

## WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: ECONOMIC GROWTH & DEVELOPMENT

DATE: JANUARY 13, 2012

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS TAYLOR  
CONOVER  
MONROE  
WOOD  
MASON

**OTHERS PRESENT:**

REPRESENTING ECONOMIC DEVELOPMENT CORPORATION:  
VICTORIA PRATT GERBINO, PRESIDENT  
JENNIFER SWITZER, DIRECTOR OF FINANCE  
PATRICIA TATICH, DIRECTOR OF PLANNING & COMMUNITY DEVELOPMENT  
DANIEL STEC, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ADMINISTRATOR  
MARTIN AUFFREDOU, COUNTY ATTORNEY  
JOAN SADY, CLERK OF THE BOARD  
KEVIN GERAGHTY, BUDGET OFFICER  
SUPERVISORS MERLINO  
STRAINER  
THOMAS  
WANDA SMITH, CONFIDENTIAL SECRETARY TO THE COUNTY ADMINISTRATOR  
SKIP STRANAHAN, WE THE PEOPLE  
THOM RANDALL, *ADIRONDACK JOURNAL*  
CHARLENE DIRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

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Mr. Taylor called the meeting of the Economic Growth & Development Committee to order at 9:32 a.m.

Motion was made by Mrs. Wood, seconded by Mr. Conover and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Victoria Pratt Gerbino, President of the Economic Development Corporation (EDC). Copies of the agenda were distributed to the Committee members; *a copy of the agenda is on file with the minutes.*

Mr. Taylor informed the Committee of grant funding in the amount of \$200,000 which had been awarded to Warren County by the New York State Office of Community Renewal under the Community Development Block Grant (CDBG) MicroEnterprise Loan Program. He said there were complications with acceptance of the grant funding and asked Mr. Monroe if there was a possibility for use of the grant funding in the Town of Chester. Mr. Monroe advised the Town of Chester had received other grant funding for the project in the Town of Chester and therefore, had no use for the MicroEnterprise Loan Program funding.

Paul Dusek, County Administrator, explained that Warren County had received an award of \$200,000 for the MicroEnterprise Program as a result of an application submitted by the Planning & Community Development Department in 2011. The stipulation on the grant award, he continued, was a requirement of matching funds in the amount of \$200,000. He said the Planning & Community Development Department had initially considered utilizing \$200,000 from the LDC (Local Development Corporation) fund for MicroEnterprise loans in order to meet the matching funds requirement and yield a loan fund of \$400,000. Mr. Dusek explained that when the documentation for the grant agreement was received it was determined that acceptance of the grant funding would restrict the use of the \$400,000. He stated the grant agreement documentation had been reviewed by Ms. Pratt Gerbino, Patricia Tatich, Director of Planning & Community Development and Martin

Auffredou, County Attorney, all of whom had reservations concerning the restrictions. He said it was determined that a Committee meeting was necessary to decide if it was feasible to accept the grant funding or if it would be more beneficial to decline the funding.

Ms. Pratt Gerbino stated the initial concerns of the EDC were that the \$200,000, which would be used for the matching funds requirement, were currently de-Federalized funds which could be used without restrictions. She stated loans utilizing the MicroEnterprise grant funding could only be awarded to start-up companies for a maximum loan amount of \$35,000. She advised the businesses would be required to submit a significant amount of documentation and prove the recruitment of employees with low to moderate income levels. She advised the administration required for the MicroEnterprise Loan Program was extensive and cumbersome. She recommended the County decline the New York State Office of Community Renewal, CDBG MicroEnterprise Loan Program grant funding.

Ms. Tatich advised that CDBG funding attempted to meet national objectives pertaining to low to moderate income levels. At the time the application was submitted, she added, it was understood that the employees would need to meet the low to moderate income requirements; however, she continued, when the documentation was received it stated the owner of the business would also need to meet the income requirements. She noted that when the application was submitted online, she had been unable to print a copy for her files. She pointed out that MicroEnterprise Loans awarded through this program were for working capital only and could not be used for the purchase or construction of the building. She noted the grant award also had a 24 month deadline in which to assist ten new start-up companies.

Mr. Monroe asked about the possible ramifications of declining grant funding and Ms. Tatich replied the County had declined grant funding twice in the past and had included an explanation letter and gracious declination. Ms. Pratt Gerbino pointed out that the guidelines for use of the MicroEnterprise Loan Program funding limited the loan amounts from \$5,000 to \$35,000 and the revised EDC draft guidelines would allow loans beginning at \$3,000. She advised the EDC would have greater flexibility with issuing small business loans utilizing the existing \$200,000 if the MicroEnterprise Loan Program funds were declined.

Mr. Auffredou stated the 24 month time period for expending the grant funding had begun on December 9, 2011. He said he had been informed of the possibility of extending the deadline for acceptance of the grant funding but the funds would need to be expended by December of 2013. He noted the Special Conditions listed in the documentation for the grant funding included a number of items the County would need to complete in order to utilize the funds. He added the items could be completed but it would take some time to do so. He advised the Special Conditions would need to be completed and returned to the Office of Community Renewal within 45 days of the receipt of the grant agreement or mid February. Ms. Pratt Gerbino mentioned the grant agreement required them to identify and grant loans to ten start-up companies, which met the criteria, by December 2013.

Following a brief discussion, Mr. Mason stated he would like to make a motion to decline the New York State Office of Community Renewal grant funding in the amount of \$200,000 under the CDBG MicroEnterprise Loan Program and to authorize a gracious letter of explanation to accompany the declination.

