

# Town of Denning – Special Town Board Meeting

Meeting called to order at 10:00 am by Supervisor Brooks.

Held on Tuesday, May 28, 2024 at the Denning Town Hall, 1567 Denning Road, Claryville, NY.

Present: Supervisor David Brooks

Councilmen Kevin Smith, Scott Mickelson, Mike Dean and Gregory Vurckio

Public Present: Kevin S. McLaren, President, Catskill Hudson Bank and Lorraine Dean

The Town Clerk provided all Board members with a copy of the Agenda and Resolution No. 40 of 2024.

Pledge of Allegiance

Supervisor Brooks calls the Special Meeting to Order at 10:00 am. The only matter on the Agenda is Proposed Resolution No. 40 of 2024 Establishing a Banking Development District (BDD) in the Town of Denning together with Hudson Valley Credit Union (HVCU) as Co-Applicant.

Kevin McLaren presents the matter of the HVCU merger with Catskill Hudson Bank. He explains the merger is planned for the end of the 3<sup>rd</sup> quarter – beginning of the 4<sup>th</sup> quarter this year. The proposed BDD would be created to allow the two municipalities (Town of Neversink and Town of Denning) together with the Tri-Valley Central School District and the local fire companies to utilize the credit union, which is not allowed under the present NYS law. Mr. McLaren explains he has worked with NYS on BDD's for 5 or 6 years now and that one was created in a town near Albany and it has been successful. He explains that he is hoping to apply as soon as possible to have approval by August for the BDD then waiting for the merger approval. The BDD application is with HVCU not Catskill Hudson Bank. Mr. McLaren explains that he is meeting with the Town of Neversink tomorrow on this matter.

Supervisor Brooks asks what happens if the BDD is rejected. Mr. McLaren states that the merger will go through regardless. Supervisor Brooks explains that he did quite a bit of research regarding the fact that credit unions are not allowed to service municipalities in NYS. Mr. McLaren explains that yes, NYS Municipal Law 10 does not allow municipalities to utilize credit unions. The BDD approved by NYS is the work around for that since 2019. It is discussed that if the BDD is rejected and the merger goes through as Denning is in such a rural area there is no other banking available within a 30-minute drive, and Denning will have to bank in Ellenville or Liberty as the closest options.

Supervisor Brooks asks if any of the Councilmen have any questions. Councilman Gregory Vurckio asks if there is comparable insurance coverage on a credit union as opposed to a bank. Mr. McLaren explains that instead of FDIC for a bank it is NCUA for a credit union and the coverages are similar. Discussion follows.

Supervisor Brooks asks if there are any further Councilmen comments. There are none.

Supervisor Brooks asks if there are any Public comments. There are none.

## Resolution No. 40 of 2024

**WHEREAS**, Hudson Valley Credit Union seeks to file an application with the New York State Department of Financial Services to establish a Banking Development District in the Town of Denning; and

**WHEREAS**, the Town of Denning seeks to be the Municipal Sponsor and Co-Applicant with the Hudson Valley Credit Union on this application.

**NOW THEREFORE, BE IT RESOLVED**, that the Town of Denning, with its full support, approves its participation as a Sponsor and Co-Applicant.

**WHEREUPON** the Resolution was put to a vote, and recorded as follows: Motion to adopt and approve by Councilman Mike Dean, 2nd by Councilman Gregory Vurckio.

Roll Call Vote:

Councilman Mike Dean AYE

Councilman Scott Mickelson AYE

Councilman Kevin Smith AYE

Councilman Gregory Vurckio AYE

Supervisor David Brooks AYE

Motion carried following a unanimous roll call vote.

Supervisor Brooks calls for any further comments or discussion. There are none.

Motion to adjourn the Special Meeting at 10:15 am by Councilman Mike Dean, Seconded by Councilman Gregory Vurckio, All in favor. Motion carried.

Respectfully Submitted by Nancy Parrow, Town Clerk, May 30, 2024.

Next Town Board & Business Meeting: Tuesday, June 11, 2024 at 6 pm at the Denning Town Hall.