COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING

WEDNESDAY, JANUARY 25, 2017
Malone, New York

SPECIAL MEETING

Chair Martin called the Special Meeting of the IDA to order at 4:00 pm. The following were present at Roll Call:

Justus Martin, Chair
David Yando, Secretary
Melinda “Lindy” Ellis, Assistant Secretary
Rodrique Lauzon, Treasurer
David Roach, Assistant Treasurer
S. Russ Kinyon, Member
Maria Bourgeois, Executive Assistant
Greg Janisewski, Franklin County Legislator (Left at 5:33 pm)
Paul Lauzon, Franklin County Legislator (Left at 5:33 pm)
Andrea Dumas, Franklin County Legislator (Left at 5:33 pm)
Barbara Rice, Franklin County Legislator (Arrived at 4:01 pm/Left at 5:33 pm)
Donna Kissane, Franklin County Manager (Arrived at 4:01 pm/Left at 5:33 pm)
Frank DiFiore, Malone Telegram
John Child, Malone Resident
Justin Miller (Via Phone), Harris Beach, PLLC
Absent: James Ellis, Vice-Chair

Mr. Martin welcomed all to the meeting explaining that this will be a combined meeting of the IDA, LDC and CDC which is solely for the purpose of having a presentation (via phone) with Justin Miller of Harris Beach PLLC designed to provide the board with insight and direction on the role and capacity of the IDA, LDC and CDC as well as how to legally move forward in the restructuring process.

Public Comment: None

Mr. Martin then asked Justin Miller to share some of his thoughts with regard to IDA, LDC & CDC specifically. Mr. Miller provided a brief summary of three general models currently being used throughout New York State:

1) IDA supported with municipal staff. Would pay municipality a portion of salary.
2) IDA self-sufficient and supports own staff. Ability to participate in NYS Retirement System
3) Hybrid structure: Local LDC has own staff and via contract provides staffing services to IDA.

Ms. Ellis asked what the role of each entity is (IDA, LDC & CDC) and Mr. Miller responded:
**IDAs:** are a Public Benefit Corporation created by statute and separate and apart from the County (whose only role is to appoint members to the Board). IDAs are transactional in nature and exist to support industrial, commercial and manufacturing and can work directly with private investors and businesses. IDAs can issue bonds, enter into PILOT agreements, provide sales & use tax exemptions as well as mortgage recording tax exemptions. Additionally IDAs can act as a property developer, but cannot make gifts or loans.

**LDCs:** are private, not-for-profit and can be incorporated by anyone, including municipalities. Although they cannot exempt real estate taxes (PILOT), they do have the power to make loans and grants. LDCs also have the power to acquire surplus property from municipalities. There are local EDOs that do general marketing, business attraction and retention and acting as a staffing organization for IDAs.

**CDCs:** are created for the purpose of issuing tax-exempt bonds for civic facility projects

Ms. Ellis asked if there was an advantage to having the three entities together as is the current structure. Mr. Miller responded that it is helpful to have a “one stop shop” for economic development purposes and can be a more effective delivery center for services.

Mr. Yando asked if there is an advantage to having different board members and directors for each entity, to which Mr. Miller responded that having the same board is fine, that it’s hard to find members to staff different boards. He added that an LDC can have as big a board as you want, whereas the IDA and CDC are limited in that the County controls appointments, but it could be looked at. Each entity could have different committees with 3rd parties to sit on them—legislators or community members. LDC could even create a loan committee that would review and underwrite loans before they are submitted to the board.

Mr. Martin then asked if it is possible to have a board member fill a position as staff needs grow, to which Mr. Miller responded that an existing board member could step into a position, but that person would have to recuse themselves from any discussion and voting on anything related to appointment or salary, etc. He added that a board member can play a role as CEO on a temporary or permanent basis. Mr. Miller added that if you were to hire staff for the LDC that was serving the needs of the IDA, the IDA can pay for that via services agreement or contractual structure. As far as sharing staff with a municipality, you could have Russ Kinyon serve as CEO of the IDA.

Ms. Rice stated that Mr. Kinyon is a County employee as well as an IDA board member and asked Mr. Miller if he sees any issues if Russ were to become an interim employee of the IDA and Mr. Miller answered that it is not a problem, but Mr. Kinyon would have to step out and abstain from board business. If, after a search to fill a role, it’s determined that Mr. Kinyon is the best candidate for the position, it would be best for him to give up his seat on the board. It would avoid potential conflicts. A workable time period would be 6 months to a year while conducting a search.

Ms. Ellis asked Mr. Miller to list some skills and/or personality traits needed for:

**LDC:** Lending background (retired banker), marketing background, promotion/public relations skillset for attraction and retention. Relationship building skills.
IDA: Understanding of local government and how it works. Planning or government background, military background. Development experience. They need to understand clients and what they need. Need to know how to make balance sheets work, etc. needs to have a solid understanding of banking and the stress that developers are under, etc.

Ms. Kissane wished to state for the record, that none of this has been discussed in a legislative meeting. If this is something the IDA is interested in pursuing, they need to submit a proposal to the legislature. The County hired Mr. Kinyon to do economic development and he is spending a lot of time of IDA tasks, while the County has projects that they need tackled. They would need to back out time spent on IDA.

Mr. Martin asked Mr. Miller what he sees as next steps to consider from the board to which Mr. Miller replied that the website looks good, has all the basic pieces and part, we have good "Corporate Hygiene" – you could put Mr. Kinyon into a temporary position while doing a search.

Mr. Ellis said he’d like to have Mr. Miller come up for a Board Retreat/Planning Session and Mr. Miller indicated he would be in the area the third week of February.

Mr. Martin thanked Mr. Miller for all of the information and then passed around a proposal to the board to contract with Harris Beach as we move forward with restructuring. The board could adopt at its next meeting.

Mr. Martin then suggested holding another special meeting to come to some clear decisions on where things are. He asked board members to email him with what they see as the next three steps, as well as to provide him with any thoughts they have on a temporary/permanent director and future structure of agency.

Ms. Kissane informed the board that the next legislative meeting would be held on February 2nd. The board then decided to hold a special meeting on Wednesday, 2/1/17 at 10 am for the sole purpose of drafting a County proposal on an interim director for the IDA.

Adjournment: With no other business to conduct, Mr. Martin adjourned the IDA meeting at 5:45 pm on a motion by Mr. Ellis, seconded by Mr. Lauzon. All in favor.

[Signatures]

Board Chair (Vice-Chair)  
Date

Secretary (Assistant Secretary)  
Date