

# HUDSON DEVELOPMENT CORPORATION



Board Meeting Minutes

March 23, 2020

12:00 PM

1 North Front Street, Hudson, NY 12534

PRESENT:

Bob Rasner  
Nick Haddad  
Paul Barrett  
Phil Forman  
Tom DePietro  
Mayor Kamal Johnson  
Seth Rogovoy  
Steve Dunn  
Martha Lane  
Chris Jones  
Pete Schram  
Kristan Keck  
Paul Colarusso

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ABSENT:

Susan Knauss

STAFF:

Branda Maholtz

**REGULAR BOARD MEETING**

- I. Call Meeting to Order: Bob calls the meeting to order at 12:02 PM.

Bob's opening remarks: "Good afternoon ladies and gentleman. Welcome to the March and Annual meetings of the Hudson Development Corporation What a journey we have begun. One year ago today we only had hints of what was headed our way. Businesses, organizations, governments, families... challenged in ways they, we, could never have imagined: organizationally, financially and emotionally. In Columbia County alone, over 3,700 citizens contracted the virus. Sadly, the virus claimed the lives of 89 of our friends and neighbors... all

this as we installed new officers and Board members, and embarked on our new fiscal year. Facing the future a year ago found us short on funds, but long enough on grit to make things happen. We took creative approaches to assist Hudson. Lead by our vice president, many landlords structured financial arrangements with their tenants to keep businesses afloat as we all were assessing how to survive in an uncharted future. We encouraged leaders of the community and lenders to do the same. Board member Seth Rogovoy created and managed a task force that connected with Hudson's creative community. Seth' raised funds and awarded grants in excess of \$10,000 for projects that spoke to the suffering and survival during the pandemic. Seth, at times you were a one-man band. a band that played beautiful music for Hudson. Thank you. Like everyone else, we had to learn to meet in a whole new way-- virtually. We struggled through ZOOMing but have come to realize its' advantages: Broad public access, recorded meetings and the comfort of working at our own desks. These changes were already on the horizon. The pandemic did not permit us simply to ease into them. Instead they were foisted upon us with no notice... I believe that in many ways we are better for the future in which we now find ourselves. Branda has prepared a list of our accomplishments this past year for your review... Suffice it to say, you've done well this year. Today, as we enter the 2nd year of this HDC administration, I choose to spend the time to remind us all of what lies before us. We remain asset rich and cash poor. Our auditor tells us we are stronger than a year ago, but work remains to be done. Thanks to the diligence of our Treasurer Phil Forman, and our Executive Director Branda Maholtz, our financial records are in excellent order, enabling our auditor to complete the 2020 audit earlier than any year in the past. We continue work on divesting ourselves of two parcels of valuable land. We are in discussions with prospective investors for both. Those transactions will come to fruition this fiscal year. No small part of our moving forward in this area has been work by board member Steve Dunn. Through sickness and in health, Steve has been a rock we can rely upon. Thank you Steve. We undertook the sales of these properties for 2 reasons: First to take the property out of our not for profit hands and onto the City's tax roles, and, to provide the HDC with monies to properly fund our core mission: Job growth and economic stability for Hudson. Recently I asked the city treasurer to meet with a group of interested citizens. The purpose was to understand the City's current financial situation, a situation referred to by common council president Tom DiPietro, as a crisis. As a result, some of these citizens, now are meeting privately to explore short term solutions to the crisis and long term solutions for the City's future. We

anticipate they will bring recommendations to this Board to be used to further the goals of our core mission. Also on its part, the City is seeking solutions to the crisis by exploring sales of its real estate holdings. At the first meeting of the Council's ad hoc committee for this purpose, Chairman DiPietro suggested a sale of One north Front Street as one of the options. The Committee's discussions noted that the entire building is encumbered by 2 leases, to our organization and the Columbia County Chamber of Commerce. As you are aware, one project ahead of the HDC this year is a completion of the review and updating of our by-laws by our committee Paul Barrett and Martha Today you will be asked to discuss one topic being considered by this committee, Conflict of Interest... to wit • Is it a conflict of interest for elected officials to serve as voting members of our Board? • Is it a conflict of interest for our lessor to serve as a voting member of our Board? • AND is it a conflict of interest for a voting member of our Board to seek ways to terminate the lease we hold with the City by searching for violations on the part of HDC over the entire term of the lease. This will not be an easy discussion, but it needs to be undertaken. How we address issues that affect our economy and job development and how we grow this year will continue to define us... in our own eyes and in the eyes of the citizens of Hudson. I close with a quote from John Wooten, the UCLA Basketball legend: "Success is peace of mind, which is a direct result of self-satisfaction in knowing you made the effort to do your best to become the best that you are capable of becoming." We are seeking success. A job worth doing is worth doing it well."

