

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

- - - - -x

BOARD MEETING
HELD BY ZOOM VIDEOCONFERENCE

- - - - -x

March 24, 2021
10:37 a.m.

TRANSCRIPT OF PROCEEDINGS

* * *

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S :

MEMBERS :

FREDERICK C. BRAUN, III
MARTIN CALLAHAN
FELIX J. GRUCCI, JR.
ANN-MARIE SCHEIDT
FRANK C. TROTTA

ALSO PRESENT :

LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER
LORI J. LaPONTE, CHIEF FINANCIAL OFFICER
JAMES M. TULLO, DEPUTY DIRECTOR
JOCELYN LINSE, EXECUTIVE ASSISTANT
TERRI ALKON, ADMINISTRATIVE ASSISTANT
WILLIAM F. WEIR, ESQ., NIXON PEABODY
HOWARD R. GROSS, ESQ.,
WEINBERG GROSS & PERGAMENT, LLP

* * *

1

2

MR. BRAUN: Next we'll move onto the Industrial Development Agency. It is Wednesday, March 24th, it is 10:37.

3

4

5

On the roll call, Mr. Grucci?

6

MR. GRUCCI: Here.

7

MR. BRAUN: Mr. Callahan?

8

MR. CALLAHAN: Here.

9

MR. BRAUN: Ms. Scheidt?

10

MS. SCHEIDT: Yes.

11

MR. BRAUN: Mr. Trotta?

12

Mr. Braun is here. We do have a

13

quorum.

14

First order of business is to look at

15

our --

16

MS. MULLIGAN: I think we're going to

17

take some things out of order.

18

MR. BRAUN: We can do that.

19

MS. MULLIGAN: Okay.

20

MR. BRAUN: Yes.

21

MS. MULLIGAN: I have two resolutions

22

that I would like to take out of order. The

23

first one is for 925 Waverly Avenue Associates

24

LLC/Visiontron Corporation.

25

MR. BRAUN: Somebody care to make that?

1

2

MS. MULLIGAN: I think -- are you going to listen?

3

4

MR. BRAUN: No, I'm not going to either one. I will close the door, leave the room.

5

6

MS. MULLIGAN: Fred is leaving the meeting right now, he has a conflict on these two.

7

8

9

(Mr. Braun left.)

10

MR. GRUCCI: Do we have a quorum if he's not here?

11

12

MS. MULLIGAN: Yes, we do because Frank generously joined when he really wasn't able to.

13

14

15

MR. TULLO: Thank you, Frank.

16

17

MS. MULLIGAN: Yeah, so we still have a quorum.

18

19

So just to remind everyone or to let everyone know, the cost-benefit analysis and the PILOT are in your packets as well as the resolution. We had a public hearing on Monday morning, there was no comment.

20

21

22

23

Does anyone have --

24

25

MR. GRUCCI: What project is this, Lisa?

1

2

MR. TROTTA: Waverly Avenue.

3

MS. MULLIGAN: Yes.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

So just to remind everyone, this is for an existing building at 925 Waverly Avenue, the company makes crowd control products for airports, but for other uses, also; hotels, convention centers, I suspect that we might have something of theirs here at Town Hall. This is a \$13.8 million project. They are purchasing 925 Waverly Avenue, which I said is an existing building. Topaz Lighting Corporation is currently using some of the space and they are going to remain in the building for a year or less.

Visiontron is currently located in Hauppauge, but they are vacating their Hauppauge location and relocating to this, to the 925 Waverly Avenue facility. They have 74 employees and they're going to add six more.

Howard, did you have anything you wanted to add?

MR. GROSS: No, I think that's adequate, thank you.

MS. MULLIGAN: Joce, is there anybody

1

2 from the project here; I don't think they have
3 anything that really needs to be added at this
4 point, but if anyone had questions for them?

