

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

August 7, 2014

DRAFT Meeting Minutes SUBJECT TO BOARD APPROVAL

CALL TO ORDER

Chair Robert Hanft called to order the meeting of COIDA at 8:03 a.m. at the COIDA offices located at 189 Main Street, Suite 500, Oneonta, NY. Voting members present were Robert Hanft, Jeffrey Lord, Joseph Bernier, Hugh Henderson, James Jordan, Leonard Marsh, Craig Gelbsman and James Salisbury.

Also in attendance were Sandy Mathes, Elizabeth Horvath, and Dawn Rivers. Guests included A. Joseph Scott, Kurt Schulte, Kathleen Clark and Jim Kevlin.

WELCOMING CRAIG GELBSMAN

The Chair introduced Craig Gelbsman and welcomed him to membership on the Board, commending his experience and knowledge, as well as his enthusiasm for the mission of COIDA.

MEETING MINUTES

Minutes for the July 2, 2014 meeting of COIDA were presented to the Board. After brief discussion, Mr. Bernier moved to accept the minutes. Mr. Salisbury 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 June's financial statements. Ms. Horvath reviewed the Bills to be Paid and the Payroll reports. There was some discussion of the broadband project and the status of the funding for it. Mr. Mathes reminded the Board that we have contracted with FARR Technologies to conduct a coverage survey so that a strategic plan for broadband build-out can be developed. He added that this is a planning sequence that the State prefers and could lead to a larger grant for implementation. Mr. Salisbury moved to accept the Treasurer's Report, Bills to be Paid and Payroll Report. Mr. Bernier seconded, and the motion passed unanimously by voice vote.

COMMITTEE REPORTS

Neither the Governance Committee nor the Projects Committee met in July.

Audit and Finance Committee

Chair Hanft reminded the Board that the COIDA budget is due to the Authorities Budget Office by October 31, 2014. The budgeting process has begun, with Ms. Horvath working with Jim Lozano of CFO for Hire. Ms. Horvath will put together a report on COIDA's monthly "burn rate," and with Mr. Mathes will generate 2015's projected revenues to feed into this report. The Board should have a draft to react to at September's monthly Board meeting.

Chair Hanft advised the Board that Ms. Horvath very competently prepared a report concerning COIDA's loan portfolio. Ms. Horvath has been contacting delinquent borrowers to make appropriate arrangements and he believes the COIDA loan portfolio is now under better control.

Chair Hanft also noted that the Foothills loan is, in fact, a loan, but that organization does not have the capacity to begin making payments at this time. Ms. Horvath will confer with Jeff Lords and Kurt Schulte concerning options for loan restructuring that will then be proposed to the Audit Committee.

Finally, Chair Hanft reminded the Board of the work being performed by Ms. Horvath, working with CFO for Hire, to convert the monthly COIDA financials into a meaningful management report with less detail and more useful information.

RESOLUTIONS

Northern Eagle Beverages/George Allen

Northern Eagle Beverages intends to make a major expansion: building a large facility on land purchased from OCDC that will encompass distribution, warehousing, a brewery with Farm Brewer's license, retail and tasting room, and hops processing/drying/pelletizing/packaging. Northern Eagle is growing hops through Hager Hops and makes its processing available to farmers at no charge; Northern Eagle is working with the regional agricultural community to make hops a cash crop for area farmers. Northern Eagle has begun the process of applying for a PILOT through the IDA. Mr. Mathes reviewed details of the project for the Board and strongly urged them to proceed. After some preliminary discussion, two resolutions were presented for Board action.

Pilot Deviation Notice Resolution

Mr. Scott presented a resolution authorizing the IDA to notify the affected taxing jurisdictions of a proposed PILOT deviation for the Northern Eagle project. Mr. Scott noted that the Schedule A attached to the resolution reflects a 20-year PILOT and would need to be amended to the proposed 10-year PILOT. After a lengthy discussion, particularly concerning derivation of PILOT fees, Mr. Bernier moved to approve the resolution, Mr. Salisbury seconded, and the resolution passed unanimously by voice vote.

Public Hearing Resolution

Mr. Scott presented a resolution authorizing COIDA to hold a public hearing regarding the proposed project to be undertaken for the benefit of Northern Eagle Beverage. Mr. Bernier moved to approve the resolution, Mr. Marsh seconded, and the motion passed by unanimous voice vote.

UPDATE FROM COUNSEL

Mr. Scott gave the Board a brief update on the matter of the Manor purchase, advising the Board that the necessary papers had been sent out and he had received comments from the purchaser's attorney. There has been considerable difficulty obtaining an assessment of the value of the right of first refusal held by the children of the sellers of the land on which the Manor was built, which has been slowing resolution of the matter.

