



## **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.

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**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**

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**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.

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Jill B. Warner  
Secretary

