



Choose Columbia

Columbia Economic Development Corporation

MINUTES COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

Tuesday, March 31, 2020

One Hudson City Centre

Suite 301

Hudson, NY 12534

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Directors was held at their offices located at, One Hudson City Centre, Suite 301, Hudson, NY 12534 via conference call due to COVID-19 on March 31, 2020. The meeting was called to order at 8:32 a.m. by David Fingar, Chair.

Attendee Name	Title	Status	Arrived/ Departed
Ruth Adams	Board Member	Present via phone	
Russell Bartolotta	Board Member	Excused	
Jim Calvin	Vice-Chair	Present via phone	
Rick Cummings	Board Member	Present via phone	
Carlee Drummer	Board Member – Ex-Officio	Present via phone	
David Fingar	Chair	Present via phone	
Tish Finnegan	Board Member	Excused	
Derek Grout	Board Member	Excused	
James Lapenn	Board Member	Present via phone	
John Lee	Board Member	Present via phone	
Kenneth Leggett	Board Member	Present via phone	
Carmine Pierro	Board Member – Ex Officio	Present via phone	
Seth Rapport	Board Member	Present via phone	
Richard Scalera	Board Member – Ex Officio	Excused	
Gary Spielmann	Board Member	Present via phone	
Sarah Sterling	Secretary	Present via phone	
Brian Stickle	Board Member	Excused	
Maria Suttmeier	Board Member	Excused	
Andy Howard	CEDC Attorney	Present via phone	
F. Michael Tucker	President/CEO	Present via phone	
Lisa Drahushuk	Administrative Supervisor	Present via phone	
Martha Lane	Business Development Specialist	Present via phone	
Erin McNary	Bookkeeper	Present via phone	
Ed Stiffler	Economic Developer	Present via phone	
Carol Wilber	Marketing Director	Present via phone	
Matthew Vanderbeck	UHY, LLP	Present via phone	

Minutes:

Mr. Calvin made a motion, seconded by Mr. Lapenn to approve the February 25, 2020 minutes as presented. Carried.

Treasurer's Report:

Mr. Tucker informed the Board the Project Manager had decided to take another position the day prior to his start day. He stated Katherine Higgins was currently working under a contract. He stated he was working on a contingency budget due to the anticipated reduction in membership and sponsorships. He stated CEDC remained on budget. *Mr. Calvin made a motion, seconded by Mr. Rapport to approve the Treasurer's Report as presented. Carried.*

Audit and Finance Committee:**2019 Audit, Management Letter and Required Correspondence:**

Mr. Vanderbeck reviewed the 2019 Audit with the Board, pointing out there were no adjustments. He noted the conformity of the internal controls testing with Government Auditing Standards. He reviewed the Required Correspondence letter, as well as the Management letter with the Board. He noted work continued on a handbook with a goal of completion set at June 30, 2020. He noted Management did institute automatic 3rd party processing of the Loan portfolio as suggested.

Mr. Vanderbeck asked if there were any questions on the Form 990 which had been distributed. Mr. Tucker stated the form 990 was a mirror of the audited financial statements. Mr. Rapport asked about the restricted cash listed on page 7. Mr. Vanderbeck explained that was past de-federalized CDBG funds from past years. Mr. Tucker stated they were segregated as reserve funds. Mr. Lapenn stated he would pose the same question as he had the previous year, about the adequacy of the staff. Mr. Vanderbeck noted the audit was clean and all was provided in a timely manner. He felt CEDC was in a good position and future automation will assist staff. He stated CEDC was in a good financial position. *Mr. Cummings made a motion, seconded by Mr. Lapenn to approve the 2019 Audit the associated Required Correspondence and Management Letter and the Form 990. Carried.*

2019 Internal Controls Statement:

Ms. Sterling made a motion, seconded by Mr. Spielmann to approve the 2019 Internal Controls Statement as presented. Carried.

2019 Investment Report:

Mr. Rapport made a motion, seconded by Mr. Lapenn to approve the 2019 Investment Report as presented. Carried.

President/CEO Report:**Coronavirus Response Update:**

Mr. Tucker stated a COVID-19 resource page had been added to the CEDC website. He informed the Board that CEDC had been approached by the Berkshire Taconic Foundation to work in partnership on two funds. The first is a fund to support Columbia County not-for-profits who offer social services. The Columbia County COVID-19 Emergency Response Fund will provide grants to Human services and community-based organizations who assist Columbia County residents during the crisis.

