



# Choose Columbia

Columbia Economic Development Corporation

## CORRECTED 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**, May 26, 2015 at 8:30am.

ATTENDANCE:

Mary Bartolotta  
Michael Benson  
Bill Better  
Jim Champion  
Paul Colarusso  
David Crawford  
David Fingar  
Greg Fingar  
Bruce Finn  
Patrick Grattan  
Tony Jones  
Kim Keil  
John Porreca  
Robert Sherwood  
Colin Stair  
Sarah Sterling  
Scott Wood

MEMBERS EXCUSED:

Rick Bianchi  
Bruce Bohnsack  
Michael Vertetis

REPRESENTATIVES:

COUNSEL:  
Andy Howard

STAFF:

Lisa Drahushuk  
Ken Flood  
Martha Lane  
Carol Wilber

PUBLIC

Supervisor Ellen Thurston  
Supervisor John Reilly  
Patti Matheney  
Chris Jones  
Joanne Cardis  
Ron Cardis  
Katie Kocijanski –  
Register Star

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

He welcomed the new Board members.

**Minutes:**

Mr. Crawford asked if there were any changes to the minutes of April 28, 2015. With no changes, he called for a motion to approve the minutes as presented. Mr. G. Fingar made the motion, which was seconded by Mr. Finn. The motion passed unanimously.

**Treasurers Report:**

Mr. Flood noted CEDC was on budget, but noted legal fees were higher due to the ABO review. He stated there is \$750,000 in loan funds. He noted the loans were performing well overall with a few past dues and some loan restructurings. Mr. Crawford called for questions regarding the



# Choose Columbia

Columbia Economic Development Corporation

Treasurer's Report. With none, Mr. G. Fingar made a motion to approve the report as presented. Mr. Finn seconded the motion, which passed unanimously.

## **Authority Budget Office Requirements:**

Mr. Flood stated there were currently three Board members who have not completed training. Mr. Benson and Mr. Porreca the new Board members have one year from the date of their appointment to complete the training. One new Board member has completed training. Mr. Flood stated Mr. Vertetis would be sent a letter requesting him to take the required training or resign from the Board.

Mr. Flood stated that the ABO policy guidance recommended Board members renew their training every three years. He stated it was not yet required. Mr. Crawford stated all committee meetings would be publicly noticed, and minutes posted online.

Mr. Flood handed out copies of the code of ethics and conflict of interest policies. He stated he was asking Mr. Howard to review both policies for changes and clarifications to be discussed at the June board meeting.

Mr. Flood stated he had distributed copies of the committee duties and the ABO's definition of independent board members to the Board last month. He stated he was seeking volunteers for the committee this month. He stated he would ask Mr. Howard to review the committee volunteer lists for independence, noting the majority of each committee had to be defined as independent.

Mr. Flood handed out the Governance Committee list of duties to the Board. He noted this committee developed policies and reviewed them annually. He stated they would be reviewing the conflict of interest policy and code of ethics and making recommendations to the full board. He stated all committees required 3 members. He asked for volunteers. Ms. Sterling, Mr. D. Fingar and Mr. Jones volunteered for the committee.

Mr. Benson stated the IDA had made their entire board committee members. Mr. Jones pointed out that the committees would create more meetings and with the whole board as the committee, the quorums would be larger. Mr. Flood stated the IDA held their committee meetings on the same time as their full board meetings and had only 7 members.

Mr. Flood turned to the Finance Committee. He handed out the outline of duties, noting they would review the budget and review the investment policies. He asked for volunteers to serve. Ms. Keil and Mr. Wood volunteered to sit on the committee. With no further volunteers, Mr.



# Choose Columbia

Columbia Economic Development Corporation

Flood requested Board members contact Mrs. Drahushuk if they wished to serve on the committee.

Mr. Flood handed out committee duty sheets for the Audit Committee. He stated they would meet with the auditors, discuss the internal controls and other duties as listed. He then asked for volunteers to serve on the committee. Mr. Better, Mr. Benson and Mr. Colarusso volunteered to serve. The board felt Mr. Bianchi would also be an asset to the committee.

## **Marketing Director's Briefing:**

### **Marketing Video RFQ:**

Ms. Wilber stated the RFQ was posted on May 13<sup>th</sup> with a deadline of May 22<sup>nd</sup>. She stated 4 responses had been received. She stated she would narrow the submissions down to two and notify them by the end of the week. She and Mr. Flood would meet with the top 2 and ask for proposals.

### **Consolidated Funding Applications:**

Mr. Flood stated the next CFA's would be due July 31. He noted the Columbia Greene Community College would be hosting a workshop at the end of June. He stated Ms. Wilber would be sending out an e-blast with the particulars.

