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Columbia Economic Development Corporation

MINUTES COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

Tuesday, February 23, 2016

4303 Route 9

Hudson, NY 12534

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Trustees was held at their offices located at 4303 Route 9, Hudson, NY 12534 on February 23, 2016. The meeting was called to order at 8:30a.m. by Tony Jones, Chair.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Board Member	Present	
Rick Bianchi	Board Member	Present	
Jim Champion	Board Member	Present	
David Fingar	Vice-Chairman	Present	
Greg Fingar	Board Member	Excused	
Tish Finnegan	Board Member	Excused	
Triona Fritsch	Board Member	Present	
Tony Jones	Chairman	Present	
Kim Keil	Board Member	Excused	
James Lapenn	Board Member	Present	
John Lee	Board Member	Present	
Jim Mackerer	Board Member	Excused	
Ed Nabozny	Board Member	Present	
Michael Polemis	Board Member	Present	
Robert Sherwood	Treasurer	Excused	
Colin Stair	Board Member	Excused	
Sarah Sterling	Secretary	Present	
Scott Wood	Board Member	Present	
Andy Howard	CEDC Attorney	Present	
F. Michael Tucker	Interim President/CEO	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Carol Wilber	Marketing Director	Present	
Katie Kocijanski	Reporter, Register Star	Present	

Mr. Jones welcomed the newest Board members present, Triona Fritsch and James Lapenn. He stated the third newly elected Board member, Tish Finnegan had a prior commitment and would be at the March Board Meeting.

Minutes:

Mr. Wood made a motion, seconded by Mr. D. Fingar to approve the minutes from January 15, 2016. Carried.

Chairman's Report:

Mr. Jones stated he planned on presenting the strategic plan to the Board at the March meeting for approval and then presenting it at the CEDC annual meeting. The notice for the CEO search would be posted with a deadline of March 23. He stated the first Board workshop had been completed and the report had been distributed to the full board. Mr. Jones stated the members of the County Economic Development Committee had received the report at last night's meeting. Mr. Jones stated the next step was the public meeting being held this Friday, February 26th at Columbia Greene Community College. The gathered information would then be crafted into a document.

Mr. Jones gave brief project updates: *Ginsberg* - there had been no construction activity the property; *Broadband* - the County Board of Supervisors would be holding a public presentation in March; *Hudson Valley Creamery CDBG* - public hearings would be held later today and March 7th; *Goat Genetic project* - more groundwork being done; *Intake Form* - Mr. Tucker was creating an intake form to be used for tracking projects and inquiries; *Board orientation manual* - Online contains links for training and other resources; *Membership* - Currently approximately \$30,000 and 35 members.

Mr. Jones urged the Board members to contact one new business person every month to increase membership as well as keep familiar with the services CEDC offers. Mr. Jones stated he had authorized an additional payment covering 2 days to Mr. Tucker due to the amount of time he had spent on the Ginsberg CDBG issue.

Treasurer's Report:

Mr. Tucker referred the Board's attention to the summary sheets, noting he was working with the accountants on a new chart of accounts and the ability to have Quickbooks create the summary report. He noted the operating profit and loss showed a \$45,000 loss. He stated the county funding was received quarterly and had not been received as of the date of the report. Ms. McNary stated the funding had been received on Monday. He stated he would ask the accountants to accrue the revenue on a monthly basis.

Mr. Tucker stated the profit and loss showed the SBA contribution \$4,200 less than the budgeted amount. He noted this was a timing issue as was the case with the consultants and insurance lines. He stated that the loan loss reserves had been discussed at the Loan Committee.

Mr. Tucker noted the accountants had asked for several write-offs to clean up the balance sheet. He stated that would not mean the loans were forgiven, and collection attempts would continue.



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Mr. Tucker stated he had reviewed the vendors for CEDC and stated all vendors of services over \$5,000 had gone through a procurement process. *Mr. D. Fingar made a motion, seconded by Mr. Wood approving the Treasurer's Report as presented. Carried.*

Interim President/CEO Report:

Mr. Tucker stated the on-line Board Orientation Manual had been completed and thanked Ms. Costine for completing the project with the assistance of Ms. Wilber and Mrs. Drahushuk. He stated he would be cleaning up the website with Ms. Wilber in order to make it more user friendly. He stated he planned on setting up time to meet with the new members to answer any questions they may have.

