

HUDSON DEVELOPMENT CORPORATION



Board Meeting Minutes

January 25, 2021

12:00 PM

1 North Front Street, Hudson, NY 12534

PRESENT:

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

ABSENT:

STAFF:

Branda Maholtz

- i. **Call Meeting to Order:** Bob Rasner calls the meeting to order at 12:03 PM. Bob Rasner opening remarks: Resolutions, Changes, Adjustments, January 2022. Welcome to 2022, the Chinese Year of the Tiger Determined, confident, trustworthy, and frank, the tiger personality is the symbol of power. Known for their fiery passion, daring, and fearlessness, tigers are universally respected and revered for their courage by both friends and foes. Tigers seem to be the epitome of contradictions because their personality is so dynamic. They transform from being fiery and fearless to calm and emotional in a blink of an eye. Cautious and energetic, they are also determined and persistent. They have difficulty accepting failure, so they push themselves quite hard to succeed. Full of a sense of fairness

and justice, they are very capable to straighten out others' problems As we enter this year, a year that requires us to change substantially, I suggest three resolutions. Resolutions that launch the change from the napping tiger to one that is ready for its role in life. Starting right now... we will stop relying on good intentions. Change involves more obstacles than we can imagine. We probably do not have all the resources, tools, or answers necessary. Understand that each of us will struggle with change. To succeed, we need to embrace the challenge that change is both the beginning of something new and the ending of something that previously was embraced as a best practice but in retrospect, perhaps did not serve us well Starting right now... think about our future as a continuous a stream of changes, not just a single change. This is the reality in which we will now find ourselves. We do not have the luxury of dealing with a single change initiative or isolated challenge. We will experience all the changes together, muddled and mixed in with whatever else is going on in our lives, which is likely to create "change fatigue". We know this, but we need to factor it into our strategies and plans. Starting right now... quit assuming that we are prepared to succeed. We must rely upon data, hard facts, rather than rely on gut feelings, rumor, hope, or positive thinking. 2 Above all, understand how we'll need to shift mindsets, build rigor and discipline, and learn new skills. Building greater collective capacity for leading and living change to transform our organization for the challenges that lie before the City of Hudson. To initiate this process, we've begun gathering information and data. We've spoken with other Development Corporations as well as our regulating body, the New York State Authority Budget Office. For the uninitiated, the NYABO enforces the regulations by which we must abide. From our finances to our policies, they look over our shoulder to be sure we live within the bounds set by the law. There are 279 Local Development Corporations in New York State... over 50 in New York City alone. The HDC is somewhat unique in that group as we accept no tax dollars to support our operating budget. New York statutes grant LDCs special powers, allowing them to receive public property that the involved local government concludes is no longer needed for a traditional public purpose? Transfer to an LDC involves a public hearing but does not require a competitive bid process or independent valuation of the asset. It is through this process that the HDC came to own what is known as the KAZ warehouse property as well as other real estate tracts. Our role solved a problem for the City of Hudson, delinquent taxes and for the taxpayer that found themselves in an untenable situation. And as we are now all very aware, the property will soon be back on the city tax roll at an increased valuation and will, eventually, provide badly needed opportunities for short and long term employment. LDCs in New York State need not comply with public procurement laws requiring a competitive process for awarding contracts. Though we, the Hudson Development Corporation employ a competitive bidding process to protect ourselves and be as transparent a possible, LDCs may award contracts at will. These powers help LDCs to accomplish their goals, but they also leave open the potential for abuse. Comingling of government officials in the LDC decision making process open the possibility or appearance of conflict of interest. 3 After conversations with other Development Corporations, and consulting with the NYABO, it is clearly time for us to carefully think through our structure and plan the path forward. To that end, such an undertaking must include, • Building a stronger, transparent, two-way relationship with Hudson City government. • Reviewing and rewriting, our mission statement. • Protecting the integrity of the Board by, o Reviewing and updating our bylaws. o Reviewing the role and function of ex-officio positions. o Defining the role and functions of an Executive

Committee. • Appointment of project-specific working groups... Ad hoc Committees o Transportation Committee o Market development Committees § Bringing new employment opportunities to the City § Support of existing business to expand employment opportunities • Involvement of community members (Non-board members) on committees. o This serves the dual functions of bringing fresh ideas to the board's attention and introducing the HDC and its work to the broader Hudson community. Today's agenda addresses many of these topics. It is my hope we have robust, informed discussion and debate today. This is the starting point of an ongoing process. Considerable work has already been done by board members on some of these issues, allowing us to "jump right in" to the process today. So, let's do just that. Recalling that 2022 is Year of the Tiger.... Perhaps it is time to put on our tiger suits!!!

