

# KLDC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

James M. Sottile, President

Michael F. Murphy  
Portfolio Manager

November 29, 2011

### MEMORANDUM

*John H. Dwyer,*  
*Vice President*

*Daniel P. Mills*  
*Treasurer*

*Bradley Jordan,*  
*Secretary*

*Rev. James Childs*

*Glenn Fitzgerald*

*Raymond C. Guerin*

*Richard B. Mathews*

*John Murphy*

*Jan Potter*

*Thomas J. Reinhardt*

TO: BOARD OF DIRECTORS - KINGSTON LOCAL DEVELOPMENT CORPORATION  
JAMES NOBLE, CITY OF KINGSTON ALDERMAN AT LARGE  
ARLENE RION, CITY CLERK  
AMANDA L. BRUCK-LITTLE, RECORDING SECRETARY KLDC  
STEPHEN M. FINKLE, ECONOMIC DEVELOPMENT DIRECTOR  
SUZANNE CAHILL, CITY PLANNER  
BRENNNA ROBINSON, EMPIRE ZONE COORDINATOR  
MICHAEL F. JORDAN, ESQ., COUNSEL KLDC  
DANIEL MARSH III, NATIONAL DEVELOPMENT COUNCIL DIRECTOR  
DAILY FREEMAN, 79 HURLEY AVENUE, KINGSTON, NY 12401  
WKNY, PO BOX 1398, KINGSTON, NY 12402  
WGHQ, 82 JOHN STREET, KINGSTON, NY 12401  
BRIAN JONES, WPHD/WCZX/WEOK/WRRV, PO BOX 416, POUGHKEEPSIE, NY 12602  
POSTMASTER, PO BOX 9998, KINGSTON, NY 12402-9998  
MICHAEL F. MURPHY, COMMUNITY DEVELOPMENT DIRECTOR/DIRECTOR OF KLDC

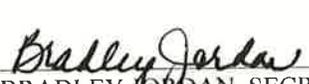
FROM: JAMES M. SOTTILE, MAYOR/PRESIDENT OF KLDC BOARD OF DIRECTORS

RE: KINGSTON LOCAL DEVELOPMENT CORPORATION BOARD MEETING

Please be advised that a meeting of the Kingston Local Development Corporation will be held at 8:00 a.m., Thursday, December 15<sup>th</sup>. Said meeting will be held in the Mayor's Conference Room, City Hall, 420 Broadway, Kingston, NY 12401.

#### AFFIDAVIT OF MEETING:

I, Bradley Jordan, Secretary for the Board of Directors of the Kingston Local Development Corporation, did on the 29<sup>th</sup> day of November, 2011 mail this notice to the individuals listed above. Mailing was accomplished by sealing said notice in an envelope and depositing same, with postage thereon, full pre-paid, with the United States Post Office.

   
BRADLEY JORDAN, SECRETARY

# KLDCC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

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James M. Sottile, President

Michael F. Murphy  
Portfolio Manager

## **KINGSTON LOCAL DEVELOPMENT CORPORATION**

*John H. Dwyer,  
Vice President*

### AGENDA

*Daniel P. Mills  
Treasurer*

Thursday, December 15, 2011 @ 8:00 a.m.

*Bradley Jordan,  
Secretary*

*Rev. James Childs*

1. Call to Order

*Glenn Fitzgerald*

*Raymond C. Guerin*

2. Approval of Minutes of Previous Meeting from 10/20/2011

*Richard B. Mathews*

*John Murphy*

3. Discuss New York State Authority Board Requirements

*Van Potter*

(a) Whistle Blower Policy

*Thomas J. Reinhardt*

(b) Auditor Rotation

4. Portfolio Review

5. Adjournment

If you are **unable** to attend please notify Michael Murphy (334-3924) or Amanda Bruck-Little (334-3930). If we do not have a quorum we are unable to vote on any matters at hand.

# KLDC KINGSTON LOCAL DEVELOPMENT CORPORATION

James M. Sottile, President

December 15, 2011

Michael F. Murphy  
Portfolio Manager

**PRESENT:**

BOARD MEMBERS - President Sottile, Vice President Dwyer, Secretary Jordan, Fitzgerald, Mathews, J. Murphy, Potter.

*John H. Dwyer,  
Vice President*

COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR / KLDC EXECUTIVE DIRECTOR – M. Murphy

*Daniel P. Mills  
Treasurer*

RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT - Bruck-Little

*Bradley Jordan,  
Secretary*

CITY PLANNER - Cahill

NDC CONSULTANT – Daniel Marsh, III

**ABSENT:**

*Rev. James Childs*

BOARD MEMBERS – Treasurer Mills, Rev. Childs, Reinhardt, Guerin

*Glenn Fitzgerald*

EZ COORDINATOR - Robinson

*Raymond C. Guerin*

ECONOMIC DEVELOPMENT DIRECTOR – Finkle

*Richard B. Mathews*

BOARD ATTORNEY - M. Jordan

*John Murphy*

Meeting was called to order by President Sottile at 8:07 am.