Mr. Flood stated CFA's would be submitted for; American BioMedica Corporation requesting funding for the relocation of the New Jersey plant, Hudson Valley Creamery for the purchase of the building and the renovation of the site, the Lonestar site for infrastructure improvements and demolition and Mt. Lebanon. Mr. Jones asked why the Columbia Memorial Hospital application had not been funded last year. Mr. Flood stated the application had been submitted and designated as a priority project, but was not awarded and funding. NYS's explanation was there were several other competitive projects. Mr. Jones asked if the application would be re-submitted. Mr. Flood stated it would not.

Mr. Flood informed the Board that Supervisor John Reilly had been appointed to the Upstate Revitalization Initiative, a subcommittee of the Capital Region Economic Development Council. Mr. Reilly stated his appointment would give Columbia County a chance to have input to the development plan. He thanked Chairman Grattan for the opportunity. Mr. Flood stated that Rensselaer County IDA had given the URI \$100,000 as had RPI. He noted the Columbia County IDA is unable to contribute. Mr. Benson asked Mr. Flood if the appointment was for the subcommittee or for the CREDC. Mr. Flood stated it was for the subcommittee that is overseeing the application for the \$1.5 billion.



# Choose Columbia

Columbia Economic Development Corporation

Mr. Crawford stated Todd Erling of HVADC was the Columbia County representative for the CREDC. Mr. Benson stated that Mr. Flood had stated Mr. Erling represented 6 other counties. Mr. Flood stated he had requested a Columbia County representative for the CREDC. 5 members of the Capital Region Economic Development Corporation toured the Shaker Museum according to Mr. Benson, who noted the County needs to have input to CREDC. Mr. Jones asked who controls the CREDC. Mr. Flood stated the Governor's office.

## **BEHOLD! Contribution and Expense Report:**

Mr. Flood handed out a financial report showing the BEHOLD! contributions, expenses and the 5% donation to CEDC. He noted the organization was very successful in obtaining grants, noting they had received grants from the Greenway and the Educational Foundation. He noted CEDC had earned \$5,445.00 from acting as fiscal agent. Ms. Bartolotta asked about the status of their 501(c) 3 application. Mr. Flood stated they haven't yet been awarded status.

## **Board Retreat:**

Mr. Crawford reminded the Board about the Board retreat scheduled for June 11<sup>th</sup> at Columbia Greene Community College. He stated the Board members would be getting a link to a survey in the near future. He asked the Board to complete and return the surveys even if they were not attending. Ms. Sterling expressed concern that the attendees wouldn't fit in the CGCC Board room. Mr. Champion stated he would speak to Guy Apicella who would find an alternative space.

## **Other Business:**

Mr. Crawford stated there was one loan recommended by the Loan Committee for the consideration of the full board. Ms. Lane stated the request was from J.E.M. Woodworking and Cabinets, Inc. for an amount of \$57,067. She stated \$7,067 would be used to pay off the existing CEDC loan and the remaining \$50,000 would be used to purchase equipment. She stated the loan would be made from both SBA funds and CEDC funds. The interest rate on the SBA loan would be 7.5% and the CEDC loan would have an interest rate of 6.5%, both for a term of 72 months.

Mr. Benson asked if there would be a personal guarantee. Ms. Lane stated there would be one required as well as a lien on existing and new equipment. Mr. Reilly asked the amount of the outstanding balance of the existing loans. Ms. Lane stated the existing CEDC loan had a balance of \$7,067 and the existing SBA loan had a balance of \$2,500. With no further questions, Ms. Bartolotta made a motion to approve the loan as presented. Mr. G. Fingar seconded the motion, which passed unanimously.

Mr. Flood stated a deposit had been accepted for the last parcel in the Commerce Park. He stated Harpis Roofing planned on relocating their copper roofing business to that parcel. Mr. Better



# Choose Columbia

Columbia Economic Development Corporation

asked if there were additional lands in the Commerce Park that had not yet been subdivided. Mr. Flood stated there were on the east side of the runway, but noted water and sewer would need to be run to those parcels. Mr. Better asked if information could be gathered about the number of jobs in the Commerce Park, with the dollar amount of the increased valuation. Mr. Benson asked if it could be placed on a map with the business name identified.

He noted Eurial was bringing experts to Columbia County to work on the establishment of dairy goat farms. Ms. Bartolotta asked if the company was seeking to expand. Mr. Flood stated they wanted to add crumbled cheese and production of cheese from raw milk. He noted they would need equipment in order to expand.

Mr. Jones asked if there was a list of local farmers willing to raise and milk dairy goats. Mr. Flood noted Cornell Cooperative Extension had held an informative meeting regarding dairy goats. He noted that it had garnered a great deal of interest outside of Columbia County. He noted there was a website, not yet live, that would offer information to farmers interested. He noted that a 500 goat dairy herd would require \$3.5 million in investment. Mr. Reilly stated the Columbia Land Conservancy may donate land parcels and match young farmers with available parcels. Mr. Flood noted the other related lucrative business was meat goats.

