

1 TOWN OF COLONIE
2 INDUSTRIAL DEVELOPMENT AGENCY
3

4 In the Matter
5 of
6 A Reorganizational Meeting of the Town of Colonie
7 Industrial Development Agency
8

9 TRANSCRIPT OF PROCEEDINGS had at a public
10 meeting of the Town of Colonie Industrial Development
11 Agency held at the Public Operations Center, 347 Old
12 Niskayuna Road, Latham, New York, on the 22nd day of
13 January, 2008, commencing at approximately 6:30 p.m.

14 P R E S I D I N G:

15 MARK HANNIBAL, Chairman

16 P R E S E N T:

17 FREDERICK BURGESS, Member

18 KENNETH CHAMPAGNE, Member

19 DAVID DeLUCA, Member

20 GARY RINALDI, Member

21 WILLIAM WILEY, Member

22

23

1 P R O C E E D I N G S

2 MR. HANNIBAL: Mark Hannibal, Acting
3 Chairman of the Colonie Town IDA.

4 MR. JOSEPH LaCIVITA: I'm Joe
LaCivita.

5 MR. MICHAEL MAGGUILLI: I'm Michael
6 Magguilli, the Town Attorney for the Town of Colonie.

7 MR. BILL WILEY: Bill Wiley.

8 MR. GARY RINALDI: Gary Rinaldi.

9 MR. KEN CHAMPAGNE: Ken Champagne.

10 MR. FRED BURGESS: Fred Burgess.

11 MR. DAVE DeLUCA: Dave DeLuca.

12 MR. BOB TENGELER: Bob Tengeler. I'm
a

13 member of the Transition Team, winding up my transition
14 duties for the Town Supervisor.

15 MR. MAGGUILLI: If I may, I would like
16 to just say this as far as the Acting Chairman goes, at
the

17 January 3rd, 2008 meeting of the Town Board of the Town
of

18 Colonie where you were all appointed members of the IDA,
19 Mark Hannibal was appointed the Chairman. That is

20 something that the Board does, so I don't believe you
have

21 to be the acting, you are, in fact, the Chair.

22
correcting

MR. HANNIBAL: Thank you for

23 the Chair.

24
Notice

Can you provide us with proof of

1 for the meeting?

2 MR. LaCIVITA: Yes, we have that here,
3 and that was actually posted in the Times Union.

4 MR. HANNIBAL: Has everyone received a
5 copy of the minutes of the meeting of December 27th?

6 Has everyone had a chance to read the
7 minutes?

8 Since none of us except for Mr. Wiley
9 were here at the time, I will just ask, are there any
10 corrections to the minutes?

11 MR. WILEY: No, there are not.

12 MR. HANNIBAL: Any comments to be made
13 on the minutes?

14 MR. DeLUCA: I just had a question.

15 There was a meeting of the Agency
16 Finance Committee. Are we doing that as part of this, or
17 are we doing that separately, or do we need to rule on it
18 at all?

19 MR. HANNIBAL: I don't think we need
to
20 rule on the Finance Committee minutes.

21 MR. MAGGUILLI: No.

22 MR. HANNIBAL: Then can I have a
motion
23 to accept the minutes as submitted?

MR. WILEY: So moved.

1 MR. HANNIBAL: Second?

2 MR. DeLUCA: Second.

3 MR. HANNIBAL: All in favor?

4 Opposed?

5 Let the record reflect it was
unanimous.

6 Can we have a motion to adjourn to
7 Executive Session to discuss certain matters regarding
8 employment and various contractual matters?

9 MR. DeLUCA: I will make that motion.

10 MR. CHAMPAGNE: Second.

11 MR. HANNIBAL: All in favor?

12 Opposed?

13 (The motion was passed unanimously.)

14 (The Agency conferred in Executive
15 Session.)

16

17 MR. HANNIBAL: We are coming back into
18 session.

19 Can we have a motion to return to open
20 session?

21 MR. DeLUCA: So moved.

22 MR. BURGESS: Second.

23 MR. HANNIBAL: All in favor?

24 Opposed?

1 It is unanimous.

2 The next order of business is
3 appointment of officers for the IDA.

4 The slate of officers would be
Chairman,
5 Mark Hannibal; Vice-Chairman is Gary Rinaldi; Treasurer
6 would be Dave DeLuca; Assistant Treasurer would be Craig
7 Blair, the Comptroller; Secretary would be Bill Wiley,
8 continuing on in that position; and the Assistant
Secretary
9 would be Ken Champagne.

