

Bolton LDC/NMI Meeting  
October 27, 2010

Present: Phil Farbaniec, Joel Jacko, Zandy Gabriels, Scott Andersen, Jason Saris, Art Baker and Supervisor Conover

Absent: none

The meeting was called to order at 6:10 pm

**ANNOUNCEMENTS:**

Phil Farbaniec stated that thanks to Supervisor Conover, there was a meeting at the Town with the DEC, Betty Little and Teresa Sayward, regarding the garbage pick-up on the islands. Since that time DEC has decided to continue with the garbage pick-up. Phil Farbaniec thanked everyone for all of their efforts. The DEC is planning to increase the fees by \$2-3/night to make up for the cost. However, the money that is collected from the camping is put into the general fund, so it has no profit and loss center specifically for the LG Islands, although they acknowledged that the LG islands do turn a profit and make up for some many other sites that take a loss. Scott Andersen stated that he thought that at some point the State indicated that the LG islands bring in \$950,000. Supervisor Conover stated that he had heard something similar but more along the lines of upwards of \$700,000.

Zandy Gabriels stated that he is happy that they were able to come to a solution. However, he is concerned that the problem is only half solved because it is only for the upcoming year and they may have to address this again next year. He is not sure that the Senators have the appropriate legislation regulations to isolate this surcharge which should go directly to the LG Islands. Phil Farbaniec stated that Senator Little was hopeful that they would not have to have this discussion next year. Zandy Gabriels stated that he read the article in the Times Union which stated that DEC may be facing additional cutbacks, which would be for recreational programs; hunting, fishing, skiing and camping. He feels that the Town and the LGPC need to have a Plan B, because if DEC decides to cut those programs it will devastate Warren County's economy.

Supervisor Conover stated that it was a good year weather-wise which is provides a lot of explanation of the increased parking revenue. He stated that they also had good revenue on the general store. It is a large increase and it shows great potential for the future. Joel Jacko stated that it is a great convenience and he would like to see about expanding the product line but as usual they will have to be careful with regard to competition. Phil Farbaniec stated that he is not sure about the explanation because although they have more income, the purchases/expenses don't seem to track along with the general store income. Scott Andersen asked if the LGPC fishing permits are included in that number. Phil Farbaniec replied that he thought that was a separate, but he can find out for sure from the Managers.

Scott Andersen stated that he continues to find the accounting fees large and extremely costly. He would like some explanation to be sure that this is justifiable. Joel Jacko agreed. He stated

that he is sure that there are other firms that could be much less and provide the same quality of work. Scott Andersen stated that he understands that they have a history with the BLDC and Norowal, and that they have helped them through some tax-free status, etc, but they seem to be charging a lot. Jason Saris agreed. They are running a pretty simple business and their fees seem to be way out of line. Scott Andersen stated that they are always looking at ways to improve their revenue and one way to do that would be do lower some of the expenses and fees that they are paying out. Jason Saris stated that they could always go back to them if they decide to apply again for a different tax status, but in the meantime they should look at saving some money.

Phil Farbaniec stated that at the end of business this year they had CMJ go through some exercises and research regarding their taxable status. He stated that it did involve a lot of work and effort which may be the reason for the large fees. However, he does feel that they should evaluate their high expense items every year and see if they can find any way to reduce them.

Joel Jacko stated that they need to decide if and how they are going to approach the State about helping out financially. He stated that they have spent over \$240,000 to upgrade the marina and they have not seen any thing from the State. They need to finalize their discussions about whether or not they want the State to pay their portion of the obligation or if they wish to just absorb it themselves. Scott Andersen stated that they should review the Conservation Easement because he believes that there is language regarding the State's financial responsibility. He stated that they should take out that language and politely write a letter to the State and ask for some assistance. Jason Saris stated that he feels that they should provide them with some numbers of their operating expense under property maintenance, including the docks, ramp and bathrooms and work with their tax allocation number to these expenses, which is 60/40. He stated that they would probably not get that much because it would be a huge number, but it would be a starting place and could negotiate down. Supervisor Conover stated that he agreed that it would be good place to start. Scott Andersen stated that he would rather start with 49% because he does not want the State to even think that they have any more ownership than Norowal.

**PUBLIC IN ATTENDANCE: No Public in attendance.**

#### **TREASURER'S REPORT:**

☞ BLDC Treasurer's Report: Checking Account \$12,800

Phil Farbaniec provided a Norowal check to reimburse to BLDC account for the payment of taxes that were paid in March.

☞ NMI Treasurer's Report-

Phil Farbaniec stated that the final operating number for Norowal, which does not include the dock rentals is approximately \$567,000, which nets an extra \$50,000 than last year, and \$29,000 more than 2008. He stated that he cannot fully analyze the number but it does indicate that they are going in a good direction.

