

Cayuga County Development Corporation

FY 2016 BOARD MINUTES

Introduction

The Cayuga County Development Corporation – “CCDC”, has a policy of convening Board Meetings on an as-needed basis and therefore, there are a limited number of meetings per year. In 2016, the CCDC approved a major small business manufacturing loan and worked extensively with Wells College on a proposed dormitory and debt restructuring project. Altogether, there were four (4) CCDC Board Meetings held on the following dates:

1. *February 4, 2016:*
 - a. *FY15 Audit Review & Adoption*
 - b. *MOA with Cayuga County Planning & ED for Services FY16*
2. *March 29, 2016:*
 - a. *Wells College Dormitory Project: Initial Project (Preliminary) Resolution*
 - b. *NBF Plastics, LLC, Loan Application Review and Loan Approval.*
 - c. *Discussion: Auburn Community Hospital Capital Budget*
3. *October 5, 2016:*
 - a. *CCDC FY17 Budget Review & Adoption*
 - b. *CCDC Banking Resolution(s)*
 - c. *CCDC Professional Services Contract with Cuddy & Ward CPAs for Independent Financial Audits 2016-2018.*
 - d. *Adoption of additional CCDC Policies:*
 - i. *Whistleblower Protection Policy*
 - ii. *Compensation, Reimbursement and Attendance Policy*
 - iii. *Defense & Indemnification Policy*
4. *November 22, 2016:*
 - a. *Wells College Project Updates*
 - b. *CCDC FY17 MOA with Cayuga County for Staff Services*
 - c. *Authorizing CCDC payment for FY2016 Staff Services*

The record of the meeting minutes are attached hereto.

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Thursday February 4, 2016 8:30 a.m.**

CCDC Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 8:31 a.m.

ROLL CALL:

Present: John Latanyshyn, Mike Chapman, Ted O’Hara, Christopher Geherin, William Ryan

Others Present: Steve Lynch, Executive Director; Suzanne Gauthier, Acting Secretary/Treasurer;
Cayuga County Department of Planning and Economic Development.
Mary Beth Leeson, Cuddy and Ward, LLP

MINUTES:

Mike Chapman motioned to approve the minutes March 11, 2015, November 20, 2015 and December 29, 2015 with a spelling correction in the November minutes, seconded by Christopher Geherin. All members present voted in favor; motion passed.

NEW BUSINESS

a. CCDC FY 2015 Audit Review and Adoption

Mary Beth Leeson reviewed with the board the distributed CCDC Draft Audited Financial Statements for the Year Ending December 31, 2015. Ms. Leeson reviewed the management and internal control letters stating Cuddy and Ward tests that all control processes are in place and that the board is in compliance with New York State regulations. The letter stated no issues, no difficulties with management providing information and no unjust audit differences. The management letter discloses that Cuddy and Ward prepares the financial statements while Suzanne, Acting Secretary/Treasurer reviews the data for correctness. Mary Beth reviewed the financial statements with the board. Still waiting for notification from the Internal Revenue Service for the new filing requirements as CCDC is no longer a component of the Cayuga Industrial Development Agency which was submitted in 2014; yet will continue to file as if no decision has been made. Steve will submit the necessary reports to the Authority Budget Office (ABO) upon board approval by April 1, 2016.

Motioned by Bill Ryan to approve the 2015 Audited Financial Statements as presented, seconded by Mike Chapman. The motion passed with the following roll call vote:

John Latanyshyn	Yes
Michael Chapman	Yes
Christopher Geherin	Yes
Ted O’Hara	Yes
William Ryan	Yes

b. 2016 Cayuga County Memorandum of Understanding

The 2016 Memorandum of Understanding was reviewed with the board.

Christopher Geherin motioned to approve the Memorandum of Understanding with the County Planning staff to provide CCDC support and annual services for \$15,000, 2nd by Mike Chapman.

