



Meeting of the Board of Directors
October 19th, 2020 at 4:00 pm
Saratoga City Center + Zoom Attendees
522 Broadway, Saratoga Springs, NY 12866

Board Members Present:

Vice-Chair Penny Hill, Treasurer Rocco Ferraro, Secretary Todd Kusnierz, Steve Bulger, Brendan Chudy, Eric Connolly, Darren O'Connor, David Wood, and Benny Zlotnick

Board Members Absent: Scott Solomon and Josh Spain

Saratoga Partnership Staff Present: Shelby Schneider, President; Jennifer Kelley, Economic Development Assistant; and Michele Battle, Executive Assistant

Guests: Justin Miller, Legal Counsel, Harris Beach

Vice Chair Penny Hill called the meeting to order at 4:03 pm.

ADOPTION OF MINUTES

September 21st, 2020 Board Meeting

Todd Kusnierz made a motion to accept the September 21st, 2020 minutes, seconded by Brendan Chudy. No further discussion was made.

Vote on the motion: AYES: 9 NOES: 0. The motion carried.

October 7th, 2020 Special Meeting

Steve Bulger made a motion to accept the October 7th, 2020 minutes, seconded by Rocco Ferraro. No further discussion was made.

Vote on the motion: AYES: 9 NOES: 0. The motion carried.

TREASURER'S REPORT – ROCCO FERRARO

Treasurer Rocco Ferraro reported that the Saratoga Partnership submitted the fourth quarter voucher for \$125,000 to the Saratoga County Administrators office for the last payment of the 2020 marketing agreement. We have not heard back on the status of the voucher.

Currently, the Saratoga Partnership is capable of paying bills and employees for the remainder of the calendar year due to the money received from the SBA Loan and the USDA Grant.

Although we show a negative overall revenue, this is due to the SBA Loan still showing as a deficit. This most likely will be forgiven and the SBA Loan will become revenue. Shelby Schneider stated that the forgiveness paperwork has been submitted to the Adirondack Trust Company and the Saratoga Partnership is waiting for the SBA to forgive the loan. Board member Steve Bulger, the regional administrator for SBA, stated that the portal has just opened for the banks to begin the process of filing the paperwork and it will take some time to get all the paperwork completed, but there is no reason to assume the loan will not be forgiven.

The Saratoga Partnership staff has been watching the budget closely and spending conservatively. The Saratoga Partnership is on target, with 75% of the way through the year and having spent 71% of the overall budget. For legal expenses, the Saratoga Partnership has exceeded budget expectations due to the internal assessment completed by Harris Beach last month. Todd Kusnierz asked about the legal expenses line item, which is \$44,000, how much of that bill was attributed to the internal legal assessment. Ms. Schneider stated that it was roughly \$17,000, which included a significant discount from Harris Beach. Kusnierz inquired if the Saratoga Partnership Board should anticipate more legal fees for the legal assessment. Justin Miller stated that he hopes there would be no additional costs associated with the assessment.

Benny Zlotnick made a motion to approve the Treasurer's Report, seconded by Kusnierz. There was no discussion.

Vote on the motion: AYES: 9 NOES: 0. The motion carried.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Audit and Finance Committee Report

Audit and Finance Committee Chair Rocco Ferraro reported that the committee, David Wood and Ferraro, met on Thursday, October 15th to review the 2021 budget. Shelby Schneider gave a presentation to the Saratoga Partnership Board, which included a conservative budget and stretch budget. She also said that the organization will need to have its budget posted to the Authorities Budget Office (ABO) website PARIS Portal by Friday, October 30th, 2020.

