



Meeting of the Board of Directors

April 27th, 2020 via Zoom Conference Call and YouTube Livestream

Board Members Present:

Chairman Kevin Hedley, Vice-Chair Penny Hill, Treasurer Rocco Ferraro, Secretary Todd Kusnierz, Brendan Chudy, Eric Connolly, Darren O'Connor, Josh Spain, Charles Wait, Benny Zlotnick.

Board Members Absent: Steve Bulger, David Wood, and Scott Solomon.

Saratoga Partnership Staff Present: Shelby Schneider, President; Jennifer Kelley, Economic Development Assistant; and Michele Battle, Executive Assistant; Justin Miller, Legal Counsel, Harris Beach.

Chairman Kevin Hedley called the meeting to order at 3:05 pm.

ADOPTION OF MINUTES

March 9th SCPP Board Minutes

Benny Zlotnick made a motion to accept the March 9, 2020 minutes, seconded by Josh Spain. Rocco Ferraro abstained because he was not at the meeting. No further discussion was made.

Vote on the motion AYES: 9 NOES: 0. The motion carried.

April 17th SCPP Board Minutes

Darren O'Connor made a motion to accept the April 17, 2020 minutes, seconded by Todd Kusnierz. No further discussion was made.

Vote on the motion: AYES: 10 NOES: 0. The motion carried.

TREASURER'S REPORT – ROCCO FERRARO

Treasurer Rocco Ferraro presented the financials and bills from March 2020 and gave a brief report. He stated that everything was in order. He has been working with President Shelby Schneider and Michele Battle on solidifying procedures to review and pay bills. He stated there are procedures in place as it relates to the payment of bills. Michele, the Saratoga Partnership bookkeeper, provides the Treasurer an abstract of the bills and backup documentation. After Ferraro has had a chance to review the bills, he provides written authorization for Ms. Schneider to sign checks. Ferraro remarked that the policy has been going well during the COVID-19 shelter in place.

Ferraro then reported that we received our second quarterly installment of \$125,000 from Saratoga County. He then reviewed the Statement of Activity (Jan. 1 – April 26, 2020) and noted that under the Employee Expenses section 6009 – Professional development is showing -\$809 balance due to

expenses recouped from Marty Vanags' credit card in January.

Ferraro state that the board might notice that the current chart of accounts is different than the current approved budget. He said that as we are recasting the budget, we are having Michele work to reconcile the chart of accounts to ensure that they align with the budget. He stated that he will be scheduling an Audit and Finance Committee meeting in the coming weeks to review an amended budget.

Ferraro reported that on a positive note, the Saratoga Partnership received \$81,000 from the Payroll Protection Program loan through the Adirondack Trust Company. Of that \$81,000 loan, \$47,000 of it should be forgivable. On the expense side, he stated there will need to be several budgetary changes. Ferraro stated salary and wages will be reduced since Marty Vanags' salary was accounted for in the budget and made up a large part of it. The Saratoga Partnership will also need to make adjustments to revenue and other expense line items. He stated that given the current environment, budget adjustments could be expected throughout the year. Ferraro added that the Saratoga Partnership staff have been paying attention to the details of the budget and being proactive to adjust spending and seek additional sources of revenue.

Ms. Schneider said that after our former bookkeeper left, the Saratoga Partnership hired Capital CFO for a short-term engagement to assist with staff training, cleaning up entries within Quickbooks, and helping to reset the chart of accounts to make sure the organization is meeting the maximum required operational transparency. This includes incorporating credit card statements directly to QuickBooks to ensure that all expenditures align with the proper budget category.

Todd Kusnierz made a motion to approve the Treasurer's Report, seconded by Darren O'Connor. There was no discussion

Vote on the motion: AYES: 10 NOES: 0 . The motion carried.

OLD + NEW BUSINESS: G+G ELECTRIC START-UP NEW YORK

Start-Up New York Tax-Free NY Area for G+G Electric in Halfmoon

Ms. Schneider stated, back in December of last year the Saratoga Partnership Board approved an authorizing resolution for the Saratoga Partnership to enter into an agreement with SUNY Albany to begin a Start-Up NY application on behalf of G+G Electric, which is a project in Halfmoon. She stated this Start-Up NY designation needs to be done by a local nonprofit economic development organization as designated by State law.

The Saratoga Partnership worked with SEDC to put this partnership together. G+G Electric provides lighting in environments where there is a lot of water. G+G Electric's primary customers are car washes, but they are looking to work in USDA certified clean environments. G+G Electric sees a large market with this new business opportunity throughout the nation. They are going to be working with SUNY Albany on deploying this Start-Up NY program. They will be leasing a building directly behind their current location in Corporate Park in the town of Halfmoon.

