

Bolton LDC/NMI Meeting

May 26, 2010

The meeting was called to order at 6:17 pm.

Regular Meeting

Present: Phil Farbaniec, Joel Jacko, Zandy Gabriels, and Ron Conover

Absent: Art Baker, Scott Andersen and Jason Saris

Announcements:

Public in Attendance: None

Treasurer's Report:

BLDC Treasurer's Report - Checking account \$14,000+/- (less \$6,000 for advance to NMI- State and Federal Corp Taxes)

NMI- Treasurer's Report

NMI four (4) CD totals estimated \$310,000- Approx 2 at GFNB; 2 SNB

However, NMI Balance Sheet indicates on \$267,418.28 in CD's

Dock rental revenues- seem recorded low

Bolton Assessor has assessment of \$1,305,202.00 FMV @ 58.25%= Assessed Value of \$760,280- based on land and buildings. Not based on income per original suggestion of CMJ years ago. Zandy Gabriels stated that Paul Curtis suggested that they use profit and loss for determination of assessed value.

Assessment of Norowal Marina. He stated that in comparison to other businesses along 9N they should look at possibly seeking a reduction. He suggested that they have Paul Curtis run some income statements in hopes to see a reduction in their assessed value. Phil Farbaniec stated that further significance of this would be if they went to non-profit status. Zandy Gabriels stated that he would ask Paul Curtis to look at this in more detail and advise whether or not this is prudent at this time.

Zandy Gabriels stated that they should also explore their option of seeking the use of bed tax money again. When they started the BLDC the Supervisor had to ask the Bed Tax Committee to help with expenses. For the first 3 years they were able to get the funds, but in recent years have not been able to obtain any funds. He stated that they may have to come back to requesting bed tax money. He stated that the bed tax committee makes decisions as to whether or not the request is a good use of the funds. He finds that their requests have been appropriate because it benefits the Town of Bolton and maintains tourism. He feels that it could assist them in their financial issues.

Supervisor Conover stated that he feels that they should really explore expanding parking and their park and launch service.

Correspondence

Letter from NYS Legislatures- encouraging attending to minorities businesses (note: BLDC is in database for future PAAA regs/requirements)

Counsel Muller provided some information regarding an oath that they will have to take. He provided some basic information.

Letter from Richard Miller re: chain and hours that it is put up.

Phil Farbaniec stated that he will send an appropriate response.

New Business

LGA- Lake Stewards- MOU w/BLDC- President to sign.

Phil Farbaniec provided a copy of the Memorandum of Understanding from Walter Lender of the LGA regarding the Lake stewardship program funding. He told Walt Lender that he would like the Board to review the MOU and have an opportunity to comment. There was some discussion about the MOU and the program itself. Phil Farbaniec stated that it would require a motion to authorize him to sign the MOU. He stated that the motion would be pending there is no further comment from the absent Board members by the close of business tomorrow at 5pm.

Resolution

Motion by Zandy Gabriels to authorize Phil Farbaniec to sign the Memorandum of Understanding with the Lake George Association for the Lake Stewardship Program by the close of business at 5:00pm on May 27, 2010. **Seconded by** Joel Jacko. **All in Favor. Motion Carried.**

CMJ Accountants have indicated that their Net Operating Loss is gone and they will have full exposure. He stated that the amounts that are owed are listed on the agenda under New Business. He stated that this is what they have paid to date. He stated that they will have to start bearing this additional money in mind.

Need to authorize NMI to re-pay BLDC for Fed & State Income Taxes:

March 13, 2010 -	\$3,000 NYS Income Tax form CT-5
March 13, 2010	\$1,000 NYS Income Tax form CT-5
March 13, 2010	\$2,000- Fed- form #7004
May 21, 2010	<u>\$10,890 TD Banknorth-</u>
Totals:	\$16,890- Fed & State Taxes paid to date.

Phil Farbaniec stated that they will need to deal with this expense quarterly. He stated that when this expense first arose they needed to pay it quickly and it was paid under the BLDC Federal ID # so they

took it from the BLDC checking account. However, this will need to be re-imbursed to the BLDC from Norowal Marina because Norowal will be responsible for this tax.

Phil Farbaniec stated that he and Joel Jacko will need to look at the cash flow and be sure to include this as an expense. Joel Jacko stated that he is concerned that they are not meeting their objectives with the docks nor will they ever, with just the dock rental income alone. He stated that they will need to expand into other forms of revenue. They have already had to take off the top of Norowal to help pay expenses, but he is concerned that with this is additional expense they will not be able to withstand more taken off the top for very long. He stated that they will really need to act on getting another source of revenue.

Phil Farbaniec stated that he is not sure how they are going to grow the business because they cannot expand the amount of docks. Joel Jacko agreed that they cannot put this burden on the dock renters so they will have to find another source of income. He stated that they should have close to half a million in the bank, but they have had to pay out of pocket for all of the upgrades and maintenance to Norowal Marina, which are expenses that were supposed to be shared with the State.

There was discussion of the property tax liability that is owed by the State. Supervisor Conover asked if there is anything that the State has signed indicating that they do owe and that they will pay. Zandy Gabriels replied that they do have correspondence indicating their intention to pay but they have not received any money at this point. Joel Jacko stated that even with a portion of the property taxes paid they are still will be paying the 3 months of mortgage on their own.

Supervisor Conover stated that they would either need to cut expenses or grow the revenue or a little of both. Joel Jacko stated that they are already short some operating money. Plus they are looking to upgrade the bathrooms. He stated that they do not need to take this tax burden on right now.

Phil Farbaniec stated that their cash position grew \$100,000 from last year. He stated that their revenue was down because they did not have inventory to sell and they wrote off the balance of the inventory that they were selling which was a big hit.

