

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JANUARY 13, 2016

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Michael Kelly
Scott Middleton

EXCUSED MEMBERS: Felix J. Grucci, Jr.
Ann-Marie Scheidt

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel (at 8:15 A.M.)
William Weir, Nixon Peabody, LLP (via conference call)
Jocelyn Linse, Assistant
Terri Alkon, Assistant
Alan Wax, Wax Words, Inc.
Victor Ocasio, Newsday

Chairman Braun opened the meeting at 7:58 A.M. on Wednesday, January 13, 2016, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEETING MINUTES OF NOVEMBER 18, 2015

The Minutes of the November 18, 2015 meeting were previously sent to the Members for their review. The motion to approve these Minutes as presented was made by Mr. Kelly and seconded by Mr. Callahan. All were in favor.

MEETING MINUTES OF DECEMBER 2, 2015

The Minutes of the December 2, 2015 meeting were also previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Middleton, seconded by Mr. Kelly and unanimously approved.

CFO'S REPORT

Mr. Ryan presented the Operating Statement for November 30, 2015. Deposits totaled \$29,938.25. Expenses for the month included tax payments. A certificate of deposit matures today; the Board directed Mr. Ryan to renew it. The PILOT account held only interest and the initial investment.

Mr. Ryan presented the Operating Statement for December 31, 2015. Deposits totaled \$123,494.89; the usual expenses were noted along with a payment to the Retirement System. Payroll changed from once a month to biweekly on the 15th and 31st day of the month as of January 1st. The first investments have been made through Greco Investments, an agent of Suffolk County National Bank, with the purchase of a treasury note. PILOT payments have begun to come in for 2015-2016.

The motion to accept the Operating Statements for November and December was made by Mr. Kelly and seconded by Mr. Middleton. All were in favor.

Mr. Braun inquired on the status of the annual report; Mr. Ryan replied that the auditors have come in and started their work. The deadline for submission of the Annual Report into the State's PARIS reporting system is March 31st so approval of the final audit will be needed from the Board by mid-March.

SHOREHAM SOLAR COMMONS / INVENERGY – APPLICATION

Ms. Mulligan presented the application for Shoreham Solar Commons. Mr. Gross will be representing the Agency with this project; Nixon Peabody is representing the applicant. Some assistance is needed from the company that administrates the cost benefit analysis (CBA) program to complete the CBA for this project. Counsel has advised that the CBA is not required to accept the application, but is needed before a public hearing and inducement resolution.

This project is for a 150 acre solar farm on the Tallgrass Golf Course in Shoreham. The solar panels will generate the equivalent of 24.9 megawatts of power and an estimated 175 construction jobs are anticipated. No permanent jobs will be created. Ms. Mulligan added that

she is waiting for clarification on the ownership of the companies, namely who the principals are of the investment company. The PILOT is estimated to be \$700,000 and the fate of the existing clubhouse has not been determined. It was noted that an electrical connection facility will be needed. In response to resident concerns about noise, the connection facility will be moved from the edge of the property to the center.

Mr. Kelly made a motion to accept the application which was seconded by Mr. Callahan. Mr. Middleton abstained. Since quorum was not present with the abstention, this application will be adjourned to the February meeting.

Ms. Eaderesto joined the meeting at 8:15 A.M.

Mr. Weir noted there is a standing directive that allows the CEO upon consent of the Chair, to publish a public notice to hold a public hearing. This permission was granted to Ms. Mulligan.

WHTB GLASS – APPLICATION

Ms. Mulligan presented the application for WHTB Glass, a window manufacturer from China that is looking to open their first US facility in Shirley. WHTB makes windows for skyscrapers around the world. They plan to construct a 44,000 square foot building on 4.23 acres of vacant land. They specialize in unusually shaped and etched windows that that they have been shipping by boat from China, which takes about 6 months. The estimated cost to construct the facility is \$18.9 million and they expect to create 143 new jobs. WHTB may bring some of the new employees over to China for training.