The authorizing resolution allowed the Saratoga Partnership to work with G+G Electric and SUNY Albany to help them begin the process to designate the site as a Start-Up NY application. Ms. Schneider stated the application has recently been approved by the State of New York. The Saratoga Partnership is working with the client and their landlord, Chris Abele and Family, which is a division of Able builders. The Saratoga Partnership will be the one holding the lease with the Abeles and will sublet back to G+G Electric. The Saratoga Partnership will collect the rent payment to be given to the Abele Builders. This is all part of the arrangement required by the State of New York for the Start-Up NY program. Ms. Schneider stated, Penny Hill administers this program on behalf of Hudson Valley Community College (HVCC) and can speak more on it.

Penny Hill stated, she has a couple of MOUs with nonprofits that are in the economic development field under this Start-Up NY program. She said these MOUs allows the extension of square feet space that a college can offer for Start-Up NY space. Hill said it is good the Saratoga Partnership is partnering with SUNY Albany and it will help the university grow.

Hill added that HVCC has open space designated at 107 Hermes Rd for Start-Up NY program. She stated that she is talking to a semiconductor startup that is interested in Start-Up NY program as well. Hill said there are about 14 or 15 companies that have partnered with HVCC on this program which have created a robust amount of jobs. She said the tax-free benefits for the company are mostly for personal income tax, sales tax, and some profit benefits.

Ms. Schneider stated that Start-Up NY is essentially another tool in the economic development toolbox. However, since this is the Saratoga Partnership's first attempt at working with a Start-Up NY client the organization is working with attorney Justin Miller to put policies and procedures in place so that there is a standardized way of doing this moving forward. This would memorialize policies that would apply to any other future agreements with Start-Up NY clients

Justin Miller recapped the recommendations he gave to Ms. Schneider. He stated that this partnership with a Start-Up NY client is brand new for the Saratoga Partnership, so there is a need to make sure the Saratoga Partnership's agreement is fair and standardized for future clients. Miller stated that much of the agreement has been dictated by SUNY. He said the sponsoring, local economic development organization needs to have a leasehold interest in the facility and have some role in that; which in this case is the collection of rentals. Miller added that there are legal and risk management concerns such as liability, injury liability, and perhaps environmental liabilities stated in the document. The Saratoga Partnership plans to utilize documents that are commonly deployed for IDAs so that the documents are standardized and will protect the organization from unintended consequences.

Miller added that along with the standard documentation, the Saratoga Partnership had previously discussed instituting a uniform administrative fee structure. Miller proposed some recommendations in the memo in the Board packet including a price structure that is about half the cost of an IDA

transaction. This fee would be about half a percent of the total project cost and can be scalable depending on the size of the project.

Miller proposed bringing to the May 11th Board meeting, an articulated policy to set some rules for moving forward with Start-Up NY clients such as a uniform application policy and fee policies to be transparent and fair to everyone.

Ms. Schneider recapped for any board member that was not at the December meeting, the primary concern was to make sure this project was in the scope of the mission of the Saratoga Partnership, met the terms of indemnification, and wouldn't expose the organization to liabilities. She said it is important to look at the Saratoga Partnership the same way one would look at an IDA.

The Saratoga Partnership would provide support for growth but would not want to get involved in the day to day activity of the company. The Board will continue to be updated on this project as the lease agreement is worked through to a formal lease policy.

Brendan Chudy asked if mortgage tax exemption would be a recommended policy as listed in the briefing memo?

Miller responded that mortgage tax exemption was just listed for "food for thought". Miller added that the Saratoga Partnership does have the ability to exempt mortgage recording tax. However, he stated that the Saratoga Partnership would be involved with the Start-Up NY program just on a transactional basis.

Rocco Ferraro asked is there, from the employers perspective, a minimum employment requirement to participate in the Start-Up NY program? Penny Hill responded that the company signs a Statement of Consequence when they are accepted into the Start-Up NY program. In the Statement of Consequence, the company proposes what the job growth, net new jobs, and job titles are for the next five years. If the company knows they will fall short there's a way to amend the Statement of Consequence. Hill added there are three consequences should the company fall out of favor; termination of the program, suspension from the program, or proportional recovery of the benefits. She stated that most companies know a year in advance if they will meet the job requirements, so they usually file an amendment to adjust job numbers.

Ferraro asked if their job and growth expectations are stated initially, will the Saratoga Partnership know these numbers so that they can be monitored. Hill replied that those figures would be in the application and the Saratoga Partnership can get a copy to make sure the company is supported to stay on track.

Ms. Schneider concluded that she expects to have a draft policy to be reviewed before the May 11th Board meeting.

