

HUDSON DEVELOPMENT CORPORATION



Board Meeting Minutes

May 24, 2022

12:00 PM

1 North Front Street, Hudson, NY 12534

PRESENT:

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

ABSENT:

Mayor Kamal Johnson
Paul

STAFF:

Branda Maholtz

- I. Call Meeting to Order: Chris Jones calls the meeting to order at 12:01 PM.
- II. Minutes: April Meeting—Paul MOTIONS to accept the minutes. Pete Schram SECONDS. ALL IN FAVOR. MOTION PASSED.
- III. Finance: Phil Forman
 - A. Monthly Finance Report: Susan MOTIONS to accept the financials. Steve SECONDS. ALL IN FAVOR. MOTION PASSED. Steve Dunn asks about putting the funds in a different type of account, like a money market account. Phil states that he will address this during the discussion. John would like to see the current month

and prior month for Statement of Activity. Branda will provide requested reports at future meetings.

IV. Old Business

a. Strategic Plan for the Future of HDC: Investment Policy — Discussion Guide was provided, see attached. There were articles sent prior to the meeting about fiduciary responsibility.

1. In terms of best practice we have to follow a high standard to keep the board informed. There will be a lot of decisions that we will need to make in the next few months; it's essentially a new world for HDC. The information Phil sourced from the National Board of Non-profits, there is a duty for board members as well as a treasurer duty to get assurance to ensure that everyone is properly informed. there are two implications of this— we need to have best proactive set and we must also have the finance committee operational with them taking a lot of the activity and research to provide to the rest of the board. Phil believes the finance committee operates a bit differently than other committees. As we are in a formative stage, we need to have full-board participation. There may be a point in the future where we will have a working a team, but he feels that everyone on the board should be a part of this. He expects the board to be responsible for holding Phil accountable. Essentially, the finance committee is 'tabled' for now, as we need the whole board a part of this.

2. Identifying Best Practice: National Council of Non-profits, NY State association of non-profits. Have been recommended to us to use as a resource and template or checklist for moving forward. A lot of the vocabulary may be new to some of us, even a basic word like "risk" can be used in several ways, and we need to ensure we are all on the same page moving forward. He feels that people tend to default to what is less risky and what they are familiar with. Phil emphasizes that the shared vocabulary will be most helpful. Phil would like to put together a binder/packet with key articles and materials on financial planning and vocabulary for each member to have a shared starting point.

3. Setting time: one of the peculiarities of financial planning is a time horizon, as it will make an enormous difference. For our planning needs, Phil has focused on cash

management. But the same planning and discipline needs to be brought to the various uses of money. This discussion has happened in the executive committee in the last three meetings, it is not easy to capture everyone's point of view. We have money, and a community that needs to be served. We have operating expenses, a fantastic board, and a fantastic executive director. What is our vision? What impact can we have on the community? Three million is a lot, but once you start spending it may not be enough. We have a knowledge base, we have Branda now, but we may not have her for a long time. We need to plan for the future, with some other staffing to share knowledge. The workload will increase, as it should. We should be hitting a phase where we are vetting potential projects. Susan asks if we are spending down or are we planning to continue beyond the funds. The board discusses that they would like to sustain business. Susan feels that we have to identify potential revenue sources and wants to understand where the board is as far as a non-profit function. John clarifies that we're not necessarily in the business of real estate and we need to think towards workforce development, and we will need to apply for grants. Phil emphasizes the need for a time frame as it has implications on what we think of as a "cash reserve" or estimation of what we put into the market each year. Seth comments in response to Susan about consensus, he would like to emphasize the question— we have no consensus, we have haven't a real conversation about. Chris says that today's meeting is the first step. Nick also emphasizes that what we decide now will set up the board for the future, as our board will be completely different in 3 years. Steve agrees that a time horizon is absolutely necessary, we have a lot of unknowns, and he doesn't feel that we know where we are going. Phil speaks towards having a new way of looking, as we need a long view, we don't need to rush into decisions. Phil would like to set 3 years. We are excessively liquid right now. It is unlikely that we need 24/7 access to the funds. We probably need about \$100K, with the rest of the funds doing other work for us. John thinks that we should have a year's worth of operating in a restricted account like a CD and we use that to ensure longevity in the case of catastrophe. Steve mentions long term bonds. He feels the longer the term in a volatile interest rate market is a bigger risk.

