'Connor said he spoke to Mr. Benton and he said that he didn't want to be the CEO of the Capital Resource Corporation for any extended period of time.

Ms. Daly said the nomination for a CFO will be discussed at the next meeting.

Ms. Daly nominated Mr. Benton to serve as the CEO of the corporation. Mr. O'Connor seconded

Resolution #1-2012

Whereas, the Saratoga County Capital resource Corp.(the "Corp.") is required by statute to appoint a chief executive officer to manage the operations of the Corp. and,

Whereas, Lawrence Benton who serves as the CEO of the Saratoga County Industrial Development Agency has expressed a willingness to serve the Corp. in order to help ensure that it is in compliance with the requirements of the Public Authorities Accountability act of 2005, as amended, now therefore be it

Resolved, that the board hereby appoints Lawrence Benton as its CEO subject to the terms and conditions of a contract to be prepared by Corporation counsel

Ayes: 7

Noes: 0

Adopted: 7-0

Ms. Daly said the generosity of the Saratoga County IDA is helping us to determine the needs of the county and they have stepped up to the plate with their support, not only in personnel and resource, but in terms of financial support. They have come forward and offered a grant for up to \$5,000 initially to get started.

Ms. Daly said Lemery Greisler who works with the County IDA has also said they are willing to work with the corporation and will have minimal fees associated with anything the corporation needs to do to get off the ground.

Ms. Daly said at this time she would like to move forward with the appointment of the general council/bond council being that of James Carminucci of Lemery Greisler.

Mr. Dunn said Mr. Carminucci is outstanding, but asked if the general council and bond council could be one in the same. He said in the 10 or 11 years he has been with the IDA it has always been two separate people. The general council and bond council were not the same person, he said. He said he had no problem with Mr. Carminucci functioning in both capacities if our council is comfortable with that.

Mr. Dorsey said Mr. Carminucci doesn't do a lot of bond work; there is someone else in the office doing bond work. Mr. Dorsey said he didn't think Mr. Carminucci would be wearing both hats. Mr. Dorsey said he would refer it to Mr. Carminucci as he is going to be the lawyer for the corporation.

Ms. Daly said that the CRC can at this time appoint Lemery Greisler as the legal firm.

A motion was made by Mr. Loomis, seconded by Mr. Dunn to appoint Lemery Greisler as the legal firm to the Capital Resource Corporation

Resolution # 2-2012

Whereas, The Saratoga County Capital Resource Corp. (the "Corp") is in need of specialized counsel for the future issuance of tax exempt civic facility bonds and,

Whereas, the firm of Lemery Greisler, LLC, Saratoga Springs, NY has extensive local experience in the issuance of bonds now therefore be it,

Resolved, that the Corp. hereby appoints the firm of Lemery Greisler LLC to serve as its bond counsel and be it further,

Resolved, that Lemery Greisler, LLC shall also serve as the Corp.'s general counsel.

Ayes: 7

Noes:0

Adopted: 7-0

A motion was made by Mr. O'Connor, seconded by Mr. Dunn to accept a grant from the Saratoga County IDA for up to \$5,000. The motion passed unanimously.

Ms. Daly said the adoption of the annual operating budget will be put on hold as Mr. Carminucci will be addressing this at the next meeting. She said Mr. Carminucci is familiar with some not for profits that have expressed an interest in coming forward to this organization. He will have an idea of the amount of money there will be to bond and the fee schedule for those when trying to put together an operating budget.

Mr. Dunn suggested looking at the IDA fee schedule for not for profit bonds. He said he would get a copy of that for the next meeting.

Ms. Daly said a policy handbook will need to be established. She said a draft policy and guideline handbook will be established. An outline was distributed to the committee members for their review.

Mr. Zeltmann suggested adding a sheet to the Policy Handbook which included acronyms.

Ms. Daly said the establishment of the Audit, Governance and Finance Committees would be appointed by the Chairman. She asked that if any members of the CRC were interested in serving on anyone of the committees to please let her know. Mr. O'Connor said he would be willing to serve on the Finance Committee and Mr. Loomis said he would be willing to serve on the Audit Committee.

Ms. Daly appointed a by-laws subcommittee consisting of the following members:

Mr. Johnson, Mr. Dunn and Mr. O'Connor

A copy of the proposed by-laws was distributed to all committee members for their review. All comments should be forwarded to the Chairman or subcommittee members.

Mr. Dorsey said there is no provision in the proposed by-laws for a finance committee, just an audit and governance committee. If the corporation would like to add a finance committee that would be something that would have to be created, he said. Mr. Dorsey said he would consult with Mr. Carminucci as to whether there needs to be a finance committee.

Mr. Dorsey said committee members will need to complete mandatory training as required by the Public Authority Accountability Act of 2005. All members will have a year to complete the training which will include legal, financial and fiduciary responsibilities. This training can also be completed on line, he said.

Mr. Dorsey said in terms of the county ethic's forms, because members are appointed by the chairman of the board they will need to complete, on an annual basis, a county ethics disclosure form that is generally mailed out in January/February of each year.