RESOLUTIONS

Authorization to open ATC Checking Account for Payroll Protection Program

Chairman Hedley stated the Saratoga Partnership has received funding for Paycheck Protection Program and it was recommended to have a separate checking account to track all of the expenses more readily. At the end of the eight weeks, the Saratoga Partnership would submit to the bank utility and payroll expenses and they would be from one account. Anything remaining in the account after the eight weeks would be decided upon at that time. He stated the Saratoga Partnership could pay the money back immediately or overtime. Chairman Hedley suggested having fewer signers on this new bank account to make it easier.

Ms. Schneider stated that logistically it is hard to get signatures to designate signees for a bank account. She continued that Chairman Hedley, Treasurer Ferraro, and herself would be the signers for the new account.

Michele Battle added that the Saratoga Partnership would do an ACH transaction for Stewarts, Spectrum, and Paychex. This would make the payment automatically come out and the Saratoga Partnership would not need to order new checks. Ms. Schneider stated the intent is to close this checking account immediately after the goals and obligations of the PPP are met.

Todd Kusnierz made a motion to approve the Resolution to open an Adirondack Trust checking account for Payroll Protection Program loan, seconded by Rocco Ferraro. There was no discussion and the vote on the Motion was **AYES: 9 NOES: 0 . Charles Wait abstained.** The Motion was carried.

Chairman Hedley stated that a second account will make it easier to process PPP loan program. He reiterated that a second account was not a requirement of the program but makes things easier.

PRESIDENT'S REPORT

Ms. Schneider stated the Saratoga Partnership has been busy. She stated that given the impact of COVID-19, there are a lot of phases of uncertainty for businesses. The Saratoga Partnership has worked with partners at SEDC, Chambers of Commerce, Convention and Tourism Bureau, and municipal officials to make sure to deliver a consistent message. The Saratoga Partnership has disseminated information about different resources to the business community to get them federal relief money as fast as possible.

The Saratoga Partnership is working with this same group on how Saratoga County can plan for recovery. Ms. Schneider stated Saratoga County employers will need to have a clear understanding of how to keep track of their PPP loan and how these businesses are looking at re-opening as safely as possible to protect their workforce and customers. She stated, businesses will be required to maintain social distancing and health standards according to the Center for Disease Control (CDC) and Department of Health. Ms. Schneider stated that many businesses won't be able to re-open at capacity and they will need help with a break-even analysis.

The Saratoga Partnership sent out a COVID-19 Business Impact Survey on March 18th which had over 300 business responses. The survey results showed these businesses primarily need help with working capital, how to pay employees, or what to do with their workforce. M.s Schneider stated, the Paycheck Protection Program and Economic Injury Disaster Loan program have provided necessary relief to businesses, but there is a lot more work to be done.

This morning the Saratoga Partnership launched Phase 2 of the COVID-19 Business Impact survey. This survey asks who has access to capital, what support do they need, do they have access to Personal Protective Equipment (PPE), and do they need help with safety standards in their workplace. So far, 20 people have filled out the survey.

Charles Wait stated that the Adirondack Trust Bank processed 800 loans and an additional 100 applications came in after the money was used up and they were being put into the system when the site went down again at 10:30 am.

Chairman Hedley asked if Wait knew how many loans were issued in Saratoga County in total? Wait responded he did not know the total as he did not know how many loans the other banks had processed.

Ms. Schneider stated that the SBA released a statement that they had approved more loans in 2 weeks than they had done in 12 years. Wait stated that the Adirondack Trust Bank processed \$85 million with the first tranche of loans which is easily four years of SBA volume for the bank.

Ms. Schneider stated that businesses might not know where the resources are or have the paperwork in place to apply for these resources. She said the Saratoga Partnership is actively working to provide as much support as possible and doing this with the help of the organization's partners.

The Saratoga Partnership has been very busy with different webinars. Last week the organization collaborated with Service Corps of Retired Executives (SCORE) to host a Town Hall that had over 140 people registered for the event. There have been interviews with the Daily Gazette and WAMC, who did a news story on the Troy Innovation Garage Regional Town Hall that the Saratoga Partnership participated in. Lastly, the Saratoga Partnership had a conference call with Congresswoman Elise Stefanik which had about 150 participants.

Ms. Schneider stated the Saratoga Partnership submitted the USDA grant on April 15th. This grant will allow the Saratoga Partnership to support the Next Wave Communities initiatives and Business Retention and Expansion programming. The Next Wave Communities initiative provides an economic development plan for the community which includes a list of businesses that have been identified that the community would like to see grow, be supported, and attracted.