5 MS. LINSE: No. I'm not aware who
6 William Meisner is here for, but everyone else
7 is here for different projects.

8 MS. MULLIGAN: Bill's here --

9 MR. GROSS: Bill's for the other
10 project, for the Savion project.

11 MS. LINSE: Okay.

12 MS. MULLIGAN: Does anyone have any
13 questions?

14 MR. CALLAHAN: So we're just accepting
15 the application?

16 MS. MULLIGAN: Nope, nope, this is a
17 final authorizing resolution.

18 MR. CALLAHAN: Oh, the final, I'm
19 sorry, got you.

20 MS. MULLIGAN: That's okay.

21 We did the public hearing on Monday,
22 there was no comment.

23 MR. CALLAHAN: Okay.

24 MR. GRUCCI: I'll make a motion to
25 accept.

1

2

MS. MULLIGAN: Thank you.

3

4

MR. GRUCCI: No, not to accept, to
grant the application.

5

MS. MULLIGAN: To pass the resolution.

6

7

MR. GRUCCI: To pass the resolution,
correct.

8

MS. MULLIGAN: Okay.

9

Do we have a second?

10

MR. CALLAHAN: Second.

11

MS. MULLIGAN: Okay.

12

On the vote, Felix?

13

MR. GRUCCI: Yes.

14

MS. MULLIGAN: Frank?

15

MR. TROTTA: Yes.

16

MS. MULLIGAN: Marty?

17

MR. CALLAHAN: Yes.

18

MS. MULLIGAN: Ann-Marie?

19

MS. SCHEIDT: Yes.

20

MS. MULLIGAN: Okay.

21

All in favor, passes, thank you.

22

23

The next item on the agenda -- again,
Fred has a conflict, so I'm not going to call

24

Fred back in for this one yet -- the next item

25

on the agenda is for the Acropolis Framing,

1

2

Inc. project. They're doing business as

3

Parthenon.

4

5

This is, just to remind everyone, they plan to invest 1.7 million in an existing

6

building at 15 Commercial Boulevard in

7

Medford. They manufacture picture frames

8

primarily for art consultants and designers.

9

They're proposing to purchase this building,

10

it's about 10,000 square feet. They have 15

11

employees, they're going to create 2.5 FTE new

12

employees and their plan is to expand their

13

services. They're vacating space in Bohemia.

14

Howard, did you have anything you

15

wanted to add?

16

MR. GROSS: No, thank you.

17

MS. MULLIGAN: Okay.

18

I'm pretty sure that we have

19

representatives from the company, if anyone

20

had any questions for them.

21

MR. TROTTA: The number of jobs was

22

two?

23

MS. MULLIGAN: They have 15 employees

24

that they're going to be retaining and they're

25

going to add 2.5 FTE.

1

2

MR. TROTTA: Okay.

3

4

MR. GRUCCI: Is this also a final
resolution?

5

6

MS. MULLIGAN: Yes, final authorizing
resolution.

7

8

MR. CALLAHAN: And they're coming from
a different town to our town, correct?

9

MS. MULLIGAN: Yes. Yeah.

10

MR. TROTTA: Islip.

11

MS. MULLIGAN: Yes.

12

Does someone --

13

14

MR. GRUCCI: I don't have any
questions.

15

16

MS. MULLIGAN: Would anyone like to
make a motion?

17

MR. TROTTA: I'll make a motion.

18

MS. MULLIGAN: Thank you, Frank.

19

Do I have a second?

20

MR. CALLAHAN: Second.

21

MS. MULLIGAN: Okay.

22

On the vote, Ann-Marie?

23

MS. SCHEIDT: Yes.

24

MS. MULLIGAN: Marty?

25

MR. CALLAHAN: Yes.

1

2 MS. MULLIGAN: Frank?

3 MR. TROTTA: Yes.

4 MS. MULLIGAN: Felix?

5 MR. GRUCCI: Yes.

6 MS. MULLIGAN: Okay, it passes, thank
7 you.8 Thank you so much for -- I'm going to
9 let Fred back in.

10 (Mr. Braun rejoined the meeting.)