10 Can we have a motion to accept this
11 slate?

12 MR. BURGESS: So moved.

13 MR. HANNIBAL: Fred so moved.

14 MR. WILEY: Second.

15 MR. HANNIBAL: Bill seconds.

16 All in favor?

17 Opposed?

18 Let the record reflect it is
unanimous.

19 The next order of business is
20 appointment of counsel.

21 Before we went to Executive Session we
22 had a reference given to us, Section 858, Subdivision
8 (A)

23 of the General Municipal Law.

24 Could you just read that one more
time?

1 MR. MAGGUILLI: Section 858 of the
2 General Municipal Law is entitled "Purposes and Powers of
3 the Agency". It goes through the normal to sue and be
4 sued, to have a seal.

5 Section 8(A) states, "To appoint an
6 attorney who may be the counsel of the municipality, and
to
7 fix the attorney's compensation for services which shall
be
8 payable to the attorney, and to retain and employ private
9 consultants for professional and technical assistance and
10 advice".

11 Then semi-colon under subsection (B)
you
12 get into the bond counsel, "an attorney acting as bond
13 counsel for the project" and it tells what he has to do,
14 file with the Agency, et cetera.

15 MR. HANNIBAL: In Executive Session
the
16 Board discussed the appointment of a bond counsel for the
17 IDA. It was, I believe, recommended that Hiscock &
Barclay
18 be retained to serve as bond counsel for the IDA.

19 If that reflects the sense of the
Board
20 from Executive Session, can I get a motion to that
effect?
21

MR. CHAMPAGNE: So moved.

22
23
24
Burgess.

MR. HANNIBAL: Ken Champagne.

MR. BURGESS: Second.

MR. HANNIBAL: Seconded by Fred

1 All in favor of appointing Hiscock &
2 Barclay as the bond counsel for the IDA and recommending
3 that we enter into a retainer agreement with them, please
4 indicate by saying aye.

5 Opposed?

6 Let the record reflect that it was
7 unanimous, and Hiscock & Barclay is now the bond counsel.

8 MR. TENGELER: Who is going to notify
9 them?

10 MR. HANNIBAL: I believe I will have
to
11 send a letter to that effect.

12 Joe, we can talk about that tomorrow,
13 both to the outgoing bond counsel, which was Whiteman,
14 Osterman & Hanna, and to the new bond counsel, Hiscock &
15 Barclay.

16 With respect to the appointment of
17 counsel to the IDA, the Board members discussed this in
18 Executive Session also. It was the sense of the Board
that
19 we would table this appointment for the time being.

20 Now, with respect to the appointment
of
21 Committee Chairs and membership, which is the next item
on
22 the agenda, we discussed with respect to the Audit

23 Committee appointing Dave DeLuca as Chair, and serving on
24 that Committee with him would be Gary Rinaldi and Fred

1 Burgess.

2 Can we have a motion to that effect?

3 MR. WILEY: So moved.

4 MR. HANNIBAL: Bill Wiley.

5 MR. RINALDI: Second.

6 MR. HANNIBAL: All those in favor?

7 Opposed?

8 Motion carries.

9

10 With respect to the Governance
11 Committee, it was recommended that Ken Champagne be the
12 Chair of the Governance Committee, and that Bill Wiley
13 serve on the Committee with him. The third member has
not
14 yet been selected for that Committee.

15 MR. DeLUCA: I will make a motion.

16 MR. HANNIBAL: Dave, thank you.

17 MR. RINALDI: I will second it.

18 MR. HANNIBAL: Gary seconds it again.

19 All those in favor?

20 Opposed?

21 Let the record reflect it was
unanimous.

22 Congratulations, gentlemen.

23

1 resolution regarding the retention of stenographic
2 services, it was unanimously the consensus of the Board
3 that we retain the services of Susanne Lynch as reporter
4 for the IDA.

5 Motion, please?

6 MR. BURGESS: So moved.

7 MR. HANNIBAL: Fred, thank you.

8 MR. DeLUCA: Second.

9 MR. HANNIBAL: Dave, second.

10 All those in favor?

11 Opposed?

12 That's unanimous.

13

14 MR. LaCIVITA: I just had a question

on

15 the bylaws, Mark.

16 The position of Executive Director, is
17 that by the fact that I hold the position of Director of
18 Planning and Economic Development, or is that something
19 that is also voted on? I don't see that here.

20 If we're making the reorganization

today

21 I didn't know if that was part of it.

22 MR. DeLUCA: I will make a motion that
23 we appoint Joe as Executive Director.

1 MR. HANNIBAL: Motion to appoint Joe
2 LaCivita as Executive Director has been moved and
seconded.

3 All those in favor?

4 Opposed?

5 Let the record reflect it was
unanimous.

6
7 I guess we skipped over signatories to
8 the Agency and other accounts.

