



**ULSTER COUNTY DEVELOPMENT CORPORATION**

**BOARD OF DIRECTORS**

**MINUTES**

**October 29, 2013**

A meeting of the Board of Directors of the Ulster County Development Corporation was held at 4:13 p.m., Tuesday, October 29, 2013, Karen Binder Library, 6<sup>th</sup> Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following members of the Board of Directors were present:

Anthony Campagiorni  
Kenneth Crannell  
Burton Gulnick, Jr.  
James Maloney  
Robert Sudlow  
Ward Todd

The following member(s) were absent:

Peter Loughran

Additional Attendees:

|                   |                                      |
|-------------------|--------------------------------------|
| Linda Clark       | Office of Business Services          |
| Beatrice Havranek | Ulster County Attorney               |
| Suzanne Holt      | Office of Business Services          |
| Clinton Johnson   | Office of the Ulster County Attorney |
| Christopher Rioux | Ulster County Finance                |
| Robert Ryan       | Harris Beach                         |
| Geddy Sveikauskas | Ulster Publishing                    |

The meeting of the Board of Directors was called to order by Anthony Campagiorni at 4:13 p.m.

**MINUTES**

**Motion:** Kenneth Crannell, seconded by Robert Sudlow, moved to approve the Minutes of the August 27, 2013 meeting. A copy of said Minutes is on file.

**Vote:** The motion was adopted.

### **FINANCIALS**

**Motion:** Ward Todd, seconded by Robert Sudlow, moved to approve the financials for the periods ending July 31, 2013, August 31, 2013, and September 30, 2013. A copy of said financials is on file.

**Vote:** The motion was adopted.

### **ELECTION OF TREASURER**

**Motion:** Kenneth Crannell, seconded by Robert Sudlow, moved to elect Burton Gulnick, Jr., Treasurer of the Board of Directors of Ulster County Development Corporation.

**Vote:** The motion was adopted.

### **2014 BUDGET**

**Motion:** Ward Todd, seconded by James Maloney, moved to approve the 2014 Budget as amended per the recommendation of the Finance Committee. A copy of said Budget is on file.

**Vote:** The motion was adopted.

### **MARKETING CAMPAIGN**

Suzanne Holt, Director, Office of Business Services, reported that she was very excited; this is really an opportunity for economic development to re-brand in Ulster County. She was looking to bring someone of a professional caliber in to help to shape an agenda for marketing, primarily for retention/expansion, but also attraction. As part of the re-branding, UCDC's name will change to the Ulster County Partnership.

Discussion included, but was not limited to the following:

- Focus Media.
  - It was thought that they did a fabulous job with the Ulster Alive tourism campaign.
  - A huge part of economic development and the county's economy is tourism and they have brought us to a whole new level. Their professionalism is just outstanding.
  - As professional services, we could just contract with them.
  - Not a quarter goes by that we don't see an increase in the county's bed tax and our room occupancy. The use of Google Analytics and the targeting of marketing efforts to meet that core audience has been very good.

- Currently, the county was renewing their contract for 2014; there was a strong recommendation of approval.
- The Board may wish for them to come in to present their ideas.
- Request for Proposal (RFP)
  - Suggested that we may wish to go out for RFP. Going sole source may open us up to a lot of criticism.
  - There may be a lot of people that are going to be interested in participating in this piece of the business and it doesn't hurt us to solicit proposals from vendors who are willing to solicit based upon the criteria that we establish.
  - Once proposals are received the responses could be culled down to three different companies and then ask each of them to present their ideas.
  - It leaves it open for some competition and it provides leverage and negotiating power.
  - A proviso was recommended that somehow there has to be some type of synergy with the tourism efforts and that we are not going off on another tangent that may either conflict or not support the other initiative.
- Marketing ideas
  - Rebranding - is it anticipated that there will be a specific refocus on sectors or industries or real estate opportunities.
  - Market research is very valuable.
  - New website designed to target whoever it is appropriate to target.
  - Videos, similar to the Ulster Alive initiative; possibly "Start Your Business Here".
  - A targeted approach is what is going to make the difference.
    - By targeting our tourism dollars to specific demographics around the metropolitan New York City area has really paid off. Money was put where it was going to draw people.
    - Any marketing effort should target the areas where we know our future is; where we know growth is.
    - Market research is really going to help us narrow that down to make sure that investments that we make will be dividends and allow us to shift to make changes as more information is learned.
    - The shotgun approach is not going to work.
- Request for Interest (RFI)
  - When a RFP is generated, typically you receive what you ask for.

- Recommended that a solicitation of interest be generated. Bring ideas, your marketing proposal and not limit what is received.
- Budget for RFI
  - If a budget ceiling is not included, individuals will propose grandiose ideas and huge media plans. Giving some context in terms of dollars is helpful.
  - Leave the first round open, but provide a sense of scope or a range.
- OBS staff will bring in the expertise of the County's Purchasing Department to make certain that the RFI is distributed broadly.