The committee agreed that the Capital Resource Corporation committee will meet the last Tuesday of the month at 3:30p.m. in the Board of Supervisors Committee Room.

The next committee meeting is scheduled for November 27, 2012 at 3:30 p.m.

Ms. Daly said once the CRC is legally established, there would be a reception hosted by the CRC inviting all the not for profits in the county.

Mr. Wood said he is optimistic that there will be a broad base group of not for profits that would benefit from opportunities to them through the corporation and that would be interested in looking at funding and bonding sources. It is imperative for the CRC to get the word out and make them comfortable and knowledgeable of who we are and what the procedures and processes would be. Community outreach is critical for the CRC to be successful and accomplish the purposes that we have established, he said.

Ms. Daly said the major selling point that is used, is that any fees generated for financing will be kept local for future development.

On a motion made by Mr. O'Connor, seconded by Mr. Loomis the meeting was adjourned unanimously.

Respectfully submitted,

Chris Sansom

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION MEETING

November 27, 2012 – 3:30 p.m.

At 40 McMaster St., Ballston Spa, NY

PRESENT: Members: Anita Daly, Chair; Arthur Johnson, Eugene Zeltmann, Paul Loomis, Valerie Muratori, Richard Dunn, Raymond O'Connor

Staff & Guests: Jim Carminucci, Lemery Greisler, LLC; Supervisor Tom Wood, Chairman, Saratoga Co. Bd. of Supervisors; Supervisor John Collyer, Tn. of Providence; Stephen Williams, Daily Gazette; Caitlin Morris, The Saratogian

Chairman Daly called the meeting to order.

Chairman Daly introduced James Carminucci, our attorney who we designated last month. She introduced Elaine Sodemann who is taking our minutes today, but her schedule prevents her from continuing. She said If anyone knows of someone who would like to take our minutes to please let her know.

APPROVAL OF MINUTES

Ms. Muratori moved to approve the minutes of the meeting of October 23, 2012. Mr. O’Conor seconded. Mr. Dunn stated the minutes stated that the Clifton Park IDA provided the Corporation with a \$5,000 start-up grant when actually it was a grant from the Saratoga County IDA. He mentioned there were two references to this on page 3. Chairman Daly said Mr. Dunn had pointed out to her that on page 3, 8th paragraph, we had a discussion regarding Mr. Carminucci as our counsel. She said what she conveyed to Mr. Dunn was that she believes it was the understanding that this group supports Mr. Carminucci as our general and bond counsel. If he could not serve in this capacity, we would look to have separate counsels in each area. Mr. Carminucci stated he has qualified people to step in if he is not available. Mr. Zeltmann said he wondered about a conflict of interest. Mr. Carminucci stated many of these organizations have one counsel, but IDAs have two. He said there is no inherit conflict there. Mr. Dunn said maybe we should state the firm of Lemery Greisler just in case Mr. Carminucci is not available. Mr. Carmunucci said yes, as someone would fill in for him if he was not available. Chairman Daly said the minutes will be amended with these changes.

The motion to approve the minutes, as amended, was approved with all in favor.

ADOPTION OF BY-LAWS

Chairman Daly distributed copies of the Proposed By-Laws of the Saratoga County Capital Resource Corporation. She said the By-Law Committee recently met and reviewed by-laws of the IDA as well as proceedings and guidance from these types of corporations.

Mr. Johnson moved to accept the proposed by-laws for discussion and adoption. Mr. Zeltmann seconded.

Mr. Johnson stated he met with Mr. O’Conor, Mr. Dunn and Mr. Carminucci. We reviewed these by-laws that were handed out at our last meeting. He said he received changes from Mr. Carminucci by e-mail, and we received input from Larry Benton, of the IDA, as well. The document before you today is what we are recommending to be adopted. Some of the changes are what is included in the Saratoga County IDA’s by-law. Mr. Dunn said he does not see a Section 3 on page 9. Mr. Carminucci said that must have been a problem with the original set. He said that will end with Section 6 on page 10. Mr. Carminucci said there is a typo in what is now 4 on page 10, Bond Counsel. The last line states “any other governing”, and it should state “any applicable laws governing such projects.” Mr. Dunn said he has a question on page 10, Section 7, Financial Disclosure, and the County Attorney notifying the Saratoga County Ethics Advisory Council of any failure to file. Will Chairman Daly be notified at the same time? Mr. O’Conor stated this is taken directly from the Ethics and Financial Disclosure and the failure to file from any County official. Mr. Dunn said page 5, Section 10, neither the CEO nor CFO will be an authorized check signer? Mr. Carminucci stated with this change, it would be the

Chairman and the Treasurer as co-signer. It would be the Chair, the Treasurer, or any other Director. Chairman Daly said this reflects what we followed with the Water Authority Board. The Treasurer will review vouchers and sign the checks along with the Chair. In the absence of the Chair, it would be the Vice-Chairman. Mr. Carminucci said so to be consistent with the Water Authority Board, the language would have to be modified, and we can limit this to the Treasurer and the Chair, or the Vice-Chair if the Chair is not available. In Section 10, the words "any other Director" on the third line would be removed.

