



UCDC BOARD MEMBERS

Anthony Campagiorni

Kenneth Crannell

James J. Hanson

Peter Loughran

James Maloney

Robert Sudlow

Ward Todd

ULSTER COUNTY DEVELOPMENT CORPORATION

BOARD OF DIRECTORS

MINUTES

August 27, 2013

A meeting of the Board of Directors of the Ulster County Development Corporation was held at 4:00 p.m., Thursday, August 27, 2013, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following members of the Board of Directors were present:

Anthony Campagiorni	Chair
Kenneth Crannell	
James J. Hanson	Treasurer
James Maloney	Vice Chair
Robert Sudlow	
Ward Todd	Secretary

The following member(s) were absent:

Peter Loughran

Additional Attendees:

Linda Clark	Office of Business Services
Suzanne Holt	Office of Business Services
Christopher Rioux	Ulster County Finance
Robert Ryan	Harris Beach

The meeting was called to order by Anthony Campagiorni at 4:03 p.m.

MINUTES

Motion: James Hanson, seconded by Kenneth Crannell, moved to approve the Minutes of the July 31, 2013 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted. Board members James Maloney and Robert Sudlow abstained from the vote.

FINANCIALS

Christopher Rioux reported that the 2012 PARIS Report had been filed, as well as the IRS 990 and CHAR 500. A meeting with former accountant Lindley Churchill, Sickler, Torchia, Allen and Churchill has been held and a great deal of financial information was received. A number of boxes containing financial records were retrieved from the Storage Space located at DSS. It is anticipated that a subsequent visit will be scheduled to secure additional files. After performing some research regarding the "due to" and the "due from" between Ulster County Development Corporation and the Ulster County Industrial Development Agency, nothing seems to balance. Additional research is required.

Mr. Rioux reported that he anticipated a financial report would be available by the September 19, 2013 meeting of the Board of Directors.

PARIS Update

Suzanne Holt reported that the 2012 PARIS Report had been filed. The next step is the preparation and approval of the 2014 Budget which needs to be filed with the Authorities Budget Office not later than October 31, 2013.

Chair Campagiorni asked if it was anticipated that there would be a marketing fund included in the budget to market the county.

Ms. Holt responded that discussions are underway and hopefully by the next meeting she will be able to have more of a sense of how this will proceed.

James Hanson stated that future discussions with the board should include revenue sources; right now we do not have a solid revenue source. The more we try to do the more demand it places upon us to generate revenue.

CERTIFICATE OF REINCORPORATION AND AMENDED BYLAWS

Robert Ryan, representing Harris Beach, stated that pursuant to the discussion of reincorporating under Section 1411 of the Not-for-Profit Corporation Law a Certificate of Reincorporation has to be approved and signed by the “sole member” and filed with the Department of State. Mr. Ryan “walked” the members of the Board through the proposed document. Discussion of the draft document, a copy of which is on file, included, but was not limited to the following:

- Once this new document is filed, it will replace the existing Certificate of Incorporation.
- The Ulster County Development Corporation name may be retained. If, however, there is a name change, that must be included in the first clause of the new document;
 - A new name would provide for a fresh start and would be good for re-branding
 - It was recommended that the Office of Business Services’ staff work on suggested name changes and invite members of the Board to participate in the discussion.
- For purposes of timing, it was noted that the reincorporation would allow the county to potentially have the opportunity to transition county assets ... i.e. Flatbush Avenue ... which is currently up for sale. There are some limitations with regard to that transition. UCDC could become a vehicle for the county to transition that asset just like the Golden Hill LDC was for the nursing home. It will maximize the sale price because there are some zoning and negotiation restrictions within the county that UCDC would not have the same level of restriction.
 - The county is very limited at how they may market the Flatbush Avenue property; it is a sealed bid or a public auction. The county is currently working with a firm to properly market the site and to deal with contingencies. If the county were to sell it, the property would be “as is”. If UCDC sold it as a board, contingencies could be dealt with which provides much more flexibility to negotiate.
- Once the Certificate of Reincorporation is agreed upon, the “sole member” will have to call a meeting, sign the document, the Secretary of the Corporation will have to sign an Affidavit certifying who signed the Certificate of Reincorporation, a filing must be made with the State of New York Supreme Court to receive approval and then it has to be filed with the Department of State. The reincorporation is not official until the receipt is received from the Department of State.
- Once the reincorporation is filed, the Board will have the ability to dispose all or a substantial part of their assets without going to court; and the ability to issue sales tax and mortgage recording tax exemptions. The Board will not have the ability to grant property tax exemption(s) – only IDAs can do that. Additionally, the Board will have the ability to do grants which is to say not funds derived from HUD because there are restrictions on the use of that money. But if this entity, either through its members, or contributions to the LDC with no strings attached, there exists the ability to loan it.
 - Grant programs that are created have limitations as long as the purpose ties back to the economic mission of the LDC

