

**ULSTER COUNTY LEGISLATURE
COMMITTEE MEETING MINUTES**

NAME OF COMMITTEE: Economic Development & Tourism Committee

DATE: November 1, 2010

TIME: 5:00 PM

PLACE: Library Conference Room, 6th Floor
244 Fair Street, Kingston, NY

LEGISLATORS PRESENT: Chairman James Maloney, Legislators Frey, Hayes, Petit (arrived at 5:12 PM), Sweeney, Donaldson, Loughran (arrived at 5:17 PM)

LEGISLATORS EXCUSED: Legislators Rodriguez and Terrizzi

OTHERS ATTENDING: Legislator Hochberg; Lance Matteson, President UC Development Corp.; Carl Meyer, CO-CEO Solar Energy Consortium (TSEC); James J. Hanson, Deputy Budget Director; Robert DiBella, Director of Public Transportation; Victor J. Melville LWV Observer Corp.; Mary Bernholz, parent of John A. Coleman H.S. student, Morgan Bernholz, John A. Coleman student; Victoria Fabella, Deputy Clerk, Legislature

The meeting was called to order by Chairman Maloney at 5:03 PM.

- Attendance
- A motion by Legislator Frey was made to accept the October 4, 2010 Committee Meeting Minutes, seconded by Legislator Sweeney, all were in favor, Carried.

Chairman Maloney welcomed John A. Coleman High School student Morgan Bernholz who attended tonight's meeting to complete an assessment and learn about government.

- Resolution:

Resolution Draft No. 1101 - November 16, 2010: Accepting Additional State Operating Assistance Funding For County Public Transit Operators - Amending The 2010 Ulster County Budget - Department Of Public Transportation (Ulster County Area Transit)

Motion offered to move Resolution forward by Legislator Hayes, Seconded by Legislator Frey, Unanimously in Favor, Carried.

Chairman Maloney pointed out that the information requested of Bob DiBella re: New Paltz Loop ridership/Saugerties runs has been included in the Committee Members' packets.

- Lance Matteson, President UCDC: 2011 Proposed Budget Review

(Handouts: UCDC Report of Activities and Services for 2009 and the UCDC 2011 Draft Budget)

**Ulster County Development Corporation
2011 Draft Budget**

Account	2009 Actual	2010 Budget	2010 Projection	2010 Variance	2011 Budget	Assumptions
						"Pass through" type funds not included
INCOME						
Administrative Fees - IDA	85,000	85,000	85,000	0	85,000	Contractual minimum fees from IDA; same as 2010
Administrative Fees - RLF's	33,481	35,000	31,000	(4,000)	31,000	RLF admin fees plus closing fees from 2 new loans
Application Fees	1,500	600	0	(600)	600	
Shovel Ready Admin Fee	0	10,000	10,000	0	0	
Annual Awards Dinner - Sponsors	20,850	20,000	20,000	0	20,000	Same as 2010
Annual Awards Dinner - Reservations	18,600	15,000	15,000	0	15,000	Same as 2010
Fundraising Events	0	0	13,500	13,500	16,000	New line item for fundraising events; tracks 2010 plan
Contributions	13,300	67,200	53,700	(13,500)	42,000	Aggressive but doable fundraising goal
Ulster County Base Contract	200,000	200,000	200,000	0	200,000	Same as 2010
Ulster County Incentives Contract	200,000	200,000	200,000	0	200,000	Same as 2010
IDA Marketing Support	10,000	10,000	10,000	0	10,000	Same as 2010
Grants	0	0	0	0	11,400	New line item, plausible grants goal
Bank Interest Income	172	300	100	(200)	200	Based on 2010 interest earnings
Website Advertising	1,200	1,200	1,000	(200)	2,000	Based on 2 \$1,000 ads
Misc Income	960	1,000	1,000	0	1,000	Ongoing payment of old loan from Chapter 13 bankruptcy
Grand Total Income	585,063	645,300	640,300	(5,000)	634,200	
Increase to or (Draw on) prior year cash reserve	33,123	0	17,300		0	
Total Cash Needed for Balanced Budget w/o Depreciation	551,940	645,300	623,000		634,200	
EXPENSES						
Annual Awards Dinner	28,974	28,000	28,000	0	28,000	Same as 2010
Computers	14,016	18,000	17,000	1,000	3,900	Reduced; starting 2011 excludes maintenance contract
Computer system maintenance contract					9,600	Broken out from computers starting 2011
Bank Fees	68	100	0	100	0	
Fundraising Events	0	0	8,300	(8,300)	9,500	New line item for fundraising events, builds on 2010 plan
Grant Writing	0	4,000	4,000	0	2,900	Support for grants for clients and UCDC
Insurance	4,114	4,800	4,600	200	4,800	Based on current insurance policies
Mktg - General	20,505	18,000	23,500	(5,500)	27,500	Aggressive multi-media marketing, ads, collateral
Mktg - Website, Social Media	1,693	6,000	4,600	1,400	5,400	Web and social media support; down from 2010
RE Development	0	8,000	6,500	1,500	18,500	Aggressive real estate, shovel ready sites development
Industry Cluster Development/Events					4,000	New line item for industry cluster work/events
Occupancy - Rent	22,132	23,000	22,200	800	22,300	Flatline budget assumed
Occupancy - Telephone	11,087	8,000	11,400	(3,400)	11,000	Reduced telephone costs
Office and Admin Expense	21,648	18,000	12,000	6,000	11,500	Reduced office/admin expense budget
Personnel	361,505	418,400	413,400	5,000	415,900	Flatlines compensation, no COL increases assumed
Professional Fees	31,064	32,000	30,000	2,000	22,300	Assumes lower audit fees; reduced from 2010
Training	500	1,000	1,000	0	1,000	Same as 2010
Professional D&M	23,908	28,000	27,000	1,000	24,700	Includes 20,000 for HVDC marketing, shovel ready
Public Relations	450	12,000	100	11,900	2,400	Reduced from 2010 budget
Travel	10,278	18,000	9,400	8,600	9,000	Down from 2010
Total Expenses w/o Depreciation	551,940	645,300	623,000	22,300	634,200	
Depreciation Expense	57,069	55,000	57,100	(2,100)	57,100	Mostly relates to equipment from single old project
Grand Total Expenses	609,009	700,300	680,100	20,200	691,300	