The motion to accept the application was made by Mr. Middleton and seconded by Mr. Kelly. All were in favor.

At 8:20 A.M. Mr. Middleton made a motion to recess the IDA meeting and return to the LDC agenda. The motion was seconded by Mr. Kelly and unanimously approved.

At 8:30 A.M. Mr. Kelly made a motion to resume the IDA meeting and enter executive session to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. The motion was seconded by Mr. Callahan and unanimously approved.

At 8:56 A.M. Mr. Kelly made a motion to return to the regular agenda. The motion was seconded by Mr. Middleton and all voted in favor.

ORGANIZATIONAL RESOLUTIONS (CONTINUED)

Resolution #1 – Appointment of Lisa M. G. Mulligan as Chief Executive Officer

Resolution #2 – Appointment of Jocelyn Linse as Administrative Assistant

Resolution #3 – Appointment of James Ryan as Chief Financial Officer

Resolution #4 – Appointment of Theresa Alkon as Clerical Assistant

Resolution #5 – Appointment of James M. Tullo as Deputy Director

The motion to approve resolutions #1 through #5 was made by Mr. Kelly and seconded by Mr. Middleton. All were in favor.

Resolution #6 – Appointment of Annette Eaderesto as Legal Counsel

Resolution #7 – Appointment of Insurance Broker of Record
Industrial Coverage Corporation

Resolution #8 – Appointment of Officers

Chairperson: Frederick C. Braun, III
Vice-Chairperson: Felix J. Grucci, Jr.
Treasurer: Martin Callahan
Assistant Treasurer: Scott Middleton
Secretary: Ann-Marie Scheidt
Assistant Secretary: Michael Kelly
Member: Gary Pollakusky

Resolution #9 – Establishment of Governance Committee

Michael Kelly
Gary Pollakusky
Ann-Marie Scheidt
Frederick C. Braun, III, Ex Officio

Resolution #10 – Establishment of Audit Committee

Scott Middleton
Felix J. Grucci, Jr.
Gary Pollakusky
Frederick C. Braun, III, Ex Officio

Resolution #11 – Rental Agreement with the Town of Brookhaven

The motion to approve resolutions #6 through #11 was made by Mr. Callahan and seconded by Mr. Kelly. All were in favor.

Resolution #12 – Hourly Requirement

Resolution #13 – 2016 Meeting Schedule

Resolution #14 – TABLED

Resolution #15 – Banking with Suffolk County National Bank

Resolution #16 – Banking with Bridgehampton National Bank

The motion to approve resolutions #12, #13, #15 and #16 was made by Mr. Callahan, seconded by Mr. Kelly and unanimously approved.

Resolution #17 – Adopting a Mission Statement and Measurement Report

Ms. Mulligan read the Mission Statement aloud; the Members determined there would be no change. Mr. Braun noted that the Mission Statement may be amended in the future to include rental housing. Ms. Mulligan read the Measurement Report aloud; all Members responded. The report will be sent to the ABO.

Resolution #18 – Adopting the Town of Brookhaven Ethics Policy, Procurement Policy and Property Acquisition & Disposal Policy

Resolution #19 - Adopting Governance Committee Charter, Audit Committee Charter and Finance Committee Charter

Resolution #20 – Adopting a Uniform Tax Exemption Policy

Resolution #21 – Adopting a Compensation Policy

Resolution #22 – Adopting a Policy Concerning Board Member and Employee Loans

The motion to approve resolutions #17 through #22 was made by Mr. Kelly and seconded by Mr. Middleton. All were in favor.

Resolution #23 – Adopting a Prevailing Wage Policy

Resolution #24 – Adopting a Whistle Blower Policy and Investment Policy

Resolution #25 – Appointing of Finance Committee

Martin Callahan

Ann-Marie Scheidt

Scott Middleton

Frederick C. Braun, III, Ex Officio

Resolution #26 – Adopting an Adaptive Reuse Policy

Resolution #27 – Delegating and Authorizing Execution of IDA Documents

Resolution #28 – Adopting an Incentive/Compensation Policy

The motion to approve resolutions #23 through #28 was made by Mr. Kelly, seconded by Mr. Middleton and unanimously approved.