Mr. Tucker stated the job description would be posted on the NYS Department of Labor job site, Times Union, Register Star, Business Reviw and the International Economic Development Council job listing, as well as other sites. He noted it was a diverse group of posting locations. He stated the ads for the position would be placed tomorrow.

Grant to Capital Resource Corporation for Operating Expenses:

Mr. Tucker reviewed the CRC and its purpose. He noted he had run a report listing all the not-for-profits in the County and he would begin marketing the CRC to them. He noted the organization currently didn't have enough funds to pay for insurance or accounting fees. He noted the IDA is prohibited by law from lending or granting funds so he was asking CEDC to fund CRC in order to keep it viable for the current year, with the understanding that it would be evaluated for continued viability. He asked for a motion to fund the CRC in the amount of a \$2,500 grant. *Mr. Bianchi made the motion, seconded by Mr. Lapenn. Carried. Ms. Sterling abstained from the vote.*

Goat Research Center Study Administrative Agreement:

Mr. Tucker informed the Board that the County had submitted and been awarded a Consolidated Funding Application for a goat genetics study. He noted the county had asked CEDC to assist the County by administering the grant. He noted the grant required CEDC to spend \$150,000 in order to recoup the \$75,000, but at the present time the only financial obligation CEDC had, is to provide \$7,500. He noted in-kind services can be used as matching funds under the grant terms.

While Mr. Tucker noted the goal was to remove CEDC as the administrator of grants to businesses, the role as administrator for the County was within the duties outlined in the contract with Columbia County. Mr. Jones informed the Board that U.S. goat herds produce only 60% of the output of goats elsewhere in the world. He stated the goal of the study was to make the genetics available in order to increase output to a competitive rate.

Mr. Tucker stated if CEDC was unable to find the matching \$75,000 needed, the project would have to be re-evaluated. *Mr. Wood made a motion, seconded by Mr. Lee to approve contract with Columbia County for the Goat Research Center Study. Carried with Mr. Lapenn and Ms. Sterling abstaining.*

Committee Reports:

Executive Committee:

Mr. Jones stated he had worked with the Governance and the Executive Committee to create the search committee. He introduced the search committee members, Mr. Stair, Ms. Sterling, Mr. D. Fingar, Mr. Nabozny, himself and Mr. Campion who agreed to serve as chairman of the committee. Mr. Jones explained he had approached Mr. Campion as search committee chairman due to his extensive experiences with searches under public transparency.

Mr. Campion thanked Mr. Jones for the opportunity to guide the search forward. He noted confidentiality was especially important with a public Board search, for the CEDC Board and for the candidates. He noted it demands mutual respect. He extended an invitation for the board members to contact him inquiries or areas in which to probe for candidates. He stated he is committed to finding the best possible candidate.

Mr. Campion indicated he had addressed the search committee impressing upon them the tremendous obligation it is to sit upon this committee. He urged them to attend all interviews and stated he has model rubrics available for their use. He asked the members to contact him with their suggestions.

Mr. Jones informed the Board that Mr. Tucker will be acting as staff support, with Mrs. Drahushuk receiving all emailed applications. He informed the Board that the job description had received feedback from the County Economic Development Committee. Their suggestions included make the interactions with the County clearer, and clarifying that the person selected would be committed to fulfilling the goals of the strategic plan. Mr. Jones asked the Board for their input. Mr. Tucker asked that the Board members write their suggestions on a copy of the job descriptions, return it to him so the description will be ready to be distributed and posted tomorrow.

Audit and Finance:

Mr. Bianchi stated the engagement letter had been received from the auditors, he will review, sign and return if there are no problems. Mr. Tucker stated the auditors have agreed to review the books quarterly. Mr. Tucker stated the cost of the audit had decreased from the prior year. Mr. Bianchi stated the reduction in cost was due to the increased threshold of federal money. He stated CEDC was below the threshold which required a single audit. He noted that the procurement process had been followed and the accounting services would be sent out to bid next year, the third year of the three year term.

