



**TROY LOCAL DEVELOPMENT CORPORATION
Board of Director
Meeting Minutes**

**March 28, 2014
8:30 a.m.**

BOARD MEMBERS PRESENT: Bill Dunne, Dep. Mayor Pete Ryan, Andy Ross and Hon. Ken Zalewski

ABSENT:

ALSO IN ATTENDANCE: Justin Miller Esq., Monica Kurzejeski, Selena Skiba, Andy Piotrowski, Joe Mazzariello, Paul Getz and Denee Zeigler

Minutes

In the absence of a Chairman, the board elected Bill Dunne as temporary Chairman of the meeting.

**Hon. Ken Zalewski made a motion to elect Bill Dunne as temporary Chairman for this meeting.
Andy Ross seconded the motion, motion carried.**

Bill Dunne called the meeting to order at 8:40 a.m.

I. Approval of Minutes from March 14, 2014 board meeting

**Hon. Ken Zalewski made the motion to approve the minutes.
Andy Ross seconded the motion, motion carried.**

II. Audit Presentation

Bill Dunne introduced Paul Getz, a representative of SaxBST, who will be giving a presentation on the audit. Draft copies of the financial statements were handed out to the board members. Mr. Getz advised he will go over some of the highlights of the report noting that the previous year's financial statements were audited by Bollam, Sheedy, Torani & Co. LLP which merged with Sax Macy Fromm & Co., PC to form SaxBST LLP.

Mr. Getz explained that the independent auditor's report that is in front of them is very similar to the previous year, noting there is a new format. Pages one and two describe both the responsibilities of the auditors and management's responsibilities for the financial statements. Mr. Getz noted that the management's discussion and analysis is not included in this report due to the small size of the board, but will not impact the report. The opinion is also included on this page.

Page three gives a snapshot of the assets and liabilities of the corporation as of the end of 2013. The numbers are down from the prior year, reflecting the economic development activities that that have taken place. Mr. Getz mentioned that there were four loans given out in 2013 which causes the loans receivable amount to go up for 2014. They are split into current and long term. The accounts payable and accrued expenses shows grants that were approved prior to year end. Deferred grant revenue related to the BEDI payments.

Page four of the report talks about revenue from both state and federal grants as well as rental income. Operating expenses shows an increase due to economic development activities, operation of the Neitzel building and professional fees during the ABO audit. Bad debts refer to two loans that were given an allowance due to payment issues. Mr. Getz noted that we had a significant amount in income in 2012 due to the National Grid funds. For 2013, there are net losses that reflect everything that the board has approved throughout the year.

Mr. Getz skipped to page eight of the report that discusses loans receivable. Page nine gives a summary of the loans for 2013 compared to 2012. The maturity of the loans is listed further down the page, noting the payment of two large loans in 2015. The board had a general discussion about the loans.

Mr. Getz discussed notes four regarding investment in the King Fuels site and Neitzel Building. Note five was also discussed the loan with the City for \$3 million. Bill Dunne asked if this loan could be refinanced. Joe Mazzariello explained that we did try at one point, but the fees outweighed the benefits. Mr. Dunne asked if could be bonded. Mr. Mazzariello advised that we could look into it. The board had a general discussion on the different possible ways to refinance which led Mr. Getz to discuss the next section about program expense. He advised that once the bad debt was moved, it becomes program expense. Mr. Mazzariello will work on some possible ways to refinance and consolidate some of the items.

Mr. Dunne also advised that we need to start looking at the cost benefits of swapping the Sperry Warehouse with the Alamo. Mr. Miller advised that we would have to look at the mortgages for the King Fuels site as part of this swap. Mr. Getz asked why the City has a mortgage on the King Fuels site. Mr. Miller explained the background of the agreement. The board had a general discussion on possible loans that may be available for that site. Andy Ross spoke to the board about closing costs for a loan of that amount. Mr. Dunne noted that the loans mature in 2026.

Mr. Getz continued with a discussion of note six regarding rental income and risk associated with King Fuels site. The rental income describes the Neitzel property. Notes 6b of the report talks about risk at the King Fuels site and note 6c talks about the consulting agreement. Note 6d discusses the loan and grant applications. Mr. Getz wanted to note that there were several grants and loans that have continued in early 2014. He wanted to note, that if we keep expending funds each year for economic development, the cash will go down significantly quicker. Mr. Miller advised that we should get some income in during 2014 that will help.

Monica Kurzejeski asked about the rental income listed and noted that the Neitzel building no longer has tenants. Mr. Getz advised that it contains some of the business at the King Fuels site and County Waste.

Mr. Getz concluded his presentation and advised that overall it was a good audit. Mr. Dunne asked if anyone had questions about the report.

Hon. Ken Zalewski made a motion to approve the draft copy of the financial statements.

Andy Ross seconded the motion, motion carried.

III. Financials

Joe Mazzariello gave an overview of the financials as of March 14, 2014 and handed out copies to the board members. Mr. Mazzariello spoke about some adjustments that will take place based on the audit that was recently completed. He gave a summary of the finances.

Mr. Mazzariello questioned the security deposit for the purchase of 9 First Street. Mr. Miller advised that their closing may end up going into April.

He wanted to note that the expenses are higher than the income. Mr. Ryan asked about the rent for South Troy properties. Mr. Mazzariello explained that they are for Waste Connections and eLot. Mr. Mazzariello advised that on the last page there is an analysis on the loans. Mr. Mazzariello asked the board if we should keep the loan for Essence on the books. Mr. Miller advised that they have not been able to locate her in order to serve the papers.

Mr. Mazzariello noted that we have rent concerns about Pete Marks. Mr. Miller noted that we do have a judgment against him. Mr. Getz advised the board that Mr. Marks did come up during the audit and it was recommended that a bad debt be taken on him for 2013. Ken Zalewski asked if it was included in the amount listed on the report. Mr. Getz advised yes.

Mr. Mazzariello also asked about Collarworks' balance due. Mr. Dunne asked Mrs. Kurzejeski to give the board an update. Mrs. Kurzejeski advised that Collarworks will be moving into Kevin Blodgett's building. They are just waiting to get the final okay from Code Enforcement. Mrs. Kurzejeski advised that due to the fact that they have not been able to use the space, due to an issue with the sprinkler system, they may want to consider waiving the amount.

Mr. Mazzariello mentioned some ongoing issues with Old World Provisions and eLot. Mr. Miller advised he has some updates and asked if they could move to executive session to discuss financial matters.

Bill Dunne made a motion to move to executive session to discuss financial matters of the tenant.

Hon. Ken Zalewski seconded the motion, motion carried.

Andy Ross made the motion to adjourn executive session.

Hon. Ken Zalewski seconded the motion, motion carried.

The board returned from executive session with no action taken.

IV. Adjournment

**Dep. Mayor Pete Ryan made a motion to adjourn the meeting.
Hon. Ken Zalewski seconded the motion, motion carried.**

The meeting was adjourned at 9:35 a.m.