11 MS. MULLIGAN: Okay. So thank you
12 everyone.

13 MR. BRAUN: Thank you, Frank.

14 MR. TROTTA: Okay.

15 Lisa, we're good?

16 MS. MULLIGAN: We're good, Frank, thank
17 you very much.

18 MR. TROTTA: Okay. Take care, guys.

19 (Mr. Trotta left the meeting.)

20 MR. BRAUN: All right. Back to the
21 agenda.22 Minutes of March 10th meeting have been
23 sent to everyone. Motion to accept those.

24 MR. GRUCCI: So moved.

25 MS. SCHEIDT: Second.

1

2

MR. BRAUN: Mr. Callahan?

3

MR. CALLAHAN: Yes.

4

MR. BRAUN: Mr. Grucci?

5

MR. GRUCCI: Yes.

6

MR. BRAUN: Ms. Scheidt?

7

MS. SCHEIDT: Yes.

8

MR. BRAUN: Mr. Braun votes yes, motion

9

carries.

10

And our audit committee minutes of the

11

same date, March 10, 2021. Motion?

12

MR. GRUCCI: So moved.

13

MR. BRAUN: Second?

14

MR. CALLAHAN: Second.

15

MR. BRAUN: Thank you, Marty.

16

Questions?

17

(No response.)

18

MR. BRAUN: On the vote, Mr. Callahan?

19

MR. CALLAHAN: Yes.

20

MR. BRAUN: Mr. Grucci?

21

MR. GRUCCI: Yes.

22

MR. BRAUN: Ms. Scheidt?

23

MS. SCHEIDT: Yes.

24

MR. BRAUN: Mr. Braun votes yes, motion

25

carries.

1

2

Lori, I'll turn it back to you.

3

4

MS. LaPONTE: Included in your packages is a profit and loss statement for the month of January. I'm going to do that first.

5

6

MS. MULLIGAN: I'm sharing my screen.

7

MS. LaPONTE: Okay.

8

9

10

11

12

13

14

15

16

So for the month of January, we actually had some activity. We had a termination fee, some other document fees, we did have an application fee and we did have two closings during the month of January, 14 Glover and Biocogent. We also have in the month of January is the bulk of the PILOT annual administrative fee, that's at 51,000, that comes in usually all in January.

17

18

19

As far as the other items on the schedule of the profit and loss, most of the items line up as where we expect them to be.

20

21

22

23

24

25

I did want to point out -- because to me as an accountant it always looks weird -- if you scroll down to the count, 2450, conferences and travel, it's actually negative, a credited. We actually got back money that we had put last year for a deposit

1

2 for an event and they sent us some money back,
3 so that's why . . .

4 MS. MULLIGAN: Sorry.

5 MS. LaPONTE: Okay. I thought I
6 touched my screen. That's okay.

7 So does anybody have any questions on
8 the income statement versus budget for the
9 month of January?

10 MR. GRUCCI: The investment earnings is
11 the monies that we have deposited in various
12 banks?

13 MS. LaPONTE: Yes, yes. Felix, to be
14 clear, there's one bank we keep it all in, I'm
15 sorry, Flushing. They did move our rates up
16 slightly, but they're still at 1.5. You know,
17 the market's still recovering from the COVID
18 down, so obviously when we did this budget, we
19 were looking at possibly higher rates, so
20 we're behind budget on the investment
21 earnings.

22 MR. BRAUN: Felix, we continue to be
23 protected for amounts over the \$250,000 FDIC
24 limit.

25 MR. GRUCCI: Okay, good. Excellent.

1

2

Thank you.

3

MS. LaPONTE: Thank you.

4

5

MR. GRUCCI: If you need a motion, I'll
make a motion to accept.

6

MR. BRAUN: Thank you.

7

Second?

8

MS. SCHEIDT: Second.

9

MR. BRAUN: Mr. Callahan?

10

MR. CALLAHAN: Yes.

11

MR. BRAUN: Mr. Grucci?

12

MR. GRUCCI: Yes.

13

MR. BRAUN: Ms. Scheidt?

14

MS. SCHEIDT: Yes.