II. Minutes: February Meeting. Paul MOTIONS. Nick SECONDS. ALL IN FAVOR. MOTION PASSED.

III. Finance: Phil Forman

a. Monthly Finance Report: Paul Barret MOTIONS. Paul C. SECONDS. ALL IN FAVOR. MOTION PASSED.

IV. Old Business

a. Mt. Merino update: Paul Barrett—Title Search, Appraisals Update: Appraisal is on its way, we need this to then determine Fair Market Value (FMV). We have been working from the old appraisal that stated there was no value to the property. The board will need to have an executive session to set the FMV and decide on type of sale. Branda explains how we can do either a sealed bid or a negotiated

sale. If we can obtain FMV value by negotiated sale, we can proceed with a 90 day notice to ABO. If with sealed bid, we need to set minimum bid and then the process will be quicker but has some risk to the interested party as this is public, open sealed bid process. Once we have the appraisals in hand, the board will likely set a special meeting to discuss.

- b. Disposition of Montgomery Street Property: Board Discussion
  - i. Appraisal, Survey, Title search: We are waiting to hear about an easement on driveway for the survey, and the appraisal and title are forthcoming.
  - ii. Offer and Pending Offers: We still have interested parties, but are in a holding pattern for the materials.
- c. Narrow Parcel North of Dog Park
  - i. Survey—Still waiting. Title is forthcoming as well. There are some discrepancies with what the city has on file. We may not own the parcel as described. We are working to clarify the parcel description, where it is located.
- d. By-Laws Revisions: Paul and Martha, see attached. Three additions, and one revision.

Paul MOTIONS to add Section 5 article 2, in reference to annual report to the bylaws.

Martha SECONDS. ALL IN FAVOR. MOTION PASSED.

Paul MOTIONS to add Section 7 on open meetings. Chris SECONDS. ALL IN FAVOR. MOTION PASSED.

Paul MOTIONS to add Article 8 for Freedom and Information to be added to the bylaws.

Pete Schram SECONDS. ALL IN FAVOR. MOTION PASSED.

Article 9 Revision Section 2.3 to adjust language. Phil MOTIONS. Chris SECONDS. ALL IN FAVOR. MOTION PASSED.

There will more suggestions for the next meeting. Branda will update the bylaws and repost to the website.

V. New Business

- a. City of Hudson Council Ad-hoc Committee: Real Estate: Bob updates the board about the meeting that met earlier this month. Bob briefly paraphrases the meeting—two properties were being considered for potential sale. 1 North Front Street and The Hudson Day Care building on lower Warren Street. Our office is at 1 North Front Street and is also the Chamber of Commerce. Each of these entities hold long term leases with the City of Hudson. At the discussion at the council’s ad-hoc committee meeting, Tom DiPietro suggested that we had a “sweetheart” deal and paid no rent. Bob clarifies to the board that HDC paid money to help renovate the building and the lease price was prorated in accordance with this work. HDC has 2 more years and then an option to renew for 12 more years. The lease sets forth what our rent will be when we renew. In addition, Tom DiPietro inquired about a list of materials to explore whether HDC broke the terms of the lease. As the City owns the building and they are our landlord, this presents a potential conflict. HDC asked Tom to FOIL the information he sought as the both legal counsel and the executive members of the board thought it would be pertinent to have a full board discussion about the potential conflict of interest for both ex-officio members prior to providing the materials. Tom addresses the board and states that the council president and mayor were on the board at the time of the lease’s creation. Jeff Baker, one of the city’s attorneys, addresses the board. He feels that since the Council President is on the board, he should have access to the requested materials without the need for a FOIL. It is also stated that if there is a conflict, the ex-officio members must recuse themselves. Branda sent along the proof of insurance certificate for the current year to ensure compliance. Tom was requesting the last 10 years and the board discusses whether it is necessary to provide the rest of insurance certificates to prove compliance. The board discusses the intent of

