

Economic Development Committee Minutes  
July 8, 2019 – 3:30 p.m.

Present: Chairman Phil Barrett; Committee Members Todd Kusnierz, Tom Richardson, Tim Szczepaniak; Supervisors Tara Gaston, Ed Kinowski; Spencer Hellwig, County Administrator; Steve Dorsey, County Attorney; Jason Kemper, Planning; Jenniffer McCloskey, Employment & Training; Dennis Brobston, Theresa Skaine, SEDC; Press.

Chairman Barrett called the meeting to order and welcomed all in attendance.

**On a motion made by Mr. Szczepaniak, seconded by Mr. Richardson, the minutes of the June 6, 2019 meeting were approved unanimously.**

**A motion was made by Mr. Szczepaniak, seconded by Mr. Richardson, to authorize the Saratoga County Association of Snowmobile Clubs Inc. to apply for a grant under the Recreational Trails Program to provide State funding for the purchase of a trails groomer. Unanimous.**

Mr. Kemper said that The Saratoga County Association of Snowmobile Clubs applied for this grant two years ago, unfortunately they were unsuccessful with that application. They now have a consultant helping them with this year's application. The grant has a maximum award of \$250K and is an 80/20 match program. If successful, the association would pay the County back the 20% so that there would be no financial impact to Saratoga County other than fronting the funds and getting reimbursed 100%. Mr. Kemper said that the Snowmobile Clubs has a large economic impact on the rural northern towns of Saratoga County. Parking areas for winter sports are full on the weekends. Mr. Kemper said that there is over 200 miles of snowmobile trails in Saratoga County. Saratoga County is one of the few counties that works actively with its Snowmobile clubs, trail rerouting GPS work and helping with DEC permits. Mr. Kemper said that he will send out to Supervisors an economic study which was performed by the NYS Snowmobile Association.

Mr. Barrett said that Mr. Kemper had sent out information to the Committee regarding the parcel in the Town of Corinth. Mr. Kemper said that this is a 27 acre landlocked parcel that the County did not have access to. The 49 acre parcel in front of this was recently pulled from the county auction which allowed the county to access the landlocked piece for harvesting. Timber harvest was recently completed and the County now has a number of options regarding the parcels. Regardless of the option decided upon, Mr. Kemper believes that the County should get deeded access to the rear property for future use.

The front parcel is zoned Resource Management and therefore needs to be kept a minimum of 42 acres unless a variance from the ZBA in the Town of Corinth is obtained. This means that each lot must be at least 42 acres in size. Mr. Kemper distributed copies of a map of the properties. Mr. Barrett said that he recently visited the property in the Town of Corinth. Mr. Barrett said that Mr. Lucia will be speaking to his Board about the property this week and will provide feedback to report at the next meeting. Mr. Barrett asked if there was a time constraint regarding making a decision on this property. Mr. Dorsey said that the property has been pulled three times from the Auction however, there are only 12 potential properties on the list and there may not be an auction

in September. Mr. Barrett expressed concern over the value of the front parcel if a county easement is put in place. Mr. Kemper said that if the parcel is not opened up to public recreational use, the County would only use the right of way for harvesting every 15-20 years.

Mr. Kemper listed the options available:

1. Retain parcel for County land and recreational purposes.
2. Retain parcel for Timber Harvest.
3. Retain a ROW to access County Forestland.
4. Subdivide out a larger area and ROW out to Route 9N and have a parking lot and defined access to the county parcel in the rear.
5. Add additional acreage to the county parcel in the rear and auction the rest of it.

**A motion was made by Mr. Kusnierz, seconded by Mr. Richardson, to accept \$239,195 in Federal Aid for the TANF Summer Youth Employment Program (SYEP) and amending the budget in relation thereto. Unanimous.**

Ms. McCloskey said that due to the timing of receiving the award letter and county meetings, the program began on July 1. There are approximately 80 kids and 55 worksites participating. There was an increase of \$24K in funding this year and the funds will be put toward the increase in minimum wage. Ms. McCloskey said that the worksites are all over the county and include Shen. School District, DPW's, Community Programs, Summer Rec. Programs and Lifeguards. Many of the kids need training such as CPR. They are also doing the state mandated sexual harassment training and mandatory financial literacy training. Worksite applications are still being accepted and they also provide supportive services such as gas cards.

Mr. Barrett said that he invited both SCPP and SEDC to the meeting to provide updates however SCPP are currently attending a Semicon conference.

Mr. Richardson said that he recently worked with the SCPP and Shelby Schneider. They invited successful people from the City of Mechanicville to a breakfast event. A booklet was created showcasing several of the empty storefronts and lots in the City. Photos, details of the lots, contact information for the owners or brokers was entered for each of the properties as well as highlights of the City – proximity to airport, Saratoga, Albany, colleges etc. 15 people attended the breakfast event and discussed marketing Mechanicville. Mr. Richardson also met individually with several of the people who could not attend the event. Mr. Richardson said that he already has leads on three properties. Mr. Richardson said that SCPP did a lot of work on the project. Mr. Barrett said that this is a good example of the partnership and resources that are available.