The motion passed with the following roll call vote:

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Thursday February 4, 2016 8:30 a.m.**

John Latanyshyn	Yes
Michael Chapman	Yes
Christopher Geherin	Yes
Ted O'Hara	Yes
William Ryan	Yes

ADDITIONAL DISCUSSION:

Mike Chapman asked about the promotion of the CCDC programs. Steve explained that the two program elements under CCDC. The small business loan pool generally will receive referrals from CEDA, with CEDA being the County's initial contact with the businesses in the County. CEDA is aware of the conditions of the CCDC's loan programs and will forward qualified contacts to Planning to further discuss the loan pool with the interested businesses. Steve reviewed a potential agricultural manufacturing project which may be present an application for assistance in the near future. The other program element would be the ability for CCDC to do Civic Facilities projects. At this time, the proposed City Public Safety building project developer may have decided not to pursue the CCDC for the project financing. The board further discussed reviewing the marketing of the programs with CEDA to have a more robust outreach to the business community. The different conditions of the CCDC and the County CDBG Small Business Loan program were reviewed.

NEXT CCDC BOARD MEETING – Will be announced as needed.

ADJOURNMENT

Bill Ryan motioned to adjourn the meeting at 9:00 a.m., 2nd by Christopher Geherin.
All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

William Ryan motioned to approve the minutes of February 4, 2016, seconded by Ted O'Hara. All members present voted in favor; motion passed. – February 6, 2017.

Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Tuesday March 29, 2016 8:30 a.m.

CCDC Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 8:31 a.m.

ROLL CALL:

Present: John Latanyshyn, Mike Chapman, William Ryan

Excused: Ted O'Hara, Christopher Geherin

Others Present: Steve Lynch, Executive Director; Suzanne Gauthier, Acting Secretary/Treasurer; Cayuga County Department of Planning and Economic Development.
Rick Galbato, CCDC General Counsel
Robert Cree, Wells College, Chief Financial Officer
Rachel Baranello Endress, CCDC, Bond Counsel Harris Beach

MINUTES:

February minutes to be approved at next meeting.

NEW BUSINESS

• **Wells College Dormitory Project Financial Assistance Application**

Steve introduced Robert Cree, the CFO for Wells College. Mr. Cree explained Wells College had indicated the dormitory project is being presented as a necessary enhancement to the college's desire to increase future enrollment numbers. Projects costs for the dormitory project will be around \$8 M, along with the additional restructuring of existing debt, from the renovation of Zabriskie Hall and the construction of the turf fields, bringing the project to a total financing to \$15 M. Mr. Cree detailed the bonding request along with the location, description and construction schedule of the project.

Steve gave an overview of the timeline of the project:

March 2016

- Board approval of the Initial Project Resolution accepting the Application and authoring the scheduling and holding of the TEFRA Public Hearing.
- Publish Public Hearing Notice
- Village of Aurora Site Plan and SEQRA review

April 2016

- County Resolution offering the issuance of the bonds through CCDC; Planning, Ways& Means , Legislature Meetings
- Village of Aurora Planning Board presentations: SEQRA and Special Use Permits
- Public Hearing – April 19th

May 2016

- Village of Aurora Final Approvals
- CCDC Bond Resolutions

June 2016

- Wells Closing

The board further discussed aspects of the application including liability issues to the issuer.

Ms. Endress further explained the College's and bank's bonding obligations; whereas CCDC's liability

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Tuesday March 29, 2016 8:30 a.m.**

lies with the special limit obligation bonds, the issuer CCDC is not obligated for repayment. Wells would only need to come back to the board, for example, if interest rates became lower and they would request to seek a more beneficial rate.

CCDC-Preliminary Resolution – Wells College Project

RESOLUTION OF THE CAYUGA COUNTY DEVELOPMENT CORPORATION (THE “ISSUER”) IN (i) ACCEPTING THE APPLICATION OF WELLS COLLEGE (THE “INSTITUTION”) IN CONNECTION WITH A CERTAIN PROJECT (AS DEFINED HEREIN), (ii) TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF ONE OR MORE SERIES OF TAX-EXEMPT AND/OR TAXABLE REVENUE BONDS, (WELLS COLLEGE PROJECT) IN THE PRINCIPAL AMOUNT PRESENTLY ESTIMATED NOT TO EXCEED \$15,000,000 (THE “BONDS”); AND (iii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING IN CONNECTION WITH THE ISSUANCE OF THE BONDS

Motioned by Mike Chapman to approve the resolution, 2nd by Bill O’Hara.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	Aye	Nay	Abstain	Absent
Michael Chapman	X			
John Latanyshyn	X			
Bill Ryan	X			
Ted O’Hara				X
Christopher Geherin				X

The resolution was thereupon declared duly adopted.