Small Business Continuity Fund:

The second fund, the Columbia County Business Continuity Fund focuses on business with fewer than 10 employees and less than \$1 million in annual revenue. The fund will offer grants to cover costs related to retaining employees, rent and fixed operational costs. Applications will be accepted from April 1st to April 15, reviewed, and funds disbursed as soon as possible. Mr. Tucker stated the grants focused on areas with foot traffic. He stated he anticipated that Hudson would be granted a 30%-35% of the funds with the remainder spread between the other towns.



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Mr. Lapenn disclosed his wife was the Chair of The Fund for Columbia County for the Berkshire Taconic Foundation.

CEDC Small Business “Quick Loan” Fund:

Mr. Tucker suggested setting aside \$150,000 in SBA funds and \$150,000 in CEDC funds to begin a “Swift Loan” program. He stated CEDC could offer existing businesses with 2 years of business experience, a personal guarantee and a credit score of 600 and up, \$15,000 with a 5-7 year term at 3.75% interest rate. He stated CEDC had the funds to lend and this would streamline the process and get the money to the borrowers. He stated there were sufficient funds to cover the reserve and the SBA has no objections. He stated SBA loans would have a 6 month deferral period as per SBA guidelines. He proposed the CEDC loans also be given a 6 month deferral period across the board. Mr. Rapport asked about the backside of the loan. Mr. Tucker suggested they sign and acknowledgement a document that explains the structure of the deferment. Mr. Howard would ensure the document is signed. *Mr. Cummings made a motion, seconded by Mr. Leggett to approve the creation of the program as outlined. Carried.*

New SBA Funds:

Mr. Tucker asked the Board to approve a request to the SBA for \$300,000 in additional funding. *Ms. Sterling made a motion, seconded by Mr. Leggett to approve the request as presented. Carried.*

Loan Committee:

Portfolio Report:

Mr. Tucker reviewed the Portfolio Report. He noted he was anticipating the newest infusion of SBA funds sometime during the upcoming week. He reminded the Board they had approved the drawdown of \$250,000 earlier in the year. Ms. Lane noted there were currently two businesses in arrears. Abraxas Tacos, who had been in discussions with a buyer for their kitchen equipment prior to the pandemic, and les colines. Ms. Lane stated she had a discussion with les colines regarding repayment. *Ms. Sterling made a motion, seconded by Mr. Cummings to approve the report as presented. Carried.*

Primitive Twig:

Ms. Lane stated the loan requested was in the amount of \$14,964.64 (\$2,964.64 to pay off the existing loan and an additional \$12,000 in new funds.). The interest rate would be 3.75% with a term of 60 months with collateral the furniture and fixtures, artwork and other inventory of the principals. The funds would be used for working capital and inventory purchases. *Mr. Calvin made a motion, seconded by Mr. Spielmann to approve the loan as presented. Carried.*

Loan Committee Update:

Ms. Lane informed the Board two other loans had been approved by the Loan Committee, one to Hudson Home in the amount of \$24,000 and one to State 11 Distillery in the amount of \$24,000. She noted a third loan had been approved to KT Hair Studio. She noted the interest rate for the loan would be reduced to the current SBA rate of 3.75%. Ms. Lane stated Train Time Express had been given a deferment on the CEDC loan and would now qualify for the SBA deferment as well. Mr. Rapport asked that the Board be given a list of which loans were being given a deferment and which one were not.

Membership Update:

Ms. Wilber updated the Board on the membership drive. She reported that since beginning the 2020 drive in December 2019, she has received \$28,910 in memberships and \$4,700.00 in sponsorships for the annual meeting. She stated the Annual Meeting would be postponed due to the pandemic. She stated she would contact the program sponsors, thank them for their funding and then suggest the funds be applied toward the rescheduled event.

Mr. Tucker reminded the Board, Ms. Wilber had attended a business retention seminar in Atlanta. He felt that the joint efforts of Ms. Wilber, himself and the new consultant they would be able to make all the calls to the potential members. He stated if they were unable to do them all, he might ask the board members to assist.

Committee Reports:**Executive Committee:**

The Committee had not met the previous month.

Governance and Nominating Committee:

The Committee had not met in the previous month.

Workforce and Education Committee:

The Committee had not met in the previous month. Mr. Tucker stated planning was still ongoing for the Career Jam and the other programs, noting the timeframe for the event may be pushed to the future, due to the pandemic.

Mr. Leggett reminded the Board his term would be up at the end of April. Mr. Howard stated the terms expiring would be extended until the annual meeting could be held.

With no other business to be conducted, and no public comment, Mr. Leggett made a motion, seconded by Ms. Sterling to adjourn the meeting. Carried. The meeting adjourned at 9:43am.

Respectfully submitted by Lisa Drahusluk,