Mr. Szczepaniak said that he would like to see representation at future meetings from the new unified organization, both SCPP and SEDC. Mr. Szczepaniak asked how the logistics would work with both organizations. Mr. Brobston said that they are fine tuning the scenarios how referrals are made for each situation.

Mr. Brobston said that they did a presentation in March regarding the Electronic Design Innovation Initiative, EDI<sup>2</sup>. They have been working on this since last June, it is a program that allows people to utilize tooling that helps to design semiconductor chips. Tooling is extremely expensive.

There are five large international organizations that produce this product and SEDC have marketed these companies to ask if they would be interested in a partnership with them for education and entrepreneurial purposes. They have partnered with organizations such as SUNY Adirondack, Clarkson University as well as Siemens, Global. The two sides are educational and entrepreneurial. A company called Cadence has been contracted with to provide tooling at a heavily discounted rate. They have asked for this to be announced at Semicon later this week. They are hoping that in the first year or two, they will see around 10 designers locate, stay or start a business. There are design centers that have 15 people and some that have 1,000. Mr. Brobston said that the cost of equipment can be up to a few hundred thousand dollars and a 2-year lease on suites could cost as much as \$4M. They have worked out how people can utilize this, 24 at one time on the entrepreneurial side, anyone that signed up from the education side via SUNY Adk, Clarkson, SUNY Poly can also have access to this. They will have a fee structure for entrepreneurs depending on what product they are working on. They are hoping to receive funding from the State and break even within a couple of years. Mr. Brobston said that Cadence has a 3 minute video on their website talking about what design is like, what it is for and how it all gets built.

Mr. Brobston said that they were asked by some Supervisors to understand SEDC's process on availability of information. Mr. Brobston distributed a handout regarding filings, public disclosure requirements and auditing that applies to SEDC. A copy of the handout is attached to these minutes. Mr. Brobston said that confidential information regarding project reporting is shared with their Board of Directors. If Mr. Brobston signs a non-disclosure agreement with a company, he is only allowed to share information with his Board and the NDA applies to them also. Approximately 15-20% of companies they work with require non-disclosure agreements. Mr. Barrett said that the County has 3 publicly created entities, IDA, CRC and SCPP, SEDC was privately created. Mr. Kinowski said that it would be helpful if SEDC could list the reasons why they would object to ABO requirements. Mr. Brobston said that as a private entity they are only subject to certain requirements, they have two items that are very important to them, privacy and confidentiality with clients. They are very up front with SEDC financials etc, but when it comes down to being able to deal with a client's confidential issues, that cannot be breached at any time. Mr. Barrett asked what additional information is required by the ABO that is not currently being provided by SEDC. Ms. Skaine said that basically SEDC is not covered by ABO, they are covered by the Attorney General of NYS and they do need to comply with the AG financial reporting requirements. Ms. Skaine said that they do comply with what they believe they are covered by. Ms. Skaine said that the financial reporting requirements are the same under ABO and the AG. The difference would be the requirement to have SEDC's meeting minutes published online, which would mean that anything discussed confidentially in an SEDC meeting would now be open to the public and in violation of the non-disclosure agreement. Mr. Barrett said that the agreement with SEDC would be a public service contract and there are many other public service agencies that do not fall under the ABO. Mr. Barrett said that he wants to know where public money is being spent and the incentives that are being given. Other than that, if they trust an organization and partner through a public service contract, they have a job to do. If that job is not done well, changes would then need to be made. Ms. Skaine said that she can put a list together of the ABO requirements to add to the presentation so that it is clear what they do report, why they don't believe they are covered but if they were covered what they would object to.

Mr. Kusnierz said that the Unity Committee met on July 3<sup>rd</sup>. Mr. Vanags and Mr. Brobston were in attendance. The committee directed both Executive Directors to work together, look for cost savings and to work out some of the nuances for reporting on what they are working on. They will be reporting back to the committee on August 6.

**A motion was made by Mr. Szczepaniak, seconded by Mr. Kusnierz the meeting was adjourned unanimously.**

Respectfully submitted,

Therese Connolly  
Deputy Clerk of the Board



Saratoga Economic Development Corporation (SEDC)

## Presentation to



## Saratoga County Board of Supervisors

Saratoga County Board of Supervisors Economic Development Committee

**July 8, 2019**

## Financial Reporting - Federal & NY State

### I. FILINGS

#### A. IRS FILINGS

- File an Annual Report, or [Form 990](#), with the IRS.

**IRS Form 990** is the reporting form that federally tax-exempt organizations must file with the IRS each year. This form reports general revenue information, expense information plus salary of executive director. It also includes narrative of how mission of charitable entity is being met.

- ! This is due the 15th day of the 5th month after the close of your tax year.
- o If your organization has annual receipts of less than \$20,000 and total assets of less than \$500,000, you can instead file a [Form 990-EZ](#). ([Instructions](#).)
- **RESOURCE:** The [IRS Website](#) has information that can assist you with your Form 990 filing, including [FAQs](#) and a [table of resources and tools](#).

