

SARATOGA GAMING AND RACEWAY FOUNDATION, INC.
BOARD OF DIRECTORS MINUTES

JULY 9, 2009 at 9:00 A.M.

PRESENT AT MEETING: Chairperson Matthew Veitch, Supervisor-Saratoga Springs; Vice Chairperson Scott T. Johnson, Mayor-Saratoga Springs; Treasurer George “Skip” Carlson, Saratoga Gaming and Raceway and Secretary Arthur J. Johnson, Chairman-Saratoga County Board of Supervisors

ABSENT FROM MEETING: Director George Karam, Saratoga Harness Horsepersons Association, Inc. and Mark M. Rider, Saratoga County Attorney-Counsel to the Board

Mr. Veitch welcomed everyone and called the meeting to order.

On a motion made by Mr. Scott Johnson, 2nd by Mr. Carlson, the minutes of the June 25, 2009 meeting were approved unanimously.

HOUSEKEEPING ISSUES

a. Conflict of Interest Form/Ethics Disclosure

Conflict of Interest Forms

Mr. Scott Johnson discussed changes he made to the last version of the sample Conflict of Interest statement, narrowing down the grounds for potential conflict.

Mr. Veitch stated that the Conflict of Interest should be added to the Bylaws as Article VI and the Bylaws should be renumbered.

HIGHLIGHTED AREAS WERE NOT ON ORIGINAL MINUTES

Conflict of Interest/Ethics Disclosure

Mr. Veitch stated that the Conflict of Interest/Ethics Disclosure came last night. Mr. Scott Johnson said that it went out yesterday afternoon. Mayor Johnson said that it was also emailed to everyone.

Mr. Scott Johnson discussed changes that he made. He stated that he narrowed down the grounds for potential conflict and one thing was changed in particular, the end of Section 1 portion under Subsection C is, it was at least a 10% shareholder as a grounds for disclosure. Mr. Scott Johnson recalls that we said why tape was inaudible 10% if you are a shareholder tape was inaudible anybody that has a contract before the recipients they should be disclosed and just for full disclosure purposes, it doesn't mean disqualified it is just disclosure. That is one change that was made. He said that he also

changed some of the wording around from President to Chairman and before we had qualifiers that were not as broad as in Section two, for example, were it says, an officer or members shall disclose to the Chairman and the Board a Conflict of Interest, before had read, maybe a member, we broadened it to officer. Everybody is involved in this process so it is expanding the scope in the interest of having fuller disclosure, again not a conflict, a disclosure at least to the Board. That is pretty much the changes that were made and he thinks it is fairly standard in terms of what is used in a Conflict of Interest Policy. Mr. Scott Johnson stated that he wasn't sure where we wanted to put this in terms of the Bylaws that is why there is no article number at the top, we need to add that somehow.

Mr. Veitch said that we could make a new Article and amend the Bylaws and make it Article 11. Mr. Scott Johnson said that it could also fit in around Article 7 Gifts and Contributions. Mr. Art Johnson said that there was a section on voting too. Mr. Veitch stated that he thinks we should make it its own Article, Mr. Scott Johnson agreed, saying do we want to place it in the Bylaws itself, it can go at the end as the last thing we have done or you can squeeze it in earlier. Mr. Veitch said that he thinks that is right it should probably be after voting. Mr. Veitch said that it would be Article VI at that point and all of the rest of the Articles would have to change their number. **tape is inaudible**

Mr. Scott Johnson said that he will have that change made on the document and send it to everyone. Mr. Veitch said that we would have to take a vote to first accept the Conflict of Interest as submitted.

Motion was made by Mr. Arthur Johnson, 2nd by Mr. Carlson to accept the Conflict of Interest as submitted. Unanimous

Motion was made by Mr. Scott Johnson, 2nd by Mr. Carlson to amend the Bylaws to insert the Conflict of Interest statement as Article VI and to change each of the following Articles to new numerical order. Unanimous

