



Meeting of the Board of Directors
November 23rd, 2020 at 4:00 pm

Via Zoom Conference Call and YouTube Livestream

Board Members Present:

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

Board Members Absent: Brendan Chudy and Scott Solomon

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

October 19th, 2020 Board Meeting

Darren O'Connor made a motion to accept the October 19th, 2020 minutes, seconded by Eric Connolly. 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 on the Statement of Activity for the Saratoga Partnership. He said, the organization has managed to work with a tightened budget and the staff have done a commendable job. Ferraro reported that the PPP loan officially was forgiven and was considered as grant revenue. The PPP loan made up \$82,000 of \$88,000 of the grant revenue line item.

Ferraro said that the County would not be allocating the fourth quarter payment to the Saratoga Partnership. The Saratoga Partnership had budgeted for quarterly payments of \$125,000, however, the room occupancy tax money was much less than what was projected. The organization gets 50% of the share of the occupancy tax and hopefully, the tax doesn't fall shorter than the \$750,000 threshold. He said there is a question if the county would be recouping money from the Saratoga Partnership. Ferraro said he personally hopes that is not the case because the Saratoga Partnership doesn't have a revenue stream to pay the money back. He added that the organization does not have a reserve fund because, in previous years, any extra money not spent gets returned to the

county. He also stated that historically, the Saratoga Partnership had received money from the general fund, but not this year.

Ferraro reported that in terms of expenses and activity, everything is on the mark. He said the only outlier is advertising which was due to the recent Next Wave Communities Ballston Spa press event. He said that the event was very successful had he still hears NPR talking about the Ballston Spa event. He said that the legal line item was discussed at the previous board meeting. He said that revenue is ok because of grant money and cash flow is alright. He said he is cautious about receiving county funding sooner than later to avoid a more serious cash-flow problem. He said that looking at the Comparison of Expenses, the staff have done a fantastic job at keeping expenses down and reducing them accordingly.

Todd Kusnierz questioned if the Saratoga Partnership anticipates any additional legal expenses through the end of the year and if so, what might they entail. Shelby Schneider said that there would be nothing above and beyond the normal course. She added that Kusnierz asked this same question at the last meeting. Ms. Schneider said there is nothing over the ordinary legal requirements such as contract, budget resolution, and room occupancy tax discussion. Kusnierz said he asked the question again because the response at the last meeting was, "hopefully no additional funding". Ms. Schneider said the Saratoga Partnership hopes that the organization won't need additional legal expenses and that there isn't a lot of wiggle room in the budget.

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

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

OLD BUSINESS

2020 Funding Update + 2021 Funding Request

Shelby Schneider gave a quick update. She reported, the Saratoga County Board of Supervisors had their budget workshop meeting on the week of November 16. She stated this is why the Saratoga Partnership moved the Board Meeting to accommodate for the Supervisors schedule. Ms. Schneider stated in the current proposed budget for Saratoga County's 2021 Fiscal year, the Saratoga Partnership had been allocated \$450,000, SEDC had been allocated \$150,000, and \$150,000 was allocated to the Community Economic Development Fund. The Saratoga Partnership has worked closely with the Economic Development Committee to manage and implement plans funded by the Economic Development fund. There were a lot of discussions at the Budget Workshop about room occupancy tax projections and the Saratoga Partnership will make the rosier picture projection as possible. The Saratoga Partnership knows there will be a COVID-19 vaccine and the county may reach herd immunity as soon as May of next year. She added that there were questions at different Supervisor's meetings about getting clarification on the Saratoga Partnership's 2020 budget. People at these meetings were confused about only receiving \$375,000 in 2020. Ms. Schneider said Justin Miller can talk about the contract he put together with the county attorney based on \$500,000 from room occupancy tax and the organization receiving that in quarterly payments. Technically based on

the Saratoga Partnership's contract, the Saratoga Partnership should've received their fourth-quarter payment on October 15. She said there is a budget resolution that states the Saratoga Partnership would be limited to only half of the room occupancy tax. Under a normal year, the organization would've been more than covered, but this year's room occupancy tax is not as high as previous years. Ms. Schneider stated, there is an expectation that the Saratoga Partnership goes to the county and makes a case to receive the fourth quarter payment.

Justin Miller stated that the contract for 2020 provides The Saratoga Partnership with quarterly payments of \$125,000 throughout 2020 with a mechanism and language that protects the Saratoga Partnership for funds as long as they are not overused. He said that he can talk with the county attorney or anyone appropriate at the county. Justin Miller stated he wasn't aware of any authorizing resolution until after the contract was struck up and signed so he was not aware of any restrictions to the tax law provisions when the contract was being put together with the county attorney. He said at this point he thinks it is a good idea for the Saratoga Partnership to speak to the county about honoring the contract. He said this would give the organization the opportunity to plan their finances. He said the Saratoga Partnership should look at other budget resources on top of the room occupancy tax moving into 2021.

