

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

WEDNESDAY
SEPTEMBER 10, 2014
8:00 A.M.

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

JOE GILLIS, CHAIRMAN
WILLIAM SULLIVAN, TREASURER
JOSEPH SEMIONE, MEMBER
GEORGE BEVINGTON, MEMBER
DIANA PUTNAM, MEMBER
JAMES MRAZ, IDA EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
WILLIAM WALDRON, LIAISON

I. MINUTES FROM JUNE 5, 2014 MEETING:

MOTION : Accept as presented.
MADE BY : Joseph Semione
SECONDED : George Bevington
VOTE : Unanimous

II. BUDGET REPORT:

MOTION : Accept as presented.
MADE BY : William Sullivan
SECONDED : Joseph Semione
VOTE : Unanimous

III. COMMITTEE REPORTS:

A. Nominating Committee:

- No report.

B. Audit Committee:

- No report.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

IV. **OLD BUSINESS:**

A. **Tryon Technology Park and Incubator Center Project:**

1. Building Demolition:

- County's Demolition Team completed demolition of four (4) buildings that needed to be removed to make room for construction of new internal access road.
- Total cost to IDA : \$22,544.25 : Tipping Fees
\$ 2,000.00 : Department of Labor Fee
\$24,544.25 : Total Cost

IDA ACTION:

MOTION: To authorize a payment to the Department of Solid Waste in the amount of \$24,544.25.

MADE BY: George Bevington

SECONDED: Joseph Semione

VOTE: Unanimous

2. Construction Project:

a. Phase I:

- Fulton County has awarded a \$1,119,249 construction contract to Jablonski Excavating to:
 - Construct new section of internal access road
 - Install new water lines
 - Install new wastewater lines
 - Repair two (2) existing wastewater pump stations
- Fulton County has awarded additional water and sewer line work to Jablonski Excavating's contract. This water and sewer line work was eliminated during design phase out of concern that project would exceed budget.
- Fulton County has also awarded additional wastewater work including that was going to be done as part of Phase II.

b. Phase II:

- Phase II now will consist of:

1. The waterline coming from Hale Creek's elevated tank will be disconnected and rerouted onto Maloney Road.
 2. A new elevated tank and water pump station will be constructed and the existing tank and pumps abandoned.
 - Fulton County filed a CFA in June requesting \$650,000 to perform this work.
 - Fulton County filed a Northern Borders Regional Commission Application requesting \$200,000 for this Phase II work.
3. Repaving of Existing Access Road:
- Fulton County has hired Callanan Industries to repave the existing internal access road. This work will involve:
 - Widening road at intersection with County Road 107 to create left and right turn lanes for vehicles exiting site.
 - Install 1½" of new asphalt top over all existing roads.
4. County Road 117:
- At the end of the Phase I Project, C.T. Male will prepare a ROW description of the internal access road.
 - IDA will then execute a deed with Fulton County to transfer ownership of this ROW to Fulton County.
 - This internal access road will then become CR117.
 - Fulton County will own and maintain CR117.
5. Tryon Targeted Industry Analysis and Marketing Plan:
- Toured Tryon with DCG Corplan.
 - Working on developing Tryon website.
 - Developing base map to display on website.
 - Working on Labor Market Analysis.
 - Working on Econographics Report. This is compilation of data regarding the Fulton-Montgomery County Region and comparing that data against other regions.
6. Building 3:
- a. HVAC Trades Program:
 - FMCC desires to start an HVAC Trades Program to provide students opportunities to receive degrees in the heating, ventilation and air conditioning vocations.
 - FMCC is interested in using space in the Midas Building component of Building 3.
 - FMCC desires to have this new program ready for start of 2015 academic year.
 - b. Northern Borders Regional Commission Grant Application:
 - IDA has applied for a Northern Borders Regional Commission Grant to undertake the following work:
 - Restart Building 3's heating, cooling and ventilation systems.
 - Clean mold.
 - Exterior doors should be replaced.
 - Room(s) to be used by HVAC Trades Program need the following work done:
 - Cleaned
 - Paint