Shelby Schneider proceeded by showing the 2020 adopted budget along with two scenarios for the 2021 Fiscal Year. She said that she has been working on an austerity budget and has curbed any unnecessary spending. She stated that she is anticipating \$450,000 for the 2021 fiscal year. She said that the stretch budget includes a request to Saratoga County for an additional \$100,000 from the county general fund. Ms. Schneider stated that she budgeted for \$150,000 in grant revenue by leveraging the Saratoga Partnership's funds and applying for grants that continue to align with the organization's mission. The types of grants the Saratoga Partnership will be seeking include, but are not limited to, marketing grants from National Grid, EPA brownfield assessment grant, USDA grants, and other funds that will help Saratoga County. Also, for the Fiscal Year 2021, the Saratoga

Partnership plans on having events where the organization can expect both revenue and sponsorships, whether this is in person or via a virtual platform. The Saratoga Partnership also expects Start-Up NY revenue and fees for the Global Markets program. Ms. Schneider stated that if the Saratoga Partnership receives additional funds, it would like to bring on an additional staff person to support community economic development, grant administration, and business retention and expansion. All of the costs associated with a new hire are included in the budget.

Additionally, we have increased our legal fees in the expectation that there will be further contracts and MOU's that will need to be drafted for the 2021 fiscal year. Ms. Schneider also explained that the Saratoga Partnership would like to move Mary Estelle Ryckman to a contractual basis for her Global Markets program and work on making this program a source of revenue for the organization. After her presentation, Shelby Schneider asked if the members of the Board had any questions.

Steve Bulger stated that he recently spoke to the Saratoga County Treasurer and was told that there was at least a 50% decline in room occupancy tax revenue than was originally projected. He asked if that would be reflected in either the remainder of this year or 2021's Budget or reconciled with the County in 2021. Justin Miller responded to Bulger's question by stating that the contract doesn't elaborate on the lack of occupancy tax in 2020, just the four quarterly payments that are to be made to the Saratoga Partnership in 2020. He said the contract does not have a pullback in 2021 and thus the county wouldn't bill the Saratoga Partnership for what is received in occupancy tax. Bulger went on to ask how does the County plan on reconciling with the Saratoga Partnership and has this been discussed at all? Eric Connolly, followed up by asking Kusnierz if he had any additional information on this?

Kusnierz said that he is a member of the Saratoga County Law and Finance Committee and that many programs in Saratoga County will also be looking for additional funds in 2021. He stated the 2020 contract is different than in past years with multiple pages and new language. He said that the 2020 budget resolution stipulated that the Saratoga Partnership could only receive 50% of the room occupancy tax. It is his understanding the Saratoga Partnership would have to pay back the difference to the county.

Miller replied that the services contract between Saratoga County and the Saratoga Partnership stipulates if we use all \$500,000 for programming, that no money would get returned to the county. Kusnierz reiterated that statutory language states the money the Saratoga Partnership should receive is 50% of the occupancy tax. Miller replied that the signed contract states the Saratoga Partnership gets \$500,000, so the organization will proceed under that assumption. Miller asked Kusnierz if he is on the side of the Saratoga Partnership. Kusnierz replied that he is on the side of the taxpayers.

Bulger commented that there is a need for clarification on the occupancy tax versus contract to approve the 2021 budget. The Saratoga County Board of Supervisors will ultimately determine the budget for the Saratoga Partnership for the 2021 Fiscal Year.

Miller explained the Saratoga Partnership may need to exist with quarterly payments which would be the most difficult and austere approach or do what is traditionally done with room occupancy tax. Bulger stated that he feels the Saratoga Partnership Board cannot approve a budget at this time because of too many unanswered questions. Miller proclaimed that the Saratoga Partnership will have to approve a budget by October to remain compliant with the ABO.

Bulger asked, what if our budget is 50% less. Ferraro stated that he would hope the worst-case scenario would be recognizing that legally the money needs to be given back to Saratoga County. He said an agreement could be made to do this over several years to maintain the financial viability for the Saratoga Partnership. Kusnierz stated that it would be up to the Supervisors to make that decision. Miller replied that there is nothing to return, the floor is 50% of the bed tax. Schneider stated there is a delay in room occupancy tax collections. Miller added that there is a delay in collections and thus a delay in auditing. He said the contract is similar to that of the Cornell Cooperative Extension, either you use it or lose it.