Darren O'Connor said he asked county attorney Stephen Dorsey and county administrator Spencer Hellwig about the quarterly payments. He said treasurer Drew Jarosh said that the October 15 payment was the third-quarter, and the fourth quarter would come in January. O'Connor clarified that the Saratoga Partnership views the October 15 payment as the fourth quarter payment. He said he thinks the county views the October payment as the third quarter payment. Miller said that there were payments in January, April, and June, and October was the fourth scheduled payment. O'Connor asked if the January payment related to 2019 from the county budget point of view. Miller replied no, the prior year had been paid out for 2019. O'Connor said the Saratoga Partnership and the county have different views. O'Connor restated that the county views the October payment as the third payment. Ms. Schneider said that the unfortunate situation is that the room occupancy tax is not coterminous with the calendar year. She said it always lags behind by three months or so. She said the collection period after the first quarter would be in April 2021. She added that in order for the Saratoga Partnership to have any level of predictability, in the past all of the funding was funded upfront. She said that this was the first time in five years that the payments were allocated quarterly. Ms. Schneider said in the past the Saratoga Partnership would either spend the money or give it back. She said this year, they have spent all of the money that was given to the Saratoga Partnership by Saratoga County. For 2021, the organization is just asking for a level of predictability moving forward. This was the first time there was a budget resolution that limited the Saratoga Partnership to exactly half of the room occupancy tax. She reported that the organization is going after every possible source of funding to leverage whatever money is given from the county.

O'Connor said he understands that, but from the county's understanding, out of the 2020 budget, the county has paid \$250,000 to the Saratoga Partnership. Miller clarified there have been three payments paid in 2020 out of four that are required in the 2020 contract, with \$375,000 paid in this

fiscal year and calendar year. He said the county has not paid the fourth quarter payment scheduled for October 15 and there was no official communication as to why it wasn't paid. O'Connor said the county only views two out of the three payments as relating to 2020 occupancy tax recoupment. Miller asked O'Connor if he thought the January 2020 payment was from 2019. O'Connor said that is what the county told him.

Miller said that in terms of recouping money from 2020 that there would be no money or resources to recoup from. The ability of the county to audit receipts for 2020 won't be certain until the end of February or the beginning of March. He said no one can be certain and make judgments that collections have been way undersized. Miller said the bigger picture to pursue is to make sure the Saratoga Partnership has a predictable and plannable budget for 2021 operations.

Ferraro reminded the board that The Saratoga Partnership has about \$75,000 in the bank and that this will not take the organization far into 2021 without the payment owed from Saratoga County. He said it is important to get the money earlier in the year than later to continue running the organization.

Ferraro asked O'Connor, if the Saratoga Partnership only received \$250,000 from this year as viewed by the county, then the organization might be entitled to more money from the bed tax. O'Connor stated that was his point. Miller said if that is the interpretation than that is a good one to him.

Eric Connolly suggested the Saratoga Partnership should have a detailed conversation with Drew Jarosh and to go in front of the Economic Development Committee to make the case to receive the rest of the organization's funds. Hill said she agrees. Steve Bulger said he would caution the organization from doing that. He said he talked to Drew and that his estimate of the county bed tax in the first three quarters is estimated to be down 70 percent. He said given what is going on this quarter and the next couple, he wouldn't assume this is good news. He said if the Board of Supervisors decides to cap the payment to 50 percent of the bed tax, and they determine the bed tax is down 70 percent from last year, that is another significant problem the organization could be facing. He said that the organization shouldn't hope to be funded at the level it has been getting for the last couple of years. Connolly said he agreed, with the exact number being 67 percent down. He said the Saratoga Partnership has a case to make. If a county is to dig itself out of a pandemic economic hole, it requires investment. He said that means that if the county fund needs to be tapped into to make the Saratoga Partnership whole and to promote economic development, he said that is something that the Board of Supervisors should consider. Ferraro said the staff is aggressively pursuing grant possibilities and as such will need additional resources or staffing time to match the money that may be available. He said also that historically when the Saratoga Partnership doesn't spend that money, it gives it back. This year due to low funds, hopefully, the Board of Supervisors would consider that as they make their decision for 2021. Miller clarified that the contract for 2020 eliminated the clause that requires the organization to send funds back as long as they are used. Ferraro said that it is always nice to have a reserve fund for financial hardship, but the Saratoga Partnership gave that money back in the past, thus there isn't a reserve fund. O'Connor

said that a question might be asked what budget impact the rest of the two payments for the 2020 budget might have. He said he guesses that the 2020 budget had already budgeted for payments to the Saratoga Partnership. If the county decides to give that money, there would be no budget impact on the 2020 budget.

Unity Update

Penny Hill updated the board that she had a meeting with John Munter from SEDC in hopes of recovering moving forward with unity and doing economic development that was laid out in the marketing contract with the county. She said the meeting was fairly amicable, but that SEDC doesn't want to do anything with the Saratoga Partnership at this time moving forward.

