

# Choose Columbia

Columbia Economic Development Corporation

**MINUTES**  
**COLUMBIA ECONOMIC DEVELOPMENT CORPORATION**  
**Tuesday, January 31, 2017**  
**4303 Route 9**  
**Hudson, NY 12534**

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Directors was held at their offices located at 4303 Route 9, Hudson, NY 12534 on January 31, 2017. The meeting was called to order at 8:31a.m. by Tony Jones, Chair.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Board Member	Present	
Rick Bianchi	Treasurer	Present	
Jim Calvin	Board Member	Present	
Jim Champion	Board Member – Ex Officio	Present	
David Fingar	Vice-Chairman	Present	
Tish Finnegan	Board Member	Present	
Triona Fritsch	Board Member	Excused	
Kate Johns	Board Member	Present	
Tony Jones	Chairman	Present	
James Lapenn	Board Member	Excused	
John Lee	Board Member	Present	
Jim Mackerer	Board Member – Ex Officio	Present	
Ed Nabozny	Board Member – Ex Officio	Excused	
Michael Polemis	Board Member	Present	
Robert Sherwood	Board Member	Excused	
Colin Stair	Board Member	Excused	
Sarah Sterling	Secretary	Present	
Maria Suttmeier	Board Member	Present	
Andy Howard	CEDC Attorney	Present	
F. Michael Tucker	President/CEO	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Ed Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Present	
Nick Olivari	Register Star	Present	

**Election of Officers:**

Mr. Jones stated this was the annual meeting of CEDC's board. He asked Mr. Campion, Governance Committee Chairman to present the slate of officers. Mr. Campion stated the slate consisted of: Tony Jones, Chair; David Fingar, Vice Chair; Sarah Sterling, Secretary and Rick Bianchi, Treasurer. He noted all had agreed to serve in 2017. *Ms. Finnegan made a motion, seconded by Mr. Polemis to elect the slate of officers as presented. Carried.*

**Chairman's Report:**

Mr. Jones noted since the last meeting: Senator Schumer had visited Hudson to assist with the waterfront land swap with CSX; the Dunn warehouse project had been awarded \$500,000 of Restore NY funding to assist in the stabilization; CEDC had hosted an outreach by the Governor's Office to discuss the 2017 State of the State and budget. He informed the board the 2017 CEDC goals had been presented and discussed with the Board of Supervisors Economic Development Committee.

Mr. Jones stated the Broadband committee was in a holding pattern after completing the maps. Towns were beginning to update their maps. The Committee was waiting to hear more regarding Time Warner/Charter, a potential Fairpoint merger with a firm based in Illinois, as well as a potential Verizon acquisition of Charter. Mr. Jones stated the winners of Round 2 had not been announced, but noted there were many complexities to be clarified.

Mr. Jones stated he would be introducing a new element to Board meetings; a discussion of current economic development issues. He stated Mr. Tucker faithfully monitored a vast number of information streams, sending the information that would be valuable to the board. He has asked Mr. Tucker to give a highlight of the information on a monthly basis to the board.

**Minutes:**

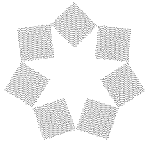
*Mr. Calvin made the motion, seconded by Ms. Finnegan to approve the minutes from the December 13, 2016 meeting. Carried.*

**Treasurer's Report:**

Mr. Tucker noted as of year-end the balance sheet previous year comparison showed CEDC ending 2016 \$10,000 over 2015. Mr. Tucker stated beginning in January, all entities will have budgets. He noted the profit and loss comparison to budget shows income \$7,500 below last year. He noted personnel expenses were below last year's level but consultant expenses were above. He reminded the board this was due to his status as consultant. He noted CEDC ended the year with net income of approximately \$53,000.

Mr. Tucker felt it was important to not use all the profit to balance the operating budget. He suggested an administrative fee with the remaining balance to be deposited into either the loan loss reserve account or the loan fund. Additionally, he felt CEDC was in a position to lend \$250,000 - \$300,000 a year in order to ensure the loan fund to remain self-sustaining. He stated CEDC going forward would be stronger and would be eligible for loans or grants made directly to CEDC that would enable the organization to take on additional programs.

