

Rockland Economic Development Corporation

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**MINUTES OF THE BOARD OF DIRECTORS MEETING
WEDNESDAY, JANUARY 23, 2013 – 5:00 P.M.
THE SALVATION ARMY CONFERENCE ROOM • WEST NYACK, NY**

Present:

Raja R. Amar	Bruce W. Mason	Robert E. Seaman, III
Harriet D. Cornell*	Hector A. May*	Burt Steinberg**
Stephen Coyle	Malcolm G. McLaren	Sr. Kathleen Sullivan
Eric Dranoff*	Donald T. McNelis	James B. Tully
Rafael Espailat	Thomas Rau	Quinton C. Van Wynen
Sandra D. Grannum	Marian Rokeach	Steven M. Yassky
William F. Helmer	Mark D. Rothenberg	

Absent:

Karim A. Abood**	Paula Mandell	Serge Seguin
Vincent L. DeLucia	John A. Maraia, Jr.*	Hon. C. Scott Vanderhoef*
Judith Hershaft	Dr. Mary Jean Marsico*	Aimee Vargas*
Jack F. Holt	Philip A. Patterson	Alan Yassky**
Jonathan Kupperman	A. Jon Prusmack	Cliff L. Wood

*Ex-Officio Directors; **Director Emeritus

IDA: Steven Porath

Staff: Liz Cranston, Michael DiTullo, Liz Kallen, Jayne Nichols, Raquel Soto

Guests: Maj. Philip Lloyd and Maj. Carl Ruthberg, The Salvation Army

The regular meeting of the REDC Board of Directors was called to order by Sandra Grannum, Chair, 5:12 p.m. and a quorum was present.

► **Motion:** A Motion to accept the Minutes of the December 12, 2012 meeting. Motion by Burt Steinberg and seconded by Don McNelis. Motion passed unanimously.

► **Motion:** A Motion to accept the Treasurer's Report. Motion by Mark Rothenberg and seconded by Burt Steinberg. Motion passed unanimously.

► **Motion:** A Motion to adjourn. Motion by Robert Seaman and seconded by Bill Helmer. Motion passed unanimously.

Treasurer's Report

Quinton Van Wynen reported that REDC closed out the year significantly higher on the revenue side due to the DoD/PTAC budget cycle, which runs March 1-February 28. However, on the expense side, YTD actual stabilized at \$667k, which is a very strong expense base going into 2013, putting REDC on solid financial ground. The proposed 2013 budget is a good base for both revenue and expense and the County's contribution, along with the revenues from the Awards luncheon, are key to moving forward on the revenue side. The 2013 increase in total expenses (\$753,400)

is due to: salary increases, an equipment upgrade—REDC purchased a much needed new network server, and an increase in funds dedicated to an external marketing campaign.

President's Report

In reference to the Treasurer's report, Michael DiTullo further noted that the financial picture improved with revenue exceeding expenses by more than \$150,000 against a loss of \$78,000 in 2011 and loss of \$25,000 in 2010. Even though County government funding was cut in mid year by \$37,500 and \$75,000, respectively, with aggressive cost saving reductions of monthly reoccurring costs (insurance, payroll service, occupancy, dues, etc.), deferring some office equipment, IT and other expenses—and increased revenue from the Annual Awards Lunch, PTAC, and Westchester/Orange/Rockland IDA's, REDC was able to realize a margin for the first time in years.

He also added that the increase in salaries is due in part to hiring a part time PTAC counselor that will be solely dedicated to managing the PTAC Program in Westchester County. However, he plans to request an increase in funding from the Westchester County IDA, to help offset the additional expense.

Michael highlighted the action items and results in his 10-Point Action Plan Matrix, which was included in the board packets. He noted that in 2012, nearly 1.4 million square feet of industrial/flex/office space was absorbed with attraction/expansions including: Hunter Douglas, The Martin Group, Raymour & Flanigan, FedEx Ground, Protein Sciences, Nice-Pak, among others. Prospect inquiries continue to increase with five current prospects placing Rockland on their short list for attraction or retention. By November 2012, year over year the county gained 1,200 private sector jobs with a 6.4% unemployment rate, the second lowest in New York State.

The Matrix handout also included a 2013 Action Plan and Priorities as well as 2013 PTAC Goals, including: building on REDC's baseline internal marketing materials to develop an external marketing campaign to target North Jersey, Connecticut and the Metro-region, as well as, in collaboration with RBA, WIB, IDA, O&R and the County, work to create awareness and interest in the NYS Consolidated Funding Application. Possibly organize workshops with the five towns and businesses to induce more Rockland applications for priority funding projects and public-private partnerships.