15

16

MR. BRAUN: Mr. Braun votes yes, motion
carries.

17

Lori, back to you on PARIS.

18

MS. LaPONTE: Okay.

19

20

The next item -- I'm sorry, I'm going
to the financials, the audit and then PARIS
last; is that okay?

21

22

MR. BRAUN: Yes, absolutely.

23

MS. LaPONTE: Okay.

24

25

So the next item included in your
package is a draft of the independent

1

2

auditors' report, PKF, who merged with our

3

former auditors, AVZ. PKF did the audit. It

4

was the same people that were from AVZ

5

transitioned over to PKF and did the audit.

6

So I'll go through the highlights, but

7

feel free if you have any specific questions

8

you want to ask me.

9

Starting on pages one and two is the

10

standard independent auditors' report. It's a

11

clean opinion, meaning it's unqualified, no

12

issues were found.

13

The next few pages just talk about the

14

changes in our numbers from year to year and

15

then on pages eight and nine are where our

16

financials are.

17

MS. MULLIGAN: Sorry if I'm making you

18

dizzy.

19

MS. LaPONTE: That's okay.

20

MR. GRUCCI: Lisa, if you use that

21

slide bar on the right-hand side, that little

22

gray box, it will make the transition from

23

page to page a little smoother.

24

MS. MULLIGAN: Yeah, but that involves

25

me being more adept at it.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

MS. LaPONTE: So one thing in reviewing these statements, so this is the balance sheet, this page. I do want to point out that there was only one audit adjustment and it was for \$22 and I still disagree with it, but I did book it because it was just grossing up the Ronkonkoma Hub money, there was a little interest earned on it. So be that as it may, I agreed with that and the numbers tie in. I mean they really -- they did say they had no problems and they had full cooperation with working with us.

On the balance sheet, I just want to point out some items that you really should be aware of on the deferred -- there's a couple of pension numbers that really have changed significantly and these pension numbers come from the pension system that's run by New York State Employee Retirement System. These numbers I've seen hit everybody pretty hard. These are not fundable items and I'll explain that further, but I want to point out the big fluctuations.

So, for example, up in the asset

1

2

section just where Lisa was circling around,

3

the deferred outflow of pension resources,

4

that number went up from 85,000 to 296,000.

5

There's about 16 pages of footnotes explaining

6

that, but I'll give you my overall in a

7

second.

8

There's also a number further down

9

under noncurrent liabilities, you'll see

10

pension liability, 381,000; last year it was

11

80. Also, that is not a fundable liability,

12

that's a required disclosure by the accounting

13

rules, but there is no funding, it's just

14

showing your potential share of this liability

15

and lastly, down below is the deferred inflow

16

of resources and that number actually went

17

down. So when you -- I always do like a

18

little cheat sheet for myself and I take those

19

three numbers and I say those three numbers,

20

which represent -- there's actually audit

21

report that's done on the New York State

22

Employee Retirement System by KPMG and each

23

participant in that system gets their share of

24

assets and liabilities and I do an analysis

25

and I looked based on all those three columns

1

2

where they all get hung up, how does that hit

3

the income statement? Like even though it's

4

not fundable, how does that affect my

5

operations and when you add all three of those

6

numbers, the net impact, which you'll see on

7

the next page, is a \$69,000 expense to the

8

financial statements. So it all rolls -- it's

9

up included in admin salaries and benefits,

10

that number, 707, includes this, what I was

11

saying, 70,000 of extra pension monies that's

12

required to be set aside, but not fundable.

13

I've said a lot and there's pages of

14

footnotes, so please feel free to ask me

15

questions as we go.

16

Now that we're onto the income

17

statement, I just want to point out some

18

things.

19

As we had mentioned because we have

20

done the -- I presented already the year-end

21

results to you and again, if you take the

22

year-end results I presented to you versus

23

these numbers, you'll see there's two

24

adjustments, there's the \$22 difference and

25

then there's also this pension adjustment,

1

2

which we don't know and we don't get that

3

information in until March, so that's the

4

difference between our numbers and the numbers

5

that are presented to you. The number I

6

presented to you had a net loss or net change

7

in position for the year for 58,000 from

8

48,000.

