

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

FEBRUARY 18, 2015

MEMBERS PRESENT: Frederick C. Braun, III
Michael Kelly
John O'Loughlin
Ann-Marie Scheidt

EXCUSED MEMBERS: Martin Callahan
Felix J. Grucci, Jr.
Scott Middleton

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP (via conference call)
Jocelyn Brinka, IDA Assistant
Annmarie Hallock, IDA Assistant
Alan Wax, Wax Words, Inc.

Chairman Braun opened the meeting at 8:31 A.M. on Wednesday, February 18, 2015, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

MINUTES OF NOVEMBER 19, 2014

The Minutes of November 19, 2014 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 Ms. Scheidt. All were in favor.

MINUTES OF DECEMBER 3, 2014

The Minutes of December 3, 2014 were also sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Kelly, seconded by Ms. Scheidt and unanimously approved.

CFO'S REPORT – NOVEMBER 2014

Mr. Ryan presented the Operating Statement for November 30, 2014. Deposits totaled \$110,375 and represented various closing and termination fees. The usual expenses were noted. There were no funds in transit in the investment accounts and the PILOT account held only interest.

The motion to accept the Operating Statement for November was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

CFO'S REPORT – DECEMBER 2014

Mr. Ryan detailed the deposits and expenses for December. There was no change in the investment accounts and no activity other than interest in the PILOT account.

The motion to accept the Operating Statement for December was made by Mr. Kelly, seconded by Ms. Scheidt and unanimously approved.

CFO'S REPORT – JANUARY 2015

Mr. Ryan presented the Operating Statement for January 31, 2015. An adjustment of \$94.82 was made to clear an un-cashed check as well as an adjustment of \$1,000 for an administrative fee. Deposits included closing fees and multiple administrative fees. Cross-Sound Cable wired their PILOT payment to the checking account; this was transferred to the correct account. PILOT payments and disbursements are ongoing. No payment has been received from Precision Estates/Anorad, Drive Train or P & G Fleet. Drive Train and P & G Fleet are terminated projects so if they fail to pay, the taxes will be re-levied and applied to next year's bill. Precision Estates has still not paid anything towards the 2013-2014 tax bill or the 2014-2015 tax bill.

The motion to accept the Operating Statement for January was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

INVESTMENTS

Mr. Ryan informed the Members that he has had a very difficult time investing Agency funds in Treasury Notes with LPL, and now Sorrento Pacific, who handle investments for Suffolk County National Bank (SCNB). Multiple requests for these purchases have been made with no response. Mr. Braun noted the IDA has accounts at Bridgehampton National Bank (BNB) and all funds could be shifted there. Mr. Braun will reach out to SCNB and Mr. Ryan will contact BNB to see if they handle investments in house.

ORGANIZATIONAL RESOLUTIONS

#2 – Appointment of Annette Eaderesto as IDA Counsel at a rate of \$250 per hour.

#5 – Delegating and Authorizing Execution of IDA Documents

#6 – Appointment of Albanese, Sini & Reeves, LLP for auditing and financial reporting services in an amount not to exceed \$16,500.00.

#7 – Appointment of Industrial Coverage Corporation as Broker of Record

#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: John O'Loughlin

#9 – Appointing Governance Committee

Michael Kelly

John O'Loughlin

Ann-Marie Scheidt

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Frederick C. Braun, III, Ex Officio

#10 – Appointing Audit Committee

Scott Middleton

John O’Loughlin

Felix J. Grucci, Jr.

Frederick C. Braun, III, Ex Officio

#11 – Authorizing Rental Agreement with the Town of Brookhaven at a rate of \$1,500 per month

#12 – Hourly Workday Requirement for Industrial Development Agency Employees to be six (6) hours

#13 – Adoption of Meeting Schedule for 2015

#14 – Appointing Applied Computer Technologies, LLC as Computer Consultant at a rate of \$75.00 per hour not to exceed \$10,000 per year for website upkeep and redesign.