- II. Minutes: November Meeting – Paul MOTIONS to Accept the Minutes. Nick SECONDS. ALL IN FAVOR. MOTION PASSED.
- III. Finance: Phil Forman
 - a. Monthly Finance Report – Paul MOTIONS to Accept the Financials. Nick SECONDS. ALL IN FAVOR. MOTION PASSED.
 - b. Bookkeeper Contracted—Branda worked with Legal Counsel, Kristal Heinz, to put together a contract. Once this is signed, Branda will meet with the firm to go over accounts, etc.
 - c. Audit (Already!) Underway: As we have worked with the same Auditors the last few years (UHY), the process is streamlined. Branda and Phil are near completion of providing relevant documents and supporting information for UHY to complete the audit on time.
- IV. Old Business
 - a. Disposition of Montgomery Street Property: Update- As recently as this morning, Nick and Bob Rasner met with the Code Enforcement Office to gain more clarity on a hold-up in regards to the parcel numbers. Kristal Heinz reports that there are some discrepancies between the county and city's records for the tax ID numbers. She has been to County Real Property and spoke with Craig Haigh at Code Enforcement to make sure the records are clear so we can close the transaction. Bob confirms the situation with Kristal to clarify: it appears that the county and the city code are looking at two different maps with the code enforcement possibly using outdated maps. The maps also note that they should be not used for conveyances. Kristal has connected the County Real Property and Code Enforcement. Kristal is confident in the County's records for accuracy as there have been other transfers on neighboring parcels with the correct parcel numbers. Kristal has another appointment with Real Property this afternoon. Susan asks if she can attend this meeting for educational purposes.
 - b. Strategic Plan for the Future of HDC: This topic is covered more specifically in other agenda items.
 - c. Fiscal Sponsorship Policy Approval: Bob addresses the board that last fall when we agreed to be the fiscal sponsor for CAC, we needed to develop a policy if we are going to continue to move forward with this as part of HDCs services. Steve did a lot of research and there were not a lot of templates or policies to use as a base for our

development of policies. Steve reports that he did a lot of companies and documents that do this as a sole part of their business. He feels that a program in fiscal sponsorship would be taking on a lot of risk and that it sounds like something that may be putting us on a course to change the way we do business. He feels we need to have policies in place prior to taking on this type of work. His conclusion is that we pass on this for now until we develop other systems and policies. Susan asks if there are other organizations able to do this, she is wondering if we do not offer this service we may leave a functional void. Steve answers that there are firms nationally that do this, but locally CEDC does not. The board mentions that Hudson Opera House has acted as a fiscal sponsor for other arts-oriented groups. Branda informs the board that we should defer any inquiries for new sponsorships for the time being, but we will continue to hold the CAC remaining funds until next year as they plan to either form their own 501c3 or use the New Parks group as a sponsor. Branda confirmed that this is appropriate with the auditors. We will also continue to be the fiscal sponsor for the Police Memorial Park as we have already committed to the police department. That program is to be completed in 2022.

Committees, Executive Committee: Bob reports that as part of his responsibilities as Chair/President he regularly converses with the other officers of the board to plan and organize for meetings. Our Articles of Incorporation set forth the existence of an Executive Committee, however this is not formalized in our bylaws. Paul Barrett shares a potential addition to the by-laws.

Why Have a Board Executive Committee?

Boards usually have jam-packed agendas, and work done by the executive committee streamlines many of these activities so that time in the boardroom can be spent on the most important items.

WHAT THE EXECUTIVE COMMITTEE CAN DO

The executive committee is a sub-set – or sub-committee – of the board of directors and serves as an advisory to the board.