Phil Farbaniec stated that currently they have 3 dock slips left for the upcoming 2011 season. They are also waiting on 3 deposits, but are confident that they will be coming in. Last year they

ended up with 2 slips that were never sold. Scott Andersen stated that the reason that they have not been able to fill those slips is because they are unique slips. They are very shallow and they have to have the right boat to fit there. Phil Farbaniec stated that 2 of the 3 slips that are still available for next year are pretty sizable spaces and expects that they will move.

### **NEW BUSINESS:**

☞ Ready for closure? No Chain; no video

Phil Farbaniec stated that they are ready to close. The video is working and signs have been posted. He stated that due to the nice weather they painted the buildings and there is a little more left to do that may need to wait until Spring.

Storage for Dagles' two 18' runabouts (no engines) at NMI for BHS- above Laundromat or other location? Temporary storage for unknown period of time until room at Museum is allocated.

Phil Farbaniec stated that the Historical Society has asked for permission to store these boats.

The area suggested is above the Laundromat area and he feels that it would be a good place.

Jason Saris stated that he has no problem with the request, but he would like to see some sort of receipt for the charitable donation for tax purposes. Zandy Gabriels stated that they need to talk about how long they plan to use the space. Scott Andersen recommended allowing for 2 years that way they can revisit the request again.

### **RESOLUTION**

**Motion by** Ron Conover to allow the Historical Society to store two 18 foot runabouts at Norowal Marina for a period of 2 years. **Seconded by** Scott Andersen. **All in Favor. Motion Carried.**

Joel Jacko stated that given the economy, some groups have fallen on hard times. He asked if the BLDC could provide charitable donations to support such local organizations. He knows that the Library and Hudson Headwaters could always use some financial assistance and would like to be able to help them. He wasn't sure that the BLDC could do that. Scott Andersen stated that he is not sure that BLDC could, but they could donate through Norowal Marina. Phil Farbaniec stated that they he is not sure of the legality and would have to find out if they are allowed to do this. Scott Andersen stated that from his understanding of conversations with Counsel Muller, Norowal acts as a private business. Donations show that they support the community and it is a legal business expense. However, he is not sure that the BLDC can do that. Joel Jacko stated that it seems that it would be easier to provide a donation through Norowal. He asked what the Board thought would be an appropriate donation.

Zandy Gabriels stated that the intent of the BLDC, once they are free of the mortgage, is to provide funding to other local businesses and groups. He stated that they have done this type of thing this year, by donating money to help the Lake Stewardship program from the LGA. He stated that the right now they have a limited amount of money for a large group people in need. Joel Jacko stated that this would be great to have goals at the end of each season knowing that they do have extra cash on hand that they don't intend to use and share it with the community. It would be a great way to give back to the community.

Phil Farbaniec suggested that they create a budget for this type of thing. He also suggested that it should be more of a local or Town organization rather than a regional organization. Joel Jacko agreed. Jason Saris stated that they have to consider that LDC's are non-profit and are supposed to promote certain things in the community. He stated that one day when Norowal does not have a mortgage, long term they can start some LDC programs. He stated that what Joel Jacko is suggesting is just the very start of what the LDC can be doing in the future. He stated that he is not sure if Norowal gives the money to the LDC or the exact protocol but he does feel that it is a good idea.

Joel Jacko stated that they should talk to the accountants about this. He suggested that they come up with some sort of number to work with. Zandy Gabriels suggested that they should also consider the Bolton Health Committee and Chamber of Commerce for needy families. Phil Farbaniec stated that before they get too specific they should come up with a list of candidates. Jason Saris stated they should also have some sort of Mission Statement for the BLDC. Phil Farbaniec stated that they would be donating from Norowal. Jason Saris stated that he was just thinking that they should have a mission statement to work with to find the best fit for the money. Scott Andersen stated that there is some language with regard to the Mission Statement for the BLDC. They would just need to make a phone call to the accountant to find out if the BLDC or Norowal can make the donation.

There was further discussion of the amount that they wanted to set aside. They Board decided that they would create a list of potential candidates and decide how to allocate these funds at the next meeting. Phil Farbaniec stated he would also like to provide copies of the Mission Statement for the BLDC to all of the Board members so that they may decide who would be best fit to receive the funds.

## **RESOLUTION**

**Motion by** Joel Jacko to allocate \$3,000 for donations to local organizations for the 2010 fiscal year. **Seconded by** Zandy Gabriels. **All in Favor. Motion Carried.**

☞ Henry Caldwell- rent garage for storage

Phil Farbaniec stated that currently Henry Caldwell rents out space in another part of Town. However, he is seeking to have some storage closer to Town and asked if he could utilize the garage. He stated that it feels that it might be something to consider in an effort to make a little extra income. Jason Saris stated that he has no problem with this as long as they don't plan on knocking it down. Scott Andersen stated that he is concerned with renting this property because they have said no to many others in the past. Although he would like to see more revenue, he still feels that this area would be better used to increase parking. He stated that they also have to be concerned with the Conservation Easement. The use has to fit in with the operation of the marina and they also need to be fair and make this offer available to everyone.

