



Auburn Industrial
Development Authority

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

MEETING MINUTES

Monday, September 19, 2011 @ 4:00 PM
Third Floor Training Room
Memorial City Hall

Board Present: James Dacey (Chair & Member of Business); Sue Chandler, (Member of Labor); Ginny Kent (School Board Member); William Graney (Council Member); Rob Buschman (At-Large Member); Laurie Didio (At-Large Member); Michael Kane (Member of Industry)

Excused: Monika Salvage (At-Large Member); Matthew Smith (Council Member)

Present: Rick Cook (Hancock & Estabrook);

Staff: Jennifer Haines (Executive Director); Tricia Ottley (Planning & Economic Development Program Manager); Douglas Selby (City Manager); Maureen Pesek

Guests: Sullivan DeRaddo, Raymond Wiley and other representatives from Goulds Pumps, and Ivette Alvarado of Gibbons Law Firm, Goulds Pumps attorney.

1.) ~ Approval of Minutes

James Dacey called the meeting to order 4:05 PM. A motion to accept the minutes of August 19, 2011 was made by Bill Graney and second by Sue Chandler. Motion carried.

Jenny Haines introduced Douglas Selby, the new City Manager, and asked those in attendance to introduce themselves to him.

2.) ~ Resolution of AIDA authorizing amendments to the Payment In Lieu of Tax agreement installment sale agreement and related documents with respect to the Goulds Pumps, Incorporated project

James Dacey asked for a motion to go into executive session for the purpose of land acquisition. Ginny Kent made the motion, and Mike Kane second.

James A. Dacey
Chairman

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A motion to come out of executive session was made by Ginny Kent and second by Rob Buschman.

James Dacey asked the Goulds representatives to confirm the current number of employees. Sullivan DeRaddo said that right now their employment is 225, and they are forecasting for the end of the year that they will employ 218. They predict that the employment by the end of 2012 will be 207.

Rob Buschman said that he was struggling with the request to amend the minimum number of employees in the PILOT agreement to 160 employees, as they are predicting 207 employees for 2012.

Sullivan DeRaddo explained that if the economy stays the same, the number of 207 employees would hold true, but if the economy slides like it did a few years ago, then they are predicting 160 employees. He went on to explain that the number of 160 employees was never discussed with the "people on the floor", but it has been Goulds strategy. He also mentioned that the company has initiated a "\$20K golden handshake" to employees thru attrition.

Rob Buschman pointed out that the amendment covers a 5 year span, and suggested that Goulds return to the AIDA Board after 1 year so that the Board can determine how the economy has affected Goulds business.

Sullivan DeRaddo said that Goulds intent is to invest in Auburn and would ultimately love to come back and ask for a new PILOT.

James Dacey said that the AIDA Board has a responsibility to future members of the Board, and has no problem reviewing this amendment annually as a reasonable compromise.

Raymond Wiley said that they would bring that information back to their leadership.

Rob Buschman said that if Goulds employment goes to 160, he doesn't want to penalize the company, but has a responsibility to Cayuga County. Sullivan DeRaddo said that having employment at 160, is the worst case scenario and no one is sure if that will happen, but it will if there is another recession.

James Dacey said with that in mind, it is better to review yearly, not in 5 years. Also, the request for the assignment from Goulds Pumps Incorporated to ITT Water Technology, LLC, is not a problem.

At this time the representatives from Goulds Pumps left the room to discuss their options. When they returned to the meeting, Sullivan DeRaddo said that they would change the minimum to 190 employees. James Dacey said that the Board would take that under consideration.

Trish Ottley explained to the Board that Goulds needs approval by October 1, 2011, and Ivette Alvarado asked when the Board could reconvene.

Rob Buschman said he would go along with using the number of 190 employees and keeping the penalties the same ratio as described in the initial contract.

Laurie Didio asked if this amendment was for the remainder of the existing PILOT, to which Sullivan DeRaddo answered yes.

Before the contingent from Goulds left the meeting, Jenny Haines expressed appreciation on behalf of the AIDA Board, to Goulds representatives, for their commitment to Auburn.

The following is discussion that occurred after Goulds left the meeting:

Mike Kane said that in 2008 Franklin Motors didn't sell to Goulds anymore and it created a "money loss not a people loss".

James Dacey said that he was concerned that Goulds reps could go from 160 employees to 190 employees so quickly.

Rob Buschman said that the Board should negotiate the employee numbers in steps; 200 to 196, 196 to 192, and so on.

James Dacey asked the Board if they were comfortable going with 200 for the minimum number of employees, to which they all agreed.

It was agreed that the Board would try to meet Wednesday, September 28th, at 9:00 AM.

3.) Review of appraisal proposals for Tech Park

Trish Ottley referred to the Summary of Appraisal Responses that was included in the Board's meeting packets, and explained that Pomeroy Associates offered the option of appraising the 20.99 acres site as a whole, and also as being subdivided into two or more lots. Doan Appraisal was contacted to provide similar pricing, and with a total cost of \$2,250.00, came in as the lowest bidder. James Dacey asked for a motion to approve Doan Appraisal to appraise Tech Park, to which Rob Buschman made the motion, and Sue Chandler second.

4.) Determine monthly day/time for Board to meet

There was brief discussion and determined that it is too hard for most people to commit to a set day and time for AIDA Board meetings and to schedule meetings as they have been scheduled in the past. James Dacey suggested that Strategic Planning meetings should resume within the next few weeks.

A motion to adjourn was made by Rob Buschman and second by Sue Chandler. Motion carried.