Ms. Schneider provided that through this grant, the Saratoga Partnership would like to provide outreach seminars to provide technical support to businesses. This is something that businesses will

need post-COVID. The Saratoga Partnership asked for \$95,000 and the organization tried to leverage as much staff time and inhouse time. The grant will help pay for consultants to write these Next Wave Communities plans whom tailor the plans to be used to leverage other Federal, State, and regional grant money.

The Saratoga Partnership budgeted a total project cost of \$217,000 with \$95,000 coming from the grant. Ms. Schneider stated the Saratoga Partnership is not committing to any more resources than what it has. She remarked that this grant helps the Saratoga Partnership fulfill its obligations to the different communities and the County. Ms. Schneider said the Saratoga Partnership has one year to draw down the grant money. Ms. Schneider also said the organization is actively seeking other sources of funding to diversify its funding stream.

Todd Kusnierz wanted to clarify that the \$500,000 that came in from the room occupancy tax was lower than what was anticipated. Ms. Schneider responded that the December 16 budget anticipated a \$550,000 revenue stream from room occupancy tax and general funds. She stated that that number was overestimated.

Chairman Hedley followed up on what was stated at the Governance Committee. He said he reached out to the Chair of the Board of Supervisors and left a voicemail and email, but still has not received a response. Chairman Hedley acknowledged the Chair is very busy and Chairman Hedley will reach out to him again.

Todd Kusnierz asked Chairman Hedley, how long ago was the initial outreach? Chairman Hedley replied that he sent the correspondence within four days of the board meeting.

Ms. Schneider added that another thing to consider was that newly appointed board member, Scott Solomon is very pressed for time due to COVID-19 and his business expansion but stated he didn't want to leave the Saratoga Partnership hanging. Ms. Schneider stated, Solomon, who is on the Audit and Finance Committee did not submit a formal resignation, but he might not be with the Saratoga Partnership board for much longer.

Chairman Hedley added that Solomon has not attended a Board meeting to date. Ms. Schneider followed up that Solomon did attend the initial Audit and Finance committee.

Todd Kusnierz stated his colleagues had reached out to Solomon and Kusnierz had thought Solomon was looking to step down, but not at this time.

Ms. Schneider stated Solomon wants to make sure he is contributing if he is on the Board and the Saratoga Partnership appreciates that he communicated his thoughts early on.

Charles Wait stated that it was awkward to have a board member that wants to stay on the Board but isn't attending meetings. Wait stated that it might be appropriate to have him take a leave of

absence because there are legal ramifications to his service on the board. Wait stated that board members are liable even if they don't attend meetings and that it is not fair to other board members who do attend meetings.

Chairman Hedley stated that the Saratoga Partnership has an attendance requirement that needs to be reevaluated.

Charles Wait added there should be a Governance Committee meeting soon.

EXECUTIVE SESSION

Darren O'Connor made a motion to adjourn into executive session, seconded by Penny Hill to discuss a personnel issue. There was no discussion.

Vote on the Motion: AYES: 10 NOES: 0 . The Motion was carried.

The meeting was adjourned to executive session at 3:53 pm.

The Board reconvened at 4:17 pm.

NEXT SCPP BOARD MEETING – MONDAY, MAY 11, 2020

Penny Hill made a motion to accept the Personnel Committee's recommendation to hire Mary Estelle Ryckman as a temporary, seconded by Eric Connolly. Todd Kusnierz expressed he was very concerned about the economic and budgeting unknowns and that although he agreed a personnel addition was needed, he was opposed to the timing of the new hire. No further discussion was made.

Vote on the motion: AYES: 9 NOES: 1 . The Motion was carried.

Ms. Schneider stated, that per recommendations, the board will receive a progress report of the business outreach being made at the May 11th meeting. She stated that the Saratoga Partnership uses Salesforce, a Customer Relations Manager (CRM) and there is a COVID-19 business impact section on the site. She stated Mary Ryckman is familiar with Salesforce and we can create clear reports on our business outreach efforts.

Ms. Schneider continued that the Saratoga Partnership had previously looked at grants and programs as ways to support the Global Markets program. She stated that the Saratoga Partnership will make more headway this year on the Global Markets program.

Chairman Hedley stated that Ms. Schneider had been sharing ideas on Global Markets program with him and the program is promising.

Charles Wait made a motion to adjourn the meeting, seconded by Brendan Chudy. No further discussion was made.

Vote on the motion: AYES: 10 NOES: 0 . The Motion was carried.

Minutes of the Board of Directors of the SCPP, held 04/27/2020

The meeting adjourned at 4:21 pm.

Recording Secretary

A handwritten signature in black ink, appearing to read "Kim Keller", is written over a horizontal line. The signature is stylized and cursive.