- Carpets cleaned/replaced
 - IDA's Application requested \$120,000. FMCC would contribute \$80,000.
 - Grant awards are scheduled to be announced this month.
- c. Request for Quotes (RFQ):
- RFQ has been issued seeking quotes from contractors to restart Building 3's heating, cooling and ventilation systems.
 - Quotes due on September 17, 2014.
 - IDA can proceed with awarding a contract once it hears on whether the Northern Borders Regional Commission's Grant was approved

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he spoke with Senator Schumer's Office this week and was advised that the Northern Borders Regional Commission Grant Awards will hopefully be announced on Tuesday, September 16, 2014. He reviewed the RFQ that he has issued to contractors for restarting Building 3's heating, cooling and ventilation systems. He stated that getting this work started is critical to knowing whether the IDA will be able to utilize Building 3 for a Regional Business Training and Incubator Center. If the heating, ventilation and cooling systems restart with no problems, then the systems should be able to be operated. If, however, major problems are encountered during the restart that would result in spending significant dollars, it may become cost prohibitive for the IDA to restart these building systems. If that was the case, it could result in this building being unusable.

7. Work by Citizens In Community Services (CICS) Program:

- a. Between August 18-29, CICS Program provided workers to go to Tryon and perform various tasks including:
- 1) Building 3:
 - Sweep floors
 - Mop floors
 - Wash windows
 - Wash countertops
 - Discard trash
 - Move file cabinets, desks, tables, chairs, etc. to central storage room for potential auction
 - 2) Yard Work:
 - Cut grass
 - Raked grass
 - Weeded two (2) landscaped areas along Access Road
- b. These workers did an excellent job in cleaning Building 3, restoring the yard around Building 3, as well as two (2) landscaped areas along the entrance to Tryon.
- c. It is recommended that a letter be sent, by the IDA Chairman to the CIC's Board thanking and commending Dawn Ackernecht for the work she did to arrange for and manage this initiative.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He commended Dawn Ackernecht and her husband for overseeing workers that the CIC's Program provided. He recommended that the IDA Chairman send a letter to Dawn Ackernecht commending and thanking her for the work that she provided at Tryon.

IDA ACTION:

MOTION: To authorize the IDA Chairman to send a letter to Dawn Ackernecht, Administrator, commending and thanking her for providing assistance at Tryon.

MADE BY: Joseph Semione
SECONDED: William Sullivan
VOTE: Unanimous

8. Invoice from Department of Solid Waste:

- Department of Solid Waste supplied two (2) open top containers for Citizens in Community Service workers to clean out Building 3.
- Total Cost: \$292.50

IDA ACTION:

MOTION: To authorize a payment of \$292.50 to the Fulton County Department of Solid Waste.

MADE BY: Joseph Gillis
SECONDED: Joseph Semione
VOTE: Unanimous

9. Timber Harvesting Project:

a. Background:

- Ken Hotopp has completed marking of trees worthy of being harvested.
- Based upon his walk-through of Tryon site, Mr. Hotopp recommends that the IDA pursue a timber harvesting project.

b. Volume Report:

- Ken Hotopp's Volume Report identifying the type and number of trees to be cut as below:

SPECIES	# OF TREES	THOUSAND BOARD FEET*
Sugar Maple	335	68.04
Red Oak	170	49.58
Black Cherry	65	9.61
Yellow and Black Birch	68	7.50
Red Maple	44	7.43
Basswood	17	3.95
Aspen	21	3.25
Hickory	10	1.76
White Ash	14	1.75
Beech	9	1.47
Other Species**	7	2.13
Totals	760	156.47
X Trees	37	
Fuel Wood	180 cords	
Pulp Wood	90 cords	

* Based on the International ¼” Rule

**White pine, hemlock and butternut

Footnotes:

1. Trees to be harvested are marked with blue paint on the trunk and at the base.
2. X Trees are marked with “X”. These trees may be cut at buyer’s option.
3. Terrain is rolling with a few moderate slopes and small creeks. Soils are sandy and dry out fast.
4. Fuel wood to include “X” trees and saw timber tops.
5. Pulp wood to include Red Pine poles having diameters of 6” to 14”. Ten percent (10%) of the Red Pine poles are greater than 13” dbh.

c. Proposed Timber Harvesting Project:

- Areas to be harvested: See map.
- IDA would seek bids from loggers.
- Ken Hotopp has provided the name and mailing address of 60 logging companies to send the Bid Specifications to.
- IDA would look to award contract to highest bidder.
- Schedule:
 - Bids Received : October 15, 2014
 - Award Contract : October 29, 2014
 - Start Harvesting : November 10, 2014
 - Complete Harvesting : December 31, 2014

d. Invoice:

- Ken Hotopp has submitted an invoice for marking the trees to be included in the Timber Harvest.
- This work was done as part of an Agreement previously approved by the IDA Board.
- Total invoice: \$2,000

e. Timber Management Proposal:

- Ken Hotopp has submitted a proposal to oversee and manage the Timber Harvesting Project.
- Total Fee: 5½% of total bid the IDA receives from the highest bidder.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Jim Mraz stated that based on Ken Hotopp's evaluation, he feels there is enough timber available to proceed with a Timber Harvesting Project. He recommended that the IDA Board authorize going out to bid on the Timber Project. He reviewed the map showing the areas proposed to be harvested. He reviewed the Project Specifications he had prepared to send to interested loggers to use to prepare a bid. He stated the Project Specifications stipulate that the logger cannot utilize the internal access road except for accessing the two (2) timber areas nearest CR 107. George Bevington asked if the Project Specifications stipulate that the contractor must repair any damage to the internal access road. Jim Mraz stated, "Yes." Jim Mraz stated that the IDA would award a contract to whatever logger paid the IDA the most for cutting these trees. He stated that the payment would be made in full upfront to the IDA at the time an agreement was executed. He stated that the Project Specifications also call for a Performance Bond in the amount of a \$6,000 certified bank check that the IDA would retain to ensure that all work was performed in accordance with the Project Specifications and that any damage that may be done to the grounds or roads are repaired to the full satisfaction of the IDA. Jim Mraz recommended that the IDA authorize awarding a contract to Ken Hotopp to oversee the timber harvesting work. He stated Ken Hotopp's proposal would be to oversee this work at a fee of 5.5% of the total revenue obtained by the IDA from the logger. He asked if there were any further questions. There were none.

IDA ACTION:

MOTION: To authorize a payment of \$2,000 to Ken Hotopp for marking trees at Tryon.

MADE BY: George Bevington
SECONDED: Joseph Semione
VOTE: Unanimous

IDA ACTION:

MOTION: To authorize advertising for bids for Timber Harvesting Project.

MADE BY: William Sullivan
SECONDED: George Bevington
VOTE: Unanimous

IDA ACTION:

MOTION: To authorize the IDA Chairman to execute an Agreement with Ken Hotopp dba The Hotopp Company to oversee the IDA's Timber Harvesting Project at Tryon.

MADE BY: William Sullivan
SECONDED: Joseph Semione
VOTE: Unanimous

10. Property Insurance for Buildings 3 and 60:

a. Background:

- The IDA Board decided to retain Buildings 3 and 60.
- NYMIR writes Fulton County's property insurance.
- NYMIR was asked to add Buildings 3 and 60 to the County's insurance policy.

b. Invoice:

- Total Premium : \$17,453.50
- IDA will pay this invoice and seek reimbursement from Fulton County.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Joe Gillis asked if the insurance includes replacement costs. Jim Mraz stated, "Yes." There was a general discussion amongst IDA members on whether there is a need to insure these buildings for their full replacement cost. Jim Mraz stated that the IDA could ask Fulton County in subsequent years to insure the buildings at a lesser value. He stated, however, since these buildings are being insured on the County's policy, the County has the final say on what to insure these buildings for. Bill Sullivan asked if the IDA could insure these on its own. Jim Mraz stated, "Yes." After further discussion, it was agreed that the IDA needs to pay this bill and can discuss, at a later date, options it may want to pursue for insuring these buildings so as to try to reduce insurance costs in subsequent years.