Mr. Tucker stated the 2017 budget was aggressive with a budget line of \$75,000 in memberships and sponsorships. He noted new initiatives had been increased allowing the organization to get into best practices metrics, to be sure salary, benefits and administrative costs were on target. He noted there needed to be a balance between programmatic and staffing costs. *Mr. Bianchi made a motion, seconded by Mr. Fingar to approve the Treasurer's Report as given. Carried*



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## **President and CEO Report:**

Mr. Tucker stated the County was moving forward with the environmental assessment in order to proceed with the Environmental Facilities grant for the Commerce Park sewer expansion project. He stated the current sewer district would be expanded and the lines run to the Greenport sewer system. He stated the project would open the area as a major corridor. He reminded the Board several projects were interested in the location including, Project Bourbon, who has not found another location and Project ZYX, the mixed use residential, retail development. He stated other property owners in that area had contacted him seeking advice on marketing their parcels.

Mr. Tucker stated the City of Hudson IDA had approved a six-month agreement with CEDC to manage and administer the City IDA and presented the agreement for CEDC Board approval. He stated the delay in the Redburn project closing had delayed the City's approval of the agreement with CEDC. He stated this agreement would create a partnership between CEDC and the City IDA as well as HDC. He informed the Board that Redburn had paid \$22,000 out of the \$80,000 IDA fee in order to access the sales tax exemption benefit approved by the IDA prior to closing. He reminded the board the IDA had completed all the requirements for the project approval. Mr. Jones stated the contract mirrored the County IDA's contract with CEDC. *Mr. Calvin made a motion, seconded by Mr. Bianchi to approve the contract as presented. Carried.*

Mr. Tucker stated he had been contacted by a real estate company who had been contracted to sell the old Wal-Mart Plaza. He stated they were seeking demographic and business climate information. Additionally, he would be meeting with the Berkshire Taconic Foundation to discuss joint workforce and agribusiness projects. He informed the Board he would also be meeting with the Skywalk committee in the coming week.

Mr. Tucker presented CEDC Annual President's Report for discussion. He stated the report shows the breadth and width of the current projects as well as the improved relationship with Columbia County. Mr. Jones stated CEDC had hired an Intern from Columbia Greene Community College, who was currently working on data entry input. Mr. Jones asked if there were questions on Mr. Tucker's accomplishments. He stated the ground work had been completed and the organization was now aligned for the current year's business.

## **Committee Reports:**

### **Audit & Finance Committee:**

#### **Recommended Charter Revision:**

Mr. Bianchi stated the Committee had recommended a change to the charter on page 1 under Powers and Duties, requiring an annual review of the CEDC and SBA loan funds, loan policies, lending limits and reserves. *Mr. Fingar made a motion, seconded by Ms. Sterling to approve the recommended change to the Loan Committee Charter. Carried.*

**Audit Engagement Letter:**

Mr. Bianchi briefly reviewed the letter with the board, highlighting page 4, and page 5. He stated the Committee had asked the auditors to amend the engagement letter to include an annual review of the risk assessment as part of the audit. He stated the Committee recommended approval of the letter by the board, as modified. *Mr. Lee made a motion, seconded by Mr. Calvin to approve the audit engagement letter as presented. Carried.*

**Governance and Nominating Committee:**

Mr. Jones reminded the board the by-laws required the committees to be reviewed annually. Mr. Campion stated the compliance calendar included with the Governance and Nominating Committee materials was informational only and required no action.

**Workforce Development Committee:**

Mr. Campion stated CEDC wished to establish a new ad hoc committee, Workforce and Education Development Committee. The membership would consist of Mr. Calvin, Ms. Finnegan, Ms. Fritsch, Ms. Johns, Mr. Lapenn, Mr. Polemis and Dr. Suttmeier. *Mr. Calvin made a motion, seconded by Mr. Bianchi to establish the ad-hoc committee as outlined. Carried.*

Mr. Campion asked for a motion to appoint the following board members to serve on the standing committees: Audit & Finance, Governance and Nominating, Executive and Loan (see below chart of current members). *Mr. Jones made a motion seconded by Ms. Sterling. Carried.*

Audit & Finance	Executive	Governance & Nominating	Loan
Rick Bianchi-Chair Tish Finnegan Tony Jones James Lapenn John Lee	Tony Jones Chair David Fingar Sarah Sterling Rick Bianchi Colin Stair	Jim Campion - Chair David Fingar Tony Jones James Lapenn Michael Polemis Sarah Sterling	Jim Mackerer – Chair Russell Bartolotta Rick Bianchi Triona Fritsch Tony Jones John Lee Bob Sherwood Colin Stair

**Governance Committee Charter Revision:**

Mr. Campion stated the Committee had requested a clean-up of the Charter to accurately reflect the previous changes to the CEDC Board. *Mr. Calvin made a motion, seconded by Mr. Fingar to approved the revised Charter as presented. Carried.*