- **North Brook Farms, LLC**

Steve introduced Ian Kyle and Peter Kyle, principals in the business to the loan committee. The Kyles gave an overview of their family businesses and the direction of the new plastic product development and manufacturing. The Kyles described the supply of recycled plastic which will be used, the method to form the flat panel sheets and the market for the sheets.

The Kyles have negotiated to receive the license/ process patent to produce the flat panels in North America. The company is now moving from the Research and Development phase to the manufacturing phase with the introduction of new ovens and equipment. The initial Phase 1 will getting the new equipment use existing staff, Phase 2 would bring the company to full scale production. The new oven will be able to produce 10 boards ever hour and one half. NBF Plastics, LLC has had many customer requests for this new product and are waiting to purchase their initial production. The Kyles further defined the components in the presented business plan. The board asked about any environmental concerns, liability issues, job creation potentials and factors which will impact their growth opportunities.

Counsel continued with giving the board options to consider in regards to securing additional collateral, with personal and/or corporate guarantees. After a brief discussion and review of the elements in the loan request,

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Tuesday March 29, 2016 8:30 a.m.**

the board made the following motion.

Mike Chapman motioned to authorize the approving of the loan to NBF Plastics, LLC, with the collateral as presented in the committee summary subject to counsel's and staff's preparation, review and finalization of the closing documents, 2nd by Bill Ryan. All members present voted in favor, passed.

Steve stated that staff and counsel will review and streamline the current loan forms and still be in compliance with US Rural Development requirements.

The board review the final details of the proposed loan and the Kyles agreed to move forward with the loan closing. Steve will prepare a commitment letter with the loan details to be signed by the principals.

NEXT CCDC BOARD MEETING – Will be announced as needed.

ADJOURNMENT

Will Ryan motioned to adjourn the meeting at 9:52 a.m., 2nd by Michael Chapman. All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Chris Geherin motioned to approve the minutes of March 29, 2016 without changes, seconded by Eric Ridley. All members present voted in favor; motion passed. – October 5, 2016.

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Wednesday October 5, 2016 4:00 p.m.**

CCDC Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 4:00 p.m.

ROLL CALL:

Present: John Latanyshyn, Christopher Geherin, Eric Ridley
Excused: Ted O'Hara, William Ryan
Others Present: Steve Lynch, Executive Director; Suzanne Gauthier, Acting Secretary/Treasurer;
Cayuga County Department of Planning and Economic Development.

MINUTES:

Christopher Geherin motioned to approve the minutes of March 29, 2016 with no changes, seconded by Eric Gridley. All members present voted in favor; motion passed.

NEW BUSINESS

a. CCDC FY2017 Budget Review and Adoption

Steve reviewed with the members the draft 2017 Budget which includes projected revenue for the potential Wells College project and discussed the professional services line items and other expenditures item for 2017 including the financial independent audit expenses and the continuing of the staff services contract with the County Planning and Economic Development staff. Board had a brief discussion on the project fees, and inquired whether or not a portion of the application fee is refundable if the project does not take place.

UPDATE: Forwarded to the board the following notation from the CCDC By-Laws

C. Fees.

- a. *The Development Corporation Application should be submitted with a partially-refundable \$5,000.00 Application Fee to the Cayuga County Development Corporation. Of the \$5,000.00 Application Fee, \$2,500 is not refundable and up to \$2,500 of the balance will be utilized as a CCDC Project Credit against CCDC costs associated with the Project up to the final disposition of the Project. If the Project does not proceed to conclusion with the CCDC, the refundable portion of the Application Fee, up to \$2500 not used as a credit against CCDC costs associated with the Project will be returned to the Applicant.*

Christopher Geherin motioned to approve the draft 2017 Budget as presented, 2nd by Eric Gridley.

The motion passed with the following roll call vote:

	Aye	Nay	Abstain	Absent
John Latanyshyn	X			
Christopher Geherin	X			
Eric Ridley	X			
Ted O'Hara				X
William Ryan				X

b) CCDC Banking Resolutions

Collateral Assignment

Due to the First Niagara Bank being converted to Key Bank, Key Bank has requested for the CCDC to update the collateral agreement. John inquired whether any fees are anticipated for the Collateral Assignment. The signing of the Collateral Assignment is covered under the detail of the Key Bank resolution.