Loan Committee:



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Mr. Tucker stated Ms. Lane had just returned from a seminar. Ms. Lane stated the seminar discussed credit analysis and reporting in detail. She gave a brief overview for the Board.

Mr. Tucker stated the loan fund currently has \$20,000 in past due CEDC loan payments. He reviewed the original loan, noting a modification agreement had been negotiated with Mr. Calcagno. The past due interest would be brought current, the balance of \$45,776 would be paid over a 42 month term at 7% interest. Mr. Howard stated the closing could take place as soon as the end of the week. Mr. Tucker stated the Loan Committee agreed the restructure was important. *Mr. Sterling made a motion, seconded by Mr. Lee to approve the restructure of the loan. Carried.* Mr. Howard informed the Board he had sent a letter regarding CEDC's collateral for the Pete's Gone Fishin' loan to the purchaser of the building. They have agreed to purchase the collateral which would go toward the loan repayment.

Mr. Tucker stated a modification of the Monkshead Nursery was being negotiated. He noted the remainder of the loans were slow payers, who were expected to continue paying.

Mr. Tucker stated the SBA had a current past due of less than \$4,000, consisting of several loans that are 30 days past due. He noted several of these businesses were seasonal. Mr. Bianchi informed the Board that the SBA would not allow payment schedules to be adjusted for seasonal payments.

Writeoffs:

Greenport Crossings:

Mr. Tucker reviewed the bankruptcy documents with Mr. Howard, noting it would allow for some minimal payment in the settlement agreement. He stated the auditors recommended writing the loan off to remove it from the balance sheet. *Mr. Lee made a motion, seconded by Mr. Bianchi to approve the write off of the Greenport Crossing debt. Carried.*

Aerocity:

Mr. Bianchi stated this was an old loan. Mrs. Drahushuk stated collection efforts had been successful in collecting some of the debt, but the company had no assets and the attorney charged with the collection had suggested further efforts would be fruitless. *The Loan Committee had recommended writing off the balance. Mr. Bianchi made a motion, seconded by Mr. Lee to write off the remaining balance of the Aerocity loan. Carried.*

Loan Approvals:

Ms. Lane stated there was one loan request from Warm Winds LLC., principals Lisa Ross and Adair Kleinpeter. The request was for \$25,000 at 7.25% interest for a term of 72 months. The project is expected to create 1.5 new jobs. The principals plan to open a retail store in Hudson selling imported furniture, décor and personal items. The collateral will be a lien on all business assets. Ms. Lane stated the funds would be used to purchase furniture, fixtures, inventory and working capital.

Mr. Bianchi stated the Loan Committee had recommended the loan be approved by the full board. *Ms. Sterling made a motion, seconded by Mr. D. Fingar. Carried. Mr. Polemis abstained from the vote.*

Governance and Nominating Committee:

Mr. Wood stated the Board still had 2 vacancies, but it was the consensus of the Committee that there was no immediate urgency to fill them. He noted there was one interview scheduled for the next committee meeting. He stated the committee would be looking to the Board for candidate suggestions.

Strategic Planning:

Mr. Jones reminded the Board that the Strategic Planning public session would be held February 26th at 1:30pm at Columbia Greene Community College. He stated to date 86 people would be attending.

Mr. Tucker stated the first Board session had been successful and the County economic development committee had been briefed on the plan. He stated Mary Ellen O'Loughlin who had worked for CEG on their creative economy strategy would be facilitating the public session.

He stated the goal was not to guide the discussion, but to solicit any and all ideas from the public, similar to the CREDC and URI meetings previously held at the College. He reminded the Board of the followup to the retreat being held on March 4th at 8:30am at the Opera House. Mr. Tucker stated he anticipated having an early draft in mid - March in time for another Board session. Mr. Jones stated the plan would be ready for final Board approval at the March 29th meeting and presented to the CEDC Members at the April 19th annual meeting. Mr. Tucker stated the plan would be presented to the Board of Supervisors at their May meeting.

Having no other business to discuss and no public comments, a motion to adjourn was made by Mr. Wood, seconded by Ms. Sterling. Carried. The meeting was adjourned at 9:56 a.m.

Respectfully submitted by Lisa Draushuk