

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JANUARY 11, 2017

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, Assistant
 Terri Alkon, Assistant
 Alan Wax, Wax Words, Inc.

Chairman Braun opened the meeting at 8:23 A.M. on Wednesday, January 11, 2017 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 16, 2016

The Minutes of November 16, 2016 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 7, 2016

The Minutes of December 7, 2016 were also previously sent to the Members for review. The motion to approve the Minutes as presented was made by Ms. Scheidt, seconded by Mr. Middleton and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Operating Statements for November 30, 2016 and December 31, 2016. Expenses were up in November due to an annual payment to the Employee Retirement System. A few PILOT payments were made at the end of December that will be disbursed shortly. These funds are listed in the operating statements as restricted cash as is the money in the Ronkonkoma Hub escrow account. Ms. LaPonte noted that as a general rule, it is best to have three months of funds on hand in the checking account; the rest of that balance could be moved to an interest bearing account.

Mr. Tullo and Mr. Weir excused themselves from the meeting at 8:28 A.M.

The certificate of deposit at Astoria Bank is due to mature on January 12th; the Board consented to these funds being deposited into the money market account. A treasury bill also recently matured; this will not be laddered into another treasury bill since accounts will be moving to Empire National Bank. No PILOTS are outstanding from last year; this year's payments are currently coming in.

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

ORGANIZATIONAL RESOLUTIONS

Resolutions #1 through #5 were deferred until they could be discussed in executive session.

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

IDA Meeting
January 11, 2017

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 of Office at the Town of Brookhaven

Resolution #12 – Hourly Requirement

Resolution #13 – 2017 Meeting Schedule

Resolution #14 – Appointment of Computer Consultant

Cybernet will be added to this resolution.

Resolution #15 – Banking

IDA Meeting
January 11, 2017

Empire National Bank will be added to this resolution. 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. To segregate duties, the CFO is no longer a signatory on accounts.

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 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

Martin Callahan

Ann-Marie Scheidt

Scott Middleton

Frederick C. Braun, III, Ex-Officio

IDA Meeting
January 11, 2017

Resolution #25 – Adopting an Adaptive Re-Use Policy

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 – 2017 Holiday Schedule

Resolution #30 – Adopting a Travel and Discretionary Funds Policy

Resolution #31 – Adopting an Accrual Policy for Full-Time Management Employees
A minor change was made to reflect that employees are now paid twice per month, rather than once per month.

Resolution #32 – Adopting a Bereavement Policy

This policy has been modified so that it now applies to all personnel.

Resolution #33 – Appointing Audit/Financial Services

Appointment of Albrecht, Viggiano & Zureck for auditing and financial reporting services in an amount not to exceed \$20,600, and Jones, Little & Co. CPA's, LLP to provide quarterly and annual payroll tax services in an amount not to exceed \$1,130.

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

Resolution #35 – Investment Account with Greco Planning Group

The signing authority for the CFO has been removed but the CFO can still authorize transactions and open accounts. Another minor change was that this account is not

IDA Meeting
January 11, 2017

covered by a Collateral Agreement but is insured by Securities Investor Protection Corporation coverage.

Resolution #36 – Adopting a Conflict of Interest Policy

The motion to approve resolutions #6 through #36 was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

Mr. Kelly made a motion to enter executive session at 8:41 A.M. 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 9:12 A.M., Mr. Kelly made a motion to resume the regular agenda. The motion was seconded by Ms. Scheidt 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 Executive Assistant

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

Resolution #4 – Appointment of Theresa 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. Kelly, seconded by Ms. Scheidt and unanimously approved.

IDA Meeting
January 11, 2017

At 9:15 A.M., Ms. Scheidt excused herself from the meeting.

J-POWER – AUTHORIZING RESOLUTION

The cost benefit analysis for this project was included in the meeting packets. Chris Shishko, the attorney representing the Shoreham Wading River School District, joined the meeting. Ms. Mulligan explained this project which involves a peaker plant that currently has a PILOT Agreement between LIPA and the Town of Brookhaven that is about to expire. J-Power requested the Agency's assistance with providing a new PILOT Agreement between J-Power and the IDA to help keep the peaker plant on Long Island. The PILOT payments will decrease from approximately \$2.4 million dollars to \$1.2 million dollars. Payments are frozen at one rate for the first five years, then will increase 2% per year. The PILOT will expire when the Power Purchase Agreement ends.

