

June 2, 2008

Utica Industrial Development Agency

8:30 a.m.

Members Present: John Buffa, Jack Spaeth, Joseph Hobika, Sr., Emmett Martin, and Angela Z. VanDerhoof

Excused: None

Also Present: Joseph Hobika, Jr., General Counsel, Scott Hosler, Gruver Zweifel & Scott, LLP, Mayor David R. Roefaro and UED Commissioner Robert Sullivan

The meeting was called to order by Chairman Hobika, Sr. at 8:34 a.m.

A motion was made by Mr. Spaeth and seconded by Mr. Martin to approve the minutes of the May 27, 2008 Meeting. The motion passed unanimously.

New Business:

Utica College: Mr. Hobika, Jr. advised the members that an application for benefits had been received by the Agency. A copy of the application was distributed to the members. The intended project is a \$6.3 Million dollar capital improvement project which requires borrowing approximately \$6.3 million dollars and is expected to result in job creation and a capital investment at Utica College in furtherance of the development of its Center for Identity Management and Information Protection Program. The benefit requested in a mortgage tax exemption. Mr. Buffa made a motion to induce the project and to close the project as soon as necessary. The motion was seconded by Mrs. VanDerhoof and after a discussion, the motion passed unanimously.

Old Business:

Audit Conference: As requested at our prior meetings, Mr. Hobika, Jr. introduced Scott Hosler from Gruver Zweifel & Scott, the Agency's auditors. Mr. Hosler introduced himself and indicated that things were proceeding reasonably well with the 2007 Audit indicating that he had received assistance from Mr. Spaeth and Mr. Hobika, Jr. in obtaining new information requested. Mr. Hosler distributed a copy of the 2006 management letter and indicated that the Agency had good internal controls by using an outside accounting firm for bookkeeping and accounting and also stated that that the Harza building was putting an obvious financial strain on the Agency's finances. Mrs. VanDerhoof asked Mr. Hosler if he would return in the near future to discuss the 2007 Audit and the Agency's 2008 finances.

Review of Agency Financials: The 2007 Agency's Profit and Loss Statement and the 2008 Interim Financials were distributed prior to and at the meeting. Mr. Spaeth was then asked a number of questions regarding the same including but not limited to: the amount of cash on hand in the Agency's bank account and whether or not any outstanding cash demands were expected. Additional issues related to the Agency financials concerned the City Limits show and the lack of wage and other employee expenses. Finally, the members asked that a representative of the Barone Howard & Powers attend the next meeting.

Harza Building: The Chairman then thanked Mayor Roefaro and Commissioner Sullivan for attending the Agency meeting and agreeing to bring the Agency members and staff up to speed on the status of the City's efforts to market the building. Mayor Roefaro acknowledged the financial hardship suffered by the Agency in holding the building. Mayor Roefaro asked the Agency not to return the building to the JDA as was the prior agreement and requested that an additional 90 days be given to the City to finalize any pending deals that may be in the works. Mayor Roefaro further reported that the State of New York finally agreed to invest the \$1 Million grant into the building to repair the roof and other physical plant issues. Mr. Spaeth was asked several questions about the finances of the building and the comparison to the 2007 building financials and could not produce the information. The Agency members asked that the Harza Building be returned to the Agency Agenda for the July 1, 2008 meeting and that Mr. Spaeth present the 2007 Building Financials which were not available at this meeting.

New Hartford Sheet Metal: Mr. Hobika, Jr. advised that the Agency members that a public hearing was scheduled for July 1, 2008 at 8:30 a.m. and that the Agency's regular meeting would be held soon thereafter.

Adjournment: There being no further business brought before the Agency, Mrs. Van Derhoof made the motion to adjourn which was seconded by Mr. Buffa and the meeting was adjourned at 9:22 a.m.