

**IDA**

**DSS CONFERENCE ROOM  
INDIAN LAKE, NY**

**MARCH 9, 2010**

The meeting was called to order at 1:00 P.M. with the following members present:

Brian Towers, Chairman  
William Farber  
Fred Fink  
William Faro  
Robin Morrison  
Robert Peck

Absent: Tim Pine

Also Present:

William Osborne, Executive Director  
Laura Abrams, Secretary  
Collie Smith  
Pete Klein

Motion to adopt the minutes of January 12, 2010 by Mr. Farber, seconded by Mr. Morrison.  
Carried.

Treasurer's Report:

The updated financials were handed out. Bill Osborne discussed the fact that on the page titled Revenue and Expense summary, the checkbook balance that shows on the bottom is off by \$103.?? The checkbook and the bank balances are in line with a number that is \$103.?? lower than this particular number. They are still looking for what needs to be corrected, the checkbook and everything else balances. It is a math error in this number. All loans are within 30 days with the exception of one. He wrote this individual, there was no response. He then sent a letter from the Chairman, registered mail, it was not picked up. Our attorney has written a rather forceful letter indicating that if we do not hear from this individual in a short period of time we will need to take action. He is 5 months in arrears. Mr. Morrison asked if we made a request to be a mortgagee on some other property that he opened up. Mr. Osborne stated yes, that is our mortgage. Mr. Morrison asked if we asked for evidence that we are named on the policy. Mr. Osborne stated we did not, but we will.

Motion to accept Treasurer's Report by Mr. Faro, seconded by Mr. Fink. Carried.

Payment of Bills:

Wm. J. Kline Publications (Annual Meeting)	\$4.62
Wm. J. Kline Publications (Yearly Meeting Schedule)	\$9.24

NBT Bank	\$793.33
Rose & Kiernan, Inc.	\$120.00

Motion to pay bills as audited by Mr. Morrison, seconded by Mr. Peck. Carried.

Executive Director's Report:

Mr. Osborne introduced Collie Smith, Mayor of the Village of Speculator, to give an update on Oak Mt. Mr. Smith explained that Oak Mt. had a good Christmas and President's week. They had expensive equipment breakdowns. At this point they don't have final numbers, but it looks like they are going to come out of this year in the red. The first year they did quite badly, the second year they had a small profit and this year it looks like they will have a loss. It remains to be seen how acceptable that loss is going to be to the Board. They do have things coming up that they are not sure how to deal with. The ski rental equipment part of the operation is getting old. Replacing it in parts doesn't seem to be economically advisable; the only way you get a good deal with manufacturers is to buy in bulk. He believes the Germain's originally put into this inventory \$150,000. The Village does not believe they can put up that kind of money for Oak. They are exploring the possibility of finding someone who will privatize the business. Chuck Smith has been working it. Tom Germain has stated that there are a number of maintenance things that need to be done and will have to be done before it opens next year. The towers for the lift will need to be painted, etc. They don't know where the money will come from. They talked about trying to keep it open in the summer time, but it is becoming dubious to his Board. Employing people throughout the summer would eat up whatever money they were able to bring in.

The Chairman asked Mr. Smith if Tom Germain provided him with a list of things that need to be done. Mr. Smith stated yes, he has been going over it with him but he does not have it with him. It is considerable. They had a Village Board meeting last night and this was discussed at length; he feels it is safe to say that the Board of Trustees at this point is a little reluctant to commit to anything until they know more.

Mr. Smith explained that Village elections are next week. There will be the return of one trustee and the replacement of another, they are both running unopposed. There are two other people running for Mayor. He hasn't seen the position of the other candidates. He has been throughout this committed to Oak; he was Neil's number one supporter when he brought this to the table. He feels his name is as connected with Oak Mt. almost to the extent that Neil's is. He thinks his Board would probably feel more certain about what to do after they see how the election turns out. He feels if he is voted out that would probably be indicative of how the community feels about Oak. They have talked to Neil about whether or not there might be more town involvement in the future, but he is not sure what that might be.

Mr. Smith further stated that he did tell his Board that one thing he would bring to the IDA today from the meeting last night was that there is a concern on the Village Board's part that not enough is being done to market Oak. It never occurred to them when they started this that they would be looking at a 4<sup>th</sup> year. They have been running it on a shoe string to keep it open and in front of the community, but it is not sustainable. If they are going to do this in the future they will need to be more prudent, which may make Oak seem less attractive.

The Chairman asked what Mr. Smith thinks the economic impact on the community is when you take the business portion completely out of the equation. Mr. Smith stated everything is a guess. He feels that before any of us knew anything about the ski business in Hamilton County, there was the idea that there are skiers and there are snowmobilers and they are separate groups. He feels they have discovered that there aren't two groups, there are families. He believes that having a viable ski hill in a snowmobile area is very good for bringing in snowmobilers and snowmobile families; they break up their time. Having a snowmobile trail to Oak Mt. has been very popular. When there wasn't a lot of snow, he thinks there were probably more people coming to the Speculator area than there would have been if Oak wasn't there because if the snowmobiling failed they could always come to Oak and ski or tube. He was told that the Town of Webb always anticipates a loss on McCauley; which they find acceptable because it adds to the whole package of Old Forge as a winter destination.

Mr. Osborne added that there is a payroll impact in the community. It is hard to measure the payroll impact when you are talking municipal employees, but that payroll is going back into the community. Mr. Smith clarified that it isn't like hiring people and paying them with property tax money, we are paying them with box office receipts and that makes a huge difference.

Mr. Farber asked Mr. Smith if he knows what the status of summer 2010 is. Mr. Smith stated that he felt it would be safe to say that without something going on in the summer there wouldn't be a winter of 2010-2011. He further stated that there will be more to report in the next month, right now his Board is rather worried and they want to see the final numbers and what kind of community support there is.

