

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

November 6, 2014

DRAFT Meeting Minutes SUBJECT TO BOARD APPROVAL

CALL TO ORDER

Chair Robert Hanft called to order the meeting of COIDA at 8:07 a.m. at the COIDA offices located at 189 Main Street, Suite 500, Oneonta, NY. Voting members present were Robert Hanft, Jeffrey Lord, Len Marsh, Joseph Bernier, James Jordan, James Salisbury, Craig Gelbsman and Devin Morgan.

Also in attendance were staff Sandy Mathes, Elizabeth Horvath, Dawn Rivers and Ashley Rounds; agency counsel A. Joseph Scott and Kurt Schulte; and guest Otsego Board Chair Kathleen Clark.

MEETING MINUTES

Minutes for the October 2, 2014 meeting of COIDA were presented to the Board. After brief discussion, Mr. Marsh moved to accept the minutes. Mr. Bernier seconded and the motion passed unanimously by voice vote.

TREASURER'S REPORT and BILLS TO BE PAID

Mr. Lord presented the Treasurer's Report and reviewed September's financial statements. Mr. Lord noted that the expenditures documented in the September 2014 balance sheet were routine and opened the floor for questions. There were no questions from the rest of the Board about the Treasurer's Report.

Ms. Horvath then reported on the Bills to be Paid, noting that this month's figure of \$74,620.48 was higher than usual, informed the board that \$54,739.30 of that figure was made up of professional fees (not including Mr. Mathes' compensation) and the remaining \$19,891.18 was normal operating expenses. Ms. Horvath then reminded the Board that it had voted to approve the expenditure of up to \$50,000 from the OCCRC account for project development and inventory development expenses, and asked if the Board wanted to access OCCRC funds for this month's development-related expenses. Mr. Scott indicated the need for a paper trail to document the transfer of the funds, such as a resolution passed by the Board and reflected in the minutes. Ms. Horvath then said that she would confer with Mr. Scott and return to the Board at the next meeting with a specific proposal. Mr. Marsh moved to approve the Treasurer's Report, the Bills to be Paid, and the Payroll Report, Mr. Salisbury seconded and the motion was passed unanimously by voice vote.

COMMITTEE REPORTS

Project Committee

Mr. Mathes reported that the Project Committee had met last month and reviewed the IDA's projects, noting that the agency's most important task currently is to build site inventory. Mr. Mathes reviewed twelve active projects and six other projects that are "under discussion." At the Pony Farm site, the SEQR process has begun. On the Richfield Springs site, the attorneys have determined that the executrix has the authority to execute the option documents, and Mr. Mathes reports that he expects to schedule a meeting to execute those documents shortly.

Broadband Project

Mr. Mathes informed the Board that FARR Technologies had sent a draft report on the proposed broadband buildout project last week, which had been distributed to Chair Hanft and Ms. Horvath. The report is very technical and dense, and Mr. Hanft noted that it would take time and significant effort to comprehend. Ms. Horvath suggested that the staff request an Executive Summary of the report for the members of the Board, and then schedule a special meeting during which the Board could participate in a conference call with principals from FARR Technologies to educate the Board with respect to any technical questions they may have.

Mr. Mathes requested authorization from the Board to distribute an RFP to potential service providers who could partner with the IDA as operator of the system and bring high speed Internet access to consumers in unserved areas of Otsego County. He explained that the RFP in question would be a credentialing processing rather than a bid, and would be an effort to avoid a repetition of the problems caused by the inadequacy of CompDirectUSA.

Mr. Gelbsman objected to issuing an RFP before he has a chance to review the FARR document, but Mr. Mathes argued that it was important to have that retail partner in place and at the table at this time, so that a party with expertise concerning terrain and other technological issues would be available to provide a "reality check" on buildout proposals. After extensive discussion, Chair Hanft moved to authorize the staff to distribute a credentialing RFP to up to five potential owner-operator/partners and report back to the board with their recommendation at the December Board meeting. Mr. Salisbury seconded the motion. Mr. Gelbsman voted against the motion, all other Board members voted in favor of it, and it therefore passed.