9 Can we get some discussion on this
10 again, I forgot where we were.

11 MR. LaCIVITA: As I know, the
12 Comptroller's office has signatory cards for all the
13 accounts, and I will work with Joanne and Craig tomorrow
on
14 getting those cards and work on getting signatures for
15 them.

16 MR. HANNIBAL: We will bring that to
the
17 next Board meeting.

18 Okay, the presentation of business,
19 bills and communication.

20 MR. TENGELER: Again, just a point of
21 information, the bylaws set forth the manner in which the
22 meetings are to be conducted, so these were the remainder

is 23 of the items. I don't believe at this meeting since it
I 24 an organizational meeting you would have any report, but

1 put it in there anyway for that purpose.

2 MR. HANNIBAL: Training and Ethics for
3 the IDA. The Public Authorities Accountability Act
4 requires that all of the Board members be provided
training
5 on ethics, and it has to be done within the first year.

6 We will be scheduling that. We have
to
7 find someone.

8 MR. TENGELER: Point of information,
9 Hiscock is certified to do that. If you want to use
them,
10 they can do that. They can do a day session, or night
11 session, they can do it any way you want to.

12 MR. HANNIBAL: How long is that
training
13 course?

14 MR. TENGELER: I don't know, but I
will
15 find out for you.

16 MR. WILEY: I can tell you that we did
17 it and it was an all-day affair, both morning and
18 afternoon.

19 MR. MAGGUILLI: I think there is a
20 minimum of four hours under the statute, but I'm not
21 positive.

it? 22 MR. DeLUCA: Bill, where did you do

in 23 MR. WILEY: I think it was held down

24 Albany by Albany Law.

1 MR. DeLUCA: We should get a couple of
2 proposals.

3 MR. WILEY: It wasn't just for the
Town
4 of Colonie's group, it was people from all around the
5 State.

6 MR. HANNIBAL: We should look into
that
7 to determine whether or not that is an annual event. If
it
8 is, then maybe we can figure that out, but as Dave
9 suggested, maybe we should get a couple of other
proposals.

10 The bylaws of the Board are a little
11 sketchy. I would propose that we look at - - this is
12 something that comes under Governance. The bylaws are
13 important because they tell us how we are supposed to
14 operate, and we have to at the very minimum meet those as
15 opposed to the rest of the law, on top of everything
else.

16 So the Governance Committee looking at those I would
17 recommend because it is important for us to get off on
the
18 right foot.

19 I would ask someone to propose that
the
20 Governance Committee look at all of the bylaws, but with
21 specificity at amending Article 4, Section 4, Notice for

and 22 IDA Meetings, so we can be as transparent as possible,
23 give direction where the bylaws are somewhat vague right
24 now.

1 Anyone want to propose?

2 MR. CHAMPAGNE: I will move it.

3 MR. HANNIBAL: Thank you, Ken.

4 Second?

5 MR. BURGESS: Second.

6 MR. HANNIBAL: Thank you.

7 All in favor?

8 Opposed?

9 It is unanimous.

10 Thank you very much.

11

12 The next thing on the schedule is the

13 IDA budget.

that

14 Joe, do you want to walk us through

15 for 2008?

16 MR. DeLUCA: Is this the same one we

17 were given before?

18 MR. HANNIBAL: I believe so.

19 It's in your packet. It's a two page

20 sheet, one is '07 and the other is '08.

us

21 MR. LaCIVITA: What was presented to

22 here for consideration is like a 12 month budget ending

23 December 31, 2008.

1 administrative fees, interest income, and rental income,
to
2 be \$253,500. Expenditures for the fiscal year 2008
3 totaling \$87,400 to include all fees of administration to
4 operate, giving a surplus in operating of \$166,100, which
like
5 actually is a slight differential from 2007. It looks
6 there is a net savings for a total of \$24,700 to operate
in
7 the fiscal year 2008.

8 MR. DeLUCA: Do we have numbers for
'07
9 actual yet?

10 MR. LaCIVITA: At this point in time I
11 don't have a year to date. What was given to us that I
12 see, I thought you might all have in your packet - - we
13 don't have operational numbers. The only thing that was
14 given to me was the last quarter of 2007, that just shows
a
15 balance in the operating fund of \$29,000.

16 MR. DeLUCA: Do we need to make a
motion
17 on this, or is it just informational?

18 MR. HANNIBAL: I think this is
19 informational.

20 MR. DeLUCA: Clearly, we don't know
what

we 21 makes up the revenue, what is coming in. Based on what
22 discussed with counsel and a couple other things, it
what 23 appears that counsel number is way too low compared to
24 we discussed earlier. So, we may need to make some

1 revisions.

whether

2 MR. HANNIBAL: Joe, do you know

3 or not, the audit firm, Bollam, Sheedy & Torani, is there
4 an engagement letter with that firm?