*Nan Potter*

A motion to accept the minutes from the previous meeting of October 20, 2011 was made by Ms. Potter and second by Mr. Mathews. Motion carried.

*Thomas J. Reinhardt*

**New York State Authority Board Office Requirements Discussion** – As of this date Mr. Fitzgerald has completed the ABO Online Board Training and Ms. Bruck-Little has completed the ABO Online Board Training for Staff. Mr. Fitzgerald shared his experience with the rest of the Board and explained how he felt the 3 -3 ½ hours was well spent as he felt the training was very informative. Ms. Bruck-Little also expressed how she too found the training to be informative from the Staff stand point. Many of the Board members expressed concern over the amount of time the training requires and the effect that time spent would have on their employment or businesses. President Sottile stated he would reach out to someone to see if there was any way to bring someone to City Hall to train the remaining members.

**Whistle Blower Policy** – All LDC's are required to adopt specific policies for Board Members to comply with as well as for protection for notifying proper authorities should anything un-ethical or illegal be taking place by the LDC or any of the members. Mr. M. Murphy presented the Board with a Whistle Blower Policy to review. After a brief discussion a motion was made by Secretary Jordan to adopt the Whistle Blower Policy. Second by Mr. Mathews. Motion Carried.

**Auditor Rotation** - One of the areas covered by the ABO training was how audits should be conducted. Large firms that have several partners have the ability to continue auditing an LDC over a longer period of time. No partner may be lead auditor for more than 5 consecutive years and should the LDC continue to use the same firm year after year, the lead auditor must change every five years

in order to keep a “fresh set of eyes” auditing the financials and to be in compliance with the ABO. It was brought up that the current auditing firm for KLDC only has 2 partners and has been the auditing firm for a number of years and the auditor has been the same partner for more than 5 consecutive years. The Board has requested Mr. M. Murphy to contact the ABO and get specific clarification on the Auditor Rotation Policy. A motion was made by Vice President Dwyer to direct the other partner of the firm to conduct this year’s audit and await clarification from the ABO and going forward, beginning the next fiscal year (2012) to get quotes from other firms to conduct the KLDC’s audits. Second by Mr. Fitzgerald. Motion carried.

#### **PAST DUE LOANS-**

**Bridgewater** – Mr. M. Murphy informed the Board the Foreclosure process is moving along and the property is presently for sale.

**KRNH-** Attorney Stephanie Whidden, has said it is a long expensive process to go after accounts receivables. Mr. Mathews suggested writing an open letter to Congressman Hinchey, Senator Schumer and Senator Gillibrand explain the position of the KLDC with regards to our situation with KRNH and private pay clientele. A motion was made by Mr. Mathews to for Mr. M. Murphy to write a letter to inquire about the receivables and the breakdown in percentage of private pay, Medicaid and Medi-care. Second by Mr. Fitzgerald. Motion carried.

**Noah Hotel/Charles Blaichman** – Mr. Blaichman was sent correspondence regarding the issue of non-payment and explaining that the issue with the pile of soil that was waiting to be removed but had been spread out by a contractor of the City was an issue with the City of Kingston and not the KLDC. President Sottile told the Board that soil from the site had been collected and sent for testing for an environmental review. The Board questioned whether or not interest could be charged since payment in full has been due since December 31, 2010. Since it was a no-interest loan there is no recourse to collect more than the \$140,000.00 due.

**Rosita’s Mexican Restaurant** – Mr. M. Murphy has been in contact with Dick Anthony and Steve Hack of Ulster Savings Bank and was told that the bank should be taking possession of Rosita’s around March or April of this year.

**Valerie Mayone** – Ms. Mayone has taken ill again, her prognosis is not favorable and has stated she is willing to sign over the deed in lieu of foreclosure. A motion was made by Vice President Dwyer to give President Sottile permission to sign any paperwork that would be necessary for the process. Second by Ms. Potter. Motion Carried.

**EXECUTIVE SESSION-** The Board went in to Executive Session from 8:40 am – 9:00am.

**National Development Council Consultant** - President Sottile and Mr. M. Murphy discussed with the Board the importance of being in contract with the NDC and how much we have benefited through the knowledge and expertise of our consultant, Mr. Marsh. Though the Board did not take action on retaining Mr. Marsh. A motion was made by Ms. Potter that the Board recommend to Mayor Elect Gallo that his services be retained. Second by Vice President Dwyer. Motion carried.

**RESIGNATIONS-**

John F. Murphy resigned due to conflict of interest due to property listings his real estate business has.

President Sottile thanked each Board member for their time of service during his tenure.

Mr. Murphy stated another Board meeting would be scheduled at the beginning of 2012.

At 9:17 am a motion was made by Mr. Mathews to adjourn. Second by Mr. Fitzgerald. Motion carried.

Respectively Submitted,



Amanda L. Bruck-Little  
Recording Secretary