CFA Announcements

Mr. Mathes reported to the board that he had been advised by a personal contact that there could be a press conference announcing the remaining Regional Economic Development Council projects to be funded on November 18th. However, he was unable to confirm that date with other officials who are close to the process. Mr. Mathes offered the opinion that, while the announcements may not come on the 18th, they should come very soon now that the election is over.

Chair Hanft reminded Board members once again that all of them are welcome to come to Project Committee meetings.

Audit and Finance Committee

Ms. Horvath reported for the Audit and Finance Committee that the 2015 budgets for both COIDA and OCCRC have been submitted to the Authorities Budget Office on time.

Ms. Horvath then reviewed the disposition of the IDA's current cash accounts, including one line of credit that has expired, one Certificate of Deposit that has expired and another Certificate of Deposit that will expire later this month. She proposed to the board that the funds from Community Bank CD 287 (expired 9/30) be split between Bank of Cooperstown and NBT, and that the funds currently in Community Bank CD 306 (expiring 11/21) be rolled into the IDA's Community Bank Money Market account. In addition, she suggested that the expired line of credit with Community Bank be reduced from \$500,000 to \$300,000. Mr. Marsh moved to accept this proposal, Mr. Jordan seconded and the motion was unanimously approved.

Ms. Horvath then reported to the board that the Audit and Finance Committee was recommending that the Board approve a proposal by CFO for Hire to convert the IDA's accounting platform from Peachtree to Quickbooks. The IDA would purchase two licenses and would also be required to pay for Quickbooks training but the overall costs were expected to be minimal. Mr. Marsh moved to approve this proposal, authorizing total expenditures not to exceed \$4000, Mr. Lord seconded and the motion was passed unanimously.

Ms. Horvath reported to the Board that the IDA loan portfolio is now in better shape than it had been when she joined the IDA in January. Chair Hanft praised Ms. Horvath's tireless work to bring the IDA loan portfolio current.

Committee Structure

Chair Hanft distributed a list of Committee assignments to the Board, noting that each Board member had been assigned to two Committees and that Committee Chairs should rotate every year or every two years. These Committee assignments will be effective as of January 1, 2015. He then asked the Committee Chairs, as the Committee's first task, to craft a charter that clarifies the responsibilities of that Committee and that can be incorporated into the COIDA By-laws.

RESOLUTIONS and MOTIONS

There were no resolutions before the Board this month.

Mr. Schulte reminded the Board that it now owned the buildings and property that once housed the National Soccer Hall of Fame and had previously approved the acceptance of the IOXUS lease. There are two additional contracts with respect to the property that required Board acceptance: the contract with the Oneonta Youth Soccer League for use of the property over the

summer (now expired) and an ongoing contract with the Catskill Area Hospice for use of the property for an annual event, which is still in effect through summer of 2015.

Mr. Bernier moved that these two contracts be accepted by COIDA, Mr. Salisbury seconded, and the Boarded unanimously approved.

Mr. Schulte then advised the Board that Northern Eagle had an option to purchase an additional 100-foot long strip of land on the Soccer campus (approximately 2.86 acres, subject to the findings of the surveyors) adjacent to its 11 acres, at \$18,000 per acre. This option has also been assigned to COIDA and the Board would need to accept the option to purchase the additional land. Mr. Salisbury so moved, Mr. Gelbsman seconded (Mr. Marsh and Mr. Jordan abstained), and the motion was approved.

Finally, Mr. Schulte requested Board approval for COIDA staff to hire a surveyor in order to move forward with the Northern Eagle option. Ms. Horvath suggested that COIDA use Katskill Mountain Surveyors, which had been used previously with respect to the land parcel in question. Mr. Salisbury moved to authorize the staff to hire Katskill Mountain Surveyors, Mr. Lord seconded, and the motion was unanimously approved.

Mr. Marsh presented Ms. Horvath with a check from OCDC, representing the \$15,000 IOXUS security deposit (plus interest accrued) from the assigned lease. Chair Hanft noted that the funds would need to be placed in an escrow account, which Ms. Horvath will open at Community Bank.

