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Columbia Economic Development Corporation

MINUTES

Minutes for the meeting of Columbia Economic Development Corporation Board of Trustees held at the their offices located at 4303 Route 9, Hudson, New York, **Tuesday**, April 28, 2015 at 8:30am.

ATTENDANCE:

Mary Bartolotta
Bill Better
Rick Bianchi
Bruce Bohnsack
Jim Campion
Paul Colarusso
David Crawford
David Fingar
Greg Fingar
Tony Jones
John Porreca
Robert Sherwood
Colin Stair
Sarah Sterling
Scott Wood

MEMBERS EXCUSED:

Tom Cappadona
Bruce Finn
Patrick Grattan
Michael Vertetis

REPRESENTATIVES:

Supervisor Ron Knott

COUNSEL:

Andy Howard

INVITED GUEST

Matt Vanderbeck
Mark Orton
Chad Weckler

STAFF:

Lisa Drahushuk
Ken Flood
Martha Lane
Erin McNary
Ed Stiffler
Carol Wilber

PUBLIC

Supervisor Ellen Thurston
Patti Matheney
Chris Jones

Mr. Crawford called the meeting to order at 8:30 a.m.

Minutes:

Mr. Crawford asked if there were any changes to the minutes of March 31, 2015. Mr. Bohnsack made the motion to approve the minutes. Mr. Colarusso seconded the motion which was passed by all present.

Audited 2014 Financials and 990's:

Mr. Crawford introduced Matthew Vanderbeck of Pattison, Koskey, Howe and Bucci, who would be presenting the 2014 audited financials, associated letters and the 990's for Board approval.

Mr. Vanderbeck stated the compliance audit showed no findings on compliance, and the audit report had no findings or qualifications. He stated this year the statements had been consolidated for ease of presentation and followed accounting standards.

Mr. Vanderbeck reviewed the audit statement for the Board. He noted that the 2014 audit compared the original and current loan balances of the CDBG loans (pg 12). He noted that it was suggested that CEDC implement a formal procedure for documenting and confirming grant compliance over the term of the agreement and communicating the procedure with the grant recipient. Mr. Vanderbeck stated the audit also addressed the payoff schedule of the Microloan program loans from the SBA and the current review of the ABO. Mr. Vanderbeck noted that on page 4 of the required communications letter, 3 compliance issues had been addressed.

Mr. Jones asked Mr. Flood if those compliance issues had been addressed. Mr. Flood stated he was unsure if all Board members had completed training, but he knew it had improved since the end of 2014. He stated Mr. Howard would explain the Conflict of Interest policy to the Board and how the procedures would need to change.

Mr. Vanderbeck noted that acting as the fiscal agent for organizations entails a level of responsibility and an element of risk. He stated that the processes in place were good and he encouraged the staff to ensure the expenses being paid were valid. Mr. Bianchi asked the status of BEHOLD!'s 501(c)3 application. Mr. Flood stated the application had been submitted and they were awaiting the decision. He stated he would present a report to the board at the May meeting of the donations and expenses for BEHOLD!

Mr. Porreca asked about payment on the Local Ocean loan/grant. Mr. Vanderbeck stated that the loan had been fully reserved. Mr. Bianchi asked if there were any changes that Mr. Vanderbeck was aware of in the current year. Mr. Vanderbeck stated there were no policy changes he was aware of.

Mr. G. Fingar asked if CEDC was acting as fiscal agent for any other organizations, and if the same standards applied. Mr. Flood stated CEDC was the fiscal agent for the Lincoln Funeral Train event. Mr. Flood stated the compliance was the same for all.

Mr. Vanderbeck reviewed the 990's with the Board and asked if there were any questions. Ms. Sterling asked Mr. Vanderbeck to clarify the answer to Section 15 a & b. Mr. Vanderbeck referred her to Schedule O. Mr. Flood noted that the Board should sign the acknowledgement of receipt and review of the 990 tax return and return it to Mrs. Drahushuk. Mr. Flood stated the documents would be placed on the website after the Board adopted them.

Mr. Crawford asked the Board for a motion to approve the 2014 audited financials and the 2014 990's. Ms. Bartolotta made the motion to approve the documents as presented. Mr. G. Fingar seconded the motion, which passed unanimously. Mr. Flood thanked Mr. Vanderbeck and his staff and CEDC staff for the work on the audit.

Assessment of Internal Control Structure and Procedures:

Mr. Flood asked the Board to approve the assessment as presented to the Board. Mr. Colarusso made a motion to approve the document. Mr. G. Fingar seconded the motion, which passed unanimously.