Mr. Zeltmann said on page 3, there is a requirement that newly appointed individuals must participate in State-approved training. He pointed out these classes are full through the middle of December. They will be announcing more in late December. Perhaps someone here could let us know or register us. Chairman Daly stated Mr. Carminucci has offered to monitor the website, and as soon as there is an opportunity, he will notify us in order to be able to sign up. She said training for the Water Authority Board will cover Mr. Johnson and herself. Mr. Carminucci said anyone who has had training, because of another State authority, will not have to do it again.

Mr. Dunn said on page 9, what is the PAAA? Mr. Carminucci stated the Public Authorities Accountability Act. Mr. Zeltmann recommended that this be spelled out in the by-laws. Mr. Dunn said we do not talk about the acquisition of assets, although in an e-mail, Mr. Benton did say obviously it covers acquisition as well as disposition. We only talk about disposition but not acquisition. Mr. Carminucci stated the PAAA requires you to have a property disposition policy and someone responsible for it. That same requirement isn't imposed on acquisitions; you are just governed by State law. Any acquisitions would have to be approved by the board. Mr. Dunn said and presumably any disposition? Mr. Carminucci said yes.

Ms. Muratori said there was a discussion last month of a Finance Committee and to include those responsibilities in the Audit Committee. Chairman Daly said we were also looking for feedback on those other governance committees. Mr. Carminucci stated the same act you are subject to governs State authorities across the State. There are quite a few obligations imposed on this entity. You are required to have these different types of committees, but in reality, there are not a lot of functions for these committees. Mr. Carminucci stated you will need Finance, Audit and Governance Committees. Ms. Muratori said wouldn't you want a separate committee for Finance vs. Audit? Mr. Carminucci stated a Finance Committee is not referenced in the by-laws, and as far as he knows, you need all three. Mr. Dunn said he does not believe the IDA has a Finance Committee. Mr. O'Connor said public trading companies do not have to have a Finance Committee. He said if we do not want to add a Finance Committee today, we can have Mr. Carminucci check to see if we do need one. Mr. Carmunicci said he believes the requirement for the Finance Committee was added when the law was modified in 2009. It

could be that the by-laws of the IDA were not updated after that. He read from the legislation as to what a Finance Committee is supposed to do. He mentioned some organizations have the membership of the entire organization act as the Finance Committee. He said that happens on some of the IDAs that he works with. He said he will add a section referring to this in the by-laws.

Chairman Daly stated the members can be appointed soon, just not now. She said Audit and Governance Committee meetings were held just prior to our Water Authority meetings so that the meetings can all happen at one time. Members just showed up ½ hour before the regular meeting. She requested the members to let her know if they have any interest in serving on the Audit or Governance Committees. We can all act as Finance Committee members.

Mr. Dunn referred to page 2, and he said he is confused by an Independent Director and a Director by virtue of holding a civil office of the State. Would Chairman Daly and Mr. Johnson be other than Independent Directors? Mr. Carminucci said he would have to obtain clarification on that. Mr. O’Conor stated they were appointed to this board as the rest of us were. Their civil office does not grant them membership to this board. Mr. Carminucci said if you were employed by the County, you would not be considered an Independent Director. He said he believes everybody is an Independent Director.

Mr. Carminucci stated he will send out clean copies once these are adopted.

Resolution # 3-2012

Whereas, the Saratoga County Capital Resource Corp. (the “Corp.”) is required to adopt By-Laws to serve as a procedural and Policy guide for the management and conduct of the Corp.’s business and,

Whereas, the subcommittee has reviewed with counsel and the CEO the proposed By-laws which reflect the requirements of the ABO and provide for the appropriate management and operation of the Corp., now therefore be it

Resolved, that the Board hereby approves and adopts the By-Laws and directs that they be entered into the Corp.’s Policy handbook.

Ayes: 7

Noes-0

Adopted: 7-0

ADOPTION OF APPLICATION FORM

Chairman Daly distributed copies of the Application Form for review. She said this has been used in various other entities. Mr. Carminucci stated this brings to bear what you will be considering when you review applications for not-for-profit corporations. As a point of comparison to an Industrial Development Agency, there are specific things that they are required to consider when they consider applications for financial assistance. What they can offer differs a bit from what this entity can offer. There is not as much guidance in the law in terms of that particular activity by this type of organization primarily because issuing tax exempt debt is a newer activity that Capital Resource Corporations have undertaken. You are looking at some type of public benefit if you approved the issuance of tax exempt bonds. You may have a not-for-profit approach you and the specific activity they are looking to finance by going through the CRC might not be generating a lot of new jobs, but there might be a job retention component for what they are asking for. Because nothing has come before you yet, it may be difficult to think about the types of things you will be working to in terms of making a decision. When projects come before an IDA, they are looking for a real property tax exemption. You are not in the position to do that. You cannot exempt projects from real property taxes. You can allow them to access the tax exempt bond market and offer an exemption from mortgage recording tax. Those are two big things you have to offer applicants.