5 MR. LaCIVITA: This is just the audit
6 financials right here, 2006, 2005.

7 I don't see an engagement letter.

of

8 MR. DeLUCA: We will need to get one
9 because the audit is supposed to be done within 90 days
10 the fiscal year.

11 MR. LaCIVITA: I will check with the
12 Comptroller's office tomorrow.

13 MR. HANNIBAL: I know they were
14 selected, so if there is an engagement letter and term of
15 engagement, we should find that out.

there

16 MR. MAGGUILLI: Which you may find
17 is none. We are discovering throughout the Town that
18 things that you would expect to be in place are not in
19 place.

to

20 MR. DeLUCA: The Audit Committee has
21 approve that first to get the presentation to the Board.

22 MR. HANNIBAL: Let's get that

23 information and get it to you as soon as possible.

24 MR. TENGELER: Point of information,

at

new
1 a future meeting would you want a presentation from the
2 Comptroller on the proposed 2008 budget so that you could
3 possibly get some guidance as to whether you want to make
4 changes or not?

5 MR. HANNIBAL: I think the information
6 would be helpful. Why don't we try and do that?

7 MR. TENGELER: Okay.

8 MR. HANNIBAL: Well, we're rounding to
9 the end of this, but there is some current issues that
are
10 out there that we need to discuss, and Joe is going to
11 bring us up-to-date on those at this point.

12 MR. LaCIVITA: On January 7th I
received
13 a call from a Michael Ferrah from the State of New York
14 Authority Budget Office that they are going to do a
15 compliance review under Section 27.2 of the Public
16 Authorities Accountability Act. They are looking to
17 actually come to do an entrance conference on the 28th,
18 which is Monday. I believe they are coming in at 3
o'clock
19 to meet with me, Mike, I believe I am on your schedule
for
20 that day as well, and Joanne or Craig Blair from the
21 Comptroller's office to go over the list of items so we
can

be

22 actually enter into a scope of work. They are going to
23 attending the IDA meeting on the 28th that evening to see
24 how we perform as a Board, and they anticipate the

1 completion of that audit to be done February 15th, which
is
2 just probably about another two or three weeks after
that.

3 I believe I may have given everybody a
4 packet of information on the audit. You have a summary
of
5 all the documents they will be looking for, which it
seems
6 like we are going to try and organize by then.

7 MR. MAGGUILLI: The Property
Disposition
8 Guideline, do we even know if something like that exists?

9 MR. LaCIVITA: I have looked through
10 every document I have in my office and I can't find some
of
11 these documents. I know Sue and I spoke at various
points
12 as to various documents, but some of these items just
don't
13 appear to exist at this time.

14 MR. MAGGUILLI: They are auditing
2007.

15 MR. LaCIVITA: Correct.

16 MR. HANNIBAL: Did the IDA submit an
17 annual report to the budget office last year?

18 MR. LaCIVITA: Yes, they did.

19 What I was going to actually do when
20 John or Mike comes into the office, along with Mike as

21 well, based on the fact that we are reorganizing, we ask
to
22 potentially see if we can move this audit back a little
bit
23 until we have actually restructured ourselves and start
to
24 develop the documentation that we have to see if that
would

1 actually work for them.

2 MR. HANNIBAL: That's a good idea.

3 Keep us apprised.

4 MR. DeLUCA: That 2006 report, could we

5 get a copy of that? I would be interested in that annual

6 report that they did file.

7 MR. MAGGUILLI: That's in Craig's

8 office?

9 MR. LaCIVITA: Yes.

10 MR. HANNIBAL: Do any of the other Board

11 members want to see it?

12 I would at least like one, too.

13 Do we know if this is routine, or is
14 this part of a general review of a number of IDA's, or if
15 they are looking at anything specifically for Colonie?

16 MR. LaCIVITA: Some of the documentation

17 I noticed dated back to 2006 saying that this office was
18 being created.

19 MR. HANNIBAL: It was created under the

20 Public Authorities Accountability Act and they staffed it
21 up. That bill was passed in '05, but not signed by the
22 Governor until the beginning of '06, and implementation

was

just 23 staggered for states and localities. Some provisions
24 didn't take effect until 2007.

1 MR. LaCIVITA: I didn't see any
2 documentation saying that we ever came under them.

3 MR. DeLUCA: Has anybody seen any
4 reports they've issued, are they public information?

5 MR. HANNIBAL: I have not seen any. I
6 know that one corporation that I am working with - -
7 because they took effect based on the expiration of a
8 corporation's fiscal year, some did not have a fiscal
year
9 that ended until the middle of last year. So, that's
when
10 it took effect, but clearly, we're under it's provisions
at
11 this point and we should do everything we can to comply.