UNFINISHED BUSINESS

Comprehensive Economic Development Strategy Update

Mr. Mathes advised the Board that Otsego County was involved in a multi-county effort to update their Comprehensive Economic Development Strategy. He noted that the CEDS helps counties plug into over \$50 million in project funding, and that the County's priorities need to be expressed in the CEDS in order for the County to be competitive in winning grants. He was certain that Karen Sullivan, the County Planning Office Director, is very much involved in the update.

Accent Furniture

Ms. Horvath informed the Board that staff had invited Accent Furniture to review IDA offices at 189 Main Street in order to develop a proposal for furnishing and outfitting what will be the IDA's training center. At this time, staff is reviewing Accent's proposal, particularly in light of the soon-to-be-disbursed \$100,000 grant from Senator Seward for the workforce training center.

NEW BUSINESS

Extra Board Meeting in December/January

Ms. Horvath reminded the Board that there would be no full Board meeting for approximately seven weeks between the December meeting on the 4th of the month and the January meeting scheduled for the 22nd. She indicated that – given holidays – she did not see it necessary to schedule an interim Board meeting, but wanted the Board’s opinion nonetheless. After some discussion, the Board decided that an extra meeting was unnecessary.

Memorial for Mayor Miller

Ms. Horvath asked the Board if it would care to authorize a gift contribution toward tree planting in memory of Mayor Dick Miller. Several individual Board members voiced their intention of contributing individually. Mr. Scott informed the Board that the Authorities Budget Office had advised against this sort of donation. Thus the matter was settled.

Small Business

Chair Hanft directed the members of the Board to refer to the printouts of electronic correspondence between IDA staff (Ms. Horvath), Barbara Ann Heegan of the Otsego County Chamber, and County Board Chair Kathleen Clark on behalf of the County legislature and the Intergovernmental Affairs Committee. He then invited comment from the Board to determine how the IDA should respond.

After some initial discussion, Chair Hanft recommended a suggestion from the IDA that the County work directly with the Chambers to perform a small business needs assessment and then to provide small businesses with management training, educational and technical assistance. Mr. Hanft emphasized the IDA’s need to concentrate on its defined mission to serve larger businesses and prepare sites, and its current slate of ongoing projects, all of which activities are very demanding of staff time. Both Ms. Clark and Mr. Gelbsman protested that the County was trying to support the “single point of contact” concept and asked if that was not what the IDA wanted.

Mr. Mathes pointed out that the proposal from the County essentially asks the IDA to act as a call center for the County Office of Planning and Economic Development, which is not his understanding of the meaning of a “single point of contact.” Mr. Jordan then asked in what way the County’s proposal was different from what the IDA already does, in that the office sometimes fields calls from small business owners looking for services. Mr. Mathes pointed out the difference between members of the public stumbling onto the IDA in their search for services and the County to advertising to the public that they should contact the IDA for those services. Mr. Mathes further noted that it made little sense for the IDA staff to field those calls only to send them to some other office that does not have an adequate small business support infrastructure in place to meet the needs of those small business owners.

Ms. Clark and Mr. Gelbsman both repeated that they had sought to support the “single point of contact” but it seemed clear that they did not have the same understanding of that phrase as Mr. Mathes. Chair Hanft then stated that the question before the Board was whether the IDA should

accept the County's proposal. Mr. Jordan voted in favor of accepting the proposal, while all other Board members present voted against it (Mr. Gelbsman abstained), and the proposal from the County was not accepted.

UPDATE FROM COUNSEL

Mr. Scott informed the Board that Hartwick College contacted him about a proposed tax-exempt bond issue which will total \$42 million in bond financing. He then informed the Board that there were two ways to proceed: either there could be a meeting of the OCCRC to authorize the necessary public hearing, or the Board could simply authorize IDA staff to proceed with the public hearing and ratify the decision at the next meeting of the OCCRC. Mr. Marsh then suggested that perhaps there should be regularly scheduled meetings of the OCCRC, even if most of those meetings ended almost immediately after an announcement that there was no business that month. Ms. Horvath pledged to begin scheduling OCCRC meetings immediately following monthly COIDA board meetings.

ADJOURNMENT

The next meeting of the COIDA Board will take place on December 4, 2014, at 8:00 am in the agency's offices. There being no further business, at 9:58 a.m., the meeting adjourned.