

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JANUARY 10, 2018

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Michael Kelly
Scott Middleton
Gary Pollakusky
Ann-Marie Scheidt

EXCUSED MEMBER: Felix J. Grucci, Jr.

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP
Jocelyn Linse, Executive Assistant
Alan Wax, Wax Words, Inc.
Brian Finnegan, Todd Shapiro Associates, Inc.

Chairman Braun opened the meeting at 12:25 P.M. on Wednesday, January 10, 2018 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 15, 2017

The Minutes of November 15, 2017 were previously sent to the Members for review. The motion to approve the Minutes as presented was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

MEETING MINUTES OF DECEMBER 6, 2017

The Minutes of December 6, 2017 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

Ms. LaPonte presented the Operating Statements for November 30, 2017. Deposits included numerous application fees, closing fees for AVR Yaphank and Quality King and termination fees. Ms. LaPonte detailed the expenses for the month including payment to the National Development Council for the Rose-Breslin PILOT study; Rose-Breslin had previously paid the IDA for this study. Funds were transferred from the operating account to the investment account. All payroll taxes, retirement and deferred compensation payments have been paid in full. The annual employer's share was paid to the NYS Retirement System.

Ms. LaPonte presented the Operating Statement for December 31, 2017. Multiple closing fees were received and the usual expenses were detailed. PILOT checks were received at the end of December that will be disbursed shortly. All PILOT payments are disbursed within 30 days. AVZ has started the external audit; no issues have been discovered and they will return at the end of January to complete their work. Confirmations have been sent to the Board Members and bond holders. Empire National Bank has increased the interest rate on the investment account to .75 as of January 1st, on February 1st it will increase to 1%. All accounts are collateralized at 105%. All payroll taxes, retirement and deferred compensation payments have been paid in full.

The motion to accept the Operating Statements for November and December of 2017 was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

Mr. Braun noted that six projects closed since the December meeting making it a record year for the IDA. Ms. Mulligan detailed the \$435 million investment in the Town and over 4,000 jobs created. A press release will be issued. There are still 12 projects pending closing.

ORGANIZATIONAL RESOLUTIONS

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

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Resolution #2 – Appointment of Jocelyn Linse as Executive Assistant

Resolution #3 – Appointment of Lori LaPonte as Chief Financial Officer

Resolution #4 – Appointment of Terri Alkon as Administrative Assistant

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

The motion to approve resolutions #1 through #5 was made by Mr. Callahan, seconded by Mr. Kelly and unanimously approved.

Resolution #6 – Appointment of Annette Eaderesto as Legal Counsel

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

Resolution #8 – Appointment of Officers

Resolution #9 – Establishment of Governance Committee

Resolution #10 – Establishment of Audit Committee

Resolution #11 – Rental of Office at the Town of Brookhaven

Resolution #12 – Hourly Requirement

Resolution #13 – 2018 Meeting Schedule

Resolution #14 – Appointment of Cybernet as Computer Consultant

The fee for Cybernet will be \$500 per month.

Resolution #15 – Banking and Investing with Empire National Bank

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A single signature of the Chairman, Treasurer, Assistant Treasurer, or CEO will be required for checks up to \$3,000. For amounts over \$3,000, a second signature is required. The PILOT account will require only one signature. This resolution has been combined with resolution #35 since Empire is also handling the investments.

Mr. Kelly made a motion to approve resolutions #6 through #15. The motion was seconded by Ms. Scheidt and all voted in favor.

Resolution #16 – Adopting a Mission Statement and Measurement Report

Ms. Mulligan read the Mission Statement aloud; the Members determined there would be no change. Ms. Mulligan read the Measurement Report aloud, all Members responded. The measurements for 2017 were met and far surpassed. The report will be sent to the ABO.

Resolution #17 – Adopting the Town of Brookhaven Ethics Policy, Procurement Policy and Property Acquisition and Disposal Policy

Resolution #18 – Adopting Governance Committee Charter, Audit Committee Charter and Finance Committee Charter

Resolution #19 – Adopting a Uniform Tax Exemption Policy

Resolution #20 – Adopting a Compensation Policy

Resolution #21 – Adopting a Policy Concerning Board Member and Employee Loans

Resolution #22 – Adopting a Prevailing Wage Policy

Resolution #23 – Adopting a Whistleblower Policy and Investment Policy

Resolution #24 – Appointing a Finance Committee

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Resolution #25 – Adopting an Adaptive Re-Use Policy

The motion to approve resolutions #16 through #25 was made by Ms. Scheidt, seconded by Mr. Kelly and unanimously approved.

Resolution #26 – Delegating and Authorizing Execution of IDA Documents

Resolution #27 – Adopting an Incentive/Compensation Policy

Resolution #28 – Adoption of Deferred Compensation Program Policy

Resolution #29 – 2018 Holiday Schedule

Resolution #30 – Adopting a Travel and Discretionary Funds Policy

The motion to approve resolutions #26 through #30 was made by Mr. Kelly and seconded by Mr. Callahan. All were in favor.