12 MR. DeLUCA: I was thinking why delay,
13 why not get it over with, and for us to go forward then
we
14 will have the information to put in place policies to
help
15 us as we move forward, because it is going to be
reviewing
16 stuff that we weren't responsible for. We can find out
17 what we need to improve on, it will give us a road map.

18 MR. HANNIBAL: That is a good point.
19 That is something to consider.

20 Delaying it allows us, even if it only
21 allows us three, two or a month to get ourselves in
order,

22 I think the audit period that they're looking at is
always
23 going to be 2006. So, it is not anything that we
24 specifically took any acts on, but it could be
instrumental

1 in us learning how to go forward. The bottom line is we
2 need to have our house in order before they get in here.

3 MR. MAGGUILLI: I welcome it. It will
4 set a nice baseline. Things that happened before this
5 Board got here, then we'll have a record of what went on
6 before and what's happening now.

7 MR. HANNIBAL: They said they would go
8 through February 15th?

9 MR. LaCIVITA: That was their time
line.

10 MR. HANNIBAL: When will we get a
11 report?

12 MR. LaCIVITA: Shortly thereafter.

13 MR. HANNIBAL: Then that will come
while
14 we are still young and fresh.

15 MR. LaCIVITA: It would almost appear
it
16 would come before our April timeframe. You talked about
17 April, July and November meetings, so it's possible we
can
18 wrap this up and have something to review for April.

19 MR. HANNIBAL: One of the other things
20 we discussed in Executive Session was establishing
21 meetings, scheduled meetings for the IDA Board.

22 Joe, if you could just recite what
those

23 meetings were?

24 MR. LaCIVITA: We meet on a quarterly

p.m.;

1 basis the third Monday of the month, the time is 6:30

2 April 21st, which is a Monday; July 21st, which is a

3 Monday; and November 17th, which would be a Monday, all

at

4 6:30.

of

5 MR. HANNIBAL: If that was the sense

6 the Board, can we have a motion to just adopt that?

7 MR. CHAMPAGNE: So moved.

8 MR. WILEY: Second.

9 MR. HANNIBAL: Discussion?

10 All those in favor?

11 Opposed?

12 It is unanimous.

13 Any other business that you need to

14 brief us on, Joe?

15 MR. LaCIVITA: The only thing that is

16 identified here on the agenda is the Crumb Rubber

proposal,

17 which I am going to have to defer. I have no record on

18 that document.

19 MR. TENGELER: Again, point of

20 information. It's just a name that came up, I was unsure

21 if that was an issue that was coming up at the next IDA

22 meeting or not.

I

CYC,

going

meet

December

discuss

1 MR. LaCIVITA: The only understanding
2 had in meeting with my predecessor was there was two
3 companies coming before the IDA. That was going to be
4 which is going to be for the remaining bond request, and
5 then a company, I forget the name of it, Jim Morrell, the
6 Holiday Inn Express, that was the other one that was
7 to come before us for tax exemptions.

8 MR. HANNIBAL: Does anybody have any
9 information on these from past meetings? Bill?

10 MR. WILEY: I can tell you it is a
11 public hearing for the Holiday Inn Express, that was
12 scheduled for the 28th, and CYC is the one that has to
13 the timeframe for the second part of the, I think it was
14 12.8 million. Those were the two.

15 MR. HANNIBAL: Do we have to have a
16 hearing on the CYC?

17 MR. TENGELER: Yes, anything over
18 \$100,000.

19 MR. HANNIBAL: I know there were
20 hearings in December of last year; I think one was
21 11th and one was December 27th. Did those hearings

22 the bonding for the entire transaction?

23 MR. WILEY: I think it did.

24 MR. MAGGUILLI: I attended the
December

fact
on
for

1 11th meeting. What essentially they discussed was the
2 that with the tax-exempt bonds Berkshire Bank is going to
3 offer them a lower interest rate, and it would allow CYC,
4 according to CYC, to save approximately \$100,000 a year
5 mortgage payments, and that was their intent. Because of
6 the limit of ten million a year with the IDA, they had to
7 break it up into two sections, one for '07 and then one
8 this year.

Town
that

9 I have requested, and I just got them
10 today, the existing mortgage with Berkshire Bank. I want
11 to see that 12 million dollar mortgage, that is in my
12 Attorney hat. I want to read through the mortgage
13 documents and see what they had as far as a split out
14 agreement. They have apparently done that, they have
15 in place. So, they need the second bond resolution.

