

LDC – Minutes
August 11, 2005

Bolton Local Development Corporations

Present: Ron Alcan, Scott Andersen, Buck Bryan, Alexander G. Gabriels III, Dusty Rhodes, and Jason Saris.

Absent: Richard Bartlett and LDC Counsel Michael Muller

REGULAR MEETING

Z. Gabriels called the regular meeting to order at 4:36 pm.

ANNOUNCEMENTS:

- Even though there may be three (3) or more Town Board Members in attendance at the LDC meetings, the NYS Open Meetings Law bars members from discussion and certainly deciding any Town Business. Z. Gabriels said the LDC meetings are for LDC issues only.

- Z. Gabriels said he has had three sets of outstanding LDC Meeting minutes in his e-mail box for review. From the public, Susan Volkmann asked when the public could expect to see the minutes on the Town of Bolton websites and Z. Gabriels said soon.

- Z. Gabriels said Atty. John Lapper submitted letters to the Bolton Town Board dated May 23, 2005 and July 8, 2005 regarding

different approaches to the Norowal acquisition and Atty. Lapper reiterated Frank Parillo's offer to purchase Norowal Marina with the desire to run it as a private operation.

B. Bryan said the letters were addressed to the Bolton Town Board and asked why the Bolton LDC is addressing it and Z. Gabriels said Atty. Lapper requested the letters be included in the Bolton LDC minutes for discussion if there is any and that the letters will be read into the record at the September 8, 2005 Bolton Town Board meeting.

No Bolton LDC Members wished to address this item.

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- Z. Gabriels said Jon Brody of Yankee Yacht has expressed interest in purchasing marina/boatyard equipment deemed surplus including a hydraulic forklift and several Bolton LDC Members agreed that Yankee Yacht should contact Buzz Lamb directly and Buzz Lamb should handle the sale.

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COMMITTEE REPORTS:

Alcan: None

Bartlett: None

Bryan: Financial and Organization Committee: B. Bryan and R. Alcan provided a revised very conservative I & E Statement for review.

B. Bryan said insurance items are still pending. Z. Gabriels said two marinas have submitted Certificates of Insurance and Yankee Yacht said they submitted one as well, but it has not yet been received by the Bolton LDC.

B. Bryan said work is continuing on the formal business (SOP) plan and the Marina Operating Plan (MOP). Dusty Rhodes asked if the MOP will be more inclusive than the SOP and R. Alcan answered by saying that the MOP will be included in the SOP.

B. Bryan reviewed a letter dated August 4, 2005 from Curtis, Murphy and Jeffrey, LLP with the Bolton LDC regarding information needed to complete the Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. Any information needed was provided and Z. Gabriels said he would reply to Curtis, Murphy and Jeffrey, LLP.

B. Bryan said there are several items regarding negotiations and the conservation easement that will be discussed in Executive Session.

Gabriels: Treasurer's Report: Z. Gabriels said a resolution is needed for the Bolton LDC to open a checking account as a not-for-profit at the Bolton branch of TD Banknorth.

RESOLUTION #17

J. Saris moved, seconded by B. Bryan to authorize the Bolton LDC to open a checking account as a not-for-profit at the Bolton branch of TD Banknorth. All favorable. Motion carried.

Z. Gabriels said the Bolton Bed Tax money is currently in the Town of Bolton's account and revenue and Bed Tax money will be put into the Bolton LDC account once it is established.

Z. Gabriels read the TD Banknorth agreement into the record and noted that the agreement is still unsigned.

Saris: Education and Outreach: J. Saris said the Bolton LDC sent out its FAQ's to all Bolton and Diamond Point residents on 08/03/05 and 08/10/05 totaling 1,180 pieces of mail at a combined printing and mailing cost of \$888.59 due to Lori LaGoy.

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OLD BUSINESS:

Regarding the NYSDEC, Z. Gabriels said this item is pending, there have been no reports from Maureen Donovan of the WCEDC and he will ask for the appraisal bid specifications to be submitted to the Bolton LDC electronically.

NEW BUSINESS:

Regarding Commercial Lending, Z. Gabriels said the Glens Falls National commitment letter is pending and David Kaiser is on vacation to return on Monday, August 15th. B. Bryan asked if David Kaiser will address the loan and interim financing when he returns and Z. Gabriels said the Bolton LDC needs to approach David Kaiser with both topics.

OTHER BUSINESS:

Regarding the NYSDEC, Z. Gabriels said he spoke with Scott Abrahamson who has expressed concerns with Bolton LDC language on the Conservation Easement (ex. linear feet for docking space) and Scott Abrahamson send a 3 page letter to Stu Buchanan with his concerns. Dusty Rhodes said Scott Abrahamson's concerns can be easily addressed by the Bolton LDC. B. Bryan asked if the Bolton LDC can get a copy of Abrahamson's letter to Stu Buchanan for review and Z. Gabriels said (1) he requested a copy from Scott Abrahamson directly, (2) Scott Abrahamson said Stu Buchanan would

be the one to release the information, (3) Stu Buchanan said he would try to get back to the Bolton LDC by Monday, August 15th and (4) Linnette Stark, Deputy Commissioner of the DEC said she'd check it out.

Regarding credit card solicitations, Z. Gabriels said the Bolton LDC is receiving several credit card applications via mail and asked what action the Bolton LDC felt is appropriate. All Bolton LDC Members agreed that any credit card applications sent to the Bolton LDC should be disregarded and disposed of.

PUBLIC IN ATTENDANCE:

From the public, Susan Volkmann asked if the Bolton LDC is considering interim financing options and Z. Gabriels said the Bolton LDC has been researching interim financing options in the amount of \$2 million.