9

Any questions on this?

10

Obviously we had less projects this

11

year. Obviously some of our expenses were

12

down because travel was down, conferences were

13

down.

14

Any questions on the income statement?

15

MS. SCHEIDT: So, Lori, how soon are

16

you guys going to be retiring to take

17

advantage of those enormous pension benefits?

18

MS. LaPONTE: I think you needed to

19

retire yesterday.

20

MR. BRAUN: Lori, I think we need a

21

motion to accept the recommendation from the

22

audit committee, correct?

23

MS. LaPONTE: Yes.

24

MS. SCHEIDT: So moved.

25

MR. BRAUN: Is there a second?

1

2

MR. CALLAHAN: Second.

3

MR. BRAUN: Mr. Callahan, on the vote?

4

MR. CALLAHAN: Yes.

5

MR. BRAUN: Mr. Grucci?

6

MR. GRUCCI: Yes.

7

MR. BRAUN: Ms. Scheidt?

8

MS. SCHEIDT: Yes.

9

10

MR. BRAUN: Mr. Braun votes yes, that motion carries.

11

12

13

14

15

16

17

18

19

20

21

22

One comment. We have been tracking our results for the past -- well, we go back further than that, but for the last 31 years. Lori gave me a summary of that this morning, we'll be happy to distribute that to the board members, it starts in 1990, goes all the way through to 2020 and the highlights are the revenues, our profit or loss and our net restricted assets at year-end, so we'll get that out to everybody and if anybody has any questions, we could bring that up at the next meeting.

23

Lori, on PARIS?

24

MS. LaPONTE: Okay.

25

The next item in your package is 108

1

2

pages of one of the PARIS sections. I have to

3

tell you and I have to say thank you to

4

everyone, I mean it's a team effort, it really

5

is, it takes a village because this is quite

6

the undertaking every year and with the team

7

we have, it balances to the dollar, so it's

8

not all me, I have to say, we have a good

9

team.

10

MS. MULLIGAN: And it could be an

11

easier process if PARIS made any sense.

12

MS. LaPONTE: Well, yeah. I think most

13

of our conversations on PARIS are what, why

14

would they want us to show that.

15

MR. BRAUN: Is that on the record?

16

MS. MULLIGAN: That's on the record and

17

I will tell the ABO that.

18

MS. LaPONTE: Oh, no, I didn't say

19

that.

20

I do, I often do send them letters, I'm

21

like so you want me to say okay. So I say it.

22

You want me to say yes, no, yes, okay.

23

So the first couple of pages of PARIS,

24

pages one through 17, are the governance

25

sections and talks about the staff at the

1

2

agency. The next pages, the next 80 pages are

3

the individual projects and this is, like I

4

said, where we spend huge amount of time.

5

Terri knows, everyone knows the amount of time

6

that we spend going through this back and

7

forth.

8

The page that now it's -- Lisa, you're

9

going to slide that quick. 105. This is the

10

page where I always am like . . . I hone in on

11

this and Felix, this is something that me and

12

you have spoken about, I wonder if we could

13

drag -- yes.

14

So this talks about 87 projects. Total

15

exemptions are of those 87 projects,

16

34 million would have been full taxation. We

17

received \$18 million, so we net exempted

18

16 million and our employment change for this

19

period is 3,669. Those numbers -- and I

20

tracked these because, Felix, again, you have

21

asked for those in the past -- I didn't

22

include this in the package, but those numbers

23

are very comparable to what we've done in the

24

past, but I think it shows the amount of what

25

we're bringing in and when we often talk about

1

2

the total exemptions at full taxation, often

3

if these projects wouldn't be done, there

4

would be no total exemptions at full taxation

5

because the project wouldn't be there. So

6

these are projects in the future that will, as

7

I get closer near the end, that gap will close

8

up and there will be more -- less exemptions

9

and more PILOT's paid till it gets back on the

10

tax roll for the full tax amount, that

11

34 million.