Kusnierz explained that the Saratoga Partnership's asking for an additional \$100,000 from the general fund could mean a lot of questions. Kusnierz also refers to the line item in the 2021 Budget for grants for \$141,000 whereas year-to-date we are under \$7,000 in grants. He asked, what changes is the Saratoga Partnership expecting? Ms. Schneider responded saying that in 2020, the organization realigned expenses to anticipated revenues. With a more stable environment in terms of leadership transition and COVID, the Saratoga Partnership will be able to leverage as many dollars as possible with outside funding sources. She added that the organization has several other grant sources in the pipeline. Ferraro added that the current grant line item is \$7,000, but the PPP loan has not yet been forgiven and is not reflected in that number. Once the PPP money counts as grant money this line item will increase to over \$87,000, realizing that the numbers are not that far apart.

Kusnierz proceeded to ask Ms. Schneider about the fee-for-service line item for \$14,000 in 2020 which is at \$3,400. What would be an example of a fee-for-service the Saratoga Partnership would be charging for? Ms. Schneider responded that the Economic Development Fund is an opportunity to do direct work with the towns from some of the existing funds. Kusnierz asked if that will include charging municipalities for services that are outside of the Saratoga Partnership's scope. Ms. Schneider stated if it is outside the scope of what the organization does under the marketing agreement with the County, then that would be an option.

Bulger asked, under the 2020 adopted budget, what line item would PPP be under? Ms. Schneider replied, grants. Bulger asked that the Saratoga Partnership anticipates \$100,000 from grants. Ms. Schneider replied that the organization shows the internal capability to do more. Ferraro added that this ties to staffing suggestions. If the Saratoga Partnership is seeking more grant opportunities, the organization will need additional staff to assist in this effort.

Proposed 2021 Budget

Ferraro proposed to vote on the draft budget, but the Board could revisit the conservative budget if necessary. Kusnierz state he is concerned with voting on the draft budget because municipalities are marking painful cuts of appropriations by 20% and not raising taxes. He stated in his opinion, it wouldn't be well received if the Saratoga Partnership put in a higher budget for 2021 than was received in 2020. Ms. Schneider stated the Saratoga Partnership will still intend to request the additional \$100,000 from the County, which is not in the conservative budget. Ferraro asked, to what extent does that create an issue getting additional funding. Miller stated the Saratoga Partnership budget needs to be submitted by November 1, 2020. Even though the budget is submitted to New York State, it can change, and in most situations it does. The Saratoga Partnership merely needs to submit a budget.

Rocco Ferraro asked if the Saratoga Partnership adopts the conservative budget, does that not include possible revenue from the general fund. He asked, how does the Saratoga Partnership ask for that money if it is not part of the adopted budget. Ferraro said he understands where the Supervisors are coming from. He added that the Saratoga Partnership should state why this request is being made. He said that the Saratoga Partnership is seeking additional grant support and he is concerned that the organization would not be able to do that without additional staff support. Ms. Schneider added the Saratoga Partnership has been operating conservatively, but she wouldn't want what was sent to the ABO to prevent what is being sent to the Board of Supervisors.

Bulger stated the Saratoga Partnership has a deadline to submit a budget to the ABO. He asked does the budget submitted to the ABO need to be the same that is submitted to the Board of Supervisors. He asked what the timing of that submission is. He added a lot of municipalities are currently tight on money. Miller stated the Saratoga Partnership can send the ABO either budget. He said the optics are important at the county-level, not ABO-level. Bulger asked does the submission to the ABO count as an official request. Miller replied that the previous Saratoga Partnership president had gotten into the habit of having the ABO budget and budget submitted to the county as the same. He said budget materials are sent to the Board of Supervisors at the committee level. He said historically, until last year, the Saratoga Partnership received \$700,000. He stated what is adopted at this meeting will be brought to the Board of Supervisors.