Mr. Morrison asked how many skier days was there this year compared to the last. Mr. Smith stated that he felt they were down a little. Not opening on Thursdays was discussed.

Tim Pine entered at this time.

Mr. Smith left at this time.

Mr. Osborne discussed the cell tower. Last week he received a phone call from Verizon who have decided that now they are not going to make the changes to the tower that they had planned. We had negotiated a verbal agreement to increase the yearly lease payment. They stated that due to budgetary concerns they are not going to make the changes to the tower; however they would like to extend the lease. They sent an email offer doubling the current lease up to about \$10,600 as opposed to the \$16,500 we had originally negotiated. The existing contract is about \$6,000 for about another 5 years.

Mr. Farber stated that he would be inclined to not accept their offer and not hold up the sale of the cell tower for them. Mr. Morrison asked what the annual income would be if we took their offer. Mr. Osborne stated around \$40,000.

Mr. Osborne further stated that in front of everyone is a resolution that was passed by the Hamilton County Board of Supervisors, attached to it is a draft of a lease between Hamilton County IDA and the County of Hamilton granting the County access to the tower for the purpose

of emergency services and then for the County to in turn provide space for the 2 local ambulance corps (Piseco & Speculator). Once this is done the Acorn property will be transferred to the Hamilton County IDA and will become part of Oak Mt. Ski Center.

The Chairman asked the Board if there is a consensus that we are not willing to entertain the new proposal from Verizon. The Board agreed to not accept the offer from Verizon.

Mr. Farber explained that the IDA attorney worked with Mr. Osborne to draft the lease for the tower, the County is now reviewing. Mr. Osborne stated we need authorization to have documents signed once it is approved.

Mr. Peck made a motion to authorize the Chairman to sign the necessary documents for the lease of the tower space and the transfer of the Acorn property with the prior approval of both the County and IDA attorneys. Seconded by Mr. Faro. Mr. Fink stated that originally Verizon was going to do the install on the equipment on the tower; he doesn't see anything in the draft lease about equipment responsibilities. Mr. Farber stated that it was not made the responsibility of the IDA. Motion Carried.

Mr. Morrison asked what the numbers look like if we entertained keeping the cell tower. Mr. Osborne stated that he had a discussion with NBT Bank recently. NBT Bank would be willing to re-write the loan with payments on the loan to come from cell tower proceeds. There is more than enough money coming in annually, even at the lower Verizon contract, to cover the payments on the note. It would be paid off before the leases expire. The reason he had the discussion was because we could offer it for sale and not get an acceptable bid. Mr. Morrison requested a write up of what our monthly payment would be, what our monthly income is, expenses etc.

Mr. Fink stated that he believes that we need to look at the asset disposal policy and make sure we can retain the asset.

Mr. Osborne stated we need to look at re-insuring Oak Mt. and the Cell Tower as of the 1<sup>st</sup> of April. Mr. Osborne gave Mr. Morrison a proposal from Rose & Kiernan to review.

Mr. Farber made a motion to authorize the Executive Director to re-insure Oak Mt. and the Cell Tower based on Mr. Morrison's recommendation effective when the lease runs out with the Village of Speculator. Seconded by Mr. Fink. Carried.

Mr. Osborne stated that our audit needs to be done and into the authority budget office by the 31<sup>st</sup> of this month. The auditor is going to give him a couple of dates when he can come within the next 2 weeks for a preliminary review of the audit at which point in time he hopes that the audit committee could be available to meet with him. Mr. Osborne stated he will set it up.

Mr. Osborne stated that the Board has in front of them a copy of the 2005 and 2009 Public Authority Accountability Acts. They are just for the Board's reference. Mr. Osborne further stated that they also have in front of them the Authorities Budget Office Policy Guidelines. In this is an acknowledgement of fiduciary duties and responsibilities that according to the Public

Authority Accountability Act of 2009 each of the Board members is required to sign and we are to keep in our files. Mr. Osborne further stated that in the Authority Budget Office Policy Guideline No.10-2 Public Authority Mission Statement and Measurement Reports, the Board needs to read it, fill out the questionnaires and get it back to him. After he receives them back he will put together answers that he feels are the consensus of the Board and it can be discussed at the next meeting.

Mr. Osborne stated he had a letter from the NYS Dept. of Taxation and Finance division of the Treasury that informs us that we owe them \$3,764.00; which is 4.7% of our gross revenues for 2008. This is due the 31<sup>st</sup> of March. Mr. Osborne requested that if the decision is made between now and the end of the month that the majority of IDA's are going to pay this and it looks like we should pay it, he will send an email and ask the Board to authorize payment of this. The Board agreed.

Mr. Osborne discussed preliminary loan applications.

Lickside Licks the new ice cream vendor that opened in Speculator. They would like to borrow some money to upgrade and expand their business. The business was well received by the community last year. They are putting together a more detailed business plan.

Speculator Services is a plumbing and heating business in Speculator. They want to borrow money for start up. Mr. Osborne indicated to them that we would be looking for real property collateral and given it is a corporation we would want personal guarantees from the officers.

Mr. Osborne further stated that he as been receiving on average a phone call or two a day from people who are interested in moving forward with either opening businesses or expanding existing ones. The phone calls are spread out from all around the county.

Mr. Osborne gave an update on the USDA Grant. It has now been transferred to the IDA. This money does not require job creation. He will be looking to try and lend out the USDA money first. Mr. Farber stated that we should use it strategically and focus on loans that would not do well under the other model with respect to job creation.

Motion to adjourn by Mr. Farber, seconded by Mr. Faro. Carried.