#### B. NEW YORK FILINGS

- Register and file yearly financial reports with the New York Attorney General's Charities Bureau.

- After registering, each year, you must file a [Form CHAR500 \(Annual Financial Reports\)](#).

- ! This is due the 15th day of the 5th month after your accounting period.
- **RESOURCE:** The NYS Charities website has information that can help you with your CHAR500 filing, including [FAQs](#) and a [summary of the annual filing requirements](#).

#### C. PUBLIC DISCLOSURE REQUIREMENTS

You must make the documents below available to individuals who request them. Copies should be provided immediately in the case of in-person requests and within 30 days in the case of written requests. The tax-exempt organization may charge a reasonable copying fee plus actual postage. These documents include,

- Exemption application documents

- o Recognition of exemption for a 501(c)(3) ([Form 1023](#))
- o Annual Returns ([Form 990](#) or [Form 990-EZ](#) or [Form 990-N](#))
- o Exempt Organization Business Tax Return, if necessary ([Form 990-T](#))

- Annual filing for charitable organizations ([Form CHAR500](#))

## **D. Yearly Audits – New York**

Audit Required: Yes

Statute and Description: [N.Y. EXC. Law 7A § 172-b](#) | A charitable organization with gross annual revenue over \$500,000 must file an audited financial statement prepared by an independent CPA. Beginning July 1, 2017, the threshold for an independent audit will be raised to \$750,000, and as of 2021 the threshold will be raised to \$1 million. A charitable organization with gross annual revenue less than \$250,000 must file a financial statement but it does not need to be one reviewed by an independent CPA; organizations with gross annual revenue of between \$250,000-\$500,000 must file financial statements reviewed by an auditor. Every charitable organization that uses a professional solicitor in its fundraising functions must file an audited financial statement prepared by an independent CPA.

### **Financial Reporting – Corporation**

Financial statements (Profit & Loss, Balance Statement) prepared by staff are reviewed by the board appointed financial committee members (treasurer and assistant treasurer) and presented at SEDC monthly board of director meetings for approval by the full board. SEDC holds 10 to 12 board of director meetings annually.

SEDC Board of Directors annually orders a yearly audit by an independent CPA firm. Upon draft completion, the report is reviewed and by the board appointed financial committee members (treasurer and assistant treasurer) and presented at SEDC monthly board of director meetings for approval by the full board

### **Financial Reporting – Under County Contract**

Under prior contracts between SEDC and Saratoga County, financial requirements were as follows during budget request process:

Future Year Budget

Expected Future Year Compensation Schedule

Most Recent Annual Audited Statement (updated - when available)

Expectation is this requirement will be continued in future contracts.

### **Project Reporting – Corporation**

SEDC staff reports on economic development projects that create new jobs, retaining existing jobs and/or create new financial investments to SEDC board of directors meetings 10 to 12 times a year. Information is shared based on the type of project (manufacturing, logistics,

warehouse distribution, corporate headquarters, etc.), numbers of jobs and amount of investment. Confidential info is shared.

Completed projects are totaled for jobs and investment. Non-completed / failed projects are discussed as to reasons for non-completion and experience is detailed for impact on future projects.

#### **Project Reporting – Membership / Public**

SEDC staff prepares quarterly and annual reports of completed projects and disseminates to SEDC membership and public media. Confidential info is not shared.

#### **Project Reporting – Receiving Incentives from Industrial Development Agencies**

Projects that receive incentives from IDA agencies (public authorities) are also reported through their public meetings and events where incentives are discussed for approvals. Any IDA approving incentives are required to publicly discuss and report approvals in their agendas and minutes. IDAs must comply under the NYS Public Authorities Accountability Act of 2009 and report all projects into the Public Authorities Reporting Information System or PARIS as well as annual reports to the Office of the State Comptroller, Authorities Budget Office and the governing body of the municipality for which the IDA was formed.

#### **Project Reporting – Under County Contract**

Under prior contracts between SEDC and Saratoga County, SEDC staff reported to a County Board of Supervisor committee consisting of the Board of Supervisor Chairman, the BOS Economic Development Committee Chair, the Law & Finance Chair and the County Administrator. Information is shared based on the type of project (manufacturing, logistics, warehouse distribution, corporate headquarters, etc.), numbers of jobs and amount of investment. Confidential info is not shared.

Completed projects are totaled for jobs and investment. Non-completed / failed projects are discussed as to reasons for non-completion and experience is detailed for impact on future projects.

Expectation is this requirement will be continued in future contracts.

### **PUBLIC REPORTING OVERSIGHT**

**\*\*SEDC does not determine incentive packages thru the IDA's, Empire State Development, NYSEDA, National Grid, NYSEG, etc. SEDC acts as the ombudsman / advocate for clients looking to locate or expand in Saratoga County, not only thru the siting process but also thru the incentives process. All projects that receive incentives from the aforementioned agencies are reported by those agencies to appropriate New York State offices mandated to monitor the results of the incentive process.**