Mr. Zeltmann stated we should determine what does the County think it wants out of this. Is it purely job creation or a particular clientele? What does the County think is appropriate for us to be encouraging? He said anybody who wants to develop a non-profit business without this board's support can do so. He said he would like to have a sense as to what the County wants us to be encouraging. He stated as soon as this hits the streets, a lot of people will be applying for lots of different things. Chairman Daly said this fits part and parcel with the work that the County's Economic Development Committee is doing. The IDA was very keen to bring to the attention of that Committee that there are entities in this County looking for this type of financing and do not have a vehicle to provide for that. It is in our interest to provide better service and cheaper fees. She said we want to make sure we are able to assist not-for-profits in a way to give them an opportunity to grow and meet their goals while we were doing all of the things necessary for people across the County to maintain their work force. This dialog and moving ahead with these new initiatives are new to the County. The Board of Supervisors is engaging into a process with Dr. Lewis and the University of Albany to assist us with some of the other entities that we partner with for economic development to help us articulate our strategic plan; our goals to move forward. She stated we have an interest in uniting government, education and business together. She said as she has been saying through

economic development for a long time now, we are getting out doing things we want to be doing, and we are writing the plan as we move forward. We want to maintain our quality of life. Mr. Dunn said on the IDA when they had the authority to issue tax exempt bonds for not-for-profits, they did Wesley's Woodlawn Commons, Skidmore, Saratoga Hospital and the Saratoga YMCA on the new building. Ms. Muratori said for Saratoga Bridges as well. She stated the issue is how do you offer that same opportunity for mid-management organizations that are not at the level of hospitals, etc.? Mr. Carminucci said the IDA had an application from the General Schuyler Ambulance Corps., but before the process could be completed, the IDA's ability to do not-for-profit financing was extinguished by the Legislature. Mr. Zeltmann said he believes that every time you turn somebody down, that would cause a confrontation. We need to have goals and objectives. Mr. Johnson stated there is a point where it is not worth going through us for the financing for the smaller not-for-profits. Chairman Daly said given some of the historical perspective of things funded in the past, we should look to those as examples of what has worked and proven to be beneficial to the residents. She said she will keep this group informed of the work with Dr. Lewis who is meeting this week with a group of people.

Mr. Dunn said in looking at some of the businesses on page 17, there is racquet sports. When the IDA did the Wilton branch, should they have been excluded? Mr. Carminucci said at the time the IDA did financing for the YMCA, what was done was allowed. He said he doesn't know why the racquet sports facility item is included in this, and he will check on that. Mr. Dunn said he is looking at skating facilities. He knows that Saratoga Springs financed them some other way, but he doesn't know if they could come to us or not. Mr. Carminucci said the skating rinks are owned by the City. Mr. Zeltmann said if a box gets checked, they should explain it.

Mr. Dunn said on page 2, if we require an applicant to provide a Treasurer's confidential review, where they would have to provide two years of their audited financial statements for the Treasurer alone to look at, what he has found from the IDA side is sometimes it flushes out ownership better than the applicant. It does help flush out ownership issues which sometimes are intentional or unintentional that gets lost in the shuffle. Maybe we would want Mr. O'Connor to do this. Mr. O'Connor said he would like it if the company would be financially viable. Mr. Zeltmann stated he wouldn't want to finance an organization that is financially failing. Mr. Dunn said he does not believe the taxpayers should be in the business of subsidizing interest rates for a failing entity. Mr. Carminucci said there is something about that on page 7. He said this document has always been a living document with the IDA.

Mr. Dunn asked if a company would have to be made to sign a local labor agreement on the construction side. Mr. Carminucci said you are not prohibited from implementing that type of policy if you wish to do so. Mr. Loomis said it depends on the project. Our company takes a combination of local and national labor based on experience we need from subcontractors. Mr.

Carminucci said Mr. Benton and Mr. Valentine are responsible for policing that policy for the IDA applications, and he wishes they were here today to speak on that. Mr. Dunn stated there is a significant amount of the greater Capital District, within 50 or 60 miles of Malta, involved in the Global Foundries process. Mr. Carminucci said you don't want to implement anything that will box you in down the road. Chairman Daly said we just need a statement about best efforts regarding the local labor agreement. Mr. Carminucci said it is his sense that this board may want to modify this application down the road.

Mr. O'Connor moved to accept the application form. The motion was seconded by Mr. Johnson.

Resolution# 4-2012

Whereas, the Board has reviewed an application form to be used to consider requests for assistance, now therefore be it,

Resolved, that the application form as presented is hereby adopted and shall be placed in the Corp.'s Procedural Handbook.

Ayes: 7

Noes: 0

Adopted: 7-0

APPROVAL OF APPLICATION AND BOND FEE

Chairman Daly stated we do have an applicant waiting for an application who is on a short time table. We will need a meeting in December to review an application. She requested Mr. Carminucci to update the board on practice with fees and recommendations for us given the fact this entity is brand new. Mr. Carminucci said many IDAs, including the County, have adopted a sliding scale fee schedule based on a percentage of what is being borrowed. He reviewed the percentage rates approved by the IDA. He said some entities just have a flat fee. You will have not-for-profits come before you because they view this as more expedient and less expensive to go this route as opposed to going through the Dormitory Authority which is the other State entity available for larger not-for-profits. Your fee schedule may be less expensive than the DASNY option. You will need to obtain funding as soon as you can because you will have expenditures as you go through next year. He said the \$5,000 grant that the IDA has bestowed upon you is not sufficient to cover all of your needs. The only difference between the IDA and this entity is the only applicants you will be seeing are not-for-profits. Ms.

