

Golden Hill Local Development Corporation
Minutes of the Board of Directors

Date: April 24, 2012

Time: 5:00 PM

Place: Legislative Chambers, 6th Floor
County Office Building, 244 Fair Street, Kingston, NY

Members Present: Marshall Beckman (excused at 5:38 PM)
Michael Bernholz
James Hanson
Michele Iannuzzi
Jeanette Provenzano
Robert Sudlow
Dare Thompson

Others Attending: Ken Crannell, Deputy County Executive
Clinton G. Johnson, Esq. First Assistant County Attorney
Gerry Adest, Partner, Loeb & Troper LLP
Deborah D. Lynch, Principal, Loeb & Troper LLP
Amy Borden, Paralegal

1. Call the Meeting to Order

Chairwoman Thompson called the meeting to order at 5:00 PM.

2. New Business

- a. J. Hanson stated that the Board needs to formulate a budget report for Fiscal Year 2012, which runs January 1 through December 31, 2012. J. Hanson will work with Burt Gulnick in the County's Finance Department to formulate a draft budget for the Board to review within the next two (2) meetings. J. Hanson will contact the New York State Authorities Budget Office to determine exactly what the Board needs to submit.
- b. J. Hanson also noted that all local authority Board Members must participate in mandatory webinar training. He will email the information to all Board Members, including the website information and times and dates of scheduled training. He noted that the times of the training are set by New York State and enrollment for each session is limited. J. Hanson will explore if the Board will be able to participate in a group session, noting that if members are unable to attend as a group, they can participate individually.
- c. R. Sudlow introduced Deborah Lynch and Gerry Adest, representatives of Loeb & Troper, LLP, who gave an extensive presentation regarding their proposal to serve as

consultant to the GHLDC for the sale of the facility. Ms. Lynch and Mr. Adest then responded to several questions from the Board Members.

M. Beckman asked about the process for assessing the quality of potential buyers, including the ability to finalize the sale within the timeframe set forth by the GHLDC. Ms. Lynch explained that there are key phases within the sale and that the firm would use the GHLDC's guidelines as to the breadth of distribution of RFPs to potential buyers. The firm would assess the financial capability of potential buyers, including public information from the Department of Health and balance sheets provided by the potential buyers.

Ms. Lynch further explained that they are familiar with many buyers and can compare the performances of the operators to other facilities and can judge accordingly. M. Bernholz inquired as to how the firm intends to reach unknown buyers, as it had indicated that it would solicit known buyers. Ms. Lynch explained that the firm maintains a database of interested parties who are looking for purchases and acquisitions, and it has daily dealings within the healthcare field. Ms. Lynch further noted that some sellers are aware of interested parties and provide that information to the firm. D. Thompson noted that the intent to sell is also publicly known.

M. Beckman asked if there was a benefit to issuing a Request for Expression of Interest (RFEI) as opposed to simply issuing the Request for Proposals (RFP). Mr. Adest explained that the RFEI is a short process that can narrow the field of interested buyers to a more focused list of buyers to whom the RFP is sent.

J. Provenzano questioned whether buyers are interested in building a new facility as opposed to taking over a current facility. Mr. Adest explained that no one is looking to build because of the reimbursement process is changing. J. Provenzano asked about the sale of facilities that need major renovation. Ms. Lynch responded that most capital improvements are done through minimal renovations, but life safety improvements are made. M. Bernholz asked if the purchasers would consider the condition of the facility in making their offers. Mr. Adest responded that meeting the State-set deadline for the installation of the sprinkler system might want to be made by the GHLDC prior to the sale, and Ms. Lynch added that it is something to discuss in negotiation.

R. Sudlow asked about the firm's experience in transitioning from a public sector with Union employees into a privately operated facility. Ms. Lynch explained that the firm did work with Suffolk County to aid in that transition.

J. Hanson asked about the firm's billing arrangement. Ms. Lynch provided an overview of their typical charges, and would have the firm's Managing Partner to prepare a full proposal.

Discussion was had about potential buyers visiting the facility. Ms. Lynch explained that some potential buyers do not do a site visit, as they are looking at the financials more

than the real estate. Mr. Adest stated that some potential buyers might conduct a site visit during the RFP stage.

J. Hanson asked about the firm's relationship with the State Department of Health. Ms. Lynch explained that the firm has key relationships at the State level, can review and monitor the progress of the sale and get approvals quickly.

The Board thanked Ms. Lynch and Mr. Artest for their presentation.

- d. D. Thompson asked J. Hanson to continue his explanation of Board training webinar. J. Hanson reiterated that he would email the information to the members of the Board and provided the website information.
- e. J. Hanson explained that budget reporting is accomplished through an online system. By March 1, ninety (90) days after the end of the fiscal year, the Board must submit an annual report, annual audit, procurement report, and investment report.

GHLDC will use Toski, Schaefer & Co. for any outside reports that may need to be done for the audit.

3. Old Business

- a. J. Hanson distributed drafts of the agreements for Harris Beach PC, and asked the Board Members to review and suggest any edits or submit questions to the group via email, and to be prepared for discussion and voting at the next meeting. First Assistant County Attorney Clinton Johnson noted that the bond counsel costs were updated as discussed previously.
- b. J. Hanson discussed the Administrative Services Support Agreement between the County and GHLDC. This Agreement will permit the County to spend money on behalf of the GHLDC, provided that the GHLDC will reimburse the County at the time of bond or sale of the facility. Mr. Johnson will draft that Agreement to give to the Board at the next meeting.

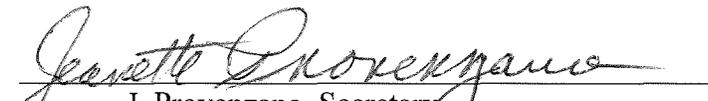
4. Minutes of the April 18, 2012 Meeting

- a. D. Thompson moved onto the review and approval of the minutes of the meeting of April 18, 2012. M. Iannuzzi noted the misspelling of her name. Approval of the minutes was called by D. Thompson. J. Hanson made a motion to accept the minutes of the April 18, 2012 meeting, as amended. M. Iannuzzi seconded the motion. D. Thompson called the question and it was unanimously approved.
- b. J. Hanson noted that, per J. Provenzano's request at the April 11, 2012 meeting, there will be an audio recording of the minutes, and minutes will be written and forwarded to the Secretary and distributed to the Board for approval.

5. Discussion was had about the next meeting time. The next meeting for the Board of Directors is scheduled for May 2, 2012 at 6:30 PM.
6. The Board moved into Executive session at 6:00 PM.

Respectfully submitted,

Amy Borden



J. Provenzano, Secretary



Date Approved