

**HUDSON DEVELOPMENT CORPORATION  
BOARD MEETING  
MAY 28, 2014  
1 NORTH FRONT STREET**

PRESENT:

Seth Rapport  
Don Moore  
Mayor Hallenbeck  
Bart Delaney  
Ohrine Stewart  
Duncan Calhoun  
Perry Lasher

ABSENT:

Chris Jones

STAFF:

Sheena Salvino  
Branda Maholtz

ALSO PRESENT:

John Duchessi  
Marie Ball  
Abdus Miah, Alderman

**1. CALL TO ORDER**

The meeting was called to order by the Executive Director at 12:09 pm.

**2. EXECUTIVE DIRECTOR & TGW REPORT**

Sheena welcomes the board and thanks them for their attendance. She also introduces the new Executive Assistant, Branda Maholtz.

She states that the Executive Report and TGW are being delivered together (again) as the consultants and she are working diligently to bring three city projects and two county projects together to submit to NYS for funding.

The projects being developed for funding are:

NYSOPRHP Grant for Park Development at 7th

NYSOPRHP Historic Preservation Grant for Promenade Hill Access

ESD funds to provide gap financing to Hudson Opera House

Market NY grant with County to connect Hudson via wayfinding system to outer-county tourism outlets.

Sheena states that she has a scheduled meeting with Assemblywoman Barrett in the evening of June 2 to discuss said proposals.

The Capital Region's EDC will be hosting an informational meeting at CGCC on June 2 beginning at 9am.

Don Moore asks for the minutes to show the board's appreciation for these efforts.

The applications are due June 16, 2014. TGW and Sheena will continue to collect the information; gather support for the application and submit them upon final completion.

Sheena reports on her continued work with the Capital Region Creative Economy Steering Committee.

As a recap, the study is focused on what the creative sector contributes to the Capital Region Economy (consisting of 8 counties). The outcomes of the work will be: 1) Data and 2) A strategy for regional and transformative projects that will emerge through this work.

Sheena reminded the board that ABO Training is offered on Wednesday, June 18. If anyone has not completed training, please do so ASAP. Bart Delaney reports that he has signed-up for this session.

John Duchessi states that two of the applications for the city are for parks. He states that a resolution isn't necessary, but the Common Council President would like to be consistent and have resolutions made at the special meeting. TGW will comply with that request and prepare draft language for Common Council to consider for the city resolutions.

### **3a. OLD BUSINESS—HUDSON ISLAMIC CENTER**

The property in question [23 North Third Street] received fair market value assessment by Empire at \$24,000.00.

Sheena provides a recap from the last meeting pointing out that HDC may divest itself of the property by either through sale at Market Value or bidding or negotiated sale, but it may not be gifted. Sheena has met with Abdus to ensure that communication is open and to make it clear that the board will do what they can, legally, to assist them through the process.

She states that the organization may not gift the parcel and may not circumvent this process by transferring the property to the City to dispose of at will.

The Mayor inquires about the status of the paperwork from the past transfer to make sure it has been confirmed invalid. Seth Rapport confirms that no deed transfer to be found in

records.

The Mayor states that there was some confusion with conflicting reports. Don Moore verifies that the budget office did not confirm the previous transfer of the deed. Seth Rapport clarifies for the board that, in terms of the transfer, it is clear that they [HIC] do not own this property.

Abdus asks to address the board directly. He thanks the board again for the opportunity and speaks towards the position of the HIC in the community. He states that he is thankful that he's been able to meet with Sheena to further clarify and understand the situation and the next steps that need to be taken. He emphasized the importance of honor in his community and how it is a top value that will give back to the community. Abdus discusses the low unemployment rate in the Bangladeshi community.

Seth Rapport states that he wants to make sure that all parties are on the same page and Sheena has already taken the initiative to put together a process that has been shared with each party. Seth Rapport points out that his understanding of the law: the gainful employment of a community of people does not have significance in the land transfer, and that for us to effect a transaction we have to show new further economic development with the particular use for this particular site, which will justify a reduced price for the transaction, with written document to prove this accordingly.

Bart Delaney inquires about the next step on the HIC.

Seth Rapport confirms that HIC has been provided with instruction, by Sheena, on several occasions.

Duncan asks if would it behoove all parties to put a date on the request so that once we get to the date, were not getting back to the same issues at every meeting, and it should not be an agenda item to re-address the same points.

The Mayor points out that this issue has been controversial and important enough to include it today. He says that if the HIC has concerns; conversations may be had, and if they aren't clear, then it should be addressed.

Sheena reports that meetings with HIC can occur as needed, and can recommend adding HIC to the agenda when there has been progress or new information needs to be shared.

The board and Abdus agree on completion of the next step by August 1, 2014.

(Abdus thanks the board and exits.)