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2014 Operations and Accomplishments:

Mr. Flood stated it was a required compliance document that outlined major accomplishments for the year. Mr. Colarusso made a motion to adopt the document as presented. Ms. Sterling seconded the motion, which passed unanimously. Mr. Porreca asked which applications were submitted through the CFA process. Mr. Flood stated they were: Lonestar, North Bay and Columbia Memorial Hospital. He stated that only North Bay had been approved. He stated May's meeting would include a discussion of CFA's and broadband.

Marketing Video:

Mr. Flood introduced Ms. Wilber, Marketing Director. Ms. Wilber stated she had developed several additional marketing tactics for CEDC, including a marketing video. She stated this would be an effective tool to be aimed toward a targeted audience. She envisioned the video as targeting NYC residents 20 years and older. She stated the video should contain superb narration, stunning scenery and be about 2-3 minutes in length. She felt this video would coax the audience to relocate their businesses and perhaps purchase or lease a second residence in Columbia County.

She stated the budget for the project would be \$40,000 - \$50,000. She would be applying for a National Grid grant for part of the cost and seeking corporate sponsors for the remainder. She noted National Grid's maximum grant amount would be \$10,000. She stated the RFQ would be issued and she would bring a recommendation to the Board. She anticipated the video to be filmed during June, July and August and be complete by September in time for the CEO Roundtable. She stated the video would be posted on the website and made into DVD's for distribution.

Mr. Bianchi asked what locations would be targeted. Mr. Flood stated there is land in the 9H corridor that is commercially zoned and CEDC can work with the planning boards. He stated there are some buildings available and broadband is accessible, with easy access to NYC.

Sewer and Water Expansion Feasibility Study RFP:

Mr. Flood stated late last year the Board authorized issuing a RFP for the expansion of the water and sewer in the Route 9H and Route 66 intersection. He stated three responses had been received. The board had been mailed the scoring sheets and the memo regarding the received proposals.

Mr. Flood stated that Patrick Prendergast had been the recommended choice for a cost of \$18,500, which was in the consultant line of the budget. Mr. Bohnsack asked if all the property was in Ghent. Mr. Flood stated the area consisted of the area from the Greenport water wells to the airport, west on Route 66 to Ginsberg's and east on Route 66.

Mr. Colarusso made a motion to award the contract to Mr. Prendergast. Ms. Bartolotta seconded the motion. Mr. Better stated he had a client who owned property in that area and recused himself from the vote. Mr. Howard stated if the Board members had a client who would benefit from the expansion, they should recuse themselves from the vote. A roll call vote was taken. Messers Crawford, Sherwood, Better, Bianchi, Colarusso, D. Fingar, G. Fingar, and Wood recused themselves from the vote due to potential conflict with clients. Supervisors Sterling and Porreca recused themselves due to a conflict with as County supervisors. Ms. Bartolotta, Mr. Bohnsack, Mr. Campion, Mr. Jones and Mr. Stair voted in favor of awarding the contract to Mr. Prendergast. The vote did not pass. Mr. Porreca wondered if the recusals would have an effect on moving forward with economic development in Columbia County, if the Board members continued to recuse themselves.

Mr. G. Fingar asked Mr. Howard to clarify with the ABO and the Board members the issue of conflict of interest. Mr. Howard stated he would contact the members and see what specifically had caused their recusing themselves from the vote and then he would speak with the ABO.

Makerspace Marketing Study RFP:

Mr. Flood stated Makerspace was space that someone may use for one or two days a week and would require different things than a typical incubator space. He noted that it would be difficult to make it financially sustainable. He introduced Mark Orton, the President of the Hudson Area Association Library and a technical assistance provider for the MicroBusiness program. Mr. Flood also introduced Chad Weckler as the person who has been the force behind starting a local makerspace.

Mr. Flood stated Mr. Orton had recently visited a makerspace and would describe the space and the concept. Mr. Orton explained that makerspaces were spaces that offered tools, equipment and workspaces for constructing or making items for sale. He noted the options could include welding equipment, sewing machines, woodworking tools and software. He stated the spaces usually featured an open floor plan with some cubicles and workspaces. He stated the equipment and the spaces were rented by the hour.

Mr. Orton stated he had visited a makerspace in Sommersville, Massachusetts which had a wide range of users. He informed the Board the space held 300 users. Engineers and mechanical engineers were renting space in the building and were working in teams with others in the building.

Mr. Orton stated it was important to have a good idea of those who would be committed to using the space in order to get the right mix of tools and people. He informed the Board that as President of the Hudson Area Association Library, the library had earlier considered doing this project in the Armory, where they would be locating. He stated the space in the Armory was not well suited for the idea, but the library was interested in partnering in the project.

Mr. Campion asked what if any relationship a makerspace and an incubator had. Mr. Orton stated makerspaces offered access to tools and equipment, space and a social aspect, and the ability to create different teams for different projects. He noted that it was important to have



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synchronous services to allow for the building of teams. Incubators are more freestanding and have the need for more traditional shared services.