UPDATE: Key Bank Representative, Robert Fenner, Vice President of Key Bank Government Banking and Brendan Baxter, Key Bank Public Sector Banking have confirmed that no fees are associated with the Collateral Agreement.

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Wednesday October 5, 2016 4:00 p.m.**

**BANKING RESOLUTION
Resolution No. 10 /2016-1**

RESOLUTION OF THE CAYUGA COUNTY DEVELOPMENT CORPORATION AUTHORIZING THE SIGNATORIES AND REPRESENTATIVES OF BANKING ACCOUNTS AT KEY BANK

Motioned by Eric Ridley to add the wording of “with the exclusion of signing checks” to Section 4 of the Resolution, 2nd by Chris Geherin, All members present voted in favor, passed.

Motioned by Eric Ridley, to approve the resolution, 2nd by Chris Geherin.
All members present voted in favor, passed.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	Aye	Nay	Abstain	Absent
John Latanyshyn	X			
Christopher Geherin	X			
Eric Ridley	X			
Ted O’Hara				X
William Ryan				X

The resolution was thereupon declared duly adopted.

**BANKING RESOLUTION
Resolution No. 10 /2016-2**

RESOLUTION OF THE CAYUGA COUNTY DEVELOPMENT CORPORATION AUTHORIZING THE SIGNATORIES AND REPRESENTATIVES OF BANKING ACCOUNTS AT FIVE STAR BANK

Motioned by Eric Ridley to add the wording of “with the exclusion of signing checks” to Section 4 of the Resolution, 2nd by Chris Geherin, All members present voted in favor, passed.

Motioned by Eric Ridley, to approve the resolution, 2nd by Chris Geherin.
All members present voted in favor, passed.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	Aye	Nay	Abstain	Absent
John Latanyshyn	X			
Christopher Geherin	X			
Eric Ridley	X			
Ted O’Hara				X
William Ryan				X

The resolution was thereupon declared duly adopted.

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Wednesday October 5, 2016 4:00 p.m.**

c) Extension of Financial Audit Contract with Cuddy and Ward

Steve reviewed the results from the last Request for Proposals and contract from 2014. An option was placed in the contract, if the board is satisfied with the firm’s services, the contract can be extended up to three years. The board reviewed the proposed fee proposal for audit services for Years 2016, 2017, 2018.

RESOLUTION AUTHORIZING THE 3-YEAR EXTENSION OF A PROFESSIONAL SERVICES CONTRACT FOR INDEPENDENT FINANCIAL AUDITS WITH CUDDY & WARD CPA’s

Motioned by Chris Geherin, 2nd by Eric Ridley, to extend the contract with Cuddy and Ward, All members present voted in favor, passed.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Aye	Nay	Abstain	Absent
John Latanyshyn	X			
Christopher Geherin	X			
Eric Ridley	X			
Ted O’Hara				X
William Ryan				X

The resolution was thereupon declared duly adopted.

d) UPDATE OF BOARD POLICIES

**RESOLUTION OF THE CAYUGA COUNTY DEVELOPMENT CORPORATION
ADOPTING CERTAIN POLICIES, STANDARDS AND PROCEDURES**

Upon reviewing the CCDC’s current policies, Steve recommended the board approve the following additional policies: Whistle Blower Protection Policy, Compensation, Reimbursement and Attendance Policy and Defense and Indemnification of Board Policy.

John stated that the written policies should be sent out to all board members and the members will need to sign and forward back an acknowledgement of reading and understanding the policies.

Chris Geherin motioned to adopt the policies with the board members reading and signing an acknowledgement of receiving and understanding the policies, 2nd Eric Ridley. All members present voted in favor, passed.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Aye	Nay	Abstain	Absent
John Latanyshyn	X			
Christopher Geherin	X			
Eric Ridley	X			
Ted O’Hara				X
William Ryan				X

OTHER BUSINESS

John Latanyshyn requested the board re-verify the status of liability of the board members; whether the Board members are protected under the County’s policies.

