



**SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

MEETING MINUTES

Regular Meeting
Thursday, April 1, 2010
12:00 Noon
Abigails Restaurant
Waterloo, New York

Attendance:

Board Members Present: Thomas Kime, Chairman; Kenneth Lee Patchen, Jr.; Robert Rosenkrans; Fred Gaffney; Kenneth Riemer and Robert Kernan

Board Members Absent: Thomas Macinski and Patricia Amidon

Staff Attending: Robert Aronson, Executive Director; Patricia Jones, Deputy Director; Monica Novack, Office Manager; Kelly Kline, Receptionist/Office Assistant; Russell Gaenzle, Harris Beach.

Others Attending: Suzanne Sinclair, County Manager; Bob Ryan, Harris Beach; Jim Miller, Finger Lakes Times

Call to Order:

Chairman Kime called the meeting to order at 12:00 p.m. A quorum of the Agency's members were present.

Approval of IDA Minutes / Meeting of February 4, 2010:

The minutes of the Agency's meeting of February 4, 2010 had been sent to Board members prior to the meeting. A motion was made by Mr. Gaffney to approve the February 4, 2010 minutes. Seconded by Mr. Rosenkrans. Motion carried.

Approval of January 2010 and February 2010 Financial Statements:

The January 2010 and February 2010 Financial Statements had been mailed to Board members prior to the meeting. Mr. Johnson presented the January 2010 and February 2010 Financial Statements to the board. After discussion, a motion was made by Mr. Rosenkrans to approve the January 2010 and February 2010 Financial Statements. Seconded by Mr. Patchen. Motion carried.

Approval of 2009 IDA Single Audit:

The 2009 IDA Single Audit had been mailed to Board Members prior to the meeting. Mr. Kernan, Chairman of the Audit Committee, advised the board that the 2009 IDA Single Audit was reviewed and approved by the Audit Committee on March 29, 2010. After discussion, a motion was made by Mr. Patchen to approve the 2009 IDA Single Audit. Seconded by Mr. Rosenkrans. Messrs. Rosenkrans, Kime, Kernan, Riemer, Gaffney and Patchen voted "yea". Motion carried. Mr. Macinski and Mrs. Amidon were absent.

Approval of IDA Audit for 2009:

The 2009 IDA Audit had been mailed to Board Members prior to the meeting. Mr. Kernan, Chairman of the Audit Committee advised Board Members that the IDA Audit for 2009 was reviewed and approved by the Audit Committee on March 29, 2010. After discussion, a motion was made by Mr. Rosenkrans to approve the IDA Audit for 2009. Seconded by Mr. Patchen. Messrs., Kime, Kernan, Patchen, Riemer, Rosenkrans and Gaffney voted "yea". Motion carried. Mr. Macinski and Mrs. Amidon were absent.

Management Letter and Response to Management Letter:

The Management Letter and Response to Management Letter, now identified as: *Communicating Internal Control Related Matters Identified in an Audit*, had been mailed to Board Members prior to the meeting. Mr. Kernan, Chairman of the Audit Committee advised Board Members that the Management Letter and Response to Management Letter had been reviewed and approved by the Audit Committee on March 29, 2010. After discussion, a motion was made by Mr. Gaffney to approve the Management Letter and Response to Management Letter. Seconded by Mr. Rosenkrans. Messrs. Kime, Kernan, Riemer, Rosenkrans, Gaffney and Patchen voted "yea". Motion carried. Mr. Macinski and Mrs. Amidon were absent.

Approval of Change Order for Airfield Access Gate:

Ms. Jones advised Board Members that there has been a change order request for the Airfield Access Gate Project. Ms. Jones explained that the power line and communication line are in separate trenches but go to one pull box. For safety reasons and for future development of the site it is recommended that one additional pull box with cover be ordered to separate the power and communication lines. The additional cost is \$884.35, bringing the total cost to \$40,384.35. Ms. Jones noted that there are sufficient dollars in the grant to cover the expense. After discussion, a motion was made by Mr. Rosenkrans to approve the Change Order for the Airfield Access Gate and authorize the Executive Director to execute the documentation. Seconded by Mr. Patchen. Motion carried.

Transfer of PETRO Sewer Line to Village and Town of Seneca Falls:

Mr. Aronson advised Board Members that the PETRO project is complete and the process of transferring the Sewer line to the Town of Seneca Falls can begin. Mr. Gaenzle of Harris Beach then advised Board Members that new PAAA requirements, which came into effect March 1, 2010, will dictate the process. New requirements for Property Disposal would be to obtain an appraisal of the sewer line by an independent appraiser and to give the State a 90 day notice of

the disposal action. After discussion, a motion was made by Mr. Reimer to begin the process of Transferring the PETRO Sewer Line to the Town of Seneca Falls according to PAAA Requirements. Seconded by Mr. Patchen. Motion carried.