Ferraro asked if the Saratoga Partnership goes with a draft conservative budget, to what extent does that preclude the organization to ask for additional funds on top of 50%? Zlotnick added that the Saratoga Partnership should present the budgets to the committee and county and that they would respond back to the Saratoga Partnership's request.

Bulger commented that the County just fronted the Saratoga Partnership a lot of money that wasn't in the county receipts. He said the Saratoga Partnership should submit both budgets. He added that there is a hole in the taxes, and no one knows what the future holds. He said the Saratoga Partnership needs to show the County that it is sensitive to the predicaments that everyone is in. He added that the Saratoga Partnership should submit both budgets to the County.

Justin Miller agrees that it is fine for forecasting for the County and agrees that two budgets show flexibility on behalf of the Saratoga Partnership. Rocco Ferraro agreed that if the Saratoga Partnership can send both budgets to the Board of Supervisors, they would be aware of the what-if scenarios. He said he is comfortable adopting both.

Bulger made a motion to approve sending the 2021 Draft Budget to the ABO, seconded by Chudy. There was no discussion.

Vote on the motion: AYES: 9 NOES: 0. The motion carried.

Ferraro made a motion to approve the 2021 Draft Budget and 2021 Conservative Budget be sent to the Board of Supervisors going into budget season, seconded by Bulger. There was no discussion.

Vote on the motion: AYES: 9 NOES: 0. The motion carried.

PRESIDENT'S REPORT

Shelby Schneider started the President's Report by stating the Saratoga Partnership has been busy. Highlights include the October 14th event with The Village of Ballston Spa to unveil the Next Wave Communities Economic Development Plan. Assemblywoman Mary Beth Walsh, Mayor Woolbright, and other community leaders were present at the unveiling. The Saratoga Partnership and the Village of Ballston Spa received a lot of positive media coverage and have received calls from people who are considering moving their business to Ballston Spa. The Saratoga Partnership is working with the Ballston Spa Business and Professional Association (BSBPA) and other partners to start with work on the plan which includes small business resources and planning, and SBA help.

We are finalizing our application with HRP Associates for a potential \$300K EPA Brownfield Assessment grant. The Community-wide Assessment grant provides funding for brownfield inventories, planning, environmental assessments, and community outreach. This type of grant is appropriate when a specific site is not identified, and the applicant plans to spend grant funds on more than one brownfield site in the community.

The Saratoga Partnership continues to participate in weekly collaborative meetings to pursue a market study and site analysis of the Luther Forest Technology Campus and adjoining properties. There is currently 50,000 committed for the study with \$20,000 from the Saratoga Partnership, \$20,000 from the Town of Malta, \$10,000 from the Town of Stillwater, and invitations to apply for grants from National Grid and NYSEG.

The Northern Towns project is moving along with inter-municipal cooperation occurring to help their communities. The complexion of the Northern Towns is different than other communities in Saratoga County and this project is customized for them. The Saratoga Partnership has retained a graphic designer and is diligently working on the Town of Halfmoon – Open for Business brochure. The Saratoga County Economic Development Fund Projects have been approved. Now, the Saratoga Partnership is helping the Saratoga County's communities close their projects and drawdown funds.

The Saratoga Partnership has two potential Start-Up NY prospects. Both would require expansion of the Start-Up NY program with one in Halfmoon and the other potentially in Malta. The Saratoga Partnership is working with a workforce housing developer on projects in Saratoga Springs (50+ units). Our organization has connected the developer with a co-working space operator for 4,000 square feet of first floor retail. The Saratoga Partnership is also showing the developer sites in Ballston Spa for a combination of workforce and market-rate development. The Saratoga Partnership is working with regional workforce development organizations and childcare training providers on creating a workforce training program to increase the availability of childcare centers in Saratoga and Warren Counties.

ADJOURNMENT

Steve Bulger made a motion to adjourn the meeting, seconded by Todd Kusnierz. No further discussion was made.

Vote on the motion: AYES: 9 NOES: 0. The Motion was carried.

The meeting adjourned at 5:05 pm.

Recording Secretary _____