

HUDSON DEVELOPMENT CORPORATION



Board Meeting Minutes

April 26, 2022

12:00 PM

1 North Front Street, Hudson, NY 12534

PRESENT:

Chris Jones
Nick Haddad
Tom DePietro (Via Teleconference/Zoom)
Phil Forman (Via Teleconference/Zoom)
Paul Barrett
Seth Rogovoy (Via Teleconference/Zoom)
Steve Dunn
Martha Lane
Kristan Keck
Pete Schram
John Friedman
Paul Colarusso
Susan Knauss

ABSENT:

Mayor Kamal Johnson

STAFF:

Branda Maholtz

- I. Call Meeting to Order: Christine Jones calls meeting to order at 12:03 PM. Introductory remarks:

Hi I'm Chris Jones! You're new,though not yet fearless....leader. By my count, this is our 649th HDC board meeting based on 54 years, 12 meetings a year. So welcome! Our former Chair Bob Rasner was brave and effective and taught me a lot. So did my husband Bert. But that's another story not for this meeting. Ten years ago Laurie Seldon of Mexican Radio and Seth Rapport of Valley Mortgage, both past Presidents, asked me to join HDC.

I said "NO". I thought this was NOT my WHEELHOUSE! But.... if you know them, you know, that after a vigorous amount of arm twisting, of course, they won. They were certain that my experience as an Executive Producer and owner of a local restaurant were credentials enough to make me a useful member of HDC. Ormaybe they just wanted to be sure they got a table for dinner whenever they needed one. After a long DISSOLVE: It's 10 years later and thanks to you all I am privileged to have been elected chair. A lot of the necessary structure to succeed is in place. We have a great Board, a great Executive Director, Branda, who trust me, keeps it all together, and most

important of all...*We have a shared belief in the future of Hudson.* The rest is doing the work and making things happen – something I am very familiar with. I find that beginnings are best when we are all on the same page and good housekeeping is in place, and today's meeting is going to be mostly that. A little dry, but necessary to get off on the right foot, Our mission statement is newly revised and ratified by you and will drive everything we do. I'd like to share it with us all before we continue with our business.

The Hudson Development Corporation is a private non-profit established in 1976 as a Local Development Corporation for the purposes of sustaining, promoting, and enabling business investment and employment opportunities, as well as strengthening the City of Hudson's tax base to help secure its future as a desirable place to live work and invest.

And this is how we will accomplish our mission:

- Engage with existing businesses in the areas of business retention, expansion, and job creation.
- Seek out and advocate for new businesses that add market diversity and job skills to our local economy
- Partner with City government in strengthening the tax base and planning the future

Because we are a private not for profit and a Development Corp we can do lot of things that most government entities and private foundations can't do... namely:

1)We can focus exclusively on the economy of the city and job creation

2)We can accept public grants and private donations as well as invest on our own in our future, as well that of Hudson.

3)We can donate money and we can lend money to any worthy activity in Hudson that aligns with our mission

These are just a few of the tools in our toolbox that make us different, useful and consequential to Hudson's future.

About our Participation

Board members are appointed. Executive committee members (Nick, Phil, Paul and I) are elected by the board. New board members are appointed based on the diverse skill sets, wisdom and the expertise needed to accomplish our mission. Our committee structure is our vehicle for meeting new people and introducing new board members to our work, and letting them see if our work is for them.

I want to emphasize that all those with faith in the future of Hudson and want to work for its future are welcome to talk to me, Martha, the chair of our nominating committee, Branda, or any Board member about ways to participate in bringing life and ideas to our mission.

And about our Finances: All successful organizations must find the money to enable their mission AND provide sustainability to the organization. These are symbiotic goals- meaning one can't live without the other. We are looking at every option to make sure HDC doesn't just survive, but thrives as a major player in the future of our city. Our treasurer Phil and his team, will report back soon on these ideas with funding options and some goals we think are most viable.

And last but not least: MY COMMITMENT and YOURS:

I so look forward to the work that lies ahead - our board is capable and experienced and the local leaders in both the public and private sectors, our collaborators, are open minded and care about the same things we do. We will surely disagree from time to time but I will insist on civility respect for each other's position, AND whenever possible, a little HUMOR to make the journey FUN.....And the hard work palatable.

I will make three promises.

1. I will make lots of calls and ask lots of questions and bring lots of ideas to the table. Maybe some a bit out there. ...but this is my kind of fearless.

2. We will be good partners to those who work with us and be as transparent as we can with the Hudson community

3. I will make mistakes. But my dad taught me mistakes from enthusiasm are okay... mistakes from not showing up – not so good.

So... one last thing I have always found amazing about Hudson...there have been so many different business's in Hudson's history: Whaling to Diamond Street, Ice Harvests to antiques, union suits, pocket books, chairs, doors, mining, gravel, hospitality and tourism. Hudson has always been OPEN for business. I am psyched to add new entrepreneurs with ideas to that list that will continue Hudson's amazing non-franchise, non- formulaic, business story.

No initiative that creates real jobs is out of bounds if we stay open minded. Think film production or animation, to AI or gaming, to high tech pharmaceuticals and the whole creative economy to name only a few– plus all the many service business's we depend on today but with the support of new workforce initiatives both educational and vocational. There are exciting things ahead for sure.

To make all this good happen, though, we need three things from all of you: You gotta believe in Hudson.You gotta stay the course and CONTRIBUTE! You gotta think about growing Hudson.. everyday. Let's do this. I know we can!