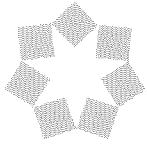
**Executive Committee:**

**Charter Revision:**

Mr. Jones stated the committee had discussed a change to the meeting schedule as outlined in the Charter. He stated the committee felt the Charter should read “meet as deemed necessary by the Chair.” instead of monthly. *Mr. Calvin made a motion, seconded by Mr. Bianchi approving the change as presented. Carried.*

**CEO Performance Review:**

Mr. Jones explained a review instrument had been distributed to the Executive Committee who had completed and returned it to Mr. Jones. He stated Mr. Tucker had earned a grade of A for the quality



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and quantity of his work. Mr. Tucker stated he had benefited from the review and the direction given by the board. He stated the process had aided him in establishing goals for 2017.

## **2017 Goals:**

Mr. Jones reviewed the list of 2017 goals. He noted the list had varying degrees of specificity and some would be carried forward for a year or more. He cited the Commerce Park sewer project and broadband as such projects. Mr. Tucker stated the goals had been tied back to the Strategic Plan. Dr. Suttmeier asked how success would be measured. Using the example of broadband, it was determined that success would be relative in some cases and in others much more obvious.

## **Loan Committee:**

Mr. Mackerer stated the committee had reviewed their Charter, but had not made changes. He stated the Committee had reviewed 3 loans at January meeting, and stated the goal was to increase the loan activity. The Committee had approved two loans totaling \$15,000 to Nicholas Jennings to purchase the current Chris' Café, as permitted under the adopted Loan Policy. The Committee had recommended approval of two other loans to the full board. Mr. Tucker stated one loan, Brown Custom Auto, was unable to be approved by the Loan Committee, as there were not sufficient votes to approve the loan due to the recusal of Mr. Sherwood due to a conflict resulting from a prior business relationship.

Ms. Lane presented the State 11 Distillery loan request, which had been recommended for approval by the Loan Committee. They plan to open a farm distillery and tasting room at their site in Claverack. They are requesting a \$25,000 SBA loan and a CEDC loan in the same amount to be used for purchasing equipment, furniture, fixtures and inventory and provide working capital. The interest rate proposed was 7.25% on the SBA loan and 5.25% on the CEDC loan. The term would be 72 months with a lien on business assets. Ms. Lane stated the business anticipated creating 3 full time and 3 part-time jobs. She stated the Loan Committee had requested a 2<sup>nd</sup> mortgage be in place prior to closing. *Mr. Lee made a motion, seconded by Dr. Suttmeier to approve the loan as recommended by the Loan Committee. Carried.*

Ms. Lane presented the loan request from Brown's Custom Auto Body. Ms. Lane stated Mr. Sherwood recused himself from the meeting due to the banking relationship with the loan client. She noted the loan was contingent upon the principals obtaining a bank mortgage. She stated the new owners would be continuing the current operations with the funds being used to purchase the business assets and real estate.

Mr. Polemis asked why differing interest rates on the loans. Ms. Lane stated this loan had more risk than the previous loan. Mr. Fingar asked if minimum credit scores were required. Ms. Lane stated there was no minimum credit score limit. *Mr. Calvin made a motion, seconded by Mr. Fingar to approve the loan as recommended by the Loan Committee. Carried.*

**Other Business**

Mr. Jones turned to the Summary provided to the Board entitled For Rural America to Win by Dean Barber. He stated it addressed the difficulty of economic development in rural areas. Mr. Tucker stated the articles validated what CEDC was currently doing. He stated the article touched on breweries/specialty foods, the creative economy and how to leverage and promote.

Mr. Tucker stated additional workforce training opportunities needed to be identified and utilized. He noted the county had an older population as identified by the Strategic Plan. He stated those people could be retrained and reskilled.

Mr. Tucker stated the county had a strong healthcare and college system. He stated the website would be enhanced and would seek organizations to partner with on projects. He stated some projects CEDC will lead, some CEDC will partner with another organization and others CEDC provide support. Mr. Jones thanked Mr. Tucker. He reminded the board members to complete the emailed ABO documents and return them to Mrs. Draushuk.

**Public Comment/ Adjournment:**

*Having no other business to discuss and no public comments, a motion to adjourn was made by Mr. Polemis, seconded by Ms. Finnegan. Carried. The meeting was adjourned at 10:05 a.m.*

*Respectfully submitted by Lisa Draushuk*