Mr. Carlson said that he would have changes made to the Bylaws and email them to Mr. Veitch so he can send it to Spa.Net. Mr. Veitch stated that he thinks Mr. Carlson could pull Bylaw documents out of the website, change it, take a copy and then send it to him so he can send it to Spa.Net so they can repost it. Mr. Carlson said that was fine he would do that. Mr. Scott Johnson asked if there was any security restriction about being able to go into the website. Mr. Veitch asked Mr. Carlson if he remembered what kind of document it was, Mr. Carlson said, no. Mr. Veitch said that if it was a PDF you might have a problem but if it is a word document you could save a copy. Mr. Carlson asked if Mr. Veitch wanted him to try and have his Administrative Assistant do it. Mr. Veitch said yes if he thought that would work. Mr. Veitch said to make a little note there to reformat the Articles so it matches the rest of the document. Mr. Veitch said that maybe we should put a list of the dates that we amended the Bylaws so that people know that we made an amendment and what it was. After the last Article just say amended July 9, 2009 inserted Article XI. Mr. Johnson asked if there was a date on the original document when it was first adopted. Mr. Veitch said that he didn't think so. Mr. Veitch said that we could find it out, we have all the minutes. Mr. Scott Johnson asked if it was the first and only

amendment since it was drafted. Mr. Veitch said that he could find out when they adopted the Bylaws so that we can put that on there because this document should be cleaned up.

Ethics Disclosure

Mr. Veitch asked if we are going to have to submit an Ethics Form every year as officers of an organization? Mr. Carlson said that it wouldn't hurt to have it. Mr. Scott Johnson said that he has a form that is used at City Hall that may help just to get some format to it. Mr. Art Johnson asked if Not-For-Profit profits are different than governmental disclosure forms. Mr. Veitch and Mr. Scott Johnson said that they are pretty much the same. Mr. Veitch said that he doesn't know if we have to do it but if we think as a group that we should do it then we can do it. I think what it really boils down to is when we get to the point where we give out the grants, at that point that is usually when I would bring it up if there is any conflict of interest, which is essentially what the statement says, so we can just keep doing it that way and we are following the Bylaws. Mr. Scott Johnson said that if you could track your annual disclosure from the Board according to our fiscal year, every new year just fill out a form. Mr. Scott Johnson asked if they wanted the ones from the City. Mr. Veitch stated, yes. Mr. Veitch said that the Committee would look at the various templates.

b. 2008 Tax Return

Mr. Carlson suggested that the Committee go through the Tax Return page by page. A discussion followed as to revisions that needed to be made to the Tax Return.

Mr. Carlson stated that we need an officer and a treasurer to sign this. Mr. Veitch said that the only thing he needs changed is his name, it is spelled wrong under the list of officers on page 7.

Mr. Scott Johnson read from #19, describe in Section O whether and, if so, how the organization makes documents and Conflict of Interest Policy and bank statements available to the public. Mr. Carlson explained that if somebody from the public wanted to go and look this part of tape is inaudible. Mr. Scott Johnson said that assuming that a copy of whatever we do is maintained somewhere. Mr. Veitch said that we weren't doing that until this year. Mr. Veitch said that the documents are available at the County and the Bylaws would be available on the website plus reports on who we contributed to and how much for the last few. Mr. Carlson said that Tax Returns and other documents are at the Board of Supervisors and then say our governing documents and the Conflict of Interest is on our website also. Mr. Scott Johnson said that Bylaws establishing governing procedures and Conflict of Interest policy are posted on the website and a hardcopy at the County. Mr. Veitch said that he would change that not to say Board of Supervisors but to say County Attorney's Office.

Mr. Veitch said that Schedule O, only had the first part of that page 6. Mr. Veitch wrote on Mr. Carlson's copy what it should say. Mr. Carlson said that besides the tax returns on

the 990 Form they added these requirements that I think we had to formally adopt this document and make sure it was in the minutes. Mr. Scott Johnson asked, the adoption of the 990 itself? Mr. Carlson stated, yes.

Mr. Carlson said that we still have to get the 501c3 done. Mr. Scott Johnson asked if Mark was still working on that. Mr. Carlson said that he got as far as he can, now I have got a lot of supporting documents because there was some financial information that he was unsure of. Mr. Carlson said that he will give him a call and we can go through the whole document and just get everything filled out and then we have to write a letter saying why we are so late and ask them for forgiveness. Mr. Art Johnson asked if there was some kind of penalty. Mr. Carlson said that he was not sure how this works but I think I can write the that the Board changes on a yearly basis and it just never really got done, we have a rotating Chairman. Mr. Scott Johnson said that there maybe a penalty if we actually had tax owed or something but we never owed tax. Mr. Carlson said that it was actually just a flow through we don't really raise money, money comes into us and we hand it out. We basically have very little expenses, we have no employees and there is nobody who gets a nickel from this. Mr. Scott Johnson said that there was also not a lot of money being handled.