#15 – Authorizing the Chairman, Treasurer, Chief Financial Officer, Chief Executive Officer and Deputy Director James Tullo to maintain accounts at Suffolk County National Bank and granting single signing authority to these individuals on all accounts for amounts up to \$2,500 with two signatures required if the amount exceeds \$2,500 with the exception of the PILOT account where only a single signature is required. Deposits at this bank are limited to no more than \$10 million dollars. A copy of the letter from the bank stating that all deposits are collateralized will be attached to the resolution.

#16 – Authorizing the Chairman, Treasurer, Chief Financial Officer, Chief Executive Officer and Deputy Director James Tullo to maintain accounts at Bridgehampton National Bank and granting single signing authority to these individuals on all accounts for amounts up to \$2,500 with two

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signatures required if the amount exceeds \$2,500. Deposits at this bank are limited to no more than \$10 million dollars.

#17 – Adopting a Mission Statement and Measurement Report

Measurements for 2015 include securing capital investment commitments from new and existing IDA projects of \$100 million dollars, secure job creation commitments of 100 jobs and revisit all existing projects. The Board Members certified the required five questions.

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

#19 – Adopting the Finance, Governance and Audit Committee Charters

#20 – Adopting a Uniform Tax Exemption Policy

#21 – Adopting a Compensation Policy

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

#23 – Adopting a Prevailing Wage Policy

#24 – Adopting a Whistleblower Policy and Investment Policy

#25 - Appointing Finance Committee

Martin Callahan

Ann-Marie Scheidt

Scott Middleton

Frederick C. Braun, III, Ex Officio

#26 – Adopting an Adaptive Re-Use Policy

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#28 – Adopting an Incentive/Compensation Policy

#29 – Adopting a Deferred Compensation Program Policy

#30 – Adoption of Holiday Schedule for 2015

#32 – Adopting a Travel and Discretionary Funds Policy

#33 – Adopting an Accrual Policy for Full-Time Management Employees

This policy mirrors the Town's policy on accrued leave. Ms. Mulligan provided details on how leave is accrued and includes an employee's ability to carryover unused accruals of up to 150 hours per year. This policy is retroactive from 2014 since this policy was not finalized in December.

#34 – Adopting a Bereavement Policy

At 9:03 A.M. Mr. Kelly made a motion to enter executive session to discuss personnel related matters. This motion was seconded by Ms. Scheidt and unanimously approved.

At 9:23 A.M. a motion was made by Mr. Kelly and seconded by Ms. Scheidt to resume the regular agenda. All were in favor.

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

#3 – Appointment of James Ryan as Chief Financial Officer

#4 – Appointment of Jocelyn Brinka as Administrative Assistant

#27 – Appointment of James M. Tullo as Deputy Director

#31 – Appointment of Annmarie Hallock as Clerical Assistant

The motion to approve all resolutions was made by Mr. Kelly, seconded by Ms. Scheidt and unanimously approved.

MAEHR INDUSTRIES – SUBTENANT APPLICATION & RESOLUTION

Ms. Mulligan presented an application from Maehr Industries who would like to sublease part of their space to a deli called Hello Sawgrass, which would be run by the owners of Maehr Industries. Maehr sought a variance from the Town to construct the deli and stronger internal controls are being put in place to help the Agency know of these actions sooner. Ms. Eaderesto informed the Board that when the Town puts a violation on a property, a block is entered on the Town's portal. A similar block should be able to be put on the portal that alerts other departments to contact the IDA. The Agency also added a section to the annual report to help identify projects with subtenants.

The Board decided not to change the PILOT amount for this project since it does not affect the value in the building. No sales tax exemption will be granted.

The motion to accept the application and approve the resolution for this subtenant was made by Mr. Kelly and seconded by Mr. O'Loughlin. All were in favor.