Muratori asked if this fee schedule is something that we would want to modify mid-year if a not-for-profit came in with a \$10 million project and then six months later, someone comes in and you want to change the fee schedule. Mr. Zeltmann said not at mid-year. As we start up, we will find out if this is good or not. Hopefully, we have something that people have experienced as a reasonable schedule. Mr. O'Connor said the Wilton Water Authority adopted a fee schedule that was more generous to the Authority than it needed to be. Over a five year period, it decreased rates 5% per year. We don't know if this will be enough in fees or too much. It will probably take a year of experience.

Mr. Zeltmann said he presumes there will be staff that will have reviewed the application for the December meeting. You need to have experienced people overseeing this. Chairman Daly stated Mr. Benton will be back along with Mr. Carminucci. Ms. Muratori stated it would be helpful to have a preliminary budget for the first year. Mr. Carminucci said this will need to be done at some point. Chairman Daly said Mr. Benton and she have spoken about this, and he knows this needs to be done. Mr. Dunn said right now, most applications to the IDA come through the Saratoga Economic Development Corp. of which they receive 50% of our fee up to \$50,000. What happens if an applicant comes to us via the SEDC? Mr. O'Connor said nothing. He believes the applications will be internally generated from the not-for-profits in the County. Mr. Dunn said the SEDC does all of the leg work for the IDA. There is that process of putting together an application. Chairman Daly said we can offer any kind of assistance to the applicant if they have a problem with completing the application. Ms. Muratori said it is not that hard of an application. It may be harder for an organization if they do not have a CFO available to them.

Mr. Dunn stated we will have to decide if we are in the business of religious organizations, as that can get real tricky and how financially solvent they are. Mr. O'Connor said that depends on the use of the proceeds. Mr. Carminucci said some of the religious organizations' projects in the Capital District have been housing projects and senior housing. Chairman Daly stated it will be project driven. Hopefully, we will receive more feedback as we do some outreach.

Mr. O'Connor moved to approve the fee schedule. The motion was seconded by Mr. Johnson.

Resolution # 5-2012

Resolved, that following review of the proposed application and bond issuance fees the Board hereby adopts said fees as presented and directs that the fee schedules be appended to the Corp.'s Procedural Handbook.

Ayes: 7

Noes: 0

Adopted: 7-0

ACKNOWLEDGEMENT OF FIDUCIARY DUTIES AND RESPONSIBILITIES

Chairman Daly distributed copies of the Acknowledgement of Fiduciary Duties and Responsibilities for the members' review. Mr. Carminucci stated this form should have everyone's printed and signed signatures. He suggested everyone read this document before they sign. If you are familiar with the document, it is pretty standard. He said ultimately, everyone is required to sign a document. Mr. Dunn asked if there is a mission statement, and Chairman Daly said yes. Mr. Carminucci stated these forms can be filed with whoever ends up with the minutes.

MEMBERS/STAFF CONTACT LIST

Chairman Daly stated she believes she has this list, and if anyone has any changes, just let her know.

OTHER BUSINESS

Chairman Daly said we will need to designate a depository. We need to be able to deposit our grant money. It has been suggested Ballston Spa National Bank which is local and convenient to the County offices. She said she is open to suggestions. She stated we cannot use Saratoga National because of a conflict.

Mr. Johnson moved to authorize Ballston Spa National Bank as the Saratoga County Capital Resource Corporation's designated depository. The motion was seconded by Mr. Dunn. ~~and~~

Resolution # 6-2012

Whereas, the Saratoga County Capital Resource Corporation desires that an account be established for the receipt and distribution of funds in the conduct of its business now therefore be it ,

Resolved, that the Board hereby designates the Ballston Spa National Bank, Ballston Spa, NY as its depository.

Ayes: 7

Noes: 0

Adopted: 7-0

Chairman Daly said we received a letter from the Department of State requesting us to do a link off of our website for the Corporation. She said she has turned that over to Mr. Kemper in the County Planning Department and to the County's IT person.

Mr. Carminucci stated the forthcoming applicant hopes to close their financing by the end of January. In order for that to work, we would have to provide them with an application, they would have to complete it, and then this entity would need a meeting in December. You would need to schedule a public hearing early enough to get it on the County Board of Supervisors' agenda in January because they need to approve issuance of those bonds. The public hearing would need to be held prior to January 9th, and once you accept and approve the application, he needs to publish a notice 14 days before the public hearing is held. There was a consensus to hold the next meeting of the CRC on Friday, December 14th at 3:30 p.m. The public hearing will be held on Thursday, January 3, 2013 at 3:30 p.m. in the Board of Supervisors' meeting room. Mr. Carminucci recommended as many members of this board as possible should attend that public hearing. Chairman Daly said once we do this and fine tune a few things, we can meet after the public hearing.