Mr. Veitch asked if we had to formally adopt as drafted because of that one change that I put on there for the Schedule O. Mr. Veitch asked if that sounded good. Mr. Scott Johnson added that there was the typo on Mr. Veitch's name.

Motion was made by Mr. Scott Johnson, 2nd by Mr. Carlson to adopt the 2008 Tax Return and Form 990 with amendments that were made today. We have reviewed the documents for completeness and find them to be properly done and able to be submitted. Unanimous

Mr. Carlson asked if we had to sign this or do we have to submit it electronically. If they are submitting it electronically there has to be an electronic signature on it and if they need my information for that I can give it, usually you have to give you social security number for that. Mr. Art Johnson said that it says right here that this form is to be signed before an electronic file is transmitted. Mr. Veitch said that we would need to get an original copy of this and then sign it. Mr. Art Johnson said that there is a filing fee of \$35. Mr. Carlson asked if we could just sign this. Mr. Veitch said that it says draft on it, so we would have to take that off. Mr. Carlson said that he would tell her that we approved this and see if we could get a file copy. Mr. Veitch said that it also looks like its pre setup for you to sign it because it gives you the Treasurer's title. Mr. Scott Johnson said that the following page of the 990 first page also is set up for Skip's signature and date.

Motion was made by Mr. Scott Johnson, 2nd by Mr. Arthur Johnson to approve the expenditure of a fee to electronically file the 2008 Tax Return and Form 990. Unanimous

Mr. Veitch stated that the 501(c)(3) is being handled by Mark Rider at this point and you guys will go through it and hopefully at that point we can get that done. I guess we would have to do the same kind of process, we will get together and move and send it out. Maybe since it is only one document we could do an online motion vote. Mr. Scott Johnson asked what our Bylaws said about how we need to meet, does it have a format? Mr. Veitch said that the voting section maybe has it. Mr. Art Johnson said that we voted on something by email before. Mr. Veitch stated that we had to approve the grants by email last time. Mr. Scott Johnson said that we may want to think about amending the Article 5 Voting under the Bylaws to allow us to convene electronically because it does say under Section 2 that all questions shall be determined by majority vote of the Directors present and in person at any meeting at which a quorum is present. Mr. Veitch said that he thinks that we should get together to do that. Mr. Veitch said that what we should probably do during or after the grant process is take this document and do all kinds of amendments to it, because I think it needs to be updated. We should take the whole thing for top to bottom, the website redesigned and the whole thing doing that. Mr. Carlson asked Mr. Veitch if he wanted to get together for a few minutes and do this, Mr. Veitch agreed. Mr. Carlson said that the accountants did that for us and she spent a lot of time on it. Mr. Veitch said that once that is ready we will convene a meeting quickly and get that going and it maybe at the same time as we start our grant process.

CORRESPONDENCE

1. Letter from the IRS regarding our extension to file our tax return.
2. Bank statement
3. Bills from Spa.Net.

Mr. Carlson stated that we owe Spa.Net \$45 which we wrote a check for today and this will put us current with them. Mr. Veitch stated that this bill was for the website.

GRANT APPLICATIONS FOR 2009

Requirements

Mr. Veitch said that he did send out a draft letter for everyone to review, asking the folks to give us detailed information as to what they spent the grant money on. The letter stated that, "In the future you may not be eligible for grants if you do not follow the process."

Mr. Carlson asked if we had a firm date yet. Mr. Veitch said that the grant process will begin on September 8th and he will get a Press Release out on this.

Mr. Scott Johnson asked if someone received a grant in prior years are they eligible to receive one the following year? Mr. Veitch stated, yes we have consistently given grants to the Prevention Council and Domestic Violence Rape Crisis Services. Mr. Carlson stated that anyone who has something to do with problem gambling we support their organization. We did get a couple of new applicants last year, like the Hawley Foundation, which was good. Mr. Veitch said that the more organizations we can give to the better. Mr. Scott Johnson said that we want to be consistent that we are awarding

money to a group that shares the same mission as the Foundation does. Mr. Veitch agreed and said that we don't want to get too far away from that.

Mr. Veitch said that he would send out the letters.

OTHER BUSINESS

There was no further business to discuss.

Motion was made by Mr. Scott Johnson, 2nd by Mr. Art Johnson to adjourn the meeting. Unanimous