12

MR. GRUCCI: Lori, this is one year,

13

this is 2020, correct?

14

MS. LaPONTE: This is one year, right.

15

I do have -- because again, I think you

16

asked me for this Fred -- Felix -- I do have a

17

historical starting 2015 that I'll give Lisa

18

so you could see, each year.

19

MR. GRUCCI: So when the claim is made

20

that we've given full exemptions, that's

21

really not accurate.

22

MS. MULLIGAN: Not even close.

23

MR. GRUCCI: But I like that number at

24

the end, the 3,000 number. I would assume

25

that that meant that's how many jobs were

1

2 created during 2020.

3 MR. BRAUN: Or retained.

4 MS. LaPONTE: It's -- again, here's the
5 odyssey of PARIS. It looks at what the jobs
6 were prior to the project and what they are at
7 the end of 2020. So some of the jobs could
8 have been created other years during the
9 project, but it still exists, so still exists
10 since inception of the project would be 3,669.

11 MR. GRUCCI: It's still good.

12 MS. SCHEIDT: So it's the cumulative
13 job creation for all of our projects.

14 MS. LaPONTE: All of our projects.

15 MS. SCHEIDT: Got it.

16 MS. LaPONTE: Exactly.

17 MR. GRUCCI: That's an impressive
18 number.

19 MS. LaPONTE: It is. I really -- I
20 think when you hone in on where it's going
21 towards bringing in, again, that total
22 exemption, that pre-PILOT number wouldn't have
23 possibly been there if these projects weren't
24 there, so . . .

25 MR. GRUCCI: And the jobs wouldn't be

1

2

there.

3

MS. LaPONTE: More importantly.

4

5

6

7

MR. GRUCCI: That means there would have been 3,600 people without a job in the Town of Brookhaven right now if we didn't approve those projects.

8

9

10

11

12

13

14

15

MS. MULLIGAN: And the comptroller does an annual report and one thing that I always notice is the exemption per job, so if you do the math on that, we don't give a huge exemption, there's not a huge outlay to bring an individual job in on average. That always catches my eye, that it's, I think, a fair balance.

16

17

18

19

20

21

22

MS. LaPONTE: That is really when we get all caught up in PARIS and the idiosyncrasies of the reporting, I'm very honed in on making sure we're focused on the important numbers within PARIS and that to me is this page, which cumulates everything, so I just want to point that out.

23

24

MR. GRUCCI: Lori, another question for you.

25

MS. LaPONTE: Sure.

1

2

MR. GRUCCI: The first two columns, the exemptions and the PILOT's, are they about the same ratio every year or do they vary widely from year to year?

5

6

MS. LaPONTE: You have that on my schedule because I think you've asked me that, so they vary somewhere between 55 and 60 percent.

9

10

MR. GRUCCI: Got it. Okay.

11

MS. LaPONTE: Since I've been tracking it, since 2015. So again, I'll give that out because I know you were interested in that and the net exemption you also were interested in, you had asked me in the past, that is between 40 to 47 percent as a percentage of the total.

15

16

17

MR. GRUCCI: Those are nice numbers to have at your fingertips.

18

19

MS. LaPONTE: Yeah.

20

MS. MULLIGAN: Speaking of numbers to have at your fingertips, I don't know if you guys can see this, but Amy put together these cards; again, we're going to mail them to everybody. Usually we hand them out, but we're going to mail them. It's just an

21

22

23

24

25

1

2

overview of the last three years, 2018, '19

3

and 2020 of the number of projects we've done,

4

the new investment in the Town and the jobs

5

created and/or retained, so we'll send those

6

out. This is another nice set of numbers and

7

she laminated them to have at your fingertips.

8

MR. GRUCCI: Very nice.

9

MS. MULLIGAN: It was too easy.