Being no further business, Mr. Zeltmann moved to adjourn the meeting; seconded by Mr. Johnson and approved with all in favor.

Respectfully submitted,

Elaine M. Sodemann

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION MEETING

December 14, 2012 – 3:30 p.m.

At 40 McMaster Street, Ballston Spa, NY

Chairman Daly called the meeting to order.

PRESENT: Members: Anita M. Daly, Chairman; Richard Dunn, Arthur Johnson, Paul Loomis, Valerie Muratori, Raymond O'Connor; Eugene Zeltmann

Staff & Guests: Lawrence Benton, CEO; James Carminucci, Bond Counsel; Gary Foster, Mike Battle, Saratoga Hospital; Stephen Williams, Daily Gazette

Chairman Daly stated she has distributed copies of proposed policies and budgets for the board's review.

Chairman Daly introduced Lawrence Benton, the Corporation's Chief Executive Officer. She said Mr. Benton also works with the County's IDA.

Mr. Benton stated he reviewed the minutes of October 23rd and November 27th. Typically, you will have resolutions which are classified as "minor" or "major." Major resolutions, such as for approvals of contracts or to open a bank account, should be written out and assigned a number so that they can be used as a reference point for documentation of board actions. He stated he added numbered resolutions in both sets of minutes which make no change in the substance. It just puts discussion in a more formal structure.

APPROVAL OF MINUTES

Mr. Loomis moved to approve the minutes of the meeting of October 23, 2012, as amended. The motion was seconded by Mr. Dunn and approved with all in favor.

Mr. Dunn said for the minutes of November 27th, page 5, in explaining the difference between the CRC and the IDA, he didn't understand the third line that stated "You can allow them to access the taxes and bond market..." Mr. Carminucci said that should say "tax exempt bond market."

Mr. Dunn moved to approve the minutes of the meeting of November 27, 2012, as amended. The motion was seconded by Mr. O'Connor and approved with all in favor.

APPLICATION: SARATOGA HOSPITAL

Mr. Carminucci said the application you have before you is to refinance debt issued in 2003/2004 by the IDA for the benefit of Saratoga Hospital that funded improvements to both the campus and property on Route 50. There is also a separate letter that he circulated that explains the reason for this application. He introduced Gary Foster, CFO of the Hospital and Mike Battle. Mr. Foster stated they have about \$24 million in bonds that they issued in 2003. There is \$3.4 million present value savings on the interest which equates to 13%. That is the motivation driving us. We are in the planning phase of another project, and we will probably be coming back to this board in the next calendar year. We are looking for replacement of an operating room suite and ICU, and that is about six to nine months in the future. The project before you today is strictly the refinancing of debt.

Mr. O'Connor said he spent some time yesterday afternoon in Mr. Carminucci's office looking through the Hospital's last five years of financials. They have been more than adequately servicing that debt at the existing interest rate. He mentioned KPMG is their auditor, and their opinions in the last five years indicate they are "unqualified" or without exceptions. Mr. Foster

stated they get rated every year by Standard & Poors. This past summer, they were upgraded from the rating on their bonds from a BBB+ to A-. Mr. Carminucci asked Mr. Foster if part of the debt they are refinancing had the benefit of bond insurance, and Mr. Foster stated yes. He stated 2003 was the first debt series, and through the IDA, they did have to obtain bond insurance. The 2004 series did not. He said they will be out from underneath all bond insurance after this. Mr. O'Connor stated the overall financial condition of the Hospital is very good. Mr. Zeltmann said if the Hospital was unable to pay, where does that fall? Mr. Carminucci stated the bonds are non-recourse back to the corporation. We just act as a conduit to have those bonds issued in the tax-exempt market. There is no recourse back to the CRC. It is solely against the Hospital and does not fall to the taxpayers. Mr. Zeltmann asked if any staff has analyzed this, as we do not have a lot of staff. Mr. Carminucci said the bond counsel drafts the documents that provides for this non-recourse structure. Mr. Zeltmann said we are taking advantage of the State's ability to issue lower tax debt. Mr. Carminucci said their options are to go through the CRC or the Dormitory Authority. Mr. Zeltmann asked who can analyze the submittals and make recommendations to this board as to the validity of an application from a trained professional? Mr. Benton stated eligibility of an applicant falls to bond counsel. He said in terms of whether or not an individual application is valid to the Board, that has to do with the Board members' responsibility as you measure benefits being given vs. the benefits of the completed project as it fits into your mission statement and the benefits to the County's economy. As you look at this particular project, the Hospital is a vital community resource and a very significant economic generator for Saratoga County. They employ approximately 1900 people at the main hospital and several hundred more at locations in Wilton and Malta. They are currently constructing a multi-million dollar urgent care facility in Malta with IDA assistance. Mr. Dunn said this is a little unique situation, as the jobs are already created. Mr. Benton said you cannot overlook the value of retaining the current workforce. By saving the corp. over three million dollars with the proposed bond issue, you are clearly freeing up those savings for other uses by the Hospital. Mr. Dunn asked Mr. Foster if their facility in downtown Saratoga Springs will be a leased project. Mr. Foster stated they purchased the building, so they own it.