NOTE: Chair, Sandra Grannum, asked that all directors review the Matrix in more detail after the meeting and provide any thoughts/input/feedback regarding the results to Michael and copy her.

Recent economic development activity includes: Protein Sciences, a Connecticut-based manufacturer in the life sciences industry moved into 80,000+ square feet of space at the Pfizer Pearl River campus, creating 80-100 new jobs.

In addition, Steven Porath, IDA Executive Director, noted recent IDA economic development activity including: Harbors Haverstraw, a \$22 million investment in Haverstraw creating approximately 15 new, full-time jobs over the next two years, and will make a dramatic positive impact on the economic vitality of the community; Cerovene, a pharmaceutical manufacturer purchasing and renovating an existing Orangeburg-based facility. Cerovene plans to invest \$8.4 million and create 66 new, full-time jobs over the next seven years; NYLO Nyack, a \$24 million project in Nyack, renovating an old existing facility into a new 132-room boutique luxury hotel. The NYLO project will create 50-75 new, full-time and part-time jobs; United Structural Works (USW), plans to invest \$2 million for the expansion of its existing Congers facility; and Raymour & Flanigan, has plans for an additional expansion of their 2012 project, an additional \$9 million investment.

Liz Kallen elaborated on the 2013 PTAC Goals, one of which included hiring a PTAC counselor dedicated to Westchester County and introduced recent hire, Raquel Soto.

Committee Reports

Executive Committee – Sandra Grannum, Chair, noted that a list of 2012 committees and their respective mission statements is included in the board packets. Each director is to review the list and required to join a committee. In addition, between this board meeting and the next, March 20th, all committee chairs are required to host at least one meeting.

Steven Yassky suggested that a Marketing Committee be added to the list to focus on the 2013 external marketing campaign. Chair Grannum agreed.

Board Development Committee – James Tully, Chair, noted that there are a number of directors with terms that expired 12/31/12 and to instill a new enthusiasm on the board, the committee will be actively looking at suggested candidates recently proposed. As always, if anyone has someone in mind, please send the names directly to Jim to present to the committee for consideration. In addition, he noted that (2) board replacements were already approved including: Kerrin Mahaffey, Site Leader at Pfizer Inc., replacing Chuck Schneider, and John McAvoy, O&R President & CEO, replacing William Longhi.

Audit Committee – Stephen Coyle, Chair, reported that the committee sent out an RFP for Professional Auditing Services, to complete the 2012 audit. Based on the responses, Korn Rosenbaum was selected. They will begin the audit in March and he will report the results when made available.

Public Policy Committee – Robert Seaman, Chair, noted a recent article in *The Journal News*, featuring Michael discussing REDC's 2012 accomplishments and 2013 goals/priorities. He stated that it was an excellent article and he encourages everyone to read it. In addition, he noted that as one of the action items in Michael's 10-Point Action Plan – to launch a "Speaker's Bureau" to create awareness and support from internal customers (such as service clubs, social/community groups, towns, villages and private firms), he would like to request that directors are notified in advance so they can actively participate whenever presentations are being made to business and service groups, at municipal meetings, real estate groups, college conferences and seminars, as well as HVEDC and ESD meetings.

Governance Committee – William Helmer, Chair, noted that the committee will meet to review the By-laws and make any necessary recommendations to adopt at the March 20th board of directors meeting.

Finance Committee – Quinton Van Wynen, Chair, noted that he needs more committee members and welcomes anyone interested in serving on the committee. Essentially, the committee approves the current year budget as well as a proposed five-year budget and monitors it throughout the year.

Old Business – None to report.

New Business – Hon. Harriet Cornell, Chairwoman, Rockland County Legislature, noted that Mid-Hudson Regional Economic Development Council member, Al Samuels, asked her to look into creating a committee to focus on submitting Rockland-based business applications to receive funding from the Regional Council program. She also stated that she would like Michael to get on board and participate on the committee.

Eric Dranoff, Chair of the Rockland IDA, noted a troubling recent initiative at the state level citing Gov. Andrew Cuomo's executive budget that would require state sales tax exemptions for projects to get approval from a state regional economic development council, as well as local approval. If implemented, this initiative can cripple many of the IDAs as they rely on the incentive to attract and/or retain businesses. He noted that it is imperative to the Rockland IDA to do the best they can to oppose Governor Cuomo's plan. Currently, IDAs can grant tax benefits without consulting the state or getting input from the regional economic development councils.

Guest speakers, Maj. Philip Lloyd and Maj. Carl Ruthberg, The Salvation Army, presented their programs and services.

There being no further business, the meeting was adjourned at 6:19 p.m.