10

MS. LaPONTE: The one thing as

11

mentioned that this whole PILOT process, just

12

looking at it in the year '19-'20 and again,

13

given COVID and all the obstacles we had to

14

overcome, we collected that . . . 18 million

15

represented 105 individual checks that we

16

received because the projects have the option

17

of paying two or one, you know, one half or

18

two half of their taxes. We disbursed 179

19

checks, so that PILOT's paid, we disbursed 179

20

individual checks to each taxing jurisdictions

21

and by the way, if there's one check that's

22

for several projects, to the Town, for

23

example, we'll list it out, so that only

24

counts as one, so within that, it's a

25

processing of it, it works out exactly 600

1

2 individual bills. So this process is a large
3 cycle.

4

MS. MULLIGAN: Significant.

5

6

MR. BRAUN: Fortunately, Felix, those
are single signature authority for the PILOT
7 accounts.

7

8

9

MS. MULLIGAN: That's an excellent
point.

10

11

12

13

MS. LaPONTE: That's true, that's true
and we're very on target to make sure
everything's disbursed and now I'll use that
as a segue.

14

15

16

17

18

Regarding PILOT's that have come in in
2021, we've received all except one
outstanding PILOT and we've received all of
our annual administration fees except for two
18 projects.

19

20

21

Lisa, do you want to talk about the one
that hasn't paid us yet, our collection
21 efforts?

22

23

24

25

MS. MULLIGAN: Sure. Sure.

So I think you'll recall at our last
meeting I mentioned that Regent Tek had not
yet paid their PILOT; they haven't paid their

1

2

administrative fee, either. We reached out to

3

them a number of times, certified mail, phone

4

calls, emails and weren't really getting a

5

satisfactory response, so we sent a

6

termination letter, a default letter, the

7

other day, told them that if they don't make

8

payment in full by April 1st, we will be

9

terminating their project.

10

I got an email response from her that

11

they're struggling with COVID, so that's sort

12

of where we stand right now.

13

Just to put it in context, PILOT's were

14

due to us January 31st. She did send us a

15

check; Joce, did we get it before the 31st or

16

was it after the 31st?

17

MS. LINSE: It was postmarked

18

February 1st, which we said was okay because

19

it was a Sunday on the 31st, but then it

20

bounced.

21

MS. MULLIGAN: Then the check bounced

22

and when we went back to her, we didn't hear

23

anything from her, we sent -- so after -- each

24

month the interest and penalties accrue or

25

interest or penalties depending on the month,

1

2

so we sent her a new invoice with the updated

3

amount didn't hear back from her. It was --

4

you know, we were concerned, we didn't really

5

know what was going on and after not hearing

6

from back from her -- oh, she did say she

7

would wire us the money, we never got

8

anything, we just went ahead and sent the

9

default letter and that's where we stand right

10

now.

11

This isn't the first year that we've

12

had issues getting the PILOT payment, so I

13

defer to the board a little bit. We certainly

14

have wiggle room on that April 1st, I don't

15

have to sign the documents that day, but I

16

would like a little direction on how you want

17

us to handle it.

18

Howard, did you have anything that you

19

wanted to add?

20

MR. GROSS: I do not anticipate that

21

they will be cooperative in reconveying the

22

property, so that we will have to record all

23

the documents without their assistance and

24

frankly at our cost, which will probably be,

25

you know, something less than a thousand

1

2 dollars, but it will cost us some money, but I
3 don't think we have a choice.

4

5 The monies they have not paid, my
6 understanding is, they will be assessed by the
7 assessor's office against the property so that
8 the Town and the other taxing jurisdictions
9 don't lose their funds that they should have
received.

10

11

12

13

MS. MULLIGAN: I'll work with the
assessor's office to ensure that we have
everything organized so that the taxing
jurisdictions are -- the money is recouped.

14

15

16

17

I guess my question really is do you
want me to sign the documents on April 1st or
would you like me to give them some more
leeway?

18

19

MR. CALLAHAN: What project was this
again, Lis?

20

21

22

23

MS. MULLIGAN: Sorry. This is Regent
Tek and to remind everyone, they bought an
existing building in Mastic and they do the
lines on roadways.