As the board's steering committee;

- * It prioritizes issues for the full board to address, is responsible for overseeing board policies, and must ensure good governance practices.
- * Reports back to the full board on its activities and decisions. In many ways, the executive committee is the 'nucleus' of the board, but it does not stand alone.
- * Establish and sunset ad hoc committees and task forces.
- * The Executive Committee answers to the board.

WHAT THE EXECUTIVE COMMITTEE CAN'T DO

There are several actions that an Executive Committee cannot take. Some of which include:

- Amend the organization's bylaws.
- Elect or remove board members.
- Approve or change the organization's budget.
- Make structural decisions like eliminating or approving programs.

These restrictions help to avoid delegating essential powers away from the board.

RECOMMENDATION: It is recommended the HDC adopt the following into the By-Laws of the corporation as Article II, Section 14;

ARTICLE II

Section 14. Executive Committee. The President, Vice President(s), Secretary and Treasurer, up to two at-large members of the Board of Directors appointed by the President and ratified by the Board of Directors shall constitute an Executive Committee. Each Executive Committee member shall serve the length of their elected Board term. Meetings of the Executive Committee may be called by the President or any two Executive Committee members as needed to discuss projects and agenda items to be brought forward at the next board meeting.

Paul MOTIONS to adopt Article II, Section 14 to the bylaws. Susan SECONDS.

Steve asks about the role to be sure the board is clear. He wants to know the explicit powers and what the board cannot do in writing in the bylaws. Bob wants the board to know that this is a move for more transparency and reiterates that this is a planning group. They are not making policy. John agrees that the limitations should be in the bylaws. He wants to have the draft language in from of them.

The board decides to table this motion until the board has developed more specific language for the by-laws. We will discuss at the next board meeting. Branda brings up the other committees that we would like to form. One being the Marketing Committee which would be about bringing new business and employment to the city. This is will also be handling a new HDC website as we further plan for the future. This committee is not populated right now. Bob asks the board to consider this as an opportunity for committee work for those not on committees currently. Bob opines that from time to time we might need to have ad-hoc committees to research and understand ideas, areas of interest in order to fully understand more programs or areas of focus. Bob would like to develop an ad-hoc committee for Transportation and Parking. We know that the city and it's community have brought up issues in regards to this topic from parking woes, wayfinding, to trucks on the streets, etc. Nick has agreed to chair this committee. Before we have other board appointments, Nick also reached out to Chief Ed Moore of the Police Department to join them as a community member on the committee as the Parking Bureau is housed in the Police department.

V. New Business

- a. Mission Statement: Board Discussion: Phil addresses the board. Phil states that he has been working on a draft of a new mission. (Share materials). To have streamlined the language has made it much clear and focused.

What is a mission statement ?

A **mission statement** is a concise explanation of the organization's reason for existence. For example, most mission statements will describe the type of organization, it's purpose for being, intended goals and outcomes, and whom it serves in achieving those goals. It may also touch on institutional and social values that help inform the "why" and the "how" of the other parts of the statement and therefore what defines success.

What are the benefits to the organization of having a mission statement ?

It helps the organization's leadership and staff make more effective decisions by elevating the core purposes for which the organization exists into every discussion and deliberation. It helps the general public, government and business leaders, and others who might wish to work with HDC understand what the organization does and does not do and if its relevant to their goals.

Why are we looking at this now?

We are required by ABO to review our mission statement annually to ensure that it continues to accurately communicate our current status and goals. But that's not the whole story.

In thinking ahead about the future of HDC and the exciting range of possibilities for serving Hudson (especially with some money in hand for the first time in a while) it became clear that nothing important or impactful would happen if we failed to focus on what we know, why we were formed , and how to leverage our unique role in Hudson as a private Development Corp. A mission statement can't and shouldn't attempt to cover everything. Mostly we hope to say who we are and what we propose to do a little more clearly than previous iterations.

MISSION

Hudson Development Corporation [HDC] is a non profit Local Development Corporation (LDC) established to sustain, promote and attract projects that improve economic opportunities for businesses and residents, create jobs and enhance the quality of life in the City of Hudson.