Harris Beach Reporting on New PAAA Requirements:

Mr. Ryan of Harris Beach gave Board Members an update on the new PAAA Requirements regarding the Public Authorities Reform Act of 2009 (“PARA”). One requirement to be met by May 1, 2010 is the completion by each Board Member of an Acknowledgement of Fiduciary Duties and Responsibilities. After discussion, staff was directed to obtain a signed copy of an Acknowledgement of Fiduciary Duties and Responsibilities from each board member before May 1, 2010. Chairman Kime then thanked Mr. Ryan for his update.

Update on Tax on IDA’s:

Mr. Aronson gave Board Members an update on the Tax of IDA’s across NYS. NY State is imposing an assessment on IDA’s in order to raise a total of \$5,000,000 per budget legislation that went into effect on April 1, 2009. The amount is based on Gross Revenue reported in our 2008 annual reports to PAAA. There are many concerns with the way the tax was processed. A survey was conducted thru emails and as of the date of this meeting over 50% of responding NYS IDA’s are withholding payment. This issue was also discussed by the IDA Audit Committee on March 29, 2010. Mr. Aronson then noted that the Audit Committee directed Staff to open up the Agency’s 2008 report so that income reported in Gross Revenue that was actually Contributed Capital could be moved to the proper category. To date, those changes have been made successfully. Mr. Aronson then stated that staff will keep Board Members up to date on the status of this tax.

Approval of Business Development Budget:

Mr. Aronson advised Board Members that the Marketing Working Group has met to discuss various marketing initiatives, which will be approved as they are developed by staff. Some initiatives under way include Search Engine Marketing (SEM) of the agency’s website and an affiliation with WEDA for trade show exposure as discussed at February’s meeting. The Marketing Working Group is recommending approval by the Board for a Business Development Budget of \$75,000 for 2010. After discussion, a motion was made by Mr. Kernan to approve the Business Development Budget of \$75,000 for 2010. Seconded by Mr. Patchen. Motion carried.

Update of Lowes Water Line Installation:

Ms. Jones gave Board Members an update on the progress of the installation of the Lowes Water Line in the Town of Fayette. Ms. Jones stated that she has received a majority of the easements from the property owners. The project will begin on April 5th with an anticipated 6 to 8 weeks till completion.

Update on NYSEG Rate Case:

Mr. Aronson gave Board Members an update on the status of the NYSEG rate case, which began in September, 2009. Harris Beach (HB) has represented the Agency as an active party in the rate

case by reviewing rate filings, submitting interrogatories during the discovery, and taking part in recent settlement negotiations. NYSEG's position continues to be that it is unwilling to commit funds for economic development at the Depot. Consequently, the Agency undertook an aggressive media campaign regarding NYSEG's refusal to assist including a letter writing campaign to PSC Commissioners. All state and federal legislators representing Seneca County wrote in support of the Agency's needs. The PSC facilitated further discussion with NYSEG and ESD. The PSC cannot order NYSEG to install transmission lines without customers in place. Nonetheless, NYSEG admits the capacity currently at the depot cannot be distributed without repairs to the substation and the distribution system. NYSEG agreed to specify what repairs could be done with monies allocated to the Town of Romulus under the Restore II program. However, these grant monies may be redirected to other recipients if ESD cannot approve a further reconfiguration of the project. It is expected that NYSEG will face a penalty due to Iberdrola's failure to invest in renewable energy as agreed with the 2007 acquisition. The Agency's only course of action may be to apply for some of these funds as and when they are available.

Other Business:

Mr. Aronson gave Board Members an update on the NYSEDC / NYS Budget. The Assembly's budget calls for a program similar to the Empire Zone Program called the Empire Innovation Zones Program, but with reduced incentives. According to the phase-out legislation adopted, no applications will be accepted for the Empire Zone program after June 30, 2010. It is hoped that current participants will continue to receive all previously-determined benefits. There is a consensus opinion across the State that NY requires an incentive program at least as beneficial as the Empire Zone Program in order to attract business to NY.

Adjournment:

A motion to adjourn the meeting was made by Mr. Patchen. Seconded by Mr. Gaffney. Motion carried. The meeting adjourned at 1:25 p.m.

The next regular scheduled meeting will be held on **May 6, 2010, 12:00 Noon at The Deerhead Inn, Seneca Falls, NY**

Respectfully submitted,



Kenneth Lee Patchen, Jr.
Secretary

pc: Suzanne Sinclair, Seneca County Manager
Margaret Li, Clerk, Board of Supervisors
Russell Gaenzle, Esq, Harris Beach
Roberta Jordans, Harris Beach
Shawn Griffin, Esq., Harris Beach
Kevin Overton, Esq., Harris Beach