Chairman Daly stated we were formed because the County has a need to provide a service for some of the entities in Saratoga County as opposed to going through another State agency and making the process more cumbersome and costly. She said whatever fees are generated will be deposited here in Saratoga County and be used for future economic development purposes. Mr. Zeltmann asked what the fees are for this project? Chairman Daly stated \$131,000.

Mr. O'Connor moved to accept the application of Saratoga Hospital. The motion was seconded by Mr. Dunn.

AYES – Mr. Dunn, Mr. Johnson, Mr. Loomis, Ms. Muratori, Mr. O'Connor, Mr. Zeltmann and Chairman Daly.

NOES – 0.

Adopted 7-0.

Mr. O'Connor moved to set the public hearing for Thursday, January 3, 2013 at 3:30 p.m. at the

Board of Supervisors' Chambers. The motion was seconded by Mr. Dunn and approved with all in favor. Mr. Zeltmann asked what is expected at the hearing. Chairman Daly stated the project will be described in summary, and it will be opened up to public comment. We will hold our regular meeting following the close of the public hearing.

MISSION STATEMENT/PERFORMANCE MEASURES

Mr. Benton stated this is an Authorities Budget Office (ABO) requirement mandated to be done and posted on your website. It is a simple mission statement. He said he took the Corporation's Certificate of Incorporation and cut and pasted the stated purpose onto the Mission Statement. The fundamental reason you are here is to promote community and economic development, creating jobs, assisting not-for-profits, etc. He said this can always be modified. The Performance Goals are how you measure year in and year out how your actions were guided by the mission statement. How many businesses you helped and who you helped, how many jobs retained or created and what the salaries are. He said all of this will be looked at by him and any other succeeding director in terms of preparing the annual report. You have to write an operations and activity report. The total dollar amount of investments is important because it is non-governmental money; the investment of private capital. You also provide a governmental benefit which induces the private sector to put their money into bricks and mortar facilities. You may have some other ideas you want to add. There are a number of questions for the board regarding your basic duty. For a description of the board management, he took much of this from the IDA; it's the same from one organization to another. These are the materials you should look at and decide if you are satisfied with them. There is no reason why this cannot be deferred to a later meeting in order to take a closer look at it. Chairman Daly said she hoped to obtain an understanding of what these are about from Mr. Benton to be voted on in January after the public hearing. Mr. Benton said you have to report, not only to the ABO, but to the State Comptroller. He said when you are all done with this process, he will put together a members' booklet for each member. Mr. Zeltmann asked if this information could be sent to the members on the computer, and Mr. Benton said yes, he will do that.

BUDGETS

Chairman Daly said what everyone has in front of them is a copy of the budget for 2012 and 2013. She said she assumes we have a \$500 check with the application. Mr. Benton said we do, and we now have a Federal I.D. number. You approved a depository, so on Monday, if able, he will open up an account at the Ballston Spa National Bank. Chairman Daly said on the expense side, she asked if the format of this budget with footnotes is workable for the members. Mr. Dunn asked where does it show the grant from the IDA. Mr. Benton stated he did not show it in the budget because the IDA made the agreement with the County itself, not with the CRC. Chairman Daly said she was talking to Mr. Benton about that grant that is out there, and it is money raised thru IDA fees. We were discussing whether we actually need it now that we have an applicant. Should we take this additional \$5,000? Mr. O'Connor said the only expense we have is paying Mr. Benton. Mr. Benton said his contract is at an hourly rate of \$50/hour with quarterly payments. Mr. Dunn asked about the court reporter for the public hearing. Mr. Carminucci said he can have that paid at the closing. Mr. Muratori asked if there would be more expenses in 2012. Mr. Benton stated yes, for an independent audit even though there is no

activity. He said auditors do other things such as providing assistance with internal controls. Chairman Daly said we do not have to do an RFP for professional services. She suggested using the auditor that the Saratoga County Water Authority used. Mr. Benton said he can call a few firms, as they will need an explanation of what this corporation is. Possibly with the idea of more work down the road, we can get reasonable proposals. Chairman Daly requested the Board members to reach out to Mr. Benton with a name of an auditor if they have one. Mr. Benton stated the IDA uses Ed Galka of Wilson and Basilla.

Mr. Zeltmann asked if there are plans on introducing internal controls? Chairman Daly said we are in the process of putting those controls into place. Mr. Benton stated he will try to find the internal control report of the IDA. Mr. Benton said you also have to do an evaluation of your internal controls. One internal control is check signing and moving money from place to place which requires two signatures. Chairman Daly said we have done that. Mr. Benton said when you adopt the investment policy, it will guide your investments and also brings in all of the State Comptroller requirements as far as collateral is concerned. Providing financial reports quarterly to the board is another example of internal control. If you look at the charter for your audit committee, they might have the responsibility for preparing written guidelines for financial management and internal controls. Mr. Dunn stated the other big internal control is the audit which, in the case of the IDA, involves review of virtually 100% of the Agency's records. Mr. Benton said the IDA is not short staffed, but they basically have him. They do not have a policy that says the Treasurer will come into to the IDA office once a quarter and physically confirm that the financial reports are based on the filed records. Mr. O'Connor said he anticipates that Mr. Benton would work on bank accounts and financial statements. Chairman Daly again asked if this budget format will work for the board? Mr. Zeltmann asked if this would be received each quarter. Chairman Daly said she anticipates every month. Mr. Benton said the IDA usually revises its budget in the Fall based on actual receipts and expenditures, and he said he believes that would be the same for this corporation. It is an operating budget. You can only estimate revenues you will receive.

