

IDA

**DSS CONFERENCE ROOM
INDIAN LAKE, NY**

JULY 13, 2010

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

William Farber, Vice Chairman
William Faro
Fred Fink
Robin Morrison
Tim Pine

Absent: Brian Towers, Chairman and Robert Peck

Also Present:

William Osborne, Executive Director
Laura Abrams, Secretary
Dick Dinolfo, Auditor

Motion to adopt the minutes of May 11, 2010 by Mr. Morrison, seconded by Mr. Fink. Carried.

Treasurer's Report:

Mr. Osborne reported that everyone is paid up. We don't have anybody more than a week behind on their loan payments. We have accomplished and filed a new mortgage and loan agreement with the previous owner of the Indian Lake Market. He has already made one payment and we have proof of insurance.

Payment of Bills:

NBT Bank	\$850.00
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Motion to pay the bill as audited by Mr. Faro, seconded by Mr. Pine. Carried.

Executive Director Report:

Mr. Osborne introduced Mr. Dinolfo. Mr. Osborne explained that several members had expressed a desire to discuss with Mr. Dinolfo how we are carrying and should carry the Oak Mt. asset on our books going forward. Mr. Fink stated that his question revolved around Oak Mt. and the issue of restricted asset. Mr. Fink observed that this meeting with Mr. Dinolfo can be seen as a concurrent Audit Committee meeting, there are Audit Committee members present.

Mr. Dinolfo stated that in the Balance Sheet there are the assets on top, liabilities in the middle, and the net assets on the bottom. The restriction, that's the term they use in general accepted accounting principles (restricted for certain purposes, anything else is unrestricted), what that means is that you don't have the cash to spend. It is tied up in the Oak Mt. assets. If it was unrestricted it would show net assets of \$204,000 which is an indication to the reader of the statements that the agency had the money to spend. It is not a restriction that it can't be used for any other purpose; it is just a restriction in the financial statements that there is not a spendable asset. Mr. Osborne clarified that it is real property, not cash.

Mr. Fink asked were we to sell the Pisten Bully for \$15,000, immediately we would have \$15,000 freed up as cash and that would reduce the restricted asset by \$15,000. Mr. Dinolfo stated depending on your other assets at the time it would reduce the carrying value of Oak Mt. assets by \$29,000 (the amount it was purchased for) and you would end up showing a loss of the difference between what you paid for it and what you sold it for. That will all roll into net assets.

Mr. Fink asked if we sell the mountain does the \$350,000 mortgage have first position or the original \$600,000 loan and are there restrictions on how we use the money. Mr. Osborne stated that the money would have operational restrictions from our stand point as to how we can lend the money because it is program income. The guidelines are that you must use it for similar purposes. The operational restrictions are exclusive from the audit. Mr. Osborne stated we bought a \$350,000 mortgage with interest and penalties for \$175,000, that \$175,000 plus the \$663,000 technically is what we have in it, not including the Pisten Bully. Mr. Osborne stated he has had a conversation with Mr. Dinolfo about how we make sure, when and if we sell the asset, either separately or together, that as much of the sale price as possible, within the guidelines, are attributed to the \$175,000 purchase.

Mr. Dinolfo suggested that they talk to the Office of Community Renewal, since this is not a loan anymore, is repayment when you sell the property considered program income. He suggested getting something from them indicating that it is or it may not be. As far as the \$175,000, it really isn't an issue anymore because the mortgage is no longer there. What are not in the cost of the Oak Mt. assets are all of the attorney's fees, etc., those were an expense. So it is possible that if you sell the Oak Mt. property that you can take in part of that as a refund of a prior year's expense. Discussion continued.

Mr. Farber suggested having our counsel write the letter to Office of Community Renewal asking how we should account for the disposition of this asset.

Mr. Osborne stated that we bought the mortgage to protect ourselves; he was receiving phone calls from two or three different companies that buy distressed mortgages. The mortgage had been offered on the open market for sale, if one of these companies had gotten a hold of it they would of given them 30 days to pay, then foreclosed and satisfied the entirety of it and we would have got what was left over. His question is that if they can do that why can't we, before we have to allocate money to the other loan. Discussion continued.

Mr. Farber stated that we now have a direction to move forward, we will need to reach out to the Office of Community Renewal. Mr. Farber thanked Mr. Dinolfo for his time.

Pete Klein entered at this time.

Mr. Dinolfo stated that his contract is up. Mr. Osborne asked if he checked how many years it is before we need to have another auditor. Mr. Dinolfo stated that the 5 year restriction dealt with publicly traded companies. He doesn't know if there is something different in New York. Mr. Dinolfo stated he will look into it. Mr. Osborne stated that the last he knew there was a period of time.

Mr. Dinolfo left at this time.

Review of NBT Loan – Mr. Osborne stated that we are now making an \$850.00 monthly interest payment, our current loan with NBT is an interest only loan. If the Board made a decision that

we are not going to offer the cell tower for sale right now, given the fact that we have some income from it, it makes Oak Mt a more salable asset packaged with the cell tower. Mr. Osborne is asking if the Board wants him to open up discussions with NBT Bank to re-due the loan so that we are paying it down.

Mr. Farber stated that the reality is that we have made a decision that it is not the right time, for a number of reasons, to sell the cell tower site right now. Whether it is packaging it together or driving some income from it because the market is soft, whatever the rationale is, it leaves us at a point where we need to give some serious thought to paying down the NBT loan.

Mr. Faro asked if the interest rate changes. Mr. Osborne stated yes it would change, he assumes it would go to a fixed rate.

Mr. Farber stated we need to flush out the details and have another meeting.

Everyone agreed that Mr. Osborne should get the information together and bring it to the next meeting.

Mr. Osborne stated that there is going to be a meeting in Speculator tonight at the school at 7 PM to discuss Oak Mt. Ski Center. Mr. Farber stated that by our next meeting we need to have some serious conversations about where it is going. Mr. Osborne stated that our next scheduled meeting is not until 9/14 so there is a very good chance we will be calling a meeting within a month.

As there was no further business, motion to adjourn by Mr. Pine, seconded by Mr. Fink. Carried.