

LDC – Minutes

May 18, 2005

Bolton Local Development Corporations

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

Absent: Richard Bartlett, LDC Counsel Michael Muller

REGULAR MEETING

Z. Gabriels called the regular meeting to order at 4:37 pm.

EXECUTIVE SESSION: None

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.

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PUBLIC IN ATTENDANCE: There was no public in attendance.

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COMMITTEE REPORTS:

Saris: None

Alcan: None

Bartlett: None

Bryan: B. Bryan provided the Weekly Report of the Financial Analysis Committee to all LDC Members and Town Board Members in attendance.

Gabriels: None

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OLD BUSINESS:

Regarding the Draft Stock Purchase Agreement, B. Bryan said Muller & Scheuermann made the following provisions to the Draft Stock Purchase Agreement; the closing is to occur on or about July 9, 2005, with 30-day unilateral extensions, available in good faith, up to the ultimate final closing of November 9, 2005. J. Saris said the 30-day extensions are mutual, not unilateral, because the extensions are based on performance.

Regarding the NYSDEC, J. Saris asked if Z. Gabriels had gotten any response from the NYSDEC, to which Z. Gabriels answered by saying (1) no, he is concerned the NYSDEC won't be able to meet the closing date and (2) according to Maureen Donovan (WCEDC), NYSDEC Senior Staff is having a meeting on Thursday, May 26, 2005 to discuss the next steps for the NYSDEC to take regarding the Norowal Acquisition. B. Bryan said it is not out of line for the LDC to request the NYSDEC's provide their task schedule and time-frames. J. Saris said (1) the LDC needs a written commitment from the NYSDEC, (2) based on discussions at the May 4, 2005 LDC Meeting with NYSDEC, his impression was that the NYSDEC would be moving forward and would have already provided the LDC with a written commitment, (3) he suggests the LDC keep a record of all interaction with the NYSDEC, so there is a paper trail for the LDC to show its efforts in the progression of the Norowal Acquisition. All LDC Members were in agreement that a record of interactions between the LDC and NYSDEC should be kept, and B. Bryan said (1) even if it

is a one-sheet, it will be an effective tool and (2) the Chairman should create and present the record.

Regarding the LDC letter to Governor Pataki, Z. Gabriels said the letter needs to stress to the state that time is of the essence due to the closing date. S. Andersen said the LDC needs the commitment letter from the NYSDEC before it can proceed to Albany and J. Saris agreed. B. Bryan was also in agreement and said, (1) the NYSDEC can provide a conditional commitment letter, and (2) the LDC should call and write the NYSDEC to get a paper trail of its efforts. Z. Gabriels said he will make a phone call to Stu Buchanan (NYSDEC) on this matter.

Regarding alternative strategies for funding, Z. Gabriels said he and other LDC Members have been approached with several alternative strategies for the Norowal Acquisition, from Dick Drake, Dan Carnese, Frank Parillo, Rolf Ronning, Buddy Foy and other private development interests in working with the LDC. The LDC Members considered and discussed all of the proposed alternative strategies and unanimously agreed that the LDC will, for the time being, continue its current course of action in pursuing the Norowal Acquisition with the NYSDEC.

Regarding Town Financial Analysis, B. Bryan said (1) the staff at Curtis, Murphy and Jeffreys was to complete the job of producing a certified copy of the first year's Income & Expense Statement for presentation to the bank, (2) he left a message for Bill Jeffreys, (3) he will follow up again tomorrow, and (4) he now has all the data he needs to complete a pro forma Income & Expense Statement for this year, month-to-month. B. Bryan asked if the Parks Department would be able to pick up refuse from the marina, to which Z. Gabriels answered, yes. B. Bryan asked if the LDC is going to provide health insurance for its employees and said the Town provides insurance to full-time employees and elected officials. J. Saris said (1) even though the marina will be solely owned by the LDC, there is a perception that the marina is under pseudo-Town ownership and (2) he is concerned that there will be a problem if someone is hired by the marina and paid more than Town employees. R. Alcan said the

marina may have one or two full time employees, to which J. Saris responded, no, not as of now. B. Bryan said he agrees with (1) no year-round employees, (2) all employees will be seasonal part-time and (3) no benefits to be offered. B. Bryan asked if the LDC will be required by state law to use the same accounting package (MTX) the Town is currently using or if the LDC can switch to Quick Books Pro, to which Z. Gabriels responded by saying, the LDC can switch to Quick Books Pro. B. Bryan asked if the LDC needs to pay a corporation tax to the State of New York and Z. Gabriels said the LDC needs to refer that question to Counsel. B. Bryan asked if it is mandatory the LDC pay water rents to the Bolton Water Commission and Z. Gabriels answered, yes. B. Bryan asked if the LDC should ask Mr. Lamb to begin getting rid of inventory and J. Saris answered by saying, (1) Mr. Lamb already is getting rid of inventory and (2) Mr. Lamb already advertised a blow-out sale in the Lake George Mirror. B. Bryan asked if any LDC Members have spoken to Mr. Lamb about selling the rental boats at the end of the season and J. Saris said he would follow up with Mr. Lamb.