J. Saris said (1) there is a possibility that even with the NYSDEC's commitment to provide \$2 million there could be a need for the Bolton LDC to find interim financing based upon the NYSDEC's process and timeline, (2) the Bolton LDC has been doing is looking into interim financing options and (3) there are two different factors in play; the commitment from the state and the state being on board but not having given the Bolton LDC any money.

Susan Volkmann asked if the deal would go through without the state's money and B. Bryan said the Bolton LDC has approximately 90 days from today for the final deadline and the Bolton LDC is working on several different options.

Susan Volkmann asked if the Bolton LDC can make the decision to spend \$4.5 dollars if there is no state commitment and also asked if the Bolton LDC has the authority to borrow the full \$4.5 million. J.

Saris answered by saying that the Bolton LDC has not looked into this option yet, but hypothetically speaking, if the Bolton LDC could find someone to loan it \$4.5 million then the Bolton LDC has the authority to consider this option. Dusty Rhodes said that under its charter, the Bolton LDC probably could borrow \$4.5 million, but the Bolton LDC shouldn't be pinned down to making a decision on a hypothetical situation at this time, since contract negotiations are continuing.

Z. Gabriels said (1) relying on the tax payers is a totally different scenario, (2) legally the Bolton LDC cannot obligate tax payers to pay and (3) the Bolton LDC can ask the Town Board for funding either from unappropriated surplus or from a long term bond requiring a permissive referendum. J. Saris said if the Bolton LDC was obligated to borrow \$4.5 million, the BLDC would have to ask the Bolton Town Board to place this question to the public for a permissive referendum. Susan Volkmann said she has great respect for the Bolton LDC Members, but she has to ask questions.

Susan Volkmann asked who the marina property goes to if the deal falls through. B. Bryan said the people who the Bolton LDC borrows the money from would get the property and J. Saris said that obligation doesn't fall back on the public or the Town of Bolton in any way.

From the public, Mark Hess asked if the Bolton LDC has looked at income and expenses and B. Bryan answered by saying yes, the current revised Income and Expense Statement is the 20th or 30th that the Bolton LDC has closely examined. Mark Hess asked if the revised I & E Statement the Bolton LDC has in place would protect the \$2.5 million and B. Bryan answered by saying yes.

J. Saris said B. Bryan and R. Alcan are two very conservative gentlemen so the Bolton LDC is comfortable with its current I & E Statement numbers. R. Alcan said the Bolton LDC made revenue as low as it possibly could and expenses as high as it can so the Bolton

LDC can get a realistic view of the operation. B. Bryan said (1) in the newly revised I & E Statement, salaries went from \$115K up to \$195K, (2) the Bolton LDC has done the business plan the right way by overstating expenses and understating income and (3) it is a good plan.

Mark Hess asked if the Bolton LDC used Buzz Lamb's current revenue as a base line and B. Bryan answered by saying (1) yes, the Bolton LDC took Buzz Lamb's IRS forms and used Buzz Lamb's revenue projections, (2) Buzz Lamb is coming in over the Bolton LDC's projections, so the Bolton LDC is anticipating more than originally projected, but are not inflating the figures.

From the public, Susan Volkmann asked if the Bolton LDC will sell gas and B. Bryan answered by saying probably, yes.

From the public, Mark Hess asked if the Bolton LDC plans to release a comprehensive statement regarding operations and if that would be done after the sale is completed. B. Bryan said the current Norowal Operating Plan (NOP) covers every aspect of the current operation and the Standard Operating Plan (SOP) is a work in progress and is being refined all the time. Mark Hess asked if the SOP will be presented to the public at some point and B. Bryan answered by saying yes. Z. Gabriels said the reason the Bolton LDC has not released the SOP at this time is because the projections change so often.

From the public, Tony Hall said there are some general questions that need answers. J. Saris said some operational details won't be available until the NYSDEC agreement is solid and questions regarding Carl Lamb's house are all hypothetical. B. Bryan said it is contract negotiations--the package will be looked at and things such as fees and pricing haven't even been discussed yet.

Tony Hall asked if by purchasing the stock the Bolton LDC will acquire all of the operation and B. Bryan answered by saying that the proposal is for the Bolton LDC as a not-for-profit to purchase the stock, which would include everything on the balance sheet. J. Saris said (1) Buzz Lamb is in the liquidation process, (2) revenue from anything that is sold goes into the corporation check book and (3) at the time of sale, the corporation check book gets handed over to the Bolton LDC.

B. Bryan said (1) there will probably be no maintenance and no boat or motor sales, (2) the Bolton LDC may provide a very small-scale marine store to provide the top 25 items enabling boats to get off the docks and onto the water and (3) there are no absolutes on operations right now.

Tony Hall asked if the Bolton LDC would lease out services and J. Saris answered by saying that until the Bolton LDC knows what financial obligations it will need to meet, it is not absolute as to what operations it will have. B. Bryan said (1) the Bolton LDC also took a look at each individual operation and evaluated it on revenue, (2) if the Bolton LDC sells gas, it means an additional dock person will be needed, which needs to be factored in, (3) right now labor is the biggest cost and (4) in the most recent revised I & E Statement every position needs two people because it is an 84-hour work week there.

APPROVE PAYMENT OF LDC BILLS:

RESOLUTION #18

B. Bryan moved, seconded by R. Alcan to authorize the Bolton LDC to pay \$888.59 to Lori LaGoy for the printing and mailing of 1,810 FAQ brochures for the Bolton LDC. All favorable. Motion carried.

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EXECUTIVE SESSION:

The LDC Members adjourned the regular meeting and entered executive session at 5:27 pm to discuss contract negotiations.

The LDC Members adjourned Executive Session, reconvened the regular meeting and adjourned the regular meeting at 6:20 pm.

Respectfully submitted by

Jennifer Torebka

Recording Secretary

08/14/05