IDA ACTION:

MOTION: To authorize a payment in the amount of \$17,453.50 to Mang Insurance Agency for property insurance on Buildings 3 and 60.

MADE BY: George Bevington

SECONDED: William Sullivan

VOTE: Unanimous

11. Proposed 2nd Auction:

a. Background:

- In May, 2014, the IDA conducted a successful auction where items in the four (4) buildings that had to be demolished and the contents of Building 60 were auctioned.
- Adirondack Auction Sales conducted the Auction.

b. Proposed 2nd Auction:

- It is proposed that a 2nd Auction be conducted this Fall at Tryon.
- Items to be auctioned would be the contents in the remaining buildings.
- Adirondack Auction Sales is interested in again serving as the Auctioneer.
- County Line Auction has submitted information to the IDA asking that they be considered as the Auctioneer.
- Proposal and information from County Line Auction was e-mailed to all IDA Board members.
- IDA Board needs to select an Auctioneer so plans can start to be developed for the 2nd Auction.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he had previously e-mailed IDA members the proposal and information submitted by County Line Auction. He asked IDA members if they wanted to proceed with having a 2nd Auction in 2014. It was the unanimous consensus of all IDA members present to try and have a 2nd Auction this year. Jim Mraz asked IDA members if they could select which Auctioneer they prefer to work with. There was a general discussion regarding the services provided by Adirondack Auction Sales during the 1st Auction. There was a general consensus amongst all IDA members present that Adirondack Auction Sales performed very well and did an excellent job in running the Auction. There was a general discussion regarding the information submitted by County Line Auction. Bill Sullivan asked Kara Lais if the IDA Board was obligated to go out for bids for auctioneering services. Kara Lais stated, "No." She asked what was the fee paid to Adirondack Auction Sales for the 1st Auction. Jim Mraz stated it was around \$14,000. She stated this would be below the threshold required for seeking bids for these types of services. She stated auctioneering services would be professional services for which the IDA Board would not be obligated to go out to bid for.

IDA ACTION:

MOTION: To utilize Adirondack Auction Sales as the Auctioneer for 2nd Auction at Tryon.

MADE BY: George Bevington

SECONDED: Joseph Semione

VOTE: 4 in favor, 1 opposed (Gillis)

12. Request for Expenses Reimbursement:

a. Cleaning Expenses:

- Executive Director incurred costs for purchasing 5-gallon buckets and detergents to CICS workers to mop floors and clean Building 3.
- Total Expenses: \$80.87

b. Mileage:

- Executive Director incurred costs traveling to and from Tryon.
- Total Mileage: \$112.00

IDA DISCUSSION: Bill Sullivan recommended that the IDA adopt a policy to authorize the Executive Director to make expenditures up to a certain amount and not have to seek IDA Board approval. Jim Mraz stated that he would look into this matter and report back to the IDA Board.

IDA ACTION:

MOTION: To authorize a payment of \$192.87 to the Executive Director.

MADE BY: Joseph Gillis

SECONDED: William Sullivan

VOTE: Unanimous

13. Lawn Mowing:

- There are areas of Tryon where lawns will need to be cut and maintained.
- IDA has two (2) options to have these lawn areas maintained:
 - 1) Hire private contractors as was done in 2014.
 - 2) Purchase mower and hire summer help each year to mow lawns.
- If the IDA Board desires to go with Option 2, consideration should be given to purchase a mower in 2014. If so, should pricing be obtained for a new mower?

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated if the IDA Board desires to proceed with Option 2, would the IDA Board want to proceed with purchasing this mower in 2014. George Bevington recommended that the IDA stay with Option 1 and hire private contractors again in 2015 to perform all the mowing at Tryon. After a brief discussion, IDA members agreed that this was the best approach to take for 2015.