### **3b. OLD BUSINESS—TGW CONTRACTS**

The City has accepted the renewed Contract for TGW grant writing Services. HDC has agreed to follow suit with the city.

Sheena asks for a resolution to enter into and sign the TGW contract to extend services for an additional year.

**MOTION** made by Bart to extend the grant-writing services provided by TGW Consulting for one year, seconded by Duncan, All in Favor. **MOTION PASSED.**

### **3c. FINANCIAL & BANKING EFFICIENCIES**

Sheena states that last month the Board [legitimately] questioned some of the accounting being done during March and April. Sheena admits that her understanding of accounting is very basic; however, after spending time with the Treasurer her understanding has become much clearer.

Sheena thanked Duncan Calhoun for taking the time to identify opportunities for improving efficiency, with regard to HDC accounting and banking, so that staff may spend more focused time on project and program development.

Sheena arranged a meeting with Duncan Calhoun, Barbara Beers, and Branda Maholtz to discuss said opportunities.

The meeting agenda contained discussions about everything from real property holdings to petty cash and due to the internal accounting meeting Sheena would like to ask for an introduction and a second for the Board to make the following resolutions:

1. Allow Staff to adjust the petty cash system from physical cash to a pre-paid or debit card system;
2. Allow staff to rename existing accounts for easy recognition and clarity for the board for example: Account # NUBKXXXX76 will be renamed "Operating" or Payroll as needed;
3. Allow staff to open another Bank of Greene County Account for Payroll Services that will be a repository of co-mingled funds from HDC and HCDPA for staffing and staffing related costs;
4. Give Treasurer authority to provide technical assistance on day-to-day basis with regard to fiduciary matters above and beyond board responsibilities outlined in the Board Handbook;
5. Agree to use Intuit Payroll which is seamlessly integrated to Quickbooks to improve staff efficiency and reduce payroll expenses over long run;
6. Establish necessary automatic transactions between bank accounts to process payroll expenses;

7. Accept agreement with Barbara Beers for services, for as-needed services (see agreement);

8. Draft agreement between HDC and HCDPA for shared financial obligations associated with payroll, health insurance, NYS & Federal taxes and insurances- where the agreement stands for three years with a 90 day notice for termination.

**MOTION** made by Seth Rapport, seconded by Perry Lasher. All in Favor.

**MOTION PASSED.**

Seth inquires about what was decision last meeting, collaborative agreement HCDPA agreement with the city, HDC and HCDPA with each other. Sheena states that the Board opted for a project-based agreements—a project agreement will need to be drafted for the Hudson Day Care Center Project.

Seth praises Sheena and Duncan's efforts to clean up protocol; making a good, healthy organizational effort as it helps us beyond the current board and provides a system of checks and balances.

Duncan further clarifies that HDC wasn't getting reimbursement from HCDPA for employment taxes and fees associated with personale and adds that a separate account for payroll taxes should be established where monies to be paid for federal/state taxes would be held.

Seth concurs.

Sheena states that at the last meeting the Board had questioned the listing of real property assets-- she followed up with the Accountant and Auditors. It is their position that real property has a value depending on how it was acquired by the agency. For example, if the agency acquired it via donation, an appraisal would have to be done so that HDC could offer documentation to the donor giving a value of the donation for tax purposes. In other cases, the city may have gifted a property therefore no value was assigned and no value has been 'booked' by the agency.

Don suggests that we may needs to challenge the appraisal, perhaps the issue is with the donor, in a general example.

Duncan restates the issue in question is about how a property that the HDC/HCDPA receives from the city is accounted for, further, how does HDC recognize that asset, at some point our balance sheet. Even if the property is, literally underwater--we own it and it has value.

Don points out that the same situation could be applied to HCDPA.

Duncan reports that the intent is to have the same accounting, but as he is on the HDC board, he cannot access the HCDPA books.

Sheena confirms that both entities should run in parallel and will inquire about the subject of real property assets as they pertain to each agency.

Seth points out the implication on topic for North Front Building, and why are we reflecting this building as we can continue to have a lease-holding agreement with depreciation for the term of lease for building, or if that value is according to the improvements or if it's lease and rent terms.

Duncan states that this building is an asset according to the length of asset, possibly 27.5 lease or 10 year depreciation.

Don states that we have first right of refusal on additional 10 years.

Duncan points out that through conversations with Tom or Barbara, they do not want to change prior audits.

The Mayor asks for clarification on a topic discussed at the previous Board Meeting regarding the HDC receiving funds on behalf of other agencies or serve as a conduit for others?

The Board enters into a general discussion on the logistics of the possibility of the HDC beginning a program that would allow the HDC to operate like an umbrella organization for groups that cannot obtain a 5013c.