PURPOSE

The HDC is a special not-for-profit corporation – a Local Development Corporation. Local Development Corporations are created pursuant to Not-for-Profit Corporation Law, Section 1411 for the purposes of:

- **Relieving and reducing unemployment;**
- **Promoting and enhancing employment opportunities;**
- **Instructing or training individuals to improve or develop skills;**
- **Conducting scientific research to attract or retain industry; and**
- **Lessen the burdens of government and acting in the public interest**

NEW Mission Proposal

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 growth in business investment and employment opportunities, as well as strengthening the City's tax base to help secure our future as a desirable place to live work and invest.

To accomplish our mission we will:

- Engage with existing businesses in the areas of job creation and workforce diversity
- 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

Bob commends Phil for the work he put into this especially addressing the “feel good” portions that were ambiguous. Steve agrees that Phil's take on the mission is great. The board agrees to look at Phil's proposed language and they will vote at the next meeting. Branda will share via email after email so that everyone has ample time to consider the new mission and make suggestions.

- b. Nominating Committee: Board Officer Nominations, Board Vacancies, Discussion – Martha reports to the board as the Nominating Committee Chair that they are in process of interviewing some candidates and will have two potential names to

submit to the board at the next meeting. Branda confirms that we have one vacancy open in March when Bob terms out of his role with the board. Bob reminds the board that having ongoing potential candidates also allows candidates consider possibly joining committees if there is not an open board position at the time. Martha thanks both Kristan Keck and Nick Haddad for serving on the committee.

Bob addresses the board on the topic of Ex-Officio positions on the board and whether they hold voting rights. Branda has reached out to each board member to get them to start thinking about a discussion about the organization of the board as her research has shown that there are very few, if any Local Development Corporations that have Ex-Officio members and if they do, they do not vote. Bob reminds the board that this is about the positions, not the person that is currently in the role. Branda addresses the board and the guests to reiterate the intent and reasoning behind having this conversation—that she, as the Executive Director had been working on ideas to re-establish the agencies partnership with Elected Officials in the city of Hudson and she initially thought that adding the city's treasurer would further bolster the line of communication and information sharing between the city and the agency. When she researched and found that not many LDCs had ex-officio or ex-officio that voted, it made her consider that the reasoning for this could be one of potential conflicts of interest. As we are getting ready to orient HDC to start doing work, it is important for the agency to have a conversation about how they are organized and what would be the best way for the board to succeed. Mayor Johnson speaks first and relays that he feels that it sets a bad precedent to either remove the role or the ex-officio voting. Any member of the board can have a conflict of interest. If the goal is to strengthen partnership, removing us as voting members doesn't help at all. John Friedman expresses that he doesn't understand why ex-officio members would have a vote because all it does is create a conflict. It's only through the expression of power and voting creates conflict. There's a distinction between the board members and the ex-officio and their potential to have conflict. However, John also feels that the transfer of information does and should happen regardless. He also states that there has never been a partnership between the city and HDC. HDC has never been a part of the budget line for the city. Phil states that he sees in our old and new mission statement that development corporations were given unique powers that are different than other entities, we have the power to invest on behalf of the city, help the city gain funds through property, to contribute directly to government activities. To treat HDC like it is any other board, that voting does seem like power, but in this instance, the opposite is true. Voting is not power, what is power in working with HDC is to use the leverage that we can provide and trust in the mission, Phil continues, he would say that we could try it and he feels that voting gets in the way of the mission and our function. We take the office of the mayor and counsel president seriously, we want you here and we want to work with you. Susan has a point of information and thanks Branda for reaching out prior to, in her experience is that ex-officio never has voting. Instead they have knowledge and information to help the board make decision. She also points out that in California they must have voting power if there is ex-officio. We would also change the name of the role. They are also in the board by virtue of their election to the role. She also understands that the idea to bring the treasurer makes sense. She wants the role ex-officio to be