It was unanimously agreed by the members of the Board to authorize Suzanne Holt to develop the RFI, circulate the draft to the members of the Board of Directors for the purpose of receiving input regarding same and then to go ahead and distribute the RFI. Responses will be evaluated and three firms will be afforded the opportunity for a ½ hour interview/presentation to the members of the Board of Directors.

### **OLD BUSINESS**

#### **Amended By-laws – Certificate of Re-Incorporation**

Attorney Robert Ryan stated that this is a continuation of the discussion converting and re-incorporating under Section 1411 under the Not for Profit Law to become a local development corporation.

Certificate of Re-Incorporation. The process for the Re-Incorporation is as follows: (1) Approval of the Certificate of Re-Incorporation by the sole member; (2) approval by a Justice of the Supreme Court within the Third Department; (3) submission to the Department of State; once the Department of State files it then it becomes effective. The one thing that must be decided upon today is the suggested name change from Ulster County Development Corporation to the Ulster County Partnership. That name must be included in the Certificate of Re-Incorporation.

Discussion included, but was not limited to the following:

- The Certificate of Re-Incorporation would state that the new name is the Ulster County Partnership.
- A recommendation by this board will approve going forward and the sole member would then ratify the decision and sign the Certificate of Re-Incorporation.
- This will give the Partnership more authority, it does not take away any of the previous authority.
- The 501(c)(3) status is retained from the federal government.
- What is gained is the ability to receive real property from the county without the county having to get fair market value or public bidding.
  - This is a huge resource to be able to work developing un-developed parcels or under-utilized parcels.
- The ability to grant mortgage recording tax exemption and sales tax exemption, etc.
- There is liability protection.

- Will moving to 1411 have any affect on the sub-committees – i.e. Revolving Loan Committee, Shovel Ready Committee - appointed by the Ulster County Legislature.
  - These are contractual relationships between UCDC and the County.
    - The Revolving Loan Committee is a contractual relationship between UCDC and the County.
    - The Shovel Ready Committee is a contractual relationship between the Ulster County Industrial Development Agency, the County and UCDC.
    - Money is transferred to UCDC for these purposes and UCDC will administer it. These committees will review and make decisions/recommendations to UCDC who will then go ahead and process the loans.
    - Moving to 1411 will have no affect on that.
    - It should be noted that these committees are not committees of UCDC. They are committees of the Ulster County Legislature and the relationship is a contractual relationship.
    - Even with re-incorporation, current contracts remain in place; it is still the same legal entity re-incorporating under a different section of the law. All previous commitments and contracts stay in place.

**Motion:** James Maloney, seconded by Robert Sudlow, moved to file a Certificate of Re-Incorporation under the new section of the Not-for-Profit law and to change the name to the Ulster County Partnership.

**Vote:** The motion was adopted.

**ByLaws.** Attorney Ryan stated that this was an opportunity to get a clean set of Bylaws. Initially the Bylaws were changed to provide for the sole member and now converting to 1411 it provides a good opportunity to get a professional clean slate of Bylaws. These Bylaws are the same template that was used for the Golden Hill Development Corporation. It is a template that is used for LDCs. There are no substantive changes; it's more about the form of the Bylaws. Copies of the existing Bylaws and the proposed Bylaws are on file.

Discussion included, but was not limited to the following:

- There is no rush on adopting the Bylaws today.
  - The name will have to be changed to the Ulster County Partnership.
  - Even if the Bylaws were approved today, it would have to become effective upon the effective date of the 1411, which is when the receipt is received from the Department of State.
- Shovel Ready Program/Ulster County Revolving Loan Funds.