There was also a discussion of having a third party assist in reaching out with a survey to community stakeholders, workforce partners, and economic development partners to ask what they deemed important at this time in order to recover from this year. Munter took the survey suggestion to SEDC's Board and they said they did not have the funds or see its relevance at this time. Hill believes this is important to reach out to the community to hear what communities are experiencing coming out of or during recovery. She said an organization like Camoin Associates could help via grant money or the Saratoga Partnership could do their own study. She said that in light of the budget that idea might be tabled. She said the conversation with Munter was open and honest.

O'Connor agrees that it is a great idea. He said if we can focus on a survey instead of the dispute that would be great. Dave Wood also agreed that it would be a good idea. Ferraro asked who would be the audience of the survey? Hill stated it would be community members, workforce providers, educational providers, businesses, and especially focusing on those businesses most hurt right now. She said the State doesn't have grant money and everyone is tightening their belts right now and the municipalities are hurting. She reported HVCC is trying to build a new building in Malta and the funds that were counted have been reduced and they are raising money.

NEW BUSINESS

Potential Board Appointment – Stephen Obermayer, BBL Construction + BBL Hospitality

Shelby Schneider said that a new board appointment came about from the absence of Kevin Hedley in October. She said that she had reached out to people to see who could backfill the position on the board. Ms. Schneider said Stephen Obermayer is the CFO at BBL Construction and President of BBL Hospitality. She added that he has a lot of experience at the regional level and has great knowledge of the hospitality and tourism industry. Additionally, he is on the Board of Governors at SEDC and wants to see fences mended and to move forward with COVID economic recovery. Ms. Schneider said the appointment was tabled by the Board of Supervisors until January's organizational meeting. The Saratoga Partnership does not make the appointments to the board, the Supervisors do. She added that previous Saratoga Partnership board member Charles Wait, who sat on the Governance Committee wanted the private-sector to make private-sector appointments and Supervisors make Supervisor appointments.

PRESIDENT'S REPORT

Shelby Schneider reported that the Saratoga Partnership is in the process of conducting its Next Wave Communities Malta interviews. Ms. Schneider thanked board member Steve Bulger and the SBA for all of their help with the PPP loan. She also reported that the Saratoga Partnership is in compliance with ABO and the stretch budget has been uploaded online, as recommended. Ms. Schneider reported the EPA grant was submitted and the Saratoga Partnership will find out the outcome in April. She said out of the \$300,000, \$47,000 will go directly for administrative and planning purposes. She said that the Behan Communications marketing project for the Northern Towns will be completed soon. She added that that project is being shared with all of the communities in the Adirondacks as a model to be replicated in other parts of New York.

Ms. Schneider reported that the Saratoga Partnership is actively implementing the Next Wave Communities economic development plan and the organization participated in the Village's CDTC linkage study. During that presentation given to 60 stakeholders, the consultants referenced the Next Wave Communities plan several times. Additionally, the Saratoga Partnership has been contacted by multiple people who are making investments to their properties because of the plan. The Next Wave Communities Ballston Spa Action Plan Matrix, which is 22 pages long, continues to be followed with a Community Branding initiative being started. For Galway's Next Wave Communities plan, the Saratoga Partnership is in the process of organizing interviews, focus groups, and looking into a senior housing development project. The organization is also continuing to conduct Next Wave Communities Malta interviews.

The Luther Forest Technology Campus 2.0 and marketing analysis study has been held off because the Saratoga Partnership did not have the fourth quarter payment from the county which was going to be used for that study. The Saratoga County IDA could eventually become a partner in this project as well as the Center for Economic Growth which has gone through a merger with the Capital Region Chamber of Commerce. Also, it was announced that Scannell Properties out of Indianapolis is proposing a warehouse/logistics hub on 245 acres of property within LFTC. Ms. Schneider said she went to Jacobs, who is the consultant, to change the scope of the study because the PDD might be changed.

The Saratoga Partnership is working with Brightside Up, the former Capital District Child Care Council, Southern Adirondack Child Care Network, Warren and Saratoga Counties Employment & Training centers on the availability of child care, which is a workforce issue. Child care impacts people's ability to reenter the workforce especially, since COVID. She reported that a survey would be disseminated. She also said that Saratoga County isn't the only community researching child care impacts. Montgomery County is working with employers looking to invest in child care centers in their county. Also, she mentioned how Regeneron invested in their own child care center. She also added that child care is a priority on the state level in terms of workforce and economic development.

Lastly, Shelby Schneider stated she is one of 25 people who have been invited to join Albany International Airport's Master Plan Regional Advisory Committee. That Committee will meet over the next two years. She also stated she was asked to join the Saratoga Hospital's Communities of Excellence Committee that encompasses community and economic development.

ADJOURNMENT

Zlotnick made a motion to adjourn the meeting, seconded by Connolly. No further discussion was made.

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

The meeting adjourned at 4:52 pm.

Recording Secretary

A handwritten signature in black ink, appearing to read "John Kelly", is written over a horizontal line. The signature is cursive and includes a large flourish at the end.