II. Minutes: Paul MOTIONS to accept the minutes. Pete SECONDS. ALL IN FAVOR. MOTION PASSED.

III. Finance: Phil Forman

a. Monthly Finance Report: Steve MOTIONS to accept the financial reports. Paul SECONDS. ALL IN FAVOR.

IV. Old Business

a. Strategic Plan for the Future of HDC

Phil addresses the board: Stewardship, Systems, and Long-term Planning:

Stewardship: For a long time we worked on “vapor” with income from parking leases, and now that we don't have that for operating costs. We have no defined or yet to be defined sources of income. We need to maintain operations. We need to have income that will not require drawing down on our capital funds. We are familiar with how powerful real estate can be without recent transaction. We have a sliver of land in Hudson and some underwater land (14 acres). We have an opportunity to use our funds and gain revenue through appropriate use to keep the agency of going. He asks the board to consider a few things including how we manage our money and how we can serve the mission without creating unnecessary costs. He advises to bring in professional advisors to assist us in our money management. We would like to interview at least three firms.

He would like for them to advise on how much do we keep in reserve and over what period of time. Between now and the next board meeting, we will interview— how can we use or reserve some part of the funds to deliver a return that is sufficient to fund our operations. Our burn is about 90K a year. As we move forward on strategy it will go up and we will need more resources to function. Second, how do we deploy the tools to fulfill mission without adding cost. We might need to seek shared service agreements with other entities. We can loan money, we can issue grants. With a strategic alliance with another foundation in the area could mean that we don't have to take on all the cost of managing the grants. A long-term vision is necessary as we haven't been able to form one in the past as we didn't have the resources. We have to find the best, not necessarily the most expedient opportunities. We need to come up with a formula what size to reserve, what amount available for investment in Hudson, and what should be liquid.

Steve Dunn comments: Short term- we have 2 million in the bank. Interest rates matter. He mentions certificates of deposit for short term, low risk return. He addresses the risk factor with investment. Real estate, stocks, bonds with maturity. All of them have risks, and he feels they are substantial. He feels skeptical in going down the route of generating income in the traditional investments. It could compromise our position and reputation. He admits that he does have an inherent bias. Another point from Steve is that he does like Phil's strategy for helping Hudson and grants and specifically loans with a partner that does the vetting. We need a financial partner who would handle the administration and the risk on that end.

Phil responds that he is agnostic on the specifics right now, what he wants is a series of recommendations from advisors, our personal expertise to make the best decision once we are informed. He states that he is uncomfortable making any decision on his own, without advice. Professional services will be valuable in making mistakes. He emphasizes that we need to gather information. We're not assuming a decision on instrument, right now we need to know what the options are.

Steve comments that he agrees about the potential for partnerships. He also agrees that if we're going to take any risk we need a financial advisor. He agrees that we need to seek options, as there may be other things that may be possible. He also suggests for the short term we could get a CD to get a better return.

John Friedman: He appreciates both Phil and Steve's comments, but to him he feels that the 2 million is developmental money. We can't really set aside enough to get a return that will cover our operating costs. We aren't going to find 5% to keep going. He feels that it should be considered seed money. Perhaps we should just set aside our operating costs for the next year and put the rest in CD, one year, and longer term. There's a lot of business acumen around the table. He agrees that we need to learn things, these are dynamic times, and we all need to learn, but we need common sense as well. We can take advantage of 'free-money' through grants, and we need to start with a new grant writer and start looking towards making application. We have to grow our money slowly.

Phil: wanted to be clear that we're not abdicating power to any financial advisor.

Nick adds that we have considered collateralizing funds. If there was something tangible attached to a loan. Nick wants it to be clear that there are opportunities in front of us, but it is HDC's money to steward.

Susan: She agrees that the funds are not big enough to invest to fund operating costs. We could consider a suite of revenue streams. She also agrees that a grant writer will be a good place to start. Revenue streams, their potential, what the return could be. Some things might go away. She feels that CDs and index funds may be it.

Chris suggests that we start diving in and let the finance committee do their job.

V. Committee Overview: Discussion- Branda provided an overview sheet. (See Attached).

This was to clarify the role of committees and reaffirm that committees make recommendations, not decisions on behalf of the board.

- a. Resolution: Change Name of "Marketing Committee" to "Development Committee" in the By-Laws. Paul MOTIONS to change the name of the Marketing Committee to be Development Committee: Steve Seconds. ALL IN FAVOR. MOTION PASSED. Branda will make changes to the by-laws.
- b. Nominating Committee: Martha Lane- The committee met, and they are getting organized. As we still need to set strategic plan, they are reserving open seat until we have we have a invited to provide potential. Branda put together a shared

document for everyone to submit names of potential board or committee members for reference.

- c. Transportation Committee: Nick Haddad- They were not able to meet last month. There is a lot of documents to look through to get up to speed on the various topics. Susan asked about potentially getting a shared map together to post digitally.

VI. New Business

- a. Request for Quotes: New Website- Branda reminds the board of procurement policy. She has prepared a request for quotes to send out to some contacts. She will share with the board when the estimated cost is established. She hopes it will be under \$5000 for a simplified version of our website.

- b. Updated HDC Board Handbook

- c. Updates from City: Mayor: Absent. Branda reports that the agenda was updated as Common Council President had not officially agreed to give monthly updates to the board and if the board was interested in Council events or projects, they were welcome to attend meetings.

- d. May Meeting: Regular Monthly Set for 5/24/2022

VII. Public Comment

VIII. Adjournment: 1:07 Martha MOTIONS to adjourn at 1:07 PM. Paul SECONDS. ALL IN FAVOR. MOTION PASSED.