Resolution #29 – Adoption of Deferred Compensation Program Policy

Resolution #30 – 2016 Holiday Schedule

Resolution #31 – Adopting a Travel & Discretionary Funds Policy

The reimbursement rates will change to follow the Town's rates.

Resolution #32 – Adopting an Accrual Policy for Full Time Management Employees

Resolution #33 – Adopting a Bereavement Policy

Resolution #34 – Appointment of Jones, Little & Co. for auditing and financial reporting services in an amount not to exceed \$16,995.00.

Resolution #35 – Adopting an Accrual Policy for Full Time Non-Management Employees

Resolution #36 – Investment Account with Greco Planning Group

Resolution #37 – Adopting a Conflict of Interest Policy

The motion to approve resolutions #29 through #37 was made by Mr. Callahan and seconded by Mr. Kelly. All were in favor.

CEO'S REPORT

Project Closings

The two Excel projects have closed; S. Power has still not funded. It is hoped to be finalized by tomorrow.

New Board Member

As mentioned earlier in the meeting, Gary Pollakusky was recently named to the Board. His resume was provided to the Members.

Board Assessments

Mr. Braun tallied the responses submitted by the Members. The only questions that arose from the assessment were regarding capital budgets and community perception. The IDA only owns vehicles and hence we do not complete a capital budget. Restrictions on what the IDA can do hinder some community outreach efforts but it is hoped that will improve.

The board assessment results were tallied and the results were provided to the Members.

The motion to accept the board assessment results was made by Mr. Middleton and seconded by Mr. Kelly. All were in favor. These results will be sent to the Authority Budget Office.

Schedule of Fees

Other IDAs in the state have made changes to their fee schedule with respect to sales and transfer transactions; the same fee is charged as for a regular closing or expansion. Currently, there is a re-finance, sale or transfer fee, of 1/10 of 1% or \$2,500, whichever is greater. Ms. Mulligan suggested leaving that in place for re-finances, but charge the same fee structure for sales or transfers as is charged for a regular closing or expansion, which is ¾ of 1% up to \$10 million with an additional 1/8 of 1% charged for costs above \$10 million.

The motion to amend the fee structure as outlined by Ms. Mulligan was made by Mr. Kelly and seconded by Mr. Callahan. All were in favor.

Project Update

The updated project list was included in the meeting packets for review.

Long Island Business News “40 Under 40” Award

A table and advertisement package was purchased for \$2,850 honoring Councilman and Deputy Supervisor, Dan Panico.

The motion to ratify this payment was made by Mr. Kelly, seconded by Mr. Callahan and unanimously approved.

Cuomo Updates

NYSEDC sent out an e-mail outlining the new law Governor Cuomo signed that changes some requirements for IDAs. Mr. Weir will assist in implementing anything that is not already in place; however, this IDA has already enacted many of these best practices. There are 180 days before this legislation takes effect.

Bond Allocation

The initial bond allocation was received from the State for \$8,158,348.00. More allocation will most likely need to be requested.

Articles

Numerous articles were included for review, as well as a letter to the editor of Newsday correcting their recent article “State and Local Tax Breaks for LI Solar Projects Raise Issues”.

Year in Review

The 2015 Year in Review advertisement will be published soon highlighting the 13 projects closed in 2015 totaling \$187 million.

LIBDC Dinner

The next LIBDC meeting will be held on February 3, 2016 at the Irish Coffee Pub. Howard Zemsky, the President and CEO of Empire State Development will be the speaker. All members were invited to attend.

The motion to close the IDA meeting at 9:20 A.M. was made by Mr. Kelly and seconded by Mr. Callahan. All were in favor.

The next IDA meeting is scheduled for Wednesday, February 10, 2016.