4. Creating an investment policy- the template provided on the national non-profit doesn't exactly suite our needs. We will definitely need to put a policy together and find a model that works for what we're doing.

5. Liquidity Needs: There is a lot to consider, we need to develop something smart and one way to communicate what we are comfortable with in the current market. We may find that our current environment will show an investment to be attractive now, but may not be later. Whether bonds, or equities, or whatever we decide. We need to look at various scenarios and decide. Martha expresses that the 'current' environment may make us need to change the policy too often. It should be general and protect a reserve so that we are able to look at a longer term plan. Steve feels that in order to adopt any investment policy, it is more important to have a strategic business plan. Susan feels that we need to have a short term decision as we develops the longer plan. Phil continues that he hears the need for a business plan, but he feels that it is a bit unlikely as we may need to have trial and error— we don't know who will be reaching out to us for help, a lot of it is not in our control. We can talk and explore, but it doesn't mean it's "real." We can put down that we only want to invest in other non-profits in Hudson, or some other group, which is great, but we have to do the work. Phil doesn't feel that we will ever pin it down. John disagrees as he feels that we could talk to a bank about of small loan program. Phil agrees that this is possible. John thinks that we know we will at least have an impact on local entrepreneurs, and that there are other aspects of things that we could assist with, but we don't know what's possible. Prior to this we didn't have anything to grow, now we do. John feels that we need to set short-term and long term goals.

6. Creating Investment Policy: Steve also agrees that we need a financial committee so that we can reach out to other organizations to see what's available as he feels we should have a small loan program or some other viable option. Nick reminds the board that the executive committee discusses some of this, but clarifies that the entire board will need to work together. Nick agrees with Steve that we need to learn from other organizations. Martha reminds the board that we are required to have investment policy and a finance/audit committee. Chris points out that it is apparent that most

people on the board have a financial point of view and we can have continued discussions.

7. External Financial Advisors— Phil states that he can't just go to tactics in this situation. The board discusses immediate action in a money market for the time being. It could be a slightly more profitable way to tread water. Phil wants to look at a few more options that might be available to us. Susan thinks we have some parameters like, low risk, short term better than the back, consideration of penalty. John thinks we can find someone to help us. Steve mentions Vanguard funds, short term corporate bond funds. Phil has spoken to a few potential firms to help us with our investment policy, especially firms that are understanding of a non-profit. Phil believes that we need to have professionals assist us with solutions that could be realizable after we set our parameters. There could be choices that we don't even know about. Phil has reached out to a few recommended firms. He would like to have them speak to the group. There are three firms that Phil would like us to reach out to. Martha asks about trying to use local firm, which would be Hudson Financial. She will provide to Phil for contact. Phil reiterates that we need to be responsible and get the best advice possible. Steve agrees that we should talk to people, and that he wants it to be clear that he doesn't want to be our broker. He feels that we still need to put together a business plan so that the potential advisors understand where we are.

These initial presentations should not take more than hour each.

b. Committees

i. Nominating Committee: Martha Lane— This committee was unable to meet this month, as we are on hold. We will continue to collect new names for potential

ii. Transportation Committee: Nick Haddad — They had a good organizational meeting. They spoke about the truck route and putting together some understanding for what is possible. We need to have some measurable results for potential plans. John doesn't feel that Susan's information about the city changing its truck route is incorrect. They are aware that more research needs to be done. Also that we need to ensure that there is communication with the other communities that could be impacted. The board is unsure if the cement barriers

are being put back on the streets for restaurants to have a larger footprint this summer. There was a question about doing a survey of what Truckage the businesses use in Hudson.

iii. Development Committee: Chris reports that this now being formed. John and Susan have volunteered for this committee. We will look to bringing business to Hudson, starting with connectivity.

V. New Business

a. Request for Quotes: New Website – Branda reports that we received two quotes. Hudson City Digital in under the procurement threshold and is offering more services. They are local and HDC has worked with them previously. Paul B. MOTIONS to Accept. Phil SECONDS. ALL IN FAVOR. MOTION APPROVED. Branda will work with the contractor to update the website within two month time frame.

b. Updates from City: Mayor- NONE

c. June Meeting: Regular Monthly Set for 6/28/2022

VI. Public Comment

VII. Adjournment 1:45 PM Paul MOTIONS to Adjourn. Phil SECONDS. ALL IN FAVOR. MOTION PASSED.