IDA ACTION:

MOTION: To utilize private contracts again in 2015 to provide mowing services at Tryon.

MADE BY: George Bevington

SECONDED: William Sullivan

VOTE: Unanimous

14. Invoice for Lawn Mowing:

- The IDA has received two (2) invoices from Greenscapes for cutting of grass at Tryon in accordance with their Agreement with the IDA. The two (2) invoices are as follows:
 - \$2,600 : brushhogging
 - \$ 640 : regular mowing
- Authorization is needed to pay these invoices.

IDA ACTION:

MOTION: To authorize the payments of \$2,600 and \$640 to Greenscapes in accordance with their Agreement with the IDA.

MADE BY: Joseph Semione

SECONDED: William Sullivan

VOTE: Unanimous

15. 2015 Capital Project:

- Fulton County is appropriating \$75,000 into the 2015 Capital Plan to undertake project at Tryon to prepare 100+/- acres of land as shovel ready.
- Project would include:
 - Demolish six (6) buildings
 - Clear trees
 - Geotechnical evaluation

IDA DISCUSSION: Jim Mraz stated that he has submitted for inclusion into the County’s 2015 Capital Plan a project at Tryon. Jim Mraz reviewed the information on the Agenda regarding what the project would consist of. He stated that the County’s Demolition Team would be asked to demolish these six (6) buildings. The cost for tipping fees, however, would be paid for by the County from this Capital Project and not from the IDA. He stated that once this project was completed, there would be approximately 100 acres of shovel-ready lands that could be marketed to new and/or expanding businesses.

V. NEW BUSINESS:

A. Review Proposed 2015 Budget:

	2013 ACTUAL		2014 BUDGET		PROPOSED 2015 BUDGET
<u>REVENUE:</u>					
Operating Revenues					
Administration Fee (CG Roxane)				\$	400.00
Land Lease (Korona)				\$	1,800.00
Sublease Fee (Yusen Logistics)				\$	500.00
Charges for services	\$ -		\$ -		
Rental & financing income			\$ -		
Other operating revenues	\$ 10,712.00		\$ -		
Nonoperating Revenues					
Investment earnings	\$ 301.54		\$ 500.00	\$	500.00
State/Federal subsidies/grants	\$ -		\$ -		
Municipal/Public authority subsidies/ grants - Fulton County*	\$ -		\$ 50,000.00	\$	50,000.00
Other nonoperating revenues	\$ 40,370.14		\$ 56,900.00	\$	46,460.00
Total Revenues	\$ 51,383.68		\$ 107,400.00	\$	99,660.00
<u>EXPENDITURES:</u>					
Operating Expenditures					
Salaries and wages	\$ 19,787.06		\$ 22,400.00	\$	22,400.00
Other employee benefits	\$ -		\$ -	\$	-
Professional services contracts	\$ 18,500.00		\$ 23,600.00	\$	23,600.00
-West & Company	\$ 10,000.00		\$ 10,000.00	\$	10,000.00
-FCCRG Marketing	\$ -		\$ 5,000.00	\$	5,000.00
-Legal	\$ 8,000.00		\$ 8,000.00	\$	8,000.00
-CFO	\$ 500.00		\$ 600.00	\$	600.00
Supplies and materials	\$ -		\$ -	\$	-
Other operating expenditures	\$ 13,096.62		\$ 61,400.00	\$	52,400.00
-Meetings	\$ 600.68		\$ 700.00	\$	700.00
-NYSEDC Membership	\$ 750.00		\$ 500.00	\$	750.00
-Town of Johnstown Fire Taxes				\$	60.00
-Park Maintenance	\$ -		\$ -	\$	-
-Miscellaneous	\$ 553.94		\$ 200.00	\$	200.00
-Tryon Technology Park Marketing Project	\$ 11,192.00		\$ -		
-Tryon: Labor			\$ 15,000.00	\$	-
-Tryon: Maintenance Contracts			\$ 10,000.00	\$	20,000.00
HVAC					
Mowing					