Jason Saris stated that the whole point of the Conservation Easement is to provide access to the lake. He feels that they should not be renting this space for minimal rent for the year. They have just shown that they can make a donation to organizations and set aside \$3,000 to be given as charitable donations. He is not against any income, but their whole mission is to provide lake

access to the public. They should be taking these buildings down, because they have the money, to provide for more parking which is truly the mission. Phil Farbaniec stated that he is not sure that they had to turn anyone away because their lot was too full, but they could find out. He stated that he thought that this area was being used for the self-launch program. Jason Saris stated that it should be used for the self-launch program because it fits with their mission of providing lake access.

Phil Farbaniec asked if they would be interested in letting Henry use any other area. Zandy Gabriels stated that they could look at other locations but he feels that the same would apply. Scott Andersen stated that they have to forget the individual and just make the decision of whether or not they want to rent space period and whether or not it would be in conflict with the Conservation Easement. Supervisor Conover stated that he feels that it would be nice to have something fit to use these buildings. He suggested considering someone that just wants short term use. Joel Jacko agreed. However, he feels that they should also come to a conclusion as to what they want to do with those buildings.

- ✍ Establish "Audit" committee for compliance with ABO
- ✍ Independent Audit for compliance with ABO- only BLDC- per Muller
- ✍ Budget for Lake Stewards for 2011 in budget? Limit?

Phil Farbaniec asked if they wanted to revisit this item for the budget. Jason Saris stated that they may want to wait because his impression was that the only reason the LGA was seeking funding was because they did not receive certain funding that was there in the past. Supervisor Conover explained how that this request came their way in the first place and he passed it along to the BLDC. The Board decided to wait and see what might be needed.

- ✍ Publish Procurement Policy, Investment Policy Budget Policy on BLDC website, EOY financials- audit on ABO Paris accounting system

Zandy Gabriels stated that Counsel Muller provided information regarding an independent audit and providing it on the web. Phil Farbaniec asked why they can't use CMJ. Zandy Gabriels stated that this audit it is to ensure that CMJ is doing their job properly. Jason Saris asked if Donna Farrar did this for the Town. Zandy Gabriels stated that she did an analysis of the bond structure, but he is not sure she did an audit. There was discussion of who to use for the audit. Supervisor Conover stated that he could provide some names. Phil Farbaniec stated that they will get this going before the end of the year. Zandy Gabriels stated that it should be sooner than later, because they are already overdue for this to be completed. Phil Farbaniec stated that he understands that this is supposed to be published, but his understanding is that the website is still not up and running properly. Zandy Gabriels stated that he has contacted Lori LaGoy several times but has only heard empty promises.

- ✍ Marina Operating Plan-

Phil Farbaniec stated that this is being worked on and now that the winter is approaching there will be more time to work on it.

## **OLD BUSINESS:**

- ✍ Bathroom upgrades-

Phil Farbaniec stated that they will not be doing it for this season. However, they did receive a proposal to rehab the shower stalls which costs approximately \$2,000/unit and there are 5 units. He stated that this does not include replacement of the bathrooms, vanities or floors but it would dress up the area and provide some much needed upgrades. He stated that they could also consider replacing the floors and vanities on their own which would save on the cost. He hopes they can head in that direction very soon.

Jason Saris stated that he would love to see the bathrooms redone. They have a great facility and this is one area that does not live up to their standards. He feels that it should be a top priority to get this done. Phil Farbaniec stated that the revenue for the Laundromat and showers dropped more than 10% this year if that is any indication of the condition.

Supervisor Conover stated that they will have a new set of government Albany in the upcoming year. He stated that he has a pretty good grasp on the needs of the corporation and they could look forward to the upcoming year and what might be available to them. He stated that they are not seeking millions of dollars, but rather \$10,000-20,000 well spent dollars. Jason Saris stated that he could ultimately see them expanding the bathrooms. He stated that not only do they have the best launch ramp, but they could have the best bathroom and shower facilities. Phil Farbaniec stated that they will need to see how much of their resources that they want to use toward this upgrade. Jason Saris stated that this is another area that they can look to the State to provide some funding. Phil Farbaniec stated that this would be an expense which is directly attributed to their customers. Supervisor Conover stated that once they have someone that they can communicate with in Albany, they can work with them to get some funding. Jason Saris agreed, but they should be ready with a shovel ready plan.

**EXECUTIVE SESSION:**

The Board entered Executive Session at 7:30pm with no further business to be conducted.

**NEXT MEETING: No meeting in November.** The Board decided to meet in earlier December. The Board decided to meet Wednesday December 8<sup>th</sup> at 6:00pm.

**ADJOURN**