Lance discussed the above handout pointing out that the overall 2011 budget is less than what was proposed in 2010.

Chairman Maloney: Q./In looking at the Executive's budget (p. 283), why is there no funding for *Ulster Tomorrow*? A./ *Ulster Tomorrow* had some funding when we were in the promulgation phase, while we were facilitating all of the meetings and discussions for all of the 15 strategy teams. UCDC was responsible for all the logistics. After that came to a head and the Legislature adopted *Ulster Tomorrow* into the Comprehensive Plan of the County, that phase came to a close and it was time for implementation of the Plan. The implementation is what you pay us to do. Every one of the tasks that we do is an implementation of some aspect of *Ulster Tomorrow*. We are tracking what we do and will be reporting on it formally.

Legislator Donaldson: Q./ Can you get a copy of the *Ulster Tomorrow* findings for the new Legislators? A./ Yes. Also, it's readily available online on the County's website and UCDC's website.

Legislator Frey: Q./ When can we get the job creation/job loss report? We'd like to see what areas are being hit hard with job losses and what is being done to correct that, plus the creation of new positions. A./ We are focused on retention and job creation activity. We are on the verge of submitting our first claim for job growth/retention projects. The big hero is Precision Flow Technologies. We are putting in 184 jobs created and hired in 2010 to date. Legislator Frey: Q./ I know the Dept. of Labor has a report per code, per jobs lost, retained, and created. When will we get a report like that so we can look at the whole picture for Ulster County? A./ Dept. of Labor does send monthly labor reports for the Kingston MSA. There are a number of spreadsheets that show the unemployment rate and they go through the different sectors, showing what the employment level was a year ago, what it is today, average wages, etc. We can certainly share that with you.

Legislator Donaldson: Q./ Can you share that report with us via e-mail? A./ Yes, I will send it to Chairman Maloney so he can distribute it as widely as he'd like.

Chairman Maloney: Q./ Any info on Part Search? I understand they were sending people home today. A./ It is very clear there is something going on. We will be supportive and try to retain jobs if we can. I have had discussions with the people there and the former CEO. The County Exec's Office and the OneStop Job Center are in the picture on this. We should know more tonight or tomorrow morning and are definitely on it.

Chairman Maloney: Q./ In comparing the 2011 Executive's recommended budget with your handout, I fully understand that the two are intertwined but yet a little different. However, the Exec has a recommendation of \$557,500 for contractual expenses, including TSEC. You have \$634K on the revenue side, which includes both the UCDC and TSEC contracts with the county. If you don't make the mark on the rest of your revenue side, are you going to be over budget? A./ No. The TSEC \$150K is not in the budget I handed out to you, nor is the Kingston Ulster Empire Zone amount of \$7,500. So I believe it is consistent. If you minus the \$150K and the \$7.5K from the Executive's \$575.5K you get \$400K, which is equal to the two \$200K entries on my handout. It is true that if our expenses are down, we'll have a better bottom line. The opposite is true as well. We are assuming that our insurance costs are not going up. Chairman Maloney: Q./ I understand that the TSEC money is a pass thru and that's why it may not have been included, but still if you don't make the mark on your other revenue projections, you are going to have to adjust your expenses. A./ That's correct. My biggest concern in falling short would be fundraising in the private sector. It's a tough time to do that. We are doing pretty well given the current climate but will fall a little short of our goals this year. We could do a lot more if we had the resources but we do understand that money is tight. We believe that we can do our job and get a lot done with this budget.