Sheena uses the example of Below 3rd or urban gardens and how the HDC could have administrative fee for handling these charitable donations for them, then each program would have its own restricted funds, the HDC could then cut checks. This situation would be perfectly legitimate as it must be a program of the account, not a pass through, program as a conduit to take on the charitable donations to pass on the funds as needed.

The Board discusses the possibility of administrative rules, and perhaps collecting board members information, goals, mission and staff yearly form these proposed programs.

Duncan points out that filing for 5013c is arduous process, and we can make it easier with a program like this.

Seth states that we should be clear about expectations because people will be wary about having another entity controlling money for them.

Perry points out that the programs should be aligned with the HDC mission and the board agreed. Seth re-emphasizes that there should be guidelines.

The board discusses generally how to handle such a program and make sure that the mission of the groups will help both parties without becoming an administrative drain.

Seth points out that we don't want to get in the business of running more events than the HDC can handle.

Don proposes that the goal should be to help support weak events, fiscally and administratively.

Seth agrees that with either new or fledgling groups, they may not have all the tools to succeed and we should be supporting them, depending on the organization.

\*\*\* The Mayor departs for another meeting.

#### **4a. NEW BUSINESS—BOARD MEMBERSHIP**

Sheena reports that they are all pained by Seth's nearing departure and that since the last meeting, Seth and Don have agreed to form a subcommittee to identify new board members and consider a replacement for the President.

To date, Sheena has received Board Applications from Eileen Holloran and Marie Balle.

Seth states to recap, that the board is now at 8 people and that we don't have any hard and fast rules about number, but with his tenure expiring you'll be only 7. We might want to be want to be 9, an odd number. He adds that it's not a requirement but it's a healthy thing for him to disqualify himself in new membership. He feels it may not be ethical for him to have a vote or an opinion on new members.

Don asks Seth not to disqualify himself as it's tradition former the former President to have an opinion.

Seth states that he wants to be sensitive to the organic process.

Sheena clarifies that there is no board vote today, unless board is comfortable in taking a vote today and asks Marie, applicant to the HDC board if she would like to speak.

Marie Balle states that she has shop in town, has lived in Hudson for 4 years, and is the secretary of Hudson Antique Dealers Association (HADA). She states that she has a direct line of communication with the 63 members. Her shop's name is LOOK, customer base is local. She just signed another 2 year lease on her shop and she'll be in business for at least 2 more years. Marie states that she has spent 20 years as an environmental consultant, with areas in flood management, can bring some of this expertise to the board as needed and economic development is dynamic. She also lives on 8th street, has been trying to buy a house.

Bart thanks Marie for coming to the meeting and speaking.  
Don inquires if Marie has non-profit experience.

Marie states that she worked in city government, and worked with government agencies.

Sheena states that there should be another meeting before casting a vote.

Victor Mendola asks to speak about his term as a member not being renewed. His ask is permitted. Victor states that he wasn't present at the previous meeting, and stated that he had asked for the vote to be held off for a month to make the case. He feels he has been a diligent member of the board, and feels like he hasn't been able to make his case to remain on the board. He said that he felt it odd that he wasn't able to have another term, as he wasn't aware of this happening before, especially since he would be a senior member with Perry on the Board. He feels as though he's worked with the board to help it get things in order after all the mess. He would like to continue to be on the board and he will be 'here' anyway as a non-voting presence and he wouldn't mind serving.

Sheena thanks Victor.

Don asks if it's possible to allow Seth to serve as president until a new President is found. Seth states that he would honor this requests in that, he lives and works in Hudson and has a vested interest here. He states that as long as it is ethical and appropriate, he will remain in his position until a suitable replacement has been nominated.

#### **5a. FINANCIAL REPORT—APPROVAL OF APRIL 2014 FINANCIAL STATEMENTS**

Sheena states that there is still some more work to be done to make the statements more clear and Duncan agrees that more mapping needs to take place.

Duncan states that in the April and YTD statement, we see negative expenses for staff, and it appears to be a timing issue, and a HCDPA reimbursed for expenses in the previous year.

Duncan points out a second item that the interagency revenue and expense line, should not be there. Money moving from one HDC account to another HDC --it is not HCDPA account. This, however, doesn't impact the loss, but it should be a statement of cash flow.

Duncan clarifies that some items will be automatic, especially payroll, with the new streamlined system.

Perry **MOTIONS** to Approve, Seconded by Don. All in favor. **MOTION PASSED.**

#### **6a. MINUTES—APPROVAL OF MARCH 2014 MINUTES**

Perry **MOTIONS** to approve minutes and Bart seconds. All in favor.  
**MOTION** passed.

#### **7. ADJOURNMENT**

Bart **MOTIONS** to adjourn.  
Seconded by Perry. All in Favor.  
**MOTION PASSED.**

Minutes respectfully submitted, Branda Maholtz.