Mr. Conover asked if the City of Glens Falls had any interest in utilizing the grant funding and Ms. Tatich replied the CDBG funding was for non-entitlement communities which did not include the City

of Glens Falls. Mr. Mason opined a mistake had been made in submission of the application for MicroEnterprise grant funding, as the grant was very restrictive. He stated the largest issue with grant funding was that they were accepted due to the dollar amount but the restrictions and additional work involved in completing the grant essentially cost more. He suggested the County be careful prior to applying for grants to ensure projects had been identified for use of the funding. Mrs. Wood apprised that at the time the grant application was submitted, it was clear which small businesses would be assisted with the funding. She stated the current restructuring of the Planning & Community Development Department had not been known at the time the grant application was submitted. She expressed her complete faith in the Planning & Community Development Department and its employees. Mrs. Wood said she was not opposed to declining the grant funding but she wanted to ensure there was no possible way to utilize the grant funding before doing so. Mr. Taylor noted accepting the funding required matching funds in the amount of \$200,000 and reminded the Committee that the EDC was opposed to utilizing the \$200,000 currently earmarked for small business loans, as doing so would place restrictions on those loans. Mr. Conover reiterated the importance of contacting representatives from the City of Glens Falls to determine if they had any need for the grant funding.

Following further discussion on the issue, motion was made by Mr. Conover, seconded by Mr. Mason and carried unanimously to decline the Office of Community Renewal Community Development Block Grant MicroEnterprise Loan Program award in the amount of \$200,000 and to authorize a gracious letter of declination, contingent on verification that the City of Glens Falls or any other municipality in Warren County had no interest in said funding. *The necessary resolution was authorized for the January 20, 2012 Board meeting.*

Mr. Taylor noted the next item on the agenda was to discuss the introduction of proposed Local Law No. 3 of 2012, which pertained to the Planning & Community Development Department staff reviewing some of the matters which were previously under the purview of the Warren County Planning Board. Mr. Dusek explained that the elimination of the Warren County Planning Board had been decided during the budget process and as a result matters had been referred to the Adirondack Regional Planning Board for review. He said the decision had been made to retain some of the staff of the Planning & Community Development Department and some discussions had been held concerning the possibility of having the staff review local zoning and planning matters, as opposed to referring them to the Adirondack Regional Planning Board. Mrs. Wood stated she was in favor of this option; however, she added, the Planning & Community Development Department had been restructured and there would be less staff available to take on this additional duty. Mr. Dusek apprised that agreements would be negotiated with each municipality to reduce the number of matters referred to the Planning & Community Development Department. He noted the end result of these changes should be a more efficient system than was previously in place. Mr. Auffredou reviewed proposed Local Law No. 3 of 2012 in detail and a brief discussion ensued.

Motion was made by Mr. Monroe, seconded by Mrs. Wood and carried unanimously to introduce proposed Local Law No. 3 of 2012 entitled "A Local Law Granting the Warren County Department of Planning and Community Development Authority for Review of Zoning and Planning Matters Referred by Municipal Referring Bodies within Warren County Pursuant to General Municipal Law Sections 239-1 and 239-m". *A copy of the Proposed Local Law is on file with the minutes and the necessary resolution was authorized for the January 20, 2012 Board meeting.*

Mr. Taylor stated the next item on the agenda was a request for out-of-State travel to allow the GIS (Geographic Information System) Coordinator to attend FEMA (Federal Emergency Management Agency) Training on June 17-22, 2012 in Emmitsburg, Maryland at no cost to the County.

Motion was made by Mr. Conover, seconded by Mrs. Wood and carried unanimously to authorize out-of-State travel as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the January 20, 2012 Board meeting.*

Mr. Taylor stated the last item on the agenda was to discuss the contract between Warren County and the Warren County Local Development Corporation (LDC) to administer and perform economic development programs and initiatives, County and community planning services and grant/loan programs. Mr. Dusek advised this contract was part of the necessary transition process caused by the restructuring of the Planning & Community Development Department. As part of the restructuring, he continued, the staff of the Department had been reduced and the economic development aspects of the Department would be reassigned to the LDC. He said the original concept had been to reassign the economic development aspects of the Planning & Community Development Department to the EDC in exchange for some of the funding which had been allocated; however, he continued, due to various laws and concerns, it was determined that the reassignment of duties would be to the LDC. He explained that the EDC was a public-private corporation which was not subject to the PAAA (Public Authorities Accountability Act) and therefore, was not PAAA compliant. He added the suggestion had been to reassign the duties to the Warren County LDC who would contract with the County to administer the programs. He added the LDC in return would contract with Keena Staffing, the technical employer of the EDC, to supply professional staff to manage the loan fund. Mr. Dusek pointed out there would be a number of agreements which would need to be completed in order to establish this procedure.

Ms. Pratt Gerbino alluded to manually entered transferals on loan payments which were previously performed by the Planning & Community Development Department and were not currently being completed. She explained the EDC did not possess the necessary authorization or a contract in place to make withdrawals from the businesses accounts in order to complete these loan payments. She reiterated that the EDC staff members were employed through Keena Staffing. She said the County could enter into an agreement with the LDC to manage the loan fund and the LDC would contract with Keena Staffing. She pointed out this would keep the reporting requirements clear. Mr. Auffredou noted that draft agreements had been completed and were in the process of being reviewed.

Following further discussion on the issue, motion was made by Mr. Monroe, seconded by Mrs. Wood and carried unanimously to authorize the contract between Warren County and the LDC as outlined above. *The necessary resolution was authorized for the January 20, 2012 Board meeting.*

There being no further business to come before the Economic Growth & Development Committee, on motion made by Mrs. Wood and seconded by Mr. Monroe, Mr. Taylor adjourned the meeting at 11:02 a.m.

Respectfully submitted,  
Charlene DiResta, Sr. Legislative Office Specialist