Phil Farbaniec stated that they are going to have to start sending money back to the BLDC once they are in full swing. He is not sure how much they need to send back.

Joel Jacko stated that the first payback they are going to have to take money and give them cash flow and to repair the bathrooms. Supervisor Conover asked if the upgrade to the bathrooms is the responsibility

of the operator or the owner. Joel Jacko stated that according to the Conservation Easement it would be a shared responsibility between the owner the State for these types of expenses, but no amount or percentage was ever specified. He stated that they still need to put in a formal request to discuss the upgrades they have already done and the ones that they intend to do.

Showers- Joel Jacko stated that they have estimates of approximately \$22,000 this would include

Men's: 1 bathroom, 1 urinal, 1 basin, 2 showers

Women's- 1 bathroom, 1 basin, 3 showers

Joel Jacko stated that there is no money in the Norowal account to fund this type of project. Supervisor Conover asked what the implication would be if they were not to do anything. Joel Jacko stated that they have been pushing this off since from the beginning. Phil Farbaniec asked if there are any alternatives to a full renovation. Joel Jacko stated that Bathfitters would probably be the easiest and best solution. Zandy Gabriels asked what the cost of the renovation would be. Joel Jacko replied that they have an estimate for \$22,000. Phil Farbaniec stated that his only concern with fronting this money to do the bathrooms, is where is DEC in all of this. He stated that they have already put in \$120,000 for a new ramp which they have not seen any money for. He feels that it may be time to send a letter in which they outline to the State the Conservation Easement language which indicates that the State would assist or partially re-imburse Norowal for these types of expenses or upgrades to the facility. He stated that they just spent \$22,000 on repair of the docks from the ice damage. If they are to do this upgrade, it would be all they could do for this year and next.

Phil Farbaniec stated that if they do the bathrooms they have to figure out how they are going to fund it and if they want to do it altogether or partially. Joel Jacko stated that there is no money or cash at Norowal so they would have to pull the money from somewhere else. Supervisor Conover asked what has to be done. Joel Jacko stated that the bathrooms and showers are in need of a major upgrade and should be replaced. Phil Farbaniec stated that it is mostly cosmetic because they have already put in new drain lines and pipes. He asked if they had any other alternatives for this upgrade. Joel Jacko replied that Bathfitters would be the easiest to put in place. They would install everything over top of what is existing and they would need 4-5 days to complete the project.

Supervisor Conover asked if many of their dock users use the showers. Joel Jacko replied that the facilities do get a lot of use but he is not sure how many dock renters use it versus campers. Phil Farbaniec stated that there are a lot of users of the facility but there is no way to gauge the numbers of each groups use. Supervisor Conover stated that if there is not a strong connection with the dock users, it may not be essential investment at this time. Phil Farbaniec does feel that the usage is mainly by the dock renters and but there are a lot of campers as well. Supervisor Conover stated given the strong connection of usage with their dock renters, it would be a reason to do this upgrade but they need to determine whether or not it is an important reason. Phil Farbaniec stated that he has received some complaints but it has not amounted to much. He stated that most of the dock renters have been there for years and are used to the bathrooms. He stated that this is a project that they identified a long time ago that they felt needed to be addressed at some point. Zandy Gabriels stated that maybe they should consider this project next year.

Supervisor Conover asked why the dry storage is not at 100%. Joel Jacko stated that they have not promoted it. They haven't promoted it because they are still working out details of where they will have the space and providing proper access to the launch. He stated that this is exactly what he has been talking about in expanding the revenue source because right now they do not have enough people utilizing this service to offset their costs. Once this is promoted it will help in that regard, they just need to act on it. Joel Jacko stated that again this is something the State should be involved in talking about this with them. Phil Farbaniec stated that they did provide information at the boat show and they have had some inquiries from that. He stated that they have about 3-4 people utilizing this service.

Joel Jacko stated that they really need to work on gaining more revenue so that they can plan for the future of Norowal. He stated that he understands that it is not this year or next but within 5 years they will need to be planning to make up a \$30,000 deficit. Supervisor Conover agreed. There was discussion of the usage of the parking area and trailer storage. Supervisor Conover asked if they were ever at full capacity for parking. Phil Farbaniec replied no they have gotten close but he does not feel that they have ever had to turn people away.

Phil Farbaniec stated that they cannot keep dancing around doing the bathrooms. They can put it off for a little while until they have a better handle on the numbers, but he does not see where the income or expense from the bathrooms will change between now and next month. He suggested that someone make a motion so that they can move on this.

Resolution

Motion by Joel Jacko to repair the bathrooms at Norowal Marina at an expense of \$22,000. There was no second.

Phil Farbaniec stated that they should work on a new plan and re-work numbers to discuss this again in the future.

2010 dock repair by Chris Gabriels- estimated \$20,000

Note each dock has 72 dock posts=300 total dock posts.

Phil Farbaniec stated that he has not seen a bill yet, but was under the impression that the repairs were going to cost approximately \$20,000. He stated he talked with Linda and she mentioned that she would pay him \$10,000 now and 10,000 next month.

Old Business

Electrician- Fitzgerald provided concept for future improvements- 8 boats are heavy users, Mike working on financial estimates. Note: dock #2 has 9 outlets and 17 connecting boxes.

NYS DOT Easement for 9N re-paving project- status- Counsel Muller has indicated that he has not gotten any response.

Counsel Muller has indicated that there is a letter coming to the BLDC notifying them that a new State regulation requires that all Board members take an oath.

Next Meeting: Wednesday, June 30, 2010 @6pm Town Hall

Executive Session: The Board entered into Executive Session at 7:09pm

Adjourn:

Minutes respectfully submitted by Kristen MacEwan.