Ms. Muratori asked about marketing expenses. In order to get the word out, you may want to do something for that. She said Saratoga Bridges' marketing is done mostly in-house. Any press we can get is to our benefit. Chairman Daly suggested using \$3,000 towards marketing purposes in the 2013 budget. She said possibly, we can use the County's printing services.

Mr. Loomis asked about paying for bond counsel. Mr. Carminucci stated bond counsel is paid by the applicant.

Mr. Dunn asked if our fee number for 2013 should be different than the anticipated hospital fee shown? Mr. Benton said we should wait until we have a sense of additional projects. At that point, the board can amend its budget. Ms. Muratori asked what happens with surplus? Mr. Benton stated it becomes unrestricted fund balance that rolls over year to year. There are many ways that can be expended within the framework of your corporation's purpose and powers. Chairman Daly said those are the types of things we will have to think about.

Mr. Zeltmann said when there is an expenditure from meeting to meeting, will that will show up on a financial report sheet. Mr. Carminucci said typically, you get updates from the Treasurer

and CFO month to month. Mr. Zeltmann stated the budget sheet, as presented, seems fine.

Mr. Dunn mentioned Mike West is the Chairman of the Board of Trustees for the Hospital and the Treasurer of Skidmore College. Obviously, he is aware that we are in business, and there may be a project forthcoming in late 2013 or 2014.

Mr. Benton said you can identify key not-for-profits in the County and put a letter together stating who you are and what you can do for them. Chairman Daly suggested inviting them to an open house with refreshments. Mr. O'Connor stated maybe one of these organizations would want to invite one of our Board members to go to a function at their locality.

Chairman Daly said we will need to approve the budgets for 2012 and 2013. Mr. Benton said for the 2013 budget, \$3,000 will be added to the general expenses for marketing. Total expenses go up by the same \$3,000, and surplus in 2012 goes down by \$3,000.

Mr. O'Connor moved to accept the 2012 budget and the 2013 budget (as amended). The motion was seconded by Mr. Johnson.

Resolution No. 7-12

Whereas, the SCCRC is required to adopt an operating budget for its 2012 and 2013 Fiscal Years and has reviewed and modified proposed budgets, now therefore be it,

Resolved, that the operating budgets for the 2012 and 2013 Fiscal Years are hereby adopted.

AYES – Mr. Dunn, Mr. Johnson, Mr. Loomis, Ms. Muratori, Mr. O'Connor, Mr. Zeltmann and Chairman Daly.

NOES – 0.

Adopted 7-0

POLICIES/CHARTERS

Chairman Daly said in our packets are policies and charters for our consideration. Mr. Benton said you are required to have an Ethics Code, Whistleblower Policy, Property Disposition Policy, and Procurement Policy. The charters come from the ABO model charters. They describe what each committee should be working on. He said he will e-mail these to the Board members, and in January, you can act on them. Mr. Zeltmann asked about an Ethics Officer. Mr. Benton stated in your Code of Ethics, you will need to appoint one from the Board. He/she has the dual role as ethics officer and the person you go to if you are going to be a whistleblower.

OTHER BUSINESS

Mr. Dunn moved to enter into an Executive Session to discuss a personnel matter. The motion

was seconded by Mr. Johnson and approved with all in favor.

Mr. Johnson moved to return to open session. The motion was seconded by Mr. Dunn and approved with all in favor.

Mr. Dunn moved to approve a service contract with Lawrence Benton for a one year period, beginning October 23, 2012 through October 23, 2013 at the rate of \$50/hr. The motion was seconded by Mr. O'Connor.

Resolution No. 8-12

Resolved, that the SCCRC hereby approves a service contract with Lawrence D. Benton for the position of Chief Executive Officer of the Corp. whose term, remuneration and duties shall be outlined in a service contract executed by the chairperson.

AYES – Mr. Dunn, Mr. Johnson, Mr. Loomis, Ms. Muratori, Mr. O’Connor, Mr. Zeltmann and Chairman Daly.

NOES - 0.

Adopted 7-0

Chairman Daly thanked Elaine Sodemann for joining us on short notice. We will be losing her as of today, and we will need to replace her. We do have employees who may be repositioning themselves from Maplewood Manor, and we can make an offer to them. She requested the members to let either Mr. Benton or herself know if anyone would be interested in taking the minutes for the corporation's meetings.

Mr. Benton said he would like to start a record book for the corporation.

Mr. Carminucci said he sent the Board members an e-mail on the on-line training dates for next year.

Being no further business, Mr. O'Connor moved to adjourn the meeting. The motion was seconded by Mr. Johnson with all in favor.

Respectfully submitted,

Elaine M. Sodemann