

IDA

ANNUAL MEETING

**CONFERENCE ROOM
LAKE PLEASANT, NY**

JANUARY 23, 2014

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

Brian Towers, Chairman
William Faro
Robin Morrison
Robert Peck
James Bateman

Absent:

William Farber, Vice Chairman
Tim Pine

Also Present:

Bill Osborne, Interim Executive Director
Cheryl Paestella, Acting Secretary
Christy Wilt
Pete Klein, Press

Payment of Bills:

Mr. Osborne reviewed the invoices. Mr. Osborne stated that the Black River Bookkeeping project was approved by the Board via email for up to \$2,500. We are just about completed with the project. It has worked out very well.

Port Jackson Media – Advertising (Hamilton Co. Express)	\$25.42
James Bateman – Mileage	\$54.88
Black River Bookkeeping – QuickBooks (2 Invoices)	\$987.50
	\$541.67

Mr. Faro made a motion to pay the invoices as audited. Seconded by Mr. Morrison. Carried.

Election of Officers:

Mr. Peck made a motion for the appointment of the following Officers, seconded by Mr. Bateman.

Chairman – Mr. Towers

Vice Chairman – Mr. Farber

Treasurer – Mr. Faro

Governance Committee – All Board Members

Motion carries.

Financial Report:

Mr. Osborne reviewed the IDA's profit and lost report. Mr. Osborne stated that they have been working with a consultant that was recommended by our auditors; it has been a very good experience. He pointed out that Christy has done a lot of work to get us to this stage. She had to enter three years of data, and make it reconcile. Mr. Osborne further explained that as they get restructured in the County office, Dean Nervik is going to focus exclusively on tourism and Christy will be working on economic development and IDA matters. Mr. Osborne will be working three days a week and Christy will be picking up the administrative load as they move forward.

Mr. Osborne continued to review the financial report.

Mr. Pine entered during the review.

Mr. Peck asked if they are using QuickBooks to write the checks. Christy replied that they will be, but right now they are finishing up their checkbook.

Mr. Faro pointed out that they did not appoint an Audit Committee.

The Chairman appointed the Audit Committee as follows:

Mr. Peck, Mr. Pine & Mr. Bateman

Executive Director Report:

Mr. Osborne reported that he has had some interest from people for small business loans. They have indicated to him that they have been told in the past when they inquired, that this agency is requiring as collateral for a small business loan an interest in personal residence. He doesn't know if this is correct or not. The Chairman stated that he doesn't recollect passing any policy on it. The Chairman further stated that there have been instances in which the applicant did have anything else for collateral. The Board was in favor of Mr. Osborne trying to find something other than their home as collateral. Mr. Osborne asked the Board that if there is an applicant that is in the tree removal business and wants to buy a bucket truck, and he would like to use the bucket truck he will purchase along with another piece of equipment he owns, free and clear, as collateral for the loan, is that acceptable. Obviously the two together would be worth more than the loan itself, the issue becomes what are we going to do with a bucket truck. Mr. Osborne would like clarification from the Board that there isn't some unstated policy that you want interest in a personal residence. The Board stated no, there isn't. Mr. Morrison stated in that instance, we would just want to make sure they insure the equipment and we are holding the paper on it. Mr. Osborne stated that he did tell this individual that he would have to pay an independent appraiser to give us an appraisal on this equipment.

Mr. Osborne stated that interest in loans is increasing. Mr. Osborne further stated that he would like to start aggressively marketing that we have money available to lend. The Chairman asked what does aggressive mean. Mr. Osborne stated ads in the newspaper and setting up meetings in each community to talk to people that may be interested. Mr. Faro asked how much do we have to loan out. Mr. Osborne stated about \$500,000, \$300,000 of which is unrestricted which means we don't have to make the same requirements that we do on the small business loan. Mr. Osborne further stated that we have an additional \$65,000 in USDA money.

Mr. Osborne stated that the grant is complete. He believes all of the money was spent except \$300. He will be meeting with the consultant soon to set up the files because the Office of Community Renewal will need to come and audit it. As part of the audit they will select two or three of the recipients to go out and visit.

The Chairman suggested going back to discussing the marketing; he is not sure what Mr. Osborne was asking for. Mr. Osborne stated all he was thinking, as far as budget, is a couple of ads in the Hamilton County Express. The Chairman asked him if he felt that would be sufficient. Mr. Osborne stated yes, unfortunately we haven't really had a good response when we ran ads in the newspaper. He is really more interested in getting announcements out about meetings in the communities. The Chairman asked if that is best done through the local chambers. Mr. Osborne stated yes, along with Town Boards and press releases to the newspaper. Mr. Morrison asked about spots on NCPR. Mr. Osborne stated that if he was going to do that, he would start with the local radio station, they cover the southern part of the county. Mr. Osborne stated that they are trying to put together a businessman's group in Long Lake; there is an Inlet area Businessman's Association, Speculator Chamber and the Indian Lake Chamber. He will try to work through these organizations. He will also attend Town Board meetings. Discussion continued. The Board agreed that Mr. Osborne should move forward with his plan.