the request of materials. The board also discusses other potential buildings that may be for sale by the city. Tom confirms that there was been discussion and that he has requested information from other entities like the day care and that he has spoken with the Fire Department about the sale of the Fire House on Warren Street. The conversation turns back to the intent of Council President to seek non-compliance or evidence of breaking the lease and the position of the city. Steve Dunn comments that it is unfortunate that the request could be interpreted as wanting to paint the board in a bad light. Martha agrees that we are a public authority, and we should have provided the materials to Tom. He reiterates that the ill-will is unfortunate and states that there is no reason to believe that any material breach of the lease will be found. Bob states that he asked for the FOIL to ensure that the conversation would be public at the board meeting. The board discusses the terms of the lease briefly. Steve also comments that it might be difficult, but should look into what happens when one of the entities doesn't renew lease. Chris asks directly to Tom that he told the Chamber's president that the building is no longer being considered for sale. He confirms and restates that they are just doing their due diligence. Tom then lets the board know that the city is getting funds from federal relief for around 600,000 and an adjustment to AIM for 220,000. So the City has some financial assistance for the 2020 shortfall. The urgency for selling buildings is lessened. But they are still considering the sale of 429 Warren, the code enforcement building. Chris comments that the real estate transaction could take some time and that the city may want to be prudent as it may not be urgent, but we should be prepared for another situation that in unknown.

Steve Dunn MOTIONS to provide the readily available documents as requested by Tom. Pete Schram SECONDS. 7 Yes. 3 No, 2 Recused. 1 Abstain. MOTION PASSED. Martha comments that she voted yes, but didn't feel that it was necessary for a vote.

- b. Fiscal Sponsorship: Hudson Police Memorial: Branda requests to move the remaining Arts Funds to general account, to remaining restricted for the program's purpose. To then use the account to receive online donations for Police Memorial Park program. Chris MOTIONS to approve the transfer and the use of the account for the police donations. Paul SECONDS. ALL IN FAVOR. MOTION PASSED.
- VI. Public Comment: Rebecca Wolff asks about Workforce Development. Branda will address her question off line.
  - Ronald Kopnicki thanks the board for the revision and addition of open meetings section to the bylaws. He also appreciates that we keep the meetings open with public. He understands that the meeting was contentious, but it helps the public understand how decisions are made within the board. He appreciated the handling of the meeting.
- VII. Adjournment: Chris MOTIONS to Adjourn the regular meeting at 1:21 PM. Paul SECONDS. ALL IN FAVOR. MOTION PASSED.

## ANNUAL MEETING

- I. Call Meeting to Order: The Annual Meeting is called to order at 1:22 PM
- II. Annual Meeting
  - a. Draft of 2020 Audit: Paul B. MOTIONS to accept the audit Draft. Nick SECONDS. ALL IN FAVOR. MOTION PASSED.
  - b. Annual Board Evaluation: A Google Form link has been provided to the board, please complete by the end of the week. This is to be confidential and kept on file.
  - c. Nominating Committee:
    - i. Board Officers: Nick Haddad MOTIONS to keep current board officers in their positions. Chris SECONDS. Majority in Favor. MOTION PASSED.
      - 1. President, Bob Rasner 12 Yes, 1 NO, 1 Abstain
      - 2. Vice Nick Haddad 11 Yes, 2 No, 1 Abstain
      - 3. Treasurer Phil Forman 10 Yes, 1 Abstain

4. Secretary Paul Barrett, 9 Yes, 2 abstain.

ii. Nick Haddad—Board application and materials provided.

There are no questions for Susan Knauss. Nick MOTIONS to add Susan Knauss to the board. 12 yes, 1 no , 1 abstain. Paul

C. SECONDS. ALL IN FAVOR. MOTION PASSED.

III. Public Comment: None

IV. Adjournment: Paul B. MOTIONS TO ADJOURN. Chris SECONDS. ALL IN FAVOR. The meeting is adjourned at 1:46 PM.