



MINUTES

NEW YORK STATE CANAL CORPORATION

BOARD MEETING NO. CC-142

October 30, 2006

Minutes of a meeting of the New York State Canal Corporation, held in the Board Room at Administrative Headquarters, 200 Southern Boulevard, Albany, New York, 12209.

The meeting began at 10:30 a.m.

There were present:

**John L. Buono, Chairman
Nancy E. Carey Cassidy, Board Member
Erin M. Crotty, Board Member
Jeffrey D. Williams, Board Member
Frederick M. Howard, Board Member**

Constituting a majority of the members of the Canal Corporation Board.

In addition, there were present the following staff personnel:

**Michael R. Fleischer, Executive Director
John Bryan, Chief Financial Officer
Sharon O'Connor, General Counsel
William Rinaldi, Director, Albany Division**

Joanne Riddett, Director, Information Technology
Christopher Waite, Chief Engineer
Jill Warner, Secretary and Board Administrator
Major George Beach, Troop T
Daniel Gilbert, Chief of Staff
Wendy Allen, Deputy Chief of Staff
Thomas Fitzgerald, Acting Director, Administrative Services
Donald Bell, Director, Operations and Maintenance
Carmella Mantello, Director of Canal Corporation
Michael Flynn, Director, Audit & Management Services
Kevin Allen, Unit Supervisor, Audit & Management Services
Dorraine Steele, Director, Office of Fiscal Audit and Budget
Lawrence Frame, Deputy Director of Canal Corporation
Richard Garrabrant, Director, Syracuse Division
Ramesh Mehta, Director, New York Division
Cathy Sheridan, Canal Capital Program
Richard Harris, Deputy Director of Canal Community Development and Land Management
Jennifer Meicht, Deputy Director, Canal Office of Communications and Marketing
Betsy Graham, Acting Director, Office of Public Affairs
Tracie Sandell, Assistant Counsel
John Brizzell, Transportation Federation Liaison
Michael Sikule, Director, Office of Investments and Asset Management
Howard Goebel, Hydrologist, Office of Canal Operations, Maintenance and Engineering
Marc Tryon, First Sergeant, Troop T
Captain Christopher Fiore, Troop T
Howard Jones, Troop T
Also in Attendance:
Cathy Woodruff, Reporter, Albany Times Union
Marty Latko, President, Teamsters Local 72
Terrence Aldridge, Secretary Treasurer, Teamsters Local 72
Craig Miller, Senator Dale Volker's Office
Mark Henneson, Assemblyman Sam Hoyt's Office
Tom Precious, Buffalo News
Christopher Fahey, Congressman Higgins' Office
Geraldine Gouthier, Public
Rich Kellman, Reporter, WGRZ Channel 2, Buffalo
Joe O'Roarke, Cameraman, WGRZ Channel 2, Buffalo



Chairman Buono noted that he, Ms. Carey Cassidy, Ms. Crotty, Mr. Howard and Mr. Williams had received and reviewed the Agenda submitted for consideration at this meeting and were prepared to act on each of the items.

Ms. Warner recorded the minutes as contained herein.

Public notice of the meeting had been given, Ms. Warner said.

Item 1 by Ms. Warner (Appendix A)
Minutes of Meeting No. CC-141

On the motion of Ms. Crotty, seconded by Mr. Williams, without any objections, the Board approved the minutes of Meeting No. CC-141 held on September 14, 2006 which were made available to the Board Members as part of the Agenda.

Item 2 by Ms. Mantello (Appendix B)
Authorizing the Executive Director to Execute an Agreement between the New York State Canal Corporation and the U.S. Geological Survey for the Operation and Maintenance of Ten Streamflow or Stage Stations and Publication of Furnished Records from Two Stations

After full discussion, on the motion of Ms. Carey Cassidy, seconded by Ms. Crotty, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 399

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT BETWEEN THE NEW YORK STATE CANAL CORPORATION AND THE U.S. GEOLOGICAL SURVEY FOR THE OPERATION AND MAINTENANCE OF TEN STREAMFLOW OR STAGE STATIONS AND PUBLICATION OF FURNISHED RECORDS FROM TWO STATIONS

RESOLVED, that the Executive Director is hereby authorized to execute an agreement with U.S. Geological Survey for the operation and maintenance of ten streamflow or stage stations and publication of furnished records from two stations, and be it further



Item 2 by Ms. Mantello (Appendix B)

Authorizing the Executive Director to Execute an Agreement between the New York State Canal Corporation and the U.S. Geological Survey for the Operation and Maintenance of Ten Streamflow or Stage Stations and Publication of Furnished Records from Two Stations (Continued)

RESOLVED, that the Board hereby waives the use of a competitive procedure for the procurement of these services pursuant to Article 4 of Policies-Purchasing (25-5-01C), and be it further

RESOLVED, that the agreement will be for the period December 1, 2006 to September 30, 2010, and be it further

RESOLVED, that the maximum amount payable shall be \$262,775, which will be provided for in the Canal Corporation operating budgets over the contract period, and be it further

RESOLVED, that the Executive Director or his designee shall be authorized to take all actions necessary to implement this Board action; and be it further

RESOLVED, that the Executive Director or his designee shall have the authority to exercise all powers reserved to the Authority under the agreement, manage and administer the agreement, amend the provisions of the agreement consistent with the terms of this and other Board authorizations and suspend or terminate the agreement in the best interests of the Authority, and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting



Report to the Board by Mr. Fleischer
Syracuse Inner Harbor

Mr. Fleischer reported that at the November 16, 2004 Canal Corporation Board Meeting, the Board authorized staff to negotiate a tentative agreement with DestiNY based on the recommendation on the Lakefront Development Corporation. That authorization did not select DestiNY as the preferred developer, nor did it legally bind the Corporation to enter into an agreement with DestiNY.

DestiNY delayed negotiations for approximately 18 months until they had resolved their Empire Zone credit issues with the City of Syracuse. When those issues were believed to be resolved, consistent with the financial guarantee provisions of the RFP, a request for a ten percent refundable deposit from DestiNY was made. DestiNY's attorneys asserted that the deposit was arbitrary.

At several subsequent meetings between DestiNY and Corporation attorneys the terms of a Disposition Agreement were discussed but never resolved. To date, DestiNY has not provided specific comments on the draft agreement nor have they provided an affirmative response as to whether or not they will pay the ten percent refundable deposit.

Mr. Fleischer requested direction from the Board in moving forward. The Board directed staff to suspend negotiations with DestiNY and reevaluate any available alternatives, Mr. Fleischer advised that at the Corporation's January Board Meeting, staff would present available alternatives with respect to the sale/lease of the Syracuse Inner Harbor property. The alternatives would include, but are not limited to, the withdrawal of the RFP, the auctioning of the property, the issuance of a new RFP or the selection of the other developer that responded to the original RFP.

Adjournment

There being no further business to come before the Board, on the motion of Mr. Howard, seconded by Ms. Crotty, without any objections, the meeting was adjourned.

Jill B. Warner
Secretary