Legislator Sweeney: Q./ Understanding the importance of pounding the pavement to keep business thriving, is your travel and marketing budget enough for your representatives to get out and speak to CEO's and other key players? A./ There are other ways we can do marketing and pay for some of our travel costs. To clarify, the line item in our budget, Professional D&M, Dues and Maintenance, includes the Hudson Valley Economic Development Corporation dues from Ulster County from UCDC for mainly marketing, but also includes some kinds of Economic Development regional activity. They do a lot of the advertising, site selection, smoozing, organizing events, and setting up of business conferences. We go to some of them ourselves and sometimes we pay for our expenses and sometimes they cover our expenses. So that's part

of what we are buying from them. That said our travel budget is thin. When we do attend conferences, it's done on the cheap. In terms of Economic Development, I believe the best return on investment of time is networking with leads that you get with your existing companies and then following up on those. That's where you have to pick up the phone or pound the pavement, and a lot of those leads are within driving distance. You have a better chance of someone coming here when they are already familiar with the area and have a connection here, i.e. a second home or like to ski in the area. Following this theory, we could do a lot with the budget with have despite it being thin.

Legislator Hayes: Q./Back to *Ulster Tomorrow*, I'm wondering if we do outreach with the Town Supervisors? A./ Yes. They are a primary partner and I speak with John Valk, facilitator of the Supervisors regularly. When we deal with projects, we deal with the Supervisors every week, sometimes everyday. We could use better communication with Supervisors on a planning basis. Getting more engaged with the Supervisors and getting their perspective is something we are working on. Legislator Hayes: I believe that if the Town Boards had a better understanding of the initiatives of *Ulster Tomorrow*, you would have better reception. Lance Matteson: Agreed. Over the last year UCDC has set up a new committee chaired by Paul Hakim called the Balanced Growth Committee. Their purpose is to promote awareness and education about economic development, both on a project by project basis and more generally, about the purpose of economic development and how it matters to your community. There has been a series of classes in conjunction with the Planning Board on how economic development works and a few Supervisors and a lot of Planning Board Members have attended. The recent class in New Paltz on pilot agreements produced a very good dialogue.

Legislator Loughran: Q./ How much space is there at Tech City total, how much is rentable, and how much is rented? A./ We use the number of 2 million square feet as a rounded number. The masterplan for the middle buildings, 1 and 3, says the best use of these buildings is as parking areas so that we can open up new Greenfield development on the North parking lot area. If you remove those, you are left with 1.6 million square feet total. 60%, so about 1 million, is leased.

Legislator Petit advised to keep an eye on Bank of America in terms of retention because they are very technology driven. With everything going electronic, the "seasonal" jobs have now been reduced to about 2 months of work.

Legislator Frey commented that he met with the developers of the Partition Street Project in Saugerties and they are moving forward with the project because of the support they have gotten from Ulster County and UCDC. I commend you and your staff. It is a great project for Saugerties and we thank you.

- Carl Meyer, CO-CEO Solar Energy Consortium (TSEC):

LEDs America has announced that they are moving to Tech City to take about 10,000 square feet. Headquartered in Jupiter, FL, they currently manufacture their LED lights in China. They are not happy with the quality of the Chinese lights. LEDs America has an aggressive R&D department which has designed new fluorescent tubes with a significantly higher life. They want to manufacture here and are on our job creation report to have up to 50 employees next year.

We've been talking with Callanan Industries, as they are very into energy & have shown interest in a solar farm.

Legislator Loughran: Q./ Do you do any work with NYPIRG? I understand they have programs that promote different types of alternative energies. A./ My sense was they were focused on energy efficiencies, but I will check their website and see if there's something there.

Carl asked if there was a new contact at the Resources Recovery Agency, as he had been working closely with them on the issue of the Ulster County landfill. Legislator Petit gave Tim Roses' contact information. Carl wants to resume conversations on the subject as Callanan's has an underpass underneath Route 32. On the concern of getting across without going through a public byway, that, he thinks, would qualify. It would allow us to put panels on the landfill and move the energy through to Callanan's. They are enthusiastic. It's something to look at.

- Adjournment:

The meeting was respectfully adjourned at 5:50 PM with a motion offered by Legislator Donaldson and seconded by Legislator Sweeney, with all in favor, carried.

Respectfully Submitted,

James Maloney/vf
Chairman Economic Development & Tourism Committee