Regarding the status of the Business Plan, B. Bryan said (1) the LDC doesn't have one and (2) he would rather refer to it as a Financial Plan. R. Alcan asked for clarification on the difference between a Business Plan and a Financial Plan, to which B. Bryan answered by saying a Business Plan has sales, staffing and overall plans for services. J. Saris said the public is interested in what the LDC will be doing which can be presented in an Executive Summary. Z. Gabriels asked if the LDC will be doing concessions, to which J. Saris and B. Bryan both answered by saying, no. Z. Gabriels asked if the LDC would be selling gas and J. Saris answered, there is a liability with selling gas and (2) selling gas is a convenience, but it can be purchased at other places in Bolton. S. Andersen said the LDC should look at what the separate insurance cost is to sell gas. B. Bryan said the LDC (1) should run the marina with basic operations, (2) should stay out of anything with private enterprise, and (3) should get away from gas sales. J. Saris said he agreed, and said the LDC does not need to supply gas. R. Alcan asked if the LDC will have a pump out and S. Andersen responded, yes. J. Saris said a pump out is the right thing to do. Z. Gabriels asked if the LDC would continue offering Laundromat and shower facilities, to which J. Saris answered by saying, (1) showers and Laundromat facilities would be a benefit and (2) if the LDC keeps the shower and Laundromat facilities, these services should be reflected in dock fees. B. Bryan

said the LDC (1) should keep the shower and Laundromat facilities, (2) should get rid of the mini-mart and (3) should only sell LGPC stickers and basic materials to facilitate launching of boats (no food/beverages, no camping equipment, no hardware, no bait and tackle, etc.).

Regarding Don Volkman's concerns of lack of details and specifics and inquiry as to what they should be telling current customers, J. Saris said he told Don Volkman that the LDC will stream line the marina operations as will allow, (2) the best case scenario would be that the LDC will offer parking, launching, dock space rental, pump out and winter storage, and (3) it is unlikely the LDC will be leasing maintenance facilities.

Regarding Don Volkman's concern with boat rentals, J. Saris said (1) the LDC should try to retain current dock rental customers, (2) Mr. Lamb has cultivated a low-maintenance crowd, (3) the LDC should let Mr. Lamb take care of winter storage, (4) the customers will need to make arrangements to have someone with a certificate of insurance retrieve their boats out of storage in the spring and (5) boats being taken off jack stands need to be moved by people with certificates of insurance. R. Alcan asked if the LDC has the equipment needed to accommodate boats, to which J. Saris answered, yes, he has a hydraulic ramp to move boats. R. Alcan asked if the blocks will be provided by the LDC or the customers' responsibility, to which J. Saris responded by saying he is not sure. Z. Gabriels said the LDC should approach the 37 ± current dock renters in regards to winterized storage and spring retrieval. Z. Gabriels asked for LDC comments on a lottery system for dock allocation and said he feels the LDC should move away from a lottery system, to which J. Saris answered by saying, the LDC needs to decide if it wants to rent one side of the dock and leave the rest for transient renters. J. Saris said he feels that maybe any new dock space should be allocated in a local lottery, with all dock spaces at market rates, to which all LDC members were in favor. Z. Gabriels asked if the LDC should have annual dock leases, to which J. Saris answered, the LDC needs to decide on this and have Counsel create an LDC Leasing Agreement.

Regarding Glens Falls National Bank, B. Bryan asked if the LDC was able to get on the agenda for Glens Falls National Bank's May 28, 2005 Board Meeting, and Z. Gabriels answered by saying he called David Kaiser and will follow-up with another call. B. Bryan said the LDC needs to push to get on the May 28th meeting, to which all LDC Members were in agreement.

RESOLUTION #7

B. Bryan moved, seconded by R. Alcan for the LDC to have Counsel draft an agreement with terms to be presented to the Bolton Town Board, asking that the LDC be granted a credit line up to \$200,000 from the Town of Bolton, to be paid back in full and to be used as the LDC's capital reserve if and when the LDC may need the funds. All favorable. Motion carried.

NEW BUSINESS: There was no new business discussed.

APPROVE PAYMENT OF LDC BILLS:

RESOLUTION #8

Z. Gabriels moved, seconded by R. Alcan for the LDC to pay Van Dusen & Steves \$1,200.00 for the invoice dated May 9, 2005 for pinning the Norowal property. All favorable. Motion carried.

Meeting adjourned at 5:55 pm.

Respectfully submitted by

Jennifer Torebka

Recording Secretary

05/23/05