16 I haven't read through everything yet,
17 but they have done a splitter so far.

I'm

18 MR. HANNIBAL: Someone correct me if
19 wrong, if the Town needs to approve this tax-exempt
20 financing also, when does the Town Board meet next?

21 MR. MAGGUILLI: The Town won't have

22 anything to do with it.

23 MR. HANNIBAL: I understand that, but

I

24 believe under IRS regulations for an IDA to issue

1 tax-exempt debt of this type the Town Board has to - - I
2 believe if you look at the December minutes, the Town
Board
3 has to ratify the issuance.

4 So, do we know when the Town Board is
5 going to be meeting?

6 MR. MAGGUILLI: The next meeting is
7 February 14th, I know that.

8 There was something at the December
27th
9 meeting.

10 MR. TENGELER: The prior Town Board
did
11 ratify the ten million dollars that was passed by the
12 former IDA.

13 MR. HANNIBAL: I wonder if the Town
14 Board resolution only did ten million dollars, if we need
15 to get a second one for the other piece of it.

16 MR. TENGELER: It would seem you
would.

17 MR. RINALDI: We're over ten million
18 dollars, we're over the limit.

19 MR. MAGGUILLI: I don't think it has
20 anything to do with the tax-exempt status on the
21 ratification.

22 MR. RINALDI: To do the tax-exempt
bonds

stray 23 we have to have that in place, in theory so we don't
24 too far away from what the Town might want.

1 MR. HANNIBAL: Let's nail this down in
2 the next 24 hours because I understand this is important,
3 not only to CYC, but to the community.

three
4 MR. CHAMPAGNE: Wouldn't this new
5 million dollar resolution be starting from scratch,
though?
6 Wouldn't they have to go through the full process like
they
7 did before?

8 MR. HANNIBAL: I want to look at the
9 hearing. If the hearing they did on the 27th discussed
the
10 entire thing, then perhaps not.

11 MR. LaCIVITA: This might shed a
little
12 light here. I've got copies here. It looks like on
13 December 20th they are talking about the 12.9 adoption.

14 MR. HANNIBAL: Well, this is the first
15 thing that Hiscock & Barclay needs to do.

16 MR. LaCIVITA: This is actually the
17 subleasing of the land. If you want, I will make copies
of
18 that.

19 MR. HANNIBAL: Why don't you get
copies
20 for all the Board members and also for Hiscock & Barclay?

21 MR. CHAMPAGNE: On page 17 Mr. Hess is

the 22 saying, "So we will have to pass a bond resolution for
23 balance of the project". Mr. Reilly responds, "Assuming
24 that's what the Agency desires to do in 2008".

1 MR. HANNIBAL: Well, that is the IDA,
2 yes, but that is not the Town.

3 MR. CHAMPAGNE: Correct.

4 MR. HANNIBAL: I know that we need to
do something and we need to do something fairly quickly.
5

6 MR. RINALDI: Even at the Town Board
7 meeting when they passed the original ten there was
8 something that was said about the next Town Board would
9 have to pass on the three million.

10 MR. HANNIBAL: Has there been a Town
11 Board meeting in January?

12 MR. TENGELER: Yes, there was an
13 organizational meeting and there was a regular meeting;
14 right, Mike?

15 MR. MAGGUILLI: We had an
organizational meeting on the 3rd, and the first regular meeting on the
16 17th.
17

18 MR. TENGELER: And there isn't another
19 meeting, Mike, until the 14th of February?

20 MR. MAGGUILLI: No.

21 MR. HANNIBAL: Did they authorize any
22 bond issuances at that meeting?

23 MR. MAGGUILLI: They did not. At
either

24

the January 3rd or the 17th meeting, the CYC did not come

far 1 up in this context. It came up in a different issue as
2 as how much money the Town was going to give them for
3 services, and that was the only CYC issue.

4 MR. DeLUCA: You said there was some
5 urgency to the timing of this?

6 MR. HANNIBAL: I believe there is. I
7 was led to believe that the provision of the law which
8 allows for this type of transaction is such that it may
be 9 done as early as January 31st of this year.

10 MR. DeLUCA: With the IRS?

11 MR. HANNIBAL: There is a state law
that 12 allows IDA's to issue debt for civic improvement.

13 MR. DeLUCA: This came under Public
14 Authorities, is this part of that - -

15 MR. HANNIBAL: It may be. That is
16 something bond counsel would be able to tell us also.

17 MR. DeLUCA: Back to the first
question, 18 if we don't need to do it right away, we don't need to
19 rush.

20 MR. HANNIBAL: That's why we would
like 21 an answer.

22 MR. CHAMPAGNE: Do we want to discuss

23 this at all because of all the politics that have been
24 flowing on this through December and all?