- Under 1411 the entity removes bankruptcy from the county. It is an entity that takes the liability off the county books. The flexibility associated with this is substantial. It is meant to be a great economic development tool. Coordination between the LDC, IDA and the County is very important.
- The entity is not exempt from any local zoning. Under specific statutory authority the state is exempt.
- The Corporation shall not attempt to influence legislation by propaganda or participate in or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.
 - A restriction should be included within any Grant or Loan Agreement, that any proceeds from this LDC cannot be used for any of these purposes.
- Should there be dissolution of the Corporation, all assets of the organization must be used to pay off any liabilities. If there is anything left it will go to the County. If for some reason it does not go to the County, then it will be disposed of by the Supreme Court.
- The Corporation is not backed by the full faith and credit of the taxpayers of the County. The Corporation is a legal independent entity.
- It is important to have at least one person who is independent and not a part of county government on the board, because that can be used against the entity in case of a bankruptcy or environmental liability suit. It could be said that you have “pieced the corporate veil” and the entity is actually a part of the county.
- The proposed Bylaws change (a copy of which is on file) is not tied to the Certificate of Reincorporation. The Bylaws have been revised to a format that is more formal and customary for that of a sole member. They are more typical of LDC Bylaws. The changes are more form over substance.
 - Annual Meeting of the Member. – The annual meeting of the member has to occur within six months of the close of the fiscal year of the LDC. At that annual meeting the sole member would appoint the Board of Directors and also receive the annual report.
 - The Bylaws can be approved at any time.
 - Under committees the Audit and Finance Committee have been combined.
 - It was thought that the recommendations of the AG’s office were to have separate board members on finance and audit.
- It was noted that the timing of the Certificate of Reincorporation was more important than the Bylaws because until the Certificate is filed, the corporation is not a 1411 and will not have those additional powers.

NO OFFICIAL ACTION WAS TAKEN ON THE PROPOSED AMENDED BYLAWS OR THE PROPOSED CERTIFICATE OF REINCORPORATION.

POLICIES

Mr. Ryan reported that during the completion of the PARIS reporting there were several items missing. The policies under consideration will address these omissions.

Motion: Ward Todd, seconded by James Hanson, moved to approve the Compensation, Reimbursement and Attendance Policy and the Investment Policy as presented. A copy of said policies is on file.

Vote: The motion was adopted.

MARKETING CAMPAIGN

Suzanne Holt reported that it was understood that this was a priority for the Office of Business Services and the Development Corporation. It is the intention of the Office of Business Services to put together a plan for presentation to the Board of Directors. She invited members of the Board of Directors to participate in the plan. Messer's, Campagiorni and Crannell both voiced their willingness to participate. It was recommended that the Board review their budget to determine what funding is available, however; a plan would be the first priority.

OLD BUSINESS

Suzanne Holt reported that research has been performed regarding the Revolving Loan Fund reserve and it would appear that the 2% is fine. Should that change Ms. Holt will bring it back before the Board of Directors.

NEW BUSINESS

2014 Budget

James Hanson reported that meetings are currently being held to prepare for the 2014 Budget submission. Once in draft, the budget will go to the Audit Committee for review and make recommendations to the full board.

Sponsorships

Chair Campagiorni reported that several requests for sponsorship of events have been received. In years past the Development Corporation funded all of these events.

SUNY New Paltz Business Plan Contest. No funding authorized.

Cornell Cooperative Extension – Harvest Festival. No funding authorized.

Small Business Outreach Event – October 24, 2013.

Motion: Robert Sudlow, seconded by James Maloney, moved to approve the request for sponsorship of the Small Business Outreach Event in an amount not to exceed \$500.00.

Vote: The motion was adopted.

Chair Campagiorni requested that a report be supplied by the Small Business Development Center outlining what the return of the investment was.

Chair Campagiorni asked the members of the Board of Directors if they wished to establish a Policy on these types of requests or did the Board wish to handle them on a case by case basis. He thought that it would be helpful to craft a policy and application which would set a budget limit. Members thought that this could be incorporated into the Corporation's Marketing Plan.

ADJOURNMENT

Motion: Robert Sudlow, seconded by Kenneth Crannell, moved to adjourn the meeting.

Vote: The motion was adopted unanimously.

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Anthony Campagiorni, Chair