- a) Wells College Debt Refinance Update – Steve stated that Wells College has been informed of the CCDC board’s requirement to have all financials to the board 10 (ten) days before the board meets in order to have

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Wednesday October 5, 2016 4:00 p.m.**

sufficient time to review before acting on the project elements. After the real estate due diligence is complete, the project will need to be closed by December 16th. The College will be refinancing the debt covering the turf fields, the renovations of Zabriskie Hall and renovations to some of the dormitories.

b) Auburn Public Safety Building

City went out to bid for prices to construct a fire/police station. The cost estimates came back very high; however the City Council is still looking for opportunities to at least relocate the fire station. The City has applied for a CFA /NYS DEC grant for the project. If awarded the grant the council may be able to support the smaller project. To do the project as a civic facilities bond project, the project would need to be financed through a Local Development Corporation. Steve discussed the possible consequences of CCDC assuming a larger roll associated with the doing the project financing and has discussed these concerns with the Auburn officials. Steve will keep the board informed of any possible CCDC involvement in this project.

- CC and CCDC Loan Pools -Board had a brief conversation on the two programs and how to better market the programs for the benefit of the business community.

NEXT CCDC BOARD MEETING – Will be announced as needed.

ADJOURNMENT

Eric Ridley motioned to adjourn the meeting at 4:52 p.m., 2nd by Chris Geherin. All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

William Ryan motioned to approve the minutes of October 5, 2016 without changes, seconded by Ted O’Hara. All members present voted in favor; motion passed. – February 6, 2017.

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Tuesday November 22, 2016 3:00 p.m.**

CCDC Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 3:00 p.m.

ROLL CALL:

Present: John Latanyshyn, Christopher Geherin, William Ryan
Excused: Ted O'Hara, Eric Ridley
Others Present: Steve Lynch, Executive Director; Suzanne Gauthier, Acting Secretary/Treasurer;
Cayuga County Department of Planning and Economic Development.

OLD BUSINESS

Wells College Debt Refinance Update – Steve stated that Wells College project will not be moving forward at this time. Steve will have a conversation with Harris Beach if any fees will be due. The board discussed CCDC's policy on the return of a portion of the project application fee; if or when the project does not move forward. *"If the Project does not proceed to conclusion with the CCDC, the refundable portion of the Application Fee, up to \$2500 not used as a credit against CCDC costs associated with the Project will be returned to the Applicant"*. Board discussed, if Wells asks for a portion of the fee returned, staff will perform an accounting of the amount of time spent and expenses utilized on this project before returning a portion of the fee.

NEW BUSINESS

- 2017 Services - Memorandum of Agreement
RESOLUTION OF CAYUGA COUNTY DEVELOPMENT CORPORATION (THE CORPORATION")
AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE CAYUGA
COUNTY DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT FOR CCDC
ADMINISTRATIVE & PROFESSIONAL SERVICES FOR FISCAL YEAR 2017

Motioned by Chris Geherin, 2nd by William Ryan, to sign the agreement with the Cayuga County Planning and Economic Development Department for 2017 Services. All members present voted in favor, passed.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Aye	Nay	Abstain	Absent
John Latanyshyn	X			
Christopher Geherin	X			
Eric Ridley				X
Ted O'Hara				X
William Ryan	X			

The resolution was thereupon declared duly adopted.

OTHER BUSINESS

- Authorization to pay invoices due

William Ryan motioned to pay the 2016 Administrative Services fee for the Planning and Economic Development for \$15,000, 2nd by Chris Geherin, All members present voted in favor, passed.

Motioned by Chris Geherin, 2nd by William Ryan to pay Galbato Law Firm the \$80 for the balance of fees for the Northbrook Farms loan closing. All members present voted in favor, passed.

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Tuesday November 22, 2016 3:00 p.m.**

- Potential Project

Steve reported discussions are taking place with an entity possibly looking into developing the closed County Nursing Home.

- Treasurer's Report

Suzanne presented the current balance sheet and summary report through November 22nd.

Chris Geherin motioned to accept the financial report as presented, 2nd by William Ryan. All members present voted in favor, passed.

NEXT CCDC BOARD MEETING – Will be announced as needed.

ADJOURNMENT

Chris Geherin motioned to adjourn the meeting at 3:18 p.m. 2nd by William Ryan.

All members present voted in favor, passed.

Respectfully submitted,

Suzanne Gauthier, Acting Secretary/Treasurer

William Ryan motioned to approve the minutes of November 22, 2016 without changes, seconded by Ted O'Hara. All members present voted in favor; motion passed. – February 6, 2017.