Mr. Orton stated the goal is to make the space self-sustaining. Mr. Campion asked if a commercial kitchen would be included. He stated the college is hiring a group to update the Campus Master Plan and would be interested in further conversations about the Makerspace concept.

Mr. Flood asked the Board to authorize the issuance of an RFP. He stated the project may be suitable for a CFA. Mr. Campion made a motion to approve issuing the RFP. Mr. D. Fingar seconded the motion, which passed with all in favor except Mr. Stair, who recused himself due to a potential conflict with one of his clients.

Mr. Orton and Mr. Weckler left the meeting at 9:35am

By-Law Revision:

Mr. Flood handed out proposed revisions to the by-laws. He stated no committees had yet been formed. He noted the committees required independent Board members. He handed out the ABO document which explained their definition of independence. He asked the Board to review the documents and the changes and committees could be discussed at the May board meeting.

Mr. Howard reminded the board that they had asked to hold a retreat. He stated that if the board wished to address long term objectives and corporate infrastructure any revisions should be considered along with the organizational structure to ensure compatibility.

Board Retreat:

Mr. Crawford stated Mr. Bohnsack had obtained the name of a potential facilitator (Meeting Facilitators International) for the board retreat. Mr. Bohnsack stated he had obtained a proposal but was unsure of possible dates. Several Board members felt June or July would be the best months, with Thursdays suggested as the best day of the week.

Ms. Sterling asked the cost. Mr. Crawford stated the cost was \$1,500/day with an estimation of 5.5 days being required to hold the retreat and to do the background work, compilation and final copy. The consultant suggested a 1 day retreat, 1 day of reporting, including surveying of Board and staff. Ms. Bartolotta asked if anyone else had been considered. Mr. Crawford stated Linda Dickerson who had done a much earlier board retreat for CEDC had been discussed, but she was now teaching at a college in the Southern Tier of NYS.

Mr. Bohnsack stated the company he suggested had good recommendations and background. He noted that he felt the retreat was timely, since the Board hadn't had one in quite some time. Mr. Crawford noted the company was neutral. Mr. Wood asked if the retreat would be subject to the Open Meeting Law. Mr. Howard stated it was, Mr. Better felt that it wasn't. The Board asked Mr. Howard to check on the open meeting law.

Mr. Crawford asked for a motion to approve moving forward with Meeting Facilitators International for the Board retreat for an amount not to exceed \$10,000. Mr. Better made the motion to approve moving forward. Mr. Wood seconded the motion, which passed unanimously. Mr. Crawford stated he would send an email out to the Board with the list of available dates.

Board Vacancies:

Mr. Flood stated two people, Michael Benson, President of BCI Construction and Kim Keil, Sales and Marketing Director of Valley Energy, had been recommended to fill vacancies that currently existed on the CEDC Board. He handed out brief biographies on each.

Mr. Jones suggested filling the Board vacancies be postponed until after the retreat. Mr. Better stated the candidates were great people, who helped add geographic diversity to the Board. Mr. Crawford stated he would like to see the candidates involved in the retreat. Mr. Wood noted he agreed with Mr. Jones in holding the positions open until after the retreat.

Mr. Porreca noted the problem with recusals with the Sewer and Water vote earlier in the meeting. Mr. Stair stated the candidates didn't represent the new economy which was discussed in the Makerspace discussion. Mr. Flood stated the two candidates were willing to serve on the board, noting past difficulties in obtaining board members. Mr. Better agreed with Mr. Flood stating that the downside of serving on Boards like CEDC is greater than the upside. He encouraged the Board to take advantage of those people who wished to serve and elect them.

Mr. Better made a motion to elect Mr. Benson and Ms. Keil to the CEDC Board. Mr. G. Fingar seconded the motion. Mr. Wood, Mr. Stair, Mr. Jones, Ms. Sterling and Ms. Bartolotta voted against the motion. Mr. Campion abstained from the vote stating "Columbia County is a sponsor of Columbia-Greene Community College and it would be inappropriate for the college president to vote on a matter of the Board of Supervisors." The remainder of the present Board members voted in favor of the motion, thereby approving the election of the candidates.

Other Business:

Mr. Flood stated there was a loan to be presented to the Board for their review. Ms. Lane stated the request was from Hudson Clothier in the amount of \$20,000. She stated the interest rate was 7.75% and the term was 72 months. She noted the loan committee had approved the loan. Ms. Bartolotta made a motion to approve the loan, which was seconded by Mr. G. Fingar and passed by the board unanimously.

Ms. Bartolotta asked for a moment of silence to end the Board meeting in memory of Don Kline.



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With no further business, Mr. D. Fingar made a motion to adjourn the meeting, which was seconded by Mr. G. Fingar. The meeting adjourned at 10:00am

Respectfully submitted by Lisa Draushuk