

**CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION
MINUTES OF MEETING DECEMBER 14TH, 2010**

Present: Wayne McIlroy, Derek Davis, Robert Gormley, Tom Piche, Kevin Jordan, Dave Zembiec, Paul Smith, Tim Wright, Bruce Armstrong, Terry Roche.

Proxy: Bob Gormley for Urban Hirschey

Absent: Terry Buckley

Others Present: John McHugh, Mike Astafan

Call to Order: President Robert Gormley called the meeting to order at 4:22 p.m.

Minutes: Motion made by Bruce Armstrong, seconded by Kevin Jordan, to accept the minutes of the October 20th, 2010 meeting, Motion carried unanimously.

REPORTS:

A. Main Street Grant Status

Mr. McHugh gave a brief report indicating that construction had begun at 246 State Street project. That the 237 State Street project was out to bid and the Instant Imprints project was continuing to finalizing its bid specs and should be out to bid in January. He also noted that engineering was moving along on the wall of 249 and 251 State Street. It is his understanding that the Engineers have concluded that the exterior wall was stable and no movement was occurring. It is their opinion that no additional bracing is required and they are beginning to prepare the renovation specs. Mr. McHugh also noted that we are still waiting to hear from National Grid to finalize design options for replacement of the Street Lights on State Street. It is hoped that the final details could be developed in January. He also reported that the CIDC has received an urgent request from the new owners of the buildings previously owned by Bill Entorcia. They desperately need a new heating system and repairs to the roof, plumbing and electrical improvements. The estimated cost of repairs is believed to be about \$100,000. Mr., McHugh will be reviewing available funds against project commitments and continue to work with the new owners.

B. Treasurer's Reports

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 including information since the last board meeting in October. After review and discussion, **motion** by Mr. Smith, seconded by Mr. Armstrong to approve the financial report and pay the bills as presented. All were in favor.

c. Audit Committee Selection of Accountant

Mr. McHugh reported that the Audit committee met on December 1st to review the Audit proposal from Sovie and Bowie. Noting that they have successfully completed our audits in the past, it was recommended that Sovie and Bowie be hired to complete the 2010 audit. Mr. Roche moved and Mr. Wright seconded the motion to hire Sovie and Bowie to complete the CIDC audit for 2010. The motion carried unanimously.

d.) Investments

Mr. McHugh presented the result of the review of the CIDC investments for 2010 and 2011. The funds of the CIDC are currently in two CD's and a money market account at Carthage Federal Savings and Loan. Based on the attached survey, Carthage Federal Savings and Loan continues to have the best rates for both savings mechanisms. It was also noted that the CIDC's deposits are fully collateralized by Carthage Federal Savings and Loan.

e.) Heritage Apartments Occupancy/bonus review

Mr. Gormley directed the Board to review the correspondence included in the packet regarding the apartment occupancy at Heritage apartments as reviewed and confirmed by the CIDC audit committee. As noted, the occupancy rate exceeded 98% over the last 12 months. Based on this occupancy rate Mr. McHugh is eligible for a \$6,000 bonus. Mr. Wright moved to approve the bonus which was seconded by Mr. Jordan and unanimously approved.

f.) PAAA Certifications and Required Self Evaluation

Mr. McHugh passed out the annual certifications that each board member must execute as required by PAAA. He also distributed a self evaluation survey that each board must complete. The results of the survey must be submitted to the Authority Budget Office within 90 days of the beginning of the fiscal year. Additional training may be necessary depending on the results of the survey.

EXECUTIVE SESSION

At this time Mr. Wright moved to enter executive session at 4:35 PM to discuss possible property negotiations. The motion was seconded by Mr. Piche and approved unanimously. At 4:45 PM Mr. Jordan moved to close the executive session which was seconded by Bruce Armstrong and unanimously approved.

OLD/NEW BUSINESS

a. Braman Property

Mr. McHugh reported that the Braman Development, LLC, of which CIDC is the only member, has been formed and is ready to complete the acquisition of the Braman property. Mr. Piche moved to have Braman Development complete the acquisition and to authorize Mr. Gormley or, in his absence, Mr. McHugh to execute the closing documents and any other documents necessary to complete the acquisition. The motion was seconded by Mr. Davis and carried unanimously.

b. 2011 CDBG Grant Application Funding

Mr. McHugh reported that the Village of Carthage would like to submit a CDBG grant application in 2011 to continue the very successful Housing Rehabilitation program serving the two villages. The Village has received \$800,000 to date for housing rehab. The Village has used Avalon associates to prepare the applications in the past and plans to use them for the 2011 application. Avalon also assists the County and Govenuer among others with application preparation. The Cost of application prep is \$5500 plus expenses. All agreed that the program has been great for both communities and well worth

the application expense. Mr. Piche moved to cover the cost of the application preparation with Mr. Smith seconding the motion which carried unanimously.

c.) West End Dam Hydro Facility

Mr. McHugh reported that West End Dam Associates (WEDA) has been the lessee of West End Dam Hydro facility for approximately 25 years and has been making lease payments for the entire term of the lease first to Crown Zellerbach Corporation as Landlord and then CIDC as its successor. The current price of electricity is very low and the lessee has indicated that they are no longer able to generate enough revenues to support the lease payment, taxes, and costs associated with operating the facility. As a result, they have indicated their desire to terminate the lease and return the facility to the CIDC prior to the end of the lease in 2015. WEDA recently proposed to cease operations as of 1-1-2011, but has since agreed to continue operations up to July 1st, 2011 in order to provide us enough time to hire an operator and or secure new partners among other possible options. The proposed Lease Termination Agreement that has been distributed to the Board Members is the culmination of over a month and a half of negotiations with assistance from Trey Vars of Menter Ruiden and Mark Quallen (Hydro facility Expert). The agreement sets out the terms for orderly transfer of the Hydro facility back to CIDC and termination of the existing lease.

The Board members discussed the fact that the return of the facility to the CIDC at this time is a real opportunity for the Board and the Community. It was noted that a couple of years ago the CIDC had begun to study our options for takeover of the plant in 2015 and, as a result, the board has some base of knowledge from which to work. It was agreed that reducing the number of entities involved with the current lease could actually generate more revenues for the community. Mr. McHugh noted that on or about November 19th, 2010 a request for qualifications was distributed to 12 entities involved with the operation of Hydro facilities in the North East and Canada. It is hoped that a new partner can be secured from this list of prospects and CIDC can advance operation of the facility under its oversight beginning July 1st 2011. There being no further discussion, Mr. Jordan Moved to approve the Lease Termination Agreement and authorize Mr. Gormley, Board President to execute the agreement and any other documents necessary to complete the action. The motion was seconded by Mr. Roche, with all in favor.

NEXT MEETING:

Mr. Gormley confirmed that the next meeting of the Board will be scheduled for the end of January unless a special board meeting was needed in the mean time to address any urgent matters.

There being no further business Mr. Gormley adjourned the meeting at 5:10 p.m.