Mr. Osborne continued to discuss the CDBG grant program. Mr. Osborne stated that the consultant they are working with, Shelter Planning, is excellent. They want to know if we want to apply for another one. Mr. Osborne stated that he would like to see us market the money that we have. Mr. Osborne further stated that in order to apply to the Office of Community Renewal for another grant for small business loans, we have to spend all of our restricted funds before we can spend any new Office Community Renewal money. The Chairman stated that it wasn't an overwhelmingly pleasant experience. Mr. Osborne would like to see more of a match if we were to do something like this again or let's see how we do in getting some of this loan money out at highly favorable interest rates. The Chairman stated that it would be advantages if we had the ability to do a loan program, but also a grant program to the same person in conjunction with it. Mr. Faro stated that it was nice when we could forgive the last year. Mr. Osborne stated that we could do that with our own funds, but we have to understand that we would be depleting that revolving fund. If we deplete that fund then we are eligible to apply for another microenterprise small business development loan grant.

Mr. Osborne showed the Board a map of the property that the IDA owns on Elm Lake Rd. There are three lots. A number of issues have come up.

First is the sewer line that comes from Oak Mt., it is a four inch line, it is not sufficient to handle any more than Oak Mt. Ski Center, so that sewer line would have to be increased in size if you are going to add more residential properties. The water line is sufficient to handle this. The Chairman stated that we could sell the lot with the understanding that they are going to have to work with the Village to make it work. Mr. Osborne stated that if you want to sell one of the lots to a developer that the price would reflect the improvements that the developer have to make.

Another issue that came up is the road. The road is impassable two months out of the year. Mr. Bateman asked if it is a town or private road. Mr. Osborne stated that it is a private road. According to the agreement with Oak Mt. Ski Center, they own the road. There has been some discussion with the County, Town of Lake Pleasant and the Village of Speculator about the possibility of improving this road. If we are going to improve this road through that particular means, which would also require some money from us as partner with these three entities, then we need to own the road. If the O'Briens own the road the municipalities can't improve a private road. The O'Briens have no interest in owning the road. He is working with them on some plans for a major project up at the ski center, which will require the road to be a twelve month road. Also, we improve our chances of selling our property if this road is improved. Mr. Morrison asked where the snowmobile trail goes. Mr. Osborne showed him on the map and stated that it will need to be dealt with. Mr. Morrison stated it probably should be dealt with now. Mr. Osborne agreed. The Board continued to review the map.

The Chairman stated that at some point we need to make a decision about what we are going to do with this land. Mr. Peck stated that if we don't fix the road, we will probably sell the lots, but for a lot less. Mr. Osborne agreed, fixing the road significantly improves the value of the property. Mr. Faro asked why we don't sell it to a developer with the stipulation that they have to fix the road and sewer. Mr. Osborne, stated that would be great, but he would be more comfortable if the County Highway Department, Town Highway Department and the Village Highway Department partnered on this and brought the road up to the condition the Village wants it, instead having somebody there to oversee a developer to make sure that he is in fact improving the road. Mr. Peck asked what it would take to put an inter-municipal agreement together to make that happen. Mr. Osborne stated the process would be that he would meet with the County, Town and Village and find out what they are willing to do and what they are willing to contribute to the project. We need someone to find out what needs to be done and what it will cost. The Chairman asked if I was the County Highway Department why would I want to be involved in a project on private land. Mr. Osborne stated that it will not be private land, it will belong to the IDA and it is in the best interest of the County to see economic development take place. Mr. Osborne further stated that he doesn't believe that he will have three meetings and there will be a done deal, but he would like to explore this direction. If we can't do it, then maybe we are in the position that we make it part of a deal with a developer to fix the road and sell it for less.

The Chairman stated that he doesn't have a problem with Mr. Osborne trying to figure out a way to improve the road, but he also thinks that he needs to figure out what the costs are going to be to improve the sewer line and water if need be. Mr. Osborne stated that he has been told that the capacity is there on the Village sewer and water to handle more. This is a question of the size of the sewer line. Mr. Peck stated that if you are going to develop that area you are going to probably want a fire hydrant or two, which is different than a household requirement. Mr. Peck asked if the Village's standards for accepting a highway are the same as the County's. Mr. Osborne believes it is.

Mr. Osborne asked the Board if they want him to start working on the improvement to the road or do they want him to have the Town Assessor assess the property to come up with a value or have a real estate appraisal. The Board agreed that he should move forward with having discussions with the various municipalities regarding the road/sewer line and to have the Town Assessor give an assessment of the properties.

Other Reports:

Mr. Bateman stated that he did a local mailing in Long Lake to 50 businesses regarding money. He had three verbal responses, Mr. Osborne had one. The information is out there, but no one is jumping on it.

Mr. Osborne stated that one of the issues is that a lot of business owners are older and they just don't want to invest in their business.

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