- The only issue with the process in the past is that the UCDC Board never took action on any of the loans being done. The UCDC Board is accountable for those funds.
- Although there is a contractual agreement there still needs to be some sort of approval by the UCDC Board. This can be done in a number of ways.
  - When the Board receives the recommendation(s ) from the committee, the loan could be approved at the next board meeting.
  - A blanket approval could be included in the contract, but again the Board is responsible for the funds because the funds have been accepted and they are in UCDC's account(s).
- Potential situation(s) exist that if there is a default, it comes back to the taxpayers of Ulster County. With UCDC moving to a new LDC there is still that responsibility of the new LDC, semi-detached from Ulster County, but yet would put the potential exposure back to taxpayers.
- The Revolving Loan Fund involves federal HUD money. If for some reason a loan is made not in accordance with the federal regulation(s), even though you have the recommendation of the committee, the Board is still held accountable for making an improper loan.
- Clarification was sought - is it the approval of the committee or a recommendation of the committee – in the past it has always been the approval of the committee.
  - If it is an approval of the committee it isn't an approval by UCDC; you may be contractually obligating yourself to follow the committee, but UCDC is still responsible for the money and if it is an improper loan ....
- What is an improper loan – who is guiding the Revolving Loan Fund.
- Currently, the membership of the Revolving Loan Fund includes Legislator Maloney, Legislator Wayne Harris, William Spearman, William Shaunessy, Julie Krieger, Legislator Rodriguez, Tom Collins.
- Staff takes the “first cut” at reviewing the loan application and brings the loan forward to the committee. In a way there is a checks and balances there because you know what is being presented to the committee and you know that you are meeting the regulatory requirements, there is more comfort in approving the loan at the “back end”.
- Concern was expressed that should a loan be approved by the committee there was the possibility that the loan would not be approved by UCDC. Conversation with the sole member (County Executive) indicated that that was not the intent.
- The Revolving Loan Fund does not have regularly scheduled meetings; it meets as needed.
- A concern was expressed that we are talking about loans not having been approved by UCDC in the past. Does that present any fiduciary issues?

- Yes – the Revolving Loan Fund is not a committee of UCDC and the board is taking no action on these activities coming out of the UCDC.
- It was suggested to procedurally set up a process on how it should occur so that everything that is supposed to be done is done and there are no issues.
- The question is what is suppose to be done.
- If UCDC has a fiduciary duty it cannot be ignored; there is nothing than can be done about the past.
- Going forward, it was suggested to have it as an Agenda item at every meeting.
- Procedurally you may have approval, if it came from UCDC to the committee, there must have been an approval process for it to start somewhere.
- It started with the staff; the President would vet each of the applications and perform all the legal work as authorized, but clearly not voted upon by the Board.
- Perhaps with all the legal expertise available, this should be a very simple procedure as far as making sure that the responsibilities of the Legislature and the County Executive as the sole member and UCDC are met.
- Previously, the President would sign at the closing on behalf of the organization.
- It was proposed that the Board be more consistent and whatever is done has to be traceable because the members of the Board have a fiduciary duty under the Public Authorities Law.
- This does not need to be included in the Bylaws. It is a contractual relationship as long as the proper steps are taken. There is a fiduciary duty because you are responsible for the money.

It was unanimously agreed by the members of the Board that moving forward loans that need to be acted upon will be placed on the Agenda. It was suggested that authority be given to the Chair to call a Special meeting if necessary.

It was unanimously agreed by the members of the Board that the Bylaws would be acted upon at the next meeting of the Board of Directors.

#### Policy/Application Governing Grants/Sponsorships

Ms. Holt presented a draft criteria for funding and application. This is based upon the UCDC Mission Statement. A copy of said policy is on file.

Discussion included, but was not limited to the following:

- It was thought that the document was very broad; does this open up too many avenues. Should the scope be narrowed or more restrictive.
- The business or non-profit should be located within Ulster County should be added to the criteria.

- Should funding requests be limited.
- Is this a component of the marketing strategy.
- The document was left very broad because the requests could vary significantly.
- Under 1411 there is the opportunity to do grants; it could be anything from the Harvest Fest requesting sponsorship to something significant. If there is a business requesting some major sum of money that the Partnership wants to get behind this gives a venue, but then we would need a much more substantial application.
- Include some scope of funds that are available.

It was unanimously agreed by the members of the Board to table this matter to allow for further discussion.

### **NEW BUSINESS**

#### **2013 Annual Audit**

Ms. Holt addressed the 2013 Annual Audit. Over the past years, the Corporation has used Teal Becker and Chairamonte and has been happy with their services. Ms. Holt opened this matter to general discussion on how the Board wished to proceed for 2013.

- Good policy to go out to RFP
- Timing should be considered as we are drawing to the end of 2013

It was unanimously agreed by the members of the Board to authorize Ms. Holt to prepare a RFP, circulate the draft to the members of the Board for comment and then send it out.

#### **Next Meeting Date(s)**

Ms. Holt stated that ideally the Board should not have to meet more than once a quarter, however, if something needs to be considered or some other matter comes up, she would like to have a time that is convenient for everyone on a monthly basis.

It was unanimously agreed by the members of the Board that 4:00 p.m. on the fourth Tuesday of the month was the preferred schedule for 2014.

The next meeting of the Corporation is schedule for 4:00 p.m., Tuesday, December 3, 2013. (It should be noted that the meeting time was changed to 11:30 a.m.).

### **Adjournment**

**Motion:** Ward Todd, seconded Robert Sudlow, moved to adjourn the meeting of the Board of Directors of Ulster County Development Corporation.

**Vote:** The motion was adopted.

The meeting was adjourned at 5:05 p.m.