

IDA

**DSS CONFERENCE ROOM
INDIAN LAKE, NY**

FEBRUARY 14, 2013

The meeting was called to order by Chairman Towers at 1:30 P.M. with the following members present:

Brian Towers, Chairman
William Farber, Vice Chairman
William Faro
Robin Morrison
Robert Peck
Tim Pine
James Bateman

Also Present:

Ann Melious, Executive Director
Laura Abrams, Secretary
Pete Klein, Press

Motion to approve the minutes of November 7, 2012, December 18, 2012 and January 11, 2013 made by Mr. Morrison, seconded by Mr. Faro. Carried.

Payment of Bills:

Wm. J. Kline Publications (Micro Enterprise Mtg. Ads)	\$650.00
Rose & Kiernan, Inc. (Increase coverage on Oak Mt. Bldg.)	\$481.63
Classic Auto Appraiser (Collateral Appraisal/Ameden)	\$200.00

Mr. Morrison asked why we are paying for the auto appraisal. Ms. Melious explained that she is not qualified to appraise a classic car for collateral. Mr. Morrison asked wouldn't the owner pay for the appraisal. Ms. Melious stated that we have not established a policy that says whether or not we charge the applicant for collateral appraisal. Mr. Farber stated that going forward we need to think about whether we want a policy that gives us the ability, if the applicant is going to use this type of unique collateral, to have them incur any cost associated with doing that. Ms. Melious agreed that we need a policy that addresses the loan applicant covering expenses.

Mr. Peck made a motion to pay the bills as audited. Seconded by Mr. Farber. Carried.

Ms. Melious stated that she has a request from Martin Friedman of Long Lake Boat Tours to change the terms of his loan, the mitigating circumstances should probably be discussed in executive session.

The Chairman stated that the Financial Review is next on the agenda, so we will take some time for that first.

Financial Review:

The Board reviewed the financials that were handed out. Ms. Melious stated that a couple of loans are 30 days late, which with these particular businesses is not unusual for this time of year. They generally pay consistently. Ms. Melious stated that Dean has closed out the books for 2012, he has been called by BST but they do not have a date yet as to when the audit will take place. It has to be completed by the end of the month and posted on the website.

Ms. Melious stated that at the last meeting we discussed getting some help for Dean. He needs some help setting up accounts and going back through the books separating out restrictive from unrestricted funds. We are going to be audited by USDA in March. The Board reviewed proposals from two accountants to provide help setting up the books.

Mr. Peck made a motion to contract with Eileen Wiebicke, CPA to provide consulting services for QuickBooks at an amount not to exceed \$800.00 plus travel expenses. Seconded by Mr. Farber. Carried.

The Chairman stated that we can now discuss the Long Lake Boat Tours' request. The Chairman asked if there is also a need to discuss the Village Floor & Tile finances in closed session. Ms. Melious stated yes.

Mr. Morrison made a motion to enter executive session to discuss the reasons for Long Lake Boat Tours' request to change the terms of their loan and the specific finances of Village Floor and Tile. Seconded by Mr. Farber. Carried.

Motion to open the session by Mr. Farber, seconded by Mr. Faro. Carried.

The Chairman reported that while in closed session the Board discussed a request from Long Lake Boat Tours as well as the specific finances of Village Floor and Tile. No action was taken.

Mr. Farber made a motion to amend a motion made on December 18, 2012, which approved a loan for the Village Floor and Tile in the amount of \$35,000 for a term of 5 years at 1% interest. It is amended to state that the Village Floor and Tile is approved for a loan in an amount up to \$35,000 for a term of 5 years at 1% interest. Seconded by Mr. Pine. Carried.

The Chairman explained that Long Lake Boat Tours has a loan with the IDA and has asked to restructure their loan in order to do a lump sum payment at the end of the loan.

Mr. Peck made a motion to authorize the Executive Director to make a counteroffer to Long Lake Boat Tours that they can make three payments (June, July & August) on the principal with the interest continuing to be paid on a monthly basis and any closing or restructuring cost will be borne by Long Lake Boat Tours. Seconded by Mr. Morrison. Carried.

