

**ECONOMIC DEVELOPMENT & ENERGY COMMITTEE MEETING
HELD IN ROOM #318
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512**

Members: Chairman Gouldman, Legislators Addonizio & Scuccimarra

Thursday

6:30PM

September 17, 2015

The meeting was called to order at 6:34 P.M. by Chairman Gouldman who led in the Pledge of Allegiance. Upon roll call, Legislators Addonizio, and Scuccimarra and Chairman Gouldman were present.

Item # 3 – Approval of Minutes- August 5, 2015

Chairman Gouldman made a motion accept the minutes as submitted; Seconded by Legislator Scuccimarra. All in favor.

Item # 4 – Discussion/Economic Development Corporation (“EDC”)/Ongoing Activity

Acting Chairman Jeffery Kellogg stated around January 2015 Former EDC President Meghan Taylor resigned from her position to become the Regional Director of the Mid-Hudson at Empire State Development. He stated in February 2015 Chairman of the EDC Tom LaPerch announced he was resigning and the EDC secretary accepted an offer at another place of employment. He stated on February 17, 2015 he was elected to be the Acting Chairman of the EDC with the knowledge that the Corporation did not have a president or a secretary. He stated he first focused on finding a new EDC president. He stated the County’s Personnel Department facilitated in the search to find an employee for the president position. He stated the hiring process, including the advertisement, receiving resumes and conducting interviews took approximately two and a half (2 ½) months. He stated after this process the two (2) favorable candidates “backed out” before the process was over. He stated the EDC had to start the hiring process over. He stated an offer was put out to a candidate on September 14, 2015 and he received a response from the candidate stating they are accepting the offer; however there are a few loose ends that need to be discussed before he will announce the person’s name. He stated the EDC helps organizations and corporations apply for Consolidated Funding Applications (“CFA”). He stated this year Pace University’s Land Use Law Center assisted organizations and businesses with their CFA applications. He stated there was a discussion within the EDC to see if there is a more efficient way for the Corporation to operate. He stated the EDC Board would like to move in the similar direction as the Westchester County’s EDC; the staff reports to the County and not to an independent board. He stated by working for a County instead of an EDC Board there would be more efficiencies and it reduces duplicated services. He stated he would like to remind the Committee the EDC Board is comprised of volunteers. He stated this year the EDC also over the summer hired a part-time secretary to replace the employee that left in February of this year.

Legislator LoBue thanked Acting Chairman Kellogg for providing her with the requested EDC financial information in a timely manner. She stated she does have a few questions regarding the

financial information that she will address at another time. She questioned what the salary will be for the next EDC president.

Acting Chairman Kellogg stated it would be \$85,000.

Legislator LoBue questioned how long Acting Chairman Kellogg has been on the EDC Board.

Acting Chairman Kellogg stated about five (5) or six (6) years.

Legislator LoBue stated the Legislature provides the EDC funding without having strings attached or oversight of the Corporation. She stated she is concerned with the EDC president salary increasing. She stated the EDC president in 2010 and 2011 was earning \$50,000. She stated during this time frame the EDC and the IDA shared services to save money. She stated now it appears the EDC and the IDA no longer share services. She stated the IDA is having challenges with running their Agency and meeting their State mandates. She stated the funding appropriations from the County have increased from \$122,700 to \$176,000 and the president's salary has almost doubled. She stated she is concerned because even with the EDC's high budget, she has not seen any economic development in the County. She stated originally when the EDC was developed the County planned to appropriate funding and then slowly decrease it over time; so the EDC would be self-sufficient. She stated within approximately the last three (3) years there has not been success in acquiring jobs in the County. She questioned how long Acting Chairman Kellogg would be in his position.

Acting Chairman Kellogg stated he believes that his term for his position is up in January 2016.

Legislator LoBue questioned if Acting Chairman Kellogg plans on remaining with the EDC Board.

Acting Chairman Kellogg stated he has not made a decision.

Legislator Scuccimarra stated in regards to Legislator LoBue's comments about there not being any economic growth within the County, the CFA assists with development. She stated when Former EDC President Taylor was here the County was awarded over \$1 million dollars due to CFA applications.