Ms. Sterling asked about the status of the sewer and water expansion study. Mr. Flood stated the study was to prepare a preliminary engineering study for the expansion of the current district. Mr. Flood noted three responses had been received and he recommended awarding the contract to Pat Prendergast, PE. Mr. Benson asked if CEDC was telling interested business wishing to locate to the Commerce Park to locate elsewhere. Mr. Flood noted that an inventory of available acreage and buildings was maintained and the businesses would be guided to a different parcel in the County.

Mr. Wood stated at the last vote the Board members were hesitant to be identified as having a potential conflict of interest. He noted the ABO spoke of the perception of conflict of interest. Mr. Howard clarified the conflict issue with the Board. He stated if a Board member had a client in the proposed expansion area, which was at full build out with no plan for expansion at the present time, there would be no conflict of interest, as the Board member would not benefit financially from the expansion. He noted if a client had vacant land that would benefit from the water and sewer expansion that could be a conflict of interest. Mr. Howard reminded the Board that if they had a question on individual questions of conflicts of interest, they should contact him for an opinion.

Ms. Sterling asked if the County could do the study. Mr. Grattan stated the County could, but felt CEDC was the best organization for the task. He noted the CEDC's record with the virtual



# Choose Columbia

Columbia Economic Development Corporation

consolidation of services as an example. Mr. Wood asked if the Board wanted to bring the study to a vote. Mr. Benson asked Mr. Howard why he had a conflict of interest. Mr. Howard explained that Mr. Benson as a County Supervisor would be voting in favor of a project that would be benefiting the County. Mr. Howard suggested the conflict of interest policy and the code of ethics be brought to the newly formed Governance Committee for review.

Mr. Stair made a motion to approve the sewer and water expansion feasibility study contract with Patrick Prendergast in the amount of \$18,500. Ms. Bartolotta seconded the motion. A roll call vote was taken, the results as follows: Mr. Crawford recused himself from the vote due to current and potential clients who might benefit from the expansion; Ms. Bartolotta voted yes; Ms. Sterling recused herself due to the conflict of interest as a County Supervisor; Mr. Sherwood recused himself due to potential clients benefiting; Mr. Benson recused himself due to the conflict of interest as a County Supervisor; Mr. Better recused himself due to potential clients benefiting; Mr. Campion voted yes; Mr. Colarusso voted yes; Mr. D. Fingar recused himself due to potential clients benefiting; Mr. G. Fingar recused himself due to potential clients benefiting; Mr. Finn voted yes; Mr. Grattan recused himself due to the conflict of interest as the Chairman of the Columbia County Board of Supervisors; Mr. Jones voted yes; Ms. Keil voted yes; Mr. Porreca recused himself due to the conflict of interest as a County Supervisor; Mr. Stair voted yes; Mr. Wood voted yes. The vote failed to pass by a vote of 8 to 9. Mr. Sherwood stated he would like to change his vote from a recusal to a yes. He stated he was unaware of any of his clients who would benefit from the expansion. The vote to approve the sewer and water expansion feasibility study contract with Patrick Prendergast in the amount of \$18,500, was passed by a 9 to 8 vote.

Mr. Grattan stated the vote illustrated the problems with conflicts of interest. He noted the project would benefit the residents and businesses in that area. He stated he hadn't always agreed with CEDC but the organization is the only player. He referenced a number of past projects, including Greenport Crossings, Hudson Seafood and Flanders that CEDC had prevented from becoming blighted areas in the communities. He noted CEDC had gotten businesses to fill the buildings and those businesses were employing people. He stated those were success stories and that is why he supported Ken Flood and CEDC.

Mr. Grattan stated the IDA was doing a wonderful job policing PILOT's and referred to the Local Ocean Pilot as an example. He stated CEDC helps small businesses over the entire county with the SBA program.

Mr. Grattan addressed CEDC's critics stating they can be the organization's best friends by pointing out what needs to be done. He noted the ABO review pointed out the weaknesses and now CEDC was addressing the weaknesses, by establishing the committees and enforcing the



# Choose Columbia

Columbia Economic Development Corporation

training requirements. He noted that there is always something that can be improved. He thanked CEDC for the job they have done and stated he looked forward to the retreat and the ideas it would generate.

Ms. Sterling stated she felt the same and stated she would be discussing her Secretary's Report at the retreat.

Mr. Reilly stated he wished to clarify that the request made to the 3 CEDC members was not a demand. He stated if the specified Board members or any members of the CEDC board wished to attend the next meeting they would be welcome. He noted it might be best to wait until after the scheduled retreat to attend and the findings of the retreat could be explained. He noted that the County has no over site of CEDC, but worked in conjunction with them.

With no further business, Mr. Better made a motion to adjourn the meeting, which was seconded by Mr. Colarusso, and passed unanimously. The meeting adjourned at 9:28am

*Respectfully submitted by Lisa Drahushuk*