Oak Mt. PILOT discussion:

Ms. Melious explained that Form 412-a was filed on February 11, 2013 and copies have been sent to various taxing jurisdictions and involved parties. It is her understanding that the deadline for filing is March 1st, so they are in advance of the deadline. Mr. Bateman stated that is taxable status day for the 2013 roll, is this retroactive to the 2012 roll. Ms. Melious stated yes it is. Ms. Melious further explained that a town and county tax bill was issued to the IDA so it was included in the county tax calculation. Dean received the bill and sent it to the O'Briens and the O'Briens sent it back to her a week and a half ago. Originally there was some concern about whether or not there was going to be a tax bill, she understands from counsel that the confusion

centers around the fact that we signed a document called an Installment Sale Agreement, it is neither a lease nor a sale document, it is an economic development instrument. In the first two years we are making requirements for employment and requirements for capital investment. Mr. Bateman asked, that is not the same thing as an outright conveyance. Ms. Melious stated it is not. It is one of those things that IDAs get to do. Mr. Bateman asked if the IDA collectively owns it for those two years where there is no tax liability. Ms. Melious stated yes, we are still paying for insurance on it. Mr. Bateman stated then it is an uncollectable for the county. Mr. Farber stated a resolution of this will have to be worked out. Mr. Bateman asked if the IDA will show up on the rolls for the first two years. Mr. Farber stated yes. Mr. Bateman asked if they will start paying in years 3-10. Mr. Farber stated that our UTEP was drafted to contemplate just that, that people would be wholly exempt from any payment in years 1 & 2 and then it would kick in and they would start payments. This is a somewhat unique transaction in that the period that the IDA is going to stay involved with this facility doesn't span the full 10 years. The level of tax exemption that was granted under the PILOT that the IDA approved is less liberal than what we had the authority to grant under our UTEP, we are really only granting the period of exemption when we are the owner, then it will go into a full taxable status. Mr. Bateman asked if there is a deed re-filing at year 3. Mr. Farber stated that yes, at the point that they take ownership then the deed will be filed and they will be the owners of record.

Ms. Melious stated that there is no action required of the Board.

Review of Policies:

Ms. Melious explained that there are policies in everyone's packet for review. Ms. Melious stated that she hopes we will be able to adopt these policies by resolution at the next meeting.

There was a discussion about who is bonded. Mr. Farber suggested that we talk to the insurance agent about the way it works, if it is just the Treasurer, he thinks we have modified this in our working relationship with the bank in that other people are authorized to sign the checks.

Mr. Peck discussed the purchasing policy and the fact that sometimes it is difficult to get quotes. Mr. Farber suggested that it be documented what was done to get the quotes.

Mr. Farber discussed the investment policy. We should probably, as part of the process, make sure that we have an investment policy that is usable and understandable for Ms. Melious and Dean in terms of our expectation, but with the idea that while we have assets at this level in the bank we ought to be demonstrating that we are getting some type of interest on it.

Mr. Farber suggested that Ms. Melious take a look at the County's Investment & Sexual Harassment policies. Ms. Melious asked who the Board wanted to designate as the Records Access Officer for the FOIL policy. They suggested her office.

Microenterprise Grant Round 2:

Ms. Melious reported that the applications are due in on Feb. 25th. We have less than \$40,000 to give out and we have more people applying than we did last year. It will be much more competitive. We want people to complete this round before Dec. which is when we have to finish the reporting. In order to do that they are required by our contract with OCR to complete entrepreneurial training, the next entrepreneurial training and the only one people will be able to get to in order to complete the requirement in a timely fashion starts March 2nd. That means we need to make awards at a meeting by March 1st. Everyone that applies will be told in advance that they need to be ready to start classes on the 2nd. The classes will be held in Tupper Lake.

Mr. Farber asked if the first round of awards have all of the people completed the training and has all of the money been disbursed. Ms. Melious stated that they have all completed the training, the money is not all disbursed. Mr. Farber asked if some of those may not be completed. Ms. Melious stated that we are including in the amount to be awarded one applicant that passed away and her husband has signed off on his funds. Ms. Melious further explained that everyone else has stated that they are taking their money. Mr. Farber asked if there is a fallback plan if that does not come to fruition with all of them. We know we have \$40,000 to disburse, is there any risk that there is going to be more money than that? Ms. Melious stated that she supposes there is risk, but it seems highly unlikely. Mr. Farber stated that if we wanted a plan B, perhaps we would want to encourage somebody to take the training that we might not be in a position to award to, but they are next on the list and if funding is freed up the only way they are going to access it is if they had the training. The Board agreed that there should be a standby. Ms. Melious stated that we could do that. She further stated that there is one project in which the proposal is illegal; she talked to OCR and was told that we cannot eliminate it, the applicant has to give us another proposal for how they want to use the money.

Mr. Farber suggested that as we go into the next meeting we ought to think about the idea of whether or not there is a way we can structure a fallback plan.

Next Meeting:

February 28, 2013 at 2 PM in Lake Pleasant.

As there was no further business, motion to adjourn by Mr. Farber, seconded by Mr. Morrison. Carried.