-Tryon: Gas/Electric Usage	\$	10,000.00	\$	8,000.00
-Tryon: Property Maintenance Contracts	\$	5,000.00	\$	-
- Tryon: Building Repairs	\$	5,000.00	\$	2,000.00
- Tryon: Install New Door Locks	\$	3,000.00	\$	-
-Tryon: Water/Sewer Usage	\$	1,000.00	\$	3,000.00
-Tryon: Insurance	\$	1,000.00	\$	17,500.00
-Town of Perth Fire Taxes			\$	1,200.00
-Tryon: Reimbursable Expenses	\$	500.00	\$	250.00
-Tryon: Marketing/Capital	\$	9,500.00	\$	-
-Tryon: Miscellaneous			\$	250.00
Nonoperating Expenditures	\$	-	\$	-
Payment of principal on debt	\$	-	\$	-
Interest and other financing charges	\$	-	\$	-
Grants and donations	\$	-	\$	-
Other nonoperating expenditures	\$	-	\$	-
Total Expenditures	\$	51,383.68	\$	107,400.00
			\$	99,660.00

IDA DISCUSSION: Jim Mraz reviewed each of the line items in the proposed budget. He stated he was presenting it today for an initial review and was not asking the IDA Board to approve it. He stated the one (1) line item under Tryon: Labor will be eliminated given the IDA Board's previous decision to contract out for mowing services in 2015. He stated that money will be reallocated to Maintenance Contracts that includes Mowing. With respect to the appropriation for the FCCRG Marketing, there was a discussion on whether to continue having an agreement with the CRG. After a brief discussion, it was the consensus of all IDA members present to have the Executive Director meet with the CRG and develop a proposed Marketing Agreement for 2015 that included specific marketing initiatives.

With respect to certain expenditure items shown in the proposed budget, Jim Mraz stated that some of them are strictly guesses. For example, Tryon gas and electric usage, as well as water and sewer usage, are strictly estimates. He stated there is no track records to base a budget estimate on. He stated that if Building 3's HVAC systems are operational for a year or so, better estimates can be developed at that time.

With respect to compensation for the Executive Director and CFO, he stated he has asked the Governance Committee to review 2015 compensation amounts. Once that Committee develops its recommendation, those numbers will get entered into the budget.

Jim Mraz stated that he would continue working on the proposed 2015 Budget and have a final budget ready to present at the next IDA Board meeting for review.

B. FCCRG Invoice:

- IDA has a Marketing Agreement with the FCCRG whereby FCCRG provides marketing services on behalf of the IDA.
- Marketing Agreement is for 2013-2014.
- Marketing Agreement calls for the IDA to pay the FCCRG a Basic Fee of \$5,000 per year.
- FCCRG has submitted an invoice for the 2014 Basic Fee.

IDA ACTION:

MOTION: To authorize a payment in the amount of \$5,000 to the FCCRG.

MADE BY: George Bevington

SECONDED: Joseph Gillis

VOTE: Unanimous

C. Audit Services:

- IDA Members previously discussed seeking proposals from accounting firms to prepare the IDA's Annual Audit.
- Does IDA Board want to issue a Request for Proposals for auditing services?

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that West & Company has provided excellent services to the IDA for a number of years now. Several IDA members commented, however, that they felt that the fees being charged were too high and that the IDA could still obtain quality services at a lower fee. After further discussion, it was the unanimous consensus of all IDA members present to obtain proposals for auditing services. Jim Mraz stated that he would contact West & Company upfront and advise them of the IDA Board's decision prior to sending them a Request for Proposals.

IDA ACTION:

MOTION: To authorize the Executive Director to issue a Request for Proposals for auditing services for 2014.

MADE BY: Joseph Gillis

SECONDED: George Bevington

VOTE: Unanimous

VI. CLOSE MEETING:

MOTION : To close the meeting.

MADE BY : Joseph Semione

SECONDED : William Sullivan

VOTE : Unanimous

TIME : 9:50 a.m.