Acting Chairman Kellogg stated a last year \$750,000 was awarded to Green Chimney's, which will help with job growth. He stated last year the Hudson Fjord Trail also was awarded \$935,000. He stated new companies being established is not the only sign of economic growth. He stated it is about retaining the businesses that are within the County and focusing on small businesses. He stated he believes the Former EDC President was very good at promoting, meeting with businesses and generating activity within the business community. He stated it takes time for businesses to grow.

Legislator Scuccimarra stated the money awarded to the Hudson Fjord Trail will be a big boost to the economy. She stated all businesses and organizations help boost the County's economy, tourism and sales tax.

Acting Chairman Kellogg stated the EDC does help with the economy, sometimes they help with the whole Hudson Valley Region and not within Putnam County.

Legislator LoBue stated it is her understanding that Green Chimney's did their CFA application on their own. She facilitated the discussion further by providing other examples of other organizations receiving money from a CFA application they completed on their own. She stated the EDC is receiving credit from the money awarded from the CFA applications when the business should be receiving the credit.

Acting Chairman Kellogg stated all businesses and organizations apply for the CFA individually. He stated it is the help and guidance from the EDC that helps the organizations and businesses with the applications.

Legislator LoBue stated she believes the EDC should act as a lead industry. She stated it is important to target south and north of Putnam because of 75% of County's population travels outside this area for work.

Acting Chairman Kellogg stated it is tough economic times, and things take time. He stated the County is a hard sell.

Legislator Albano stated the EDC is a great corporation for a businesses or organizations to go to for guidance and suggestions.

Acting Chairman Kellogg stated in terms of Legislator LoBue's concerns with the EDC president's salary, it is now a full-time position versus 2010-2011 where the position was part-time.

Legislator LoBue stated with the high cost of an EDC president, she would like to see tangible results of economic growth in the County.

Legislator Nacerino stated networking is an important component of the EDC. She stated the EDC president's salary needs to be an enticing salary to attract a person with the right expertise and credentials.

Item # 5 –Discussion/Industrial Development Agency (“IDA”)/Emergency Funding

Chairman Gouldman stated at the last Committee meeting, the IDA requested \$40,000 for emergency funding for their Agency. He stated a letter was written to the Administration requesting that the IDA receive this emergency funding. He stated the Legislative Office received a response stating during the current economic times, the Administration cannot give funding to an outside agency.

IDA Board Member Bill Nulk stated the IDA cannot financially sustain its operations. He stated the bond market is no longer an option to generate income and the other incentive options do not create significant revenue. He stated the IDA needs to meet with the Finance Department and the Administration to discuss how the IDA can meet their reporting obligations to avoid being noncompliant with the State Mandates. He stated the model that the County is using for economic development team needs to be restructured. He stated there are several different

models to be looked at. He suggested having all the different stake holders come together to discuss a model that works for the County's economic development entities.

Chairman Gouldman stated he will be reaching out to the neighboring counties' IDAs and EDCs to see how they operate.

Legislator LoBue stated the matter of funding the IDA can be discussed during the budget meetings.

Legislator Scuccimarra stated she looked into Monroe County and Westchester County and their IDAs used the county's administration's accounting to do their reporting. She stated it would assist our IDA in saving money. She suggested having the IDA, EDC, the Administration and a Legislative Representative meet to discuss the current model being used.

IDA Board Member Nulk stated the IDA would be happy to do that.

Item # 6 – FYI/Unemployment Report- Duly Noted

Item # 7 – Foreclosure Report-FYI- Duly Noted

Item # 8 – Other Business

a. Verbal Update/Brewster Bulldogs Owner Bruce Bennett

Brewster Bulldogs Owner Bruce Bennet stated approximately three (3) years ago he became a sponsor for the Danbury Whalers. He stated the owner moved the team to Brewster. He stated Brewster is a big area that watches hockey and hockey is the #1 growing kids sport in the Nation. He stated he was made aware that the owner of the Whalers had financial problems. He stated he purchased the hockey team this year. He stated the hockey team is developing as they go and they will succeed with the assistance of sponsors.

Item # 9–Adjournment

There being no further business at 7:35 P.M. Chairman Gouldman made a motion to adjourn; Seconded by Legislator Addonizio. All in favor.

Respectfully submitted by Administrative Assistant, Lisa Sommers.