

**CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION  
MINUTES OF MEETING March 30th, 2011**

**Present:** David Zembiec, Derek Davis, Bruce Armstrong, Terry Roche, Wayne McIlroy, Paul Smith, Tom Piche, Kevin Jordan, Terry Buckley

**Proxy:** Tom Piche for Urban Hirschey

**Absent:**

**Excuses:** Robert Gormley,

**Others Present:** John McHugh, Watertown Times Reporter R. Singh

**Call to Order:** Treasurer Wayne McIlroy called the meeting to order at 4:16 p.m.

**Minutes:** Motion made by Mr. Smith, seconded by Mr. Armstrong, to accept the minutes of the March 2nd, 2011 meeting, Motion carried unanimously.

**REPORTS:**

**a. Main Street Grant Status**

Mr. McHugh reported that construction was nearing completion on the 246 State Street project. That the 237 State Street project has awarded contracts for all components of the project now and contracts will be executed in the near future. It is hoped that work will begin in May. Instant Imprints bids continue to come in and we are hopeful contracts will be signed in April. He noted that we are still awaiting final bid specs for 249 and 251 State Street. Lead, radon, asbestos testing was completed and we await the reports. It is our goal to have the project out to bid by the end of May. Mr. McHugh also noted that he has heard back from the new owners of the Entorcia buildings and will be meeting with them with our engineer to begin to scope out their project. It is clear that a new roof is necessary as well as new heating system. Anything else will be subject to availability of funds. One of the issues that will need to be look at is the electrical system to make sure it is safe, or determine what improvements need to be made. It was noted that these projects will exhaust the funds available, although there are numerous other projects that need assistance.

**Treasurer's Report**

**a. b. Financial Reports and Bills**

Mr. McHugh gave his financial report, and distributed Profit and Loss Statement, Balance Sheet, Check Detail (bills), and Deposit Details for March. After review and discussion, motion by Mr. Piche, seconded by Mr. Jordan to approve the financial report and pay the bills as presented. All were in favor.

**c. Audit Review**

Mr. McHugh noted that the CIDC audit had been distributed to the board electronically. Mr. Piche expressed his appreciation of the detail provided in the audit by Sovie and Bowie. It was agreed that Sovie and Bowie had done an

excellent job. Mr. Buckley moved to accept the audit report as presented which was seconded by Mr. Smith and approved unanimously.

## **EXECUTIVE SESSION**

At this time Mr. Smith moved to enter executive session at 4:40 PM to discuss possible property acquisition negotiations. The motion was seconded by Mr. Piche and approved unanimously. At 4:55 PM Mr. Piche moved to close the executive session which was seconded by Mr. Smith and unanimously approved.

## **OLD/NEW BUSINESS**

### **a. PARIS Annual Report**

Mr. McHugh distributed draft copies of the report to be submitted to the Administrative Budget Office as required by PAAA. The Board reviewed each section of the report suggesting modifications clarifying that the board has no staff and contracts for services from the JCIDA. Other minor edits were noted. It was also noted by Board members that the effort of preparing these reports seemed excessive and clearly took substantial time away from economic development efforts. It was noted that this process reflects the regulatory focus of the State and is becoming very costly. After discussion, the report was accepted for filing as modified on a motion by Mr. Piche, seconded by Mr. Buckley, with all in favor. Mr. McHugh will file the report with the ABO electronically.

### **a.i. Draft Mission Statement and Performance Goals**

Mr. McHugh reported that the Board is required by the State to adopt a more detailed Mission Statement with Performance Goals. Working with Mr. Jordan, performance goals were developed utilizing models prepared by Harris Beach and DANC. It was noted by Mr. Roche that the performance goals seemed to be more compliance oriented rather than results based. It was agreed that this seems to be the direction that the State is going in. Mr. Jordan explained that the Board will need to quantify its performance against these goals at year end. This is something that the IDA's and Authorities are doing as of this year. With no further discussion, Mr. Buckley moved to adopt the new Mission Statement which was seconded by Mr. Armstrong and approved unanimously.

### **a.ii. Policy on Extending Credit**

Mr. McHugh reported that the State requires the Board to have a policy on the extension of personal loans/credit to Board members. He distributed a draft policy on prohibiting the extension of credit to Board members which states:

It shall be the policy of the CIDC to prohibit the extension of credit, arranging for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, board member or employee of the Carthage Industrial Development Corporation.

After brief discussion Mr. Piche moved to adopt the policy with Mr. Armstrong seconding the motion which carried unanimously.

**a.iii. Assessment of internal Controls**

Mr. McHugh explained that the State now requires the Board to issue a statement regarding its assessment of internal controls. The following statement was offered for consideration by the board:

*This statement certifies that the board of directors has documented and assessed the internal control structure and procedures for the Carthage Industrial Development Corporation for the fiscal year ending December 31, 2010. This assessment found the CIDC's internal controls to be adequate, and to the extent that deficiencies were identified, the CIDC has developed corrective action plans to reduce any corresponding risk.*

Mr. Jordan moved to approve the above statement which was seconded by Mr. Armstrong and unanimously approved.

**b. West End Dam Hydro Facility**

Mr. McHugh suggested that it was time for the Board to make a decision on whether to pursue a net, net, net lease; or shared ownership of the West end Dam Hydro facility. Also, the board must determine which company it wishes to enter into exclusive negotiations with. He summarized the process to date which included an RFQ/RFP process that narrowed the field to three proposals from Kruger Energy, Northbrook Energy and a subsidiary of Burrows Paper. The Hydro Committee has reviewed the proposals and is suggesting that the board select Northbrook Energy as a preferred company and pursue negotiating a Net, Net, Net Lease with Northbrook Energy. After a brief discussion, Mr. Armstrong introduced a motion that based on the proposals received the Board hereby opts to pursue a net, net, net lease, and that Northbrook Energy is selected as the preferred lessee prospect, and further, the board hereby authorizes entering into a letter of intent with Northbrook Energy subject to legal council review, and that Mr. McHugh is authorized to execute such letter of intent on behalf of the Board of Directors. Mr. Davis seconded the motion which carried unanimously. The board also discussed the fact that the law firm of Menter Reuden has assisted with the process so far and the board will need to engage Menter Reuden to assist with the preparation of the letter of intent and development of a new lease. Mr. Roche made a motion to engage Menter Reuden to assist with the letter of intent and preparation of a new lease for the West End Hydro Facility. The motion was seconded by Mr. Piche and carried unanimously.

**f. Carthage Fine Chocolates Lease Renewal**

Mr. McHugh reported that the Carthage Fine Chocolates lease has expired and a new lease needs to be approved. Mr. Smith motioned to approve a short term lease through October, which was seconded by Mr. Buckley and approved unanimously.

**NEXT MEETING:**

The next meeting of the board is tentatively scheduled for April 27th. There being no further business Mr. McIlroy adjourned the meeting at 5:15 p.m.