24

25

MR. CALLAHAN: Oh, yeah, okay. Yup,
yup, yup.

1

2

MR. GRUCCI: Do you think that there's
a possibility of getting the money?

3

4

MR. BRAUN: I'm sorry, Felix, I didn't
hear?

5

6

MR. GRUCCI: I said do you think that
there is a possibility in ultimately getting
the money. If there is, you give them a
little more breathing room. If you really
think that this is a futile effort, then
whatever the next step would be in this
process, I think we ought to . . .

7

8

9

10

11

12

13

MS. MULLIGAN: Felix, I don't know, but
I do feel . . . I feel like we should at least
consider giving them a little bit more time.
Terminating them means that they will lose
their benefit. I mean it's a serious -- and
then you'll have the option to recapture what
hasn't been -- not only get the payment that
they owed for the PILOT, but you could choose
to get what they would have paid had they not
been in our name, so it's a significant step,
it's something that you should consider.

14

15

16

17

18

19

20

21

22

23

24

MR. GRUCCI: And the probability of
that happening I think would be pretty low.

25

1

2

If they can't make the PILOT payment, how are

3

they going to make future PILOT payments,

4

recoup the PILOT payments that they owe?

5

MS. MULLIGAN: Felix, there would be no

6

future PILOT payments, it would go back on the

7

tax rolls and then they would owe the taxes

8

and if they failed to make their tax payment,

9

just like the rest of us, go to the County and

10

eventually it would get auctioned.

11

MR. GRUCCI: I thought you said that

12

they would be obligated for future PILOT

13

payments. I'm sorry, I misunderstood.

14

MS. MULLIGAN: So they -- what would

15

happen and sorry if I'm confusing the issue,

16

is we could say to them your PILOT payment

17

was -- and I apologize, I don't have the

18

number in front of me -- \$14,000, I have no

19

idea if that's even close, but \$14,000, but

20

your full taxation was 30,000.

21

So we could say in addition to the

22

14,000 that you owe on the PILOT, we're going

23

to have you pay back what you would have paid

24

had you not been in our name and then going

25

forward, once you terminate them, they'll owe

1

2

that full amount to the taxing jurisdiction

3

because they'll be out of our name, they'll no

4

longer get our benefits.

5

MR. GROSS: Felix, that's a recapture

6

issue that if somebody terminates early, we

7

seek to recapture benefits that we provided to

8

them in the past and I think that's what

9

Lisa's alluding to.

10

MS. MULLIGAN: Yes.

11

MR. BRAUN: Felix, I would suggest we

12

do an additional 30 days. They're a seasonal

13

business, you know, they're not doing a lot of

14

road striping during the winter. If there's

15

any possibility of state infrastructure money

16

coming, maybe it will help them. However, in

17

the past they've given us some problems, but,

18

you know, a 30-day extension probably isn't

19

the worst in the world and if in that period

20

they can't come clean then we have to take --

21

we have to do what we have to do.

22

MR. GRUCCI: Can we put a lien on their

23

receivables?

24

MR. GROSS: We would have to sue them

25

to recover this money and then look to recover

1

2

from their assets, whether it's receivables or

3

other things. I mean you could, although I

4

suspect an institution lender already has a

5

prior lien on all their assets, so you could

6

go to them now and say if you want us to work

7

with you, you need to grant us a lien on your

8

receivables and your equipment, but I

9

seriously doubt that it's not already liened

10

by a bank who gave them credit or other -- or

11

gave them the loan for the real estate.

12

MR. GRUCCI: They would have first

13

position obviously.

14

MR. GROSS: Yeah and a second

15

position's not going to be much good.

16

MR. BRAUN: Felix, I don't think, my

17

history here, I don't remember our having ever

18

having done that, where we've taken a lien on

19

a property or equipment.

20

MR. GROSS: If I may, what you're

21

inclined to say, let's see what happens over

22

the next 30 days. I'll reach out to the

23

attorneys who handled the matter. I don't

24

know they represent them on an ongoing basis,

25

but -- and maybe they'll