1 I know Paula sounded very upset by it
2 all, reading through the minutes.

3 MR. BURGESS: She was concerned it was
4 going to obligate the Town of Colonie. It seemed to me
at
5 that meeting counsel suggested that was not the case.

6 MR. HANNIBAL: As I looked through
those
7 minutes, it appeared to me that there were two things
that
8 were of issue. One was if the deal goes belly-up and
9 Colonie Youth Center can not support the Ciccotti Center,
10 then a resource that the Town might have might pass to
11 Berkshire Bank, not in perpetuity, but for the length of
12 the term of the lease, which was 99 years, that was one
13 concern.

14 The other concern was with respect to
15 whether or not the Town was going to be on the hook for
16 these bonds. I did look at the bond resolution for the
17 9.8 million dollars, and there is specific language in
18 there that says that the Town is not on the hook for
these
19 bonds legally. Now, these are bank qualified bonds.
Banks
20 normally can not - - My biggest concern with this is, as
21 Mike said, the CYC is going to get about a \$100,000 break
22 in debt service payments annually over the life of this.

bank 23 My concern with these types of transactions is this, a
24 under current law can not deduct the costs, the carrying

1 costs, of a tax-exempt bond. However, in certain
2 circumstances the IRS has allowed them to do this. One
is
3 bank qualified bonds and those are for small issuers who
4 issue less than ten million dollars in any given calendar
5 year. As a result of that, if a bank buys that tax-
exempt
6 bond, it can deduct 80 percent of the carrying costs for
7 that bond. I don't know what those would be on ten
million
8 dollars, but it is sufficient that the bank is going to
9 give up \$100,000 in debt service as a break to the
Ciccotti
10 Center.

11 My concern is that if the bank is
making
12 sufficient money with the lower interest rate to forego
13 \$100,000 in debt service payments, how much are they
14 actually getting; what percentage of it is going to the
15 Ciccotti Center as opposed to the bank, that's my
concern.

16 MR. DeLUCA: Who negotiated that, John
17 Puig?

18 MR. HANNIBAL: I don't know.

19 MR. DeLUCA: I'm just saying, they're
20 getting something, they're looking at it if I get a 100
or

21 I get 150, I'm saving a 100. The point is it could have

22 saved 300. Normally, if it's a four percent bond it's
23 equivalent to a six percent taxable bond, like one and a
24 half time multipliers, so clearly these banks are doing

1 good.

could

2 MR. MAGGUILLI: I had a question,
3 they do this in the first place. It doesn't seem to be
4 creating any jobs. What they are doing is refinancing
5 existing debt, so when you look at the IDA - -

it

6 MR. DeLUCA: If you look at the way
7 that's worded, it's not like it's refinancing, they paid
8 off the construction loan. My note is just the fact was
9 even permissible, was it permissible activity?

at

10 MR. MAGGUILLI: I tried to raise that
11 the December 11th hearing. When the mortgage first went
12 out was it contemplated that this was going to be
13 into a tax-exempt, and they flat out said no, and I think
14 the IRS has a problem.

converted

15 MR. DeLUCA: Somebody missed the ball.
16 They should have done this right on the front end because
17 it clearly meets the purpose in terms of providing a
18 service to the community. You know, it did add jobs, all
19 the things it did on the front end, it just didn't do it
20 the back end. It's like coming in late. I guess the
21 original purpose it would have met it, and I think you

on

can

on 22 look through it in terms of maybe they dropped the ball

23 the front end.

of 24 MR. MAGGUILLI: From the Town's point

1 view, to do this they amended the terms of the mortgage
and
2 the groundlease. Now it is not limited. If Berkshire
Bank
3 steps in on this they can go for profit with this
facility.
4 They are no longer limited to doing not for profit. They
5 have to provide similar services, but the agreements were
6 amended to take out the one control that the Town had,
and
7 that was that it stay not for profit for the benefit of
the
8 taxpayers. So, conceivably, you could have Planet
Fitness
9 go in there.

10 MR. DeLUCA: At least we put them on
the
11 tax rolls, because it is exempt property right now, as I
12 understand.

13 MR. LaCIVITA: I guess one of the
14 questions I would have is when the Colonie Youth Center
15 went out and they had the idea of building the Ciccotti
16 Center, they formed a foundation to raise all this money
in
17 order to have this building built. It seems like they
18 entered into agreement under the Colonie Youth Center.
So,
19 I don't know how all that money transferred. Is there a

have 20 way we can audit? I mean, I know we probably would
21 to put some type of pressure on the Berkshire Bank to get
22 some type of financial to see where this money was
Youth 23 transferred between, and why did they secure Colonie
Center 24 Center because my concern with that is Colonie Youth
Center

they 1 also runs after-school programming, and so on, and did
2 pledge their operational moneys there to do against the
3 Ciccotti Center.

with 4 MR. DeLUCA: Joe, I don't disagree
5 you. I don't think it's Berkshire Bank. I think it's
CYC 6 or the Ciccotti Center. I don't know what that is, if
it's 7 an LLC, or what it is.