CEO UPDATE

Project Committee Meeting of 8/28

Mr. Mathes advised the Board that he expected a great deal of movement on various projects in the very near future, that the Projects Committee plans to meet on August 28th and that he would like to invite the entire Board to that Committee meeting. He anticipates that the agenda will include updates on the Pony Farm and Richfield Springs business parks, a broadband coverage study update, a discussion about establishing COIDA policy on administrative fees, and an update on the Cooperstown development project.

CFA Grant Application Update

Mr. Mathes brought the Board up to speed on the grant award process currently being pursued by the State. He said that the Mohawk Valley Regional Economic Development Council has voted on its priority projects but the results of that vote have not been made public. However, he has reason to believe that the applications submitted by COIDA were well-received. He told the Board that he has been advised to expect an announcement during the week after Labor Day, which will be sooner than he was originally expecting.

Siemens/IOXUS

Mr. Mathes informed the Board that he was working with Siemens concerning their leased space, and that things were looking quite positive there. He also advised the Board that he is working with IOXUS to resolve its concerns about berms abutting its leased property.

Possible Casino Resort Development in Schoharie County

Mr. Mathes reported that there is a serious and promising bid by an experienced serial developer to build a destination resort in Schoharie County (adjacent to Howe Caverns) that could have significant impacts on workforce development needs and on tourism in Otsego County. He has meet with the developers and presented the idea of creating an economic development region composed of Schoharie, Otsego, Herkimer, Delaware and Chenango Counties, and has arranged a series of meetings for them to begin making important connections here. The developers seem receptive to the idea; if their casino resort proposal is approved by the State, Otsego County could potentially benefit.

COO'S REPORT

Ms. Horvath reminded Mr. Lord, Mr. Marsh, Mr. Henderson and Chair Hanft that they would need to sign new signature cards for the COIDA checking account before they left the office this morning.

Brand/Logo Development

Ms. Horvath reported to the Board that COIDA staff, along with Chair Hanft, had begun working with Paperkite Creative on the branding initiative approved by the Board at the last meeting. Initial brand questionnaires are being completed this week and names are being assembled for an advisory committee to assist through the process.

Hiring Update

Ms. Horvath made a recommendation to the Board to approve hiring as Executive Assistant applicant Ashley Rounds, a young woman who graduated from SUNY Oneonta in May 2014. Ms. Horvath requested Board approval to offer Ms. Rounds a salaried position of \$30,000 annaul pay, with two weeks' vacation as a benefit. Mr. Marsh made a motion to approve the proposed hire. Mr. Salisbury seconded, and the motion passed unanimously by voice vote.

Ms. Horvath also informed the Board that a second candidate, Lisa Heimbauer, had excellent credentials and experience, as well as an interesting history, and would be an enormous asset to COIDA staff. If it had been possible, she would have recommended that we hire both women, and Ms. Horvath suggested to the Board that, if the COIDA budget and staff needs permit within the next few months, the question of bringing Ms. Heimbauer onto the staff should be revisited.

UNFINISHED BUSINESS

Mr. Mathes reminded the Board that a COIDA cellular telephone was part of the employment package originally offered to Ms. Horvath. In order to bring the current situation into compliance with her employment contract, Mr. Mathes proposed that the Board make payments of \$95 per month toward Ms. Horvath's cell phone service, rather than requiring Ms. Horvath to possess

two cell phones. After some discussion, Mr. Jordan moved to approve those payments. Mr. Salisbury seconded, and the motion passed unanimously by voice vote.

NEW BUSINESS

Contact List

Chair Hanft requested that Ms. Rivers compile an updated contact list for the members of the COIDA Board, including addresses, home phone numbers and cell numbers.

Accounting Class for Ms. Horvath

Ms. Horvath indicated that she plans to take an online course in accounting for non-CPA “decision makers,” offered by Empire State College (SUNY). Mr. Mathes pointed out that the skill enhancement would have a significant positive impact on her performance as COIDA COO, and recommended that the Board approve tuition reimbursement. Mr. Salisbury moved to approve reimbursing Ms. Horvath’s tuition and textbook purchase upon successful completion of the course. Mr. Jordan seconded, and the motion passed unanimously by voice vote.

ADJOURNMENT

Chair Hanft took a moment to thank the Board for their participation, which can sometimes become difficult during the summer vacation months.

The next meeting of the COIDA Board will take place on September 4, 2014. There being no further business, at 9:32 a.m., the meeting adjourned.