

CARTHAGE INDUSTRIAL DEVELOPMENT CORP.
MINUTES OF REGULAR MEETING
JULY 25, 2018

Present: Bruce Armstrong, Michelle Capone, David Zembiec, Wayne McIlroy, Paul Smith, Tom Piche', Derek Davis, Scott Sullivan, Michael Astafan, Lori Borland

Excused: Bruce Ferguson, Tod Nash, Robert Gormley

Others Present: Stefano Magro, Toni Magro, Timothy Farley, Esq.

President Armstrong called the meeting to order at 4:03 p.m.

Open Forum: Stefano Magro addressed the Board. He indicated that he has been in business for 33 years in Carthage, and rebuilt a condemned building to begin with and has suffered through some tough losses with the downtown fire, etc. and rebuilding after that. He has put much money into his current operations, and is having financial difficulties with the increase in doing business including but not limited to the increase in minimum wage. He reached out to the CIDC months ago to inquire if there were any grants available to help with renovations, improvements, etc., and was told there were none. He then learned of the Sauer building having been granted funds to rehab that building. He feels betrayed in getting no response from the CIDC on any help needed, and if necessary, he will move his business to West Carthage where he has some land.

In response to Mr. Magro, Mr. Zembiec needed to clarify several things, including the type of grants that were available for the Sauer project. Those grants are completely different than what is needed for improvements on the existing business. He asked specifically what the issues were that needed to be addressed in order to keep the location where it is. Mr. Magro responded with: Sound, windows, ventilation, cooling and heating.

It was pointed out that the CIDC has the master lease with the Carthage Development Group for the commercial spaces on the street level, and that the building is actually owned by the Carthage Development Group, therefore any improvements would need to be addressed to that board, which is basically the same as the instant board. It was noted that the CDG Building Committee will work with Mr. Magro on his concerns, but it was also pointed out that income is down for the Carthage Development Group, and we are not sure how much we can afford to do at this point.

Mr. Farley, counsel, addressed the CIDC Board, which essentially should have been the CDG Board as follows: He has been in contact with Bob Slye, Esq. and basically he indicated that we have no insurance coverage for the oil spill. Per the Village insurance company, they say that the Village is not responsible. It was discussed that according to the survey, the tank was underneath the sidewalk, and the CDG only owns to the edge of the building, and the sidewalk is owned by the Village. Therefore, he noted that there should be a claim against the Village. It was noted that perhaps we could split the difference with the Village if necessary. It was discussed that Mr. Slye should talk with the Village to come to an agreement. Motion was made by Mr. Smith, seconded by Mr. Armstrong, to hire Bob Slye, Esq. to work on the Oil Spill matters. Motion passed unanimously, with Mr. McIlroy abstaining.

Loan from CIDC to CDG: It was discussed that in order to have the CIDC cover the cost thus far for Paragon Environmental costs regarding the fuel oil spill, which was approved at a previous meeting, that there should be a loan document drawn between the two entities. Motion was made by Ms. Capone, seconded by Mr. Zembiec to have a document drawn to loan from CIDC to CDG the sum of \$31,033.60

to cover the current cost of the Paragon bill for the oil spill, and that the President be authorized to sign the agreement. Motion passed unanimously. Mr. Piche' offered to draw that document.

Minutes: Motion was made by Ms. Capone, seconded by Mr. Sullivan to approve the minutes of the June 27, 2018 meeting. Motion passed unanimously.

Financial reports: Motion was made by Mr. Smith, seconded by Mr. Zembiec to approve the financial reports for June, and to ratify the payment of the bills. Motion passed unanimously.

Community Development Director Position: A meeting is to be set between Mr. Davis, Mr. Sullivan, Mr. Armstrong and Mr. Smith to review the various resume's received to date.

New Business: Hydro: It was noted that the wall next to the hydro facility has collapsed. It was discovered that the original wall was never put in according to code. There has been estimates submitted from Ken Tibbles Roofing of \$68,486.40 and from Mr. Grant of \$180,312.00. Metro Paper has agreed to take care of their portion, and Northbrook currently has an insurance policy with a \$100,000 deductible. The 50/50 split between Northbrook and CIDC would each be \$50,000, thus being lower than the other bid from Tibbles. Motion was made by Mr. Piche', seconded by Mr. Davis to cover our 50% of the deductible, (\$50,000), and to take it out of the Capital Reserve Fund.

Motion was made by Mr. McIlroy, seconded by Mr. Piche' to go into Executive Session to discuss potential sale of real property. Executive Session began at 5:23 p.m.

Motion was made by Ms. Capone, seconded by Mr. Piche' to resume regular session. Regular Session resumed at 5:35.

There being no further business to come before the Board, motion was made by Ms. Capone, seconded by Mr. Piche' to adjourn. Meeting adjourned at 5:36 p.m.