Center 8 MR. MAGGUILLI: The Colonie Youth
9 is a not for profit corporation. It has nothing to do
with 10 the Town. It has nothing to do with our Youth Bureau
which 11 is totally separate. The problem the Town is having is
the 12 taxpayers think it is all one thing. They think the
Youth 13 Bureau and CYC is part and parcel of one entity, and it's
14 not.

15 MR. DeLUCA: So, who runs the Colonie
16 Youth Center?

17 MR. MAGGUILLI: The CYC is run right
18 now, the Executive Director is a woman named Nikki
Caruso,
19 who stepped in when Brian Hogan resigned. Brian Hogan is

20 still a Board member of the Town Board of Colonie, but he
21 resigned last year sometime, I am led to understand, and
22 Nikki Caruso took his place.

23 Who is on the Board of Directors for
the

24 CYC, I don't know, but we do have the right, the Town has

1 the right under the agreement that we have to give them
the
2 125, last year it was \$325,000, to audit their books. I
3 have asked to have their books presented to our
Comptroller
4 so we can go through because we have no idea where that
5 money went.

6 MR. HANNIBAL: All of this is,
perhaps,
7 secondary to the fact that they want the IDA Board to
give
8 them tax-exempt financing. If they want to do that, they
9 should come to us and give us the information that we
need
10 in order to make that determination.

11 MR. DeLUCA: And somebody has got to
12 tell me that it is legal for us to do so. That purpose
is
13 in our Agency guidelines, that that's what we can do.

14 MR. HANNIBAL: Again, we will be
hearing
15 from bond counsel at our next meeting.

16 If there is no other business, we need
17 to talk about when our next meeting is going to be.

18 MR. TENGELER: There is a public
hearing
19 on the Holiday Inn Express?

20 MR. LaCIVITA: I believe the 28th.

and

21 I think we have the Ciccotti Center

22 Morrell's project.

23 MR. CHAMPAGNE: I have a question with

24 regard to that.

1 I have looked at the minutes, some of
2 the stuff we have been given, and it seems like that has
3 been a practice, once they come in for the public
hearing,
4 nobody is here from the public to ask questions and it's
5 just a gavel and they move on.

6 We haven't seen this project before.
7 Are we allowed to ask questions?

8 MR. HANNIBAL: Absolutely, as many as
9 you want until you get the answers that you want.

10 This is an open process. We are not
11 going to be voting on things without information.

12 MR. TENGELER: So, the next Board
13 meeting is the 28th after the public hearing?

14 MR. HANNIBAL: That's correct.

15 MR. MAGGUILLI: Joe, do you know who
is
16 making the presentation on behalf of CYC?

17 MR. LaCIVITA: I do not. I understand
18 Nikki, I saw her today at the State of the Town, and she
19 said she was going to be here.

20 MR. HANNIBAL: I got a telephone call
21 from Kevin Bottini asking me about when we are having a
22 meeting. I said I know we are having an organizational
23 meeting, and we will let you know after that when we are

24 going to have a scheduled discussion for CYC. So, I will

1 call him tomorrow.

2 MR. DeLUCA: Will we have bond counsel
3 here?

will

4 MR. HANNIBAL: On Monday? Yes, we
5 have bond counsel here.

6 Any other business to discuss tonight?

Town

7 MR. DeLUCA: The services that the
8 finance executive director, all those services that they
9 provide the IDA, do we have agreements, are we supposed
10 to ratify something, or is that something we can deal with
11 at the next meeting?

at

12 MR. HANNIBAL: We will try to do that
13 the next meeting.

14 I want to say thank you very much,
15 everyone, for making this, our first meeting here, a real
16 smooth and pleasant experience.

17 Motion to adjourn?

18 MR. DeLUCA: So moved.

19 MR. CHAMPAGNE: Second.

20 (The public meeting was adjourned.)

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C-E-R-T-I-F-I-C-A-T-I-O-N

ability

I, Susanne Lynch, Shorthand Reporter and
Notary Public in and for the State of New York, do hereby
CERTIFY that the foregoing record taken by me at the time
and place as noted in the heading hereof is a true and an
accurate transcript of the same, to the best of my
and belief.

18
19
20
21
22
23

Susanne Lynch

Date: _____