Mr. Shishko informed the Board that the Shoreham Wading River School District sent a letter in support of this project and provided a copy of a letter from the Superintendent of Schools. A public hearing was held with no comments made. The motion to approve the authorizing resolution was made by Mr. Kelly and seconded by Mr. Pollakusky. All were in favor.

Mr. Shishko excused himself from the meeting.

BURMAX – AMENDED AUTHORIZING RESOLUTION

Ms. Mulligan presented the amended authorizing resolution for Burmax, a current IDA project that is planning an expansion. The public hearing was held in 2015 with no comment; however, Burmax put the project on hold. Burmax is increasing their mortgage amount to \$2.5 million dollars and have asked for an increase in their sales tax exemption to \$150,000. Neither of these increases requires a new public hearing but does require an amended authorizing resolution.

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

EXCEL 6 – AMEND & EXTEND PROJECT RESOLUTION

This resolution formalizes the discussion the Board had on this project in October of 2016. This resolution extends the completion date for the hotel to be constructed, and also extends the PILOT and sales tax exemption.

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

AARCO (21 OLD DOCK ROAD) – APPLICATION

Aarco purchased the former Insula-Dome building on Horseblock Road with IDA assistance in 2015. The current application is for a building they currently occupy on Old Dock Road, which is owned by the Job Development Authority (JDA). Aarco could either return to the JDA which would keep the property off the tax rolls since the JDA does not require PILOT payments, or the IDA could structure a PILOT Agreement to get the building back on the tax rolls. Aarco has requested a PILOT that would increase by 10% per year for the next ten years until it went to full assessment.

Aarco, a manufacturer of white boards and smart boards for schools and businesses, is undergoing interior renovations on the Horseblock Road building and have a third facility as well. The motion to accept the application and authorize Ms. Mulligan to set a public hearing was made by Mr. Kelly and seconded by Mr. Pollakusky. All were in favor.

CEO'S REPORT

Ronkonkoma Hub Update

Mr. Weir informed the Board that a closing on this project is being coordinated between the IDA and the lenders, this may occur in February or March.

Uncle Wally's

IDA Meeting
January 11, 2017

Ms. Mulligan reminded the Board that they granted a PILOT extension for this project which has yet to be finalized. Uncle Wally's is in discussion with Give and Go, a Canadian company that is owned by a company out of Boston, who want to purchase Uncle Wally's. This would be an asset purchase, not a stock purchase, of their Brookhaven facility. Uncle Wally's is requesting that the IDA assign the lease and PILOT over to Give and Go.

Give and Go needs to submit an application and since the documents for the PILOT extension have not yet been signed, this would only involve the current PILOT. Mr. Weir advised that since there are no new benefits being granted, once the application is received from Give and Go, the Board can authorize Ms. Mulligan to review it and close on the matter.

The motion to allow this transfer to proceed pending an application and staff review was made by Mr. Kelly and seconded by Mr. Pollakusky. All were in favor.

T.A. Morris

Ms. Mulligan informed the Board that T.A. Morris is seeking approval to put a third mortgage for \$800,000 on their facility. They are not requesting benefits, only authorization. This project is set to terminate in 2017-2018.

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

ACE/Greenwood

Ms. Mulligan informed the Board that ACE/Greenwood has not paid Nixon Peabody yet but they expect to close on January 13th. Ms. Eaderesto added that she spoke with a representative of ACE/Greenwood and the closing may take place next week, rather than the 13th. They will be paying Nixon Peabody in full and they anticipate breaking ground on the Holtsville and Manorville projects in the next 45 days. Applications for the Amphitheater, Town Hall and Landfill projects are expected for the February meeting.

IDA Meeting
January 11, 2017

Board Assessments

Discussion on the board assessments is being deferred until the February meeting. Mr. Braun inquired if the Members would like to change the day or meeting time; the decision was made tentatively to keep the schedule the same but to mix in lunch meetings from time to time.

Initial Bond Allocation

Notice of the IDA's initial bond allocation was received. The IDA's allocation is \$8,156,264.00.

Regional Economic Development Council Grants

Several of Brookhaven businesses including Framerica received grants through the Regional Economic Development Council.

Dowling

Ms. Mulligan advised that the IDA received the certificate of insurance for Dowling College so the Agency did not have to purchase coverage for the Shirley campus.

Risk Assessor

Mr. Braun requested that the matter of hiring a risk assessor be put on the agenda for February.

Mr. Kelly made a motion to close the IDA meeting at 9:41 A.M. The motion was seconded by Mr. Callahan and unanimously approved.

The next IDA meeting is scheduled for Wednesday, February 15, 2017.