Resolution #31 – Adopting an Accrual Policy for Full-Time Management Employees

Resolution #32 – Adopting a Bereavement Policy

Resolution #33 – Appointing Audit/Financial Services

Appointment of Albrecht, Viggiano & Zureck for auditing and financial reporting services in an amount not to exceed \$21,000 annually, and Jones, Little & Co. CPA's, LLP to provide quarterly and annual payroll tax services in an amount not to exceed \$1,300 annually.

Resolution #34 – Adopting an Accrual Policy for Full-Time Non-Management Employees

Resolution #35 – Adopting a Conflict of Interest Policy

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Resolution #36 – Appointment of Risk Management International as Insurance Risk Manager
The fee for Risk Management International will be \$1,200 per month.

Resolution #37 – Appointment of Todd Shapiro Associates, Inc. as Public Relations Firm
The fee for Todd Shapiro Associates, Inc. will be \$4,000 per month.

The motion to approve resolutions #31 through #37 was made by Mr. Kelly, seconded by Mr. Callahan and unanimously approved.

At 12:43 P.M. Mr. Kelly made a motion to 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. This motion was seconded by Ms. Scheidt and unanimously approved.

At 1:15 P.M. Mr. Kelly made a motion to resume the regular agenda. The motion was seconded by Ms. Scheidt and all voted in favor.

Mr. Kelly made a motion to amend resolutions #1 through #5. The motion was seconded by Ms. Scheidt and unanimously approved.

DEROSA FABRICATIONS – RESOLUTION

DeRosa is re-financing \$1.2 million of their original \$1.3 million mortgage. DeRosa manufactures machinery and sheet metal products.

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

TATE’S WHOLESALE – RESOLUTION

Mr. Gross explained that Tate’s is re-financing but it does not impact the mortgage, Tate’s would like to memorialize that underlying documents were amended. This resolution allows the

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execution of documents for credit agreement changes. There is a \$4.2 million mortgage on the property.

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

OVERBAY – RESOLUTION

A second public hearing was held in Port Jefferson Village this morning with two comments received. One comment from Donald Pawluk was “Losing millions from powe (sic) plant. Village residents are paying for their tax break, we do not share profits, but bear the expense. This building is suppose (sic) to help. Village taxes. 15 years is a long time to wait for taxes.”

The Superintendent of the Port Jefferson School District commented that they think the PILOT should be shorter than 15 years. He thanked the Board for drafting a new PILOT that is more sensitive to the district. Discussion followed on how many students these types of apartment developments bring. The original PILOT started at \$6,000; this PILOT starts at \$28,000 once construction is completed.

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

HOLTSVILLE INDUSTRIAL – APPLICATION

Ms. Mulligan presented the application for this spec project that is being represented by Drew Presberg who addressed the Board in October. This project involves adapting the 48,000 square foot former IRS building located at 1 Corporate Drive in Holtsville to two to three industrial units, rather than the current layout for office space for a single user. This project is expected to cost approximately \$4 million. The applicant is requesting a ten-year PILOT be granted before an end user is determined. A clause would need to be included in the PILOT if certain factors are not met.

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Under the Adaptive Re-Use Policy the assessed value would be reduced by 50% and then frozen at that rate for two years. A deadline would need to be set for the building to be occupied.

The motion to accept the application and schedule a public hearing was made by Mr. Kelly and seconded by Mr. Pollakusky. All were in favor.

CEO'S REPORT

Calabro Airport Study

A draft version of this study has been sent to the Members. McFarland Johnson will be attending the February meeting to present it formally. Ms. Mulligan requested that the Members review the study and provide comment.

Wincoram

A letter was received from Wincoram in November advising that they are having difficulty finding end users for the retail phase of their project. Their closing documents required that they finish this phase by December 31, 2017; they have asked for an extension until December 31, 2019.

Mr. Callahan made a motion to extend the completion date to December 31, 2019. The motion was seconded by Mr. Pollakusky and unanimously approved.

Ronkonkoma Hub Escrow Account

There may be a change in how invoices are paid from this account. Currently the Agency pays the appraisers directly; TRITEC has asked if the attorney can pay the appraisers.

Notice of Initial Bond Allocation

Notice of the IDA's initial bond allocation was received. The IDA's allocation is \$8,515,483.

American Organic Energy

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This \$82 million project will need \$68 million in tax exempt bonds and \$20 million in taxable bonds. Ms. Mulligan will continue to work with the State and County to secure additional allocation.

December 2018 Meeting

The Members decided to keep the December 2018 meeting at Old Fields Restaurant in Port Jefferson. Mr. Weir added that Quality King has offered to host a meeting. This will be planned for the Spring.

PRESENTATION – ALAN WAX

There was a story on J Power in the Times Beacon Record. Mr. Wax introduced Brian Finnegan who is now handling social media at Todd Shapiro Associates.

The motion to close the meeting at 1:43 P.M. was made by Mr. Kelly and seconded by Mr. Callahan. All were in favor.

The next IDA meeting is scheduled for Wednesday, February 21, 2018 at 12:00 P.M.