clarified including how many votes they should hold. Bob responds that ABO doesn't indicate a preference either for or against ex-officio. There are opinions from law firms that state they are not in favor, but this is just a google search. He feels that as an interesting example, he reiterates the situation when HDC asked CEDC for loan for the CSX parcel. The CEDC was not convinced, however their non-voting ex-officio members spoke eloquently to the board that when the rest of the board voted, they voted in our favor. Bob feels that the non-voting power was able to change minds to our benefit. Kamal responds that both the old and new mission proposed both reference relationships, he feels that in order to be a part of the conversation and team you have to have a vote, to be a part of the decision making. He states that he felt blindsided, he feels that the elected officials bring value to the board, especially as the Mayor being a young a person of color, this can be fruitful and doesn't need to push us out. Branda interjects to reiterate that the conversation is about the role of the ex-officio, not the person in the role. Kamal responds and says that he is in the position so he has to speak from his perspective. Bob asks the Mayor if he received a phone call from the executive director prior to the meeting. The Mayor confirms and adds that he was informed that this conversation was to take place. Bob says that the call was the previous week. Branda confirms. Seth interjects because he feels the conversation tone is condescending and feels that Bob should apologize for the tone. Bob states that if someone presents information that is not accurate. Branda restates that she spoke to everyone on the board last week and she did not intend to blindside anyone and apologizes if that was the case. She continues that this was meant to be a respectful and productive conversation about the organization of the board. Seth emphasizes the need for anyone in this meeting to be treated respectfully, not talked down to or patronized, and not spoken to as if the person is being interrogated. Bob thanks Seth and asks the board to take a moment. Martha addresses the partnership and relationship with the city in the past, current, and future as she feels that there was a budget line for funding at one point, but we need to research and have the information on hand. Steve Dunn states that Branda did call him for an extension conversation and a few thoughts that I expressed to her, which was that my opinion echoes the Mayor's. Its unfortunate that everyone's emotions are high right now. Branda also described the landscape of other agencies like ours with ex-officio not voting. He opines if that type of arrangement works, or if they just don't show up. In the abstract but for Hudson in particular he feels that it would be unfair to the elected officials to show up and spend time working on projects without a vote. He feels that is a burden, but because this arrangement exists. Because the idea of conflict is theoretical and not actual, he feels that they should remain voting. Phil wants to make sure that we don't forget that adding the treasurer as part of the board is something he desires. Phil states that he feels that it is important that the city officials are here and if the voting gets in the way, and if there is conflict, we will make sure there is recusals. We do not want to lose the perspective of the elective officials and it would be welcomed to bring the treasurer on. John states that only a vote can create a liability, as a matter of law. He does like having the elected officials here because it is important to have their perspective. He reiterates that the skills and information can be used to facilitate the votes, there is still a role to be played. Nick states that HDC will have an expanded role as a result of the capitalization and

the consideration was to remove any hint of impropriety for the ex-officios. If the treasurer is added will this person also have a vote? These are elected and compensated officials and there is a certain nobility of purpose as an elected official, you are here by virtue of your position, as HDC changes we will be more exposed and how does that affect the ex-officio members. To have any ex-officio remove themselves because voting is not available doesn't make sense as there are noble roles here, and we're working for the community. He feels that they should want to participate regardless for our sense of purpose. We want to ensure that we don't run afoul and there is no ill-intent, and it was to be a conversation. Bob concludes the discussion as there is no motion on the floor. Steve believes that there is some consensus to add the treasurer to the board, but a lack of consensus about ex-officio voting. Bob restates that anyone can voted to serve on a committee as well. He asks the board if the knowledge can be shared regardless of appointment. Chris Jones points out that we will need to change the bylaws so we should not vote as we do not have this ready.

- c. Updates from City: Mayor Johnson: None
- d. February Meeting: Regular Monthly Set for 2/22/2022 (!!)
- VI. Public Comment: Ronald Kopnicki states that ABO has authority over HDC and it's headed by the governors of the state and they have authority and he thinks would be attacking the basis of the organization legitimate as they don't exist without allowance by government. He states that he doesn't think the attempt remove board members is appropriate. Branda reiterates that this was not the intent of the board, the intent was to discuss the make-up and function of the board in comparison to other LDCs. He also asked when the public would know the identity of the developer for the Kaz site. Bob states that this will be public knowledge once we close and we think this will be prompt. Bob states for the record that we are not a government agency and we have failed in this regard to make this clear and I hope some of the work we are doing now will make it understandable and clear. We are a private non-profit organization. He thanks the audience and the board.
- VII. Adjournment: Chris MOTIONS to Adjourn at 2:10 PM. Nick SECONDS. ALL IN FAVOR. MOTION PASSED.