EB AT FARMINGVILLE – FINAL AUTHORIZING RESOLUTION

This final authorizing resolution is for an assisted living facility on the North Service Road of the Long Island Expressway in Farmingville. EB at Farmingville is another Engel Burman project similar to BK at Lake Grove. The resolution offers the flexibility of pursuing a straight lease or bonds. The resolution calls for a principal amount estimated to be \$40 million dollars but not to exceed \$45 million.

The motion to approve this resolution was made by Ms. Scheidt, seconded by Mr. Kelly and unanimously approved.

NEW YORK STATE PROPOSED BUDGET

Ms. Mulligan provided the Members with copies of letters sent to various elected officials regarding the Governor's proposed budget. Governor Cuomo proposes taking local control away by not allowing the IDA to grant the state portions of the mortgage recording tax and sales tax. In order to receive the state portions of these exemptions, projects would need to be approved by the Regional Economic Development Council (REDC). There is much concern over how much this added layer would slow down a project's ability to move forward. The Agency did receive a response from Senator DeFrancisco who stated he has similar concerns. The New York State Economic Development Council (NYSEDC) has testified against this proposal as well.

D & F PATCHOGUE – FINAL AUTHORIZING RESOLUTION

This resolution is for an assisted living facility in Patchogue and is for an amount estimated to be \$17.3 million but not to exceed \$19 million dollars.

The motion to approve the resolution was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

RAIL REALTY – FINAL AUTHORIZING RESOLUTION

This housing project will be located in Port Jefferson Station, north of the railroad tracks. A few houses and an old car wash will be demolished as part of this development. The closing for this project has been scheduled for February 23rd. This resolution is for an estimated \$12,150,000 but not to exceed \$15 million dollars.

The motion to approve this resolution was made by Ms. Scheidt, seconded by Mr. Kelly and unanimously approved.

CEO'S REPORT

Meadows at Yaphank

Ms. Mulligan advised the Board that this project closed last month.

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Long Island Builders Institute (LIBI) – Membership Renewal

Mr. Kelly is the Co-President of LIBI so is unable to vote on this matter. This membership renewal will be tabled until March.

2014 Accomplishments

A list of 2014 accomplishments for the IDA, LDC and Economic Development was included in the meeting packets as well as an advertisement that was placed in Long Island Business News.

Bond Allocation

The Agency received the annual bond allocation from the State in the amount of \$8,147,346. Additional allocation can be requested if needed.

Applied Computer Technologies (ACT) – Website Re-Design Proposal

This re-design was included in the resolution appointing Applied Computer Technologies.

International Economic Development Council (IEDC) – Membership Renewal

The membership with IEDC is up for renewal at a cost of \$890. The motion to approve this renewal was made by Mr. Kelly and seconded by Mr. O’Loughlin. All were in favor.

Commercial Industrial Brokers Society (CIBS) – Membership Renewal

The cost to renew the CIBS membership for the year at the Associate level is \$200. Mr. Kelly made a motion to approve this resolution which was seconded by Mr. O’Loughlin, and unanimously approved. Mr. Braun requested that CIBS meeting notices be distributed to the Board when received.

Long Island Association (LIA) – Membership Renewal

The cost to renew the LIA membership is \$350. The motion to approve this renewal was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

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Inform Analytics/CGR – Renewal

The cost benefit analysis program administered by Inform Analytics/CGR is due for renewal at a cost of \$750. This is an increase from the \$500 paid last year since the fee is based on how many projects are in the system. The Board agreed to renew this program for the year and approved signing of the contract.

Survey Monkey

It had been suggested that Survey Monkey be used to complete the Board Assessments; after some research it was determined that this program is not a good fit for our needs. The Board Assessments will be sent out again to the Members for their completion.

Bond Agency Request

The Town went to the Bond Agencies yesterday. A booklet is being developed to be sent as a follow-up similar to last year and can be used for marketing purposes as well. The Board agreed to allocate up to \$5,000 for the development and printing of this book.

The motion to close the meeting at 9:50 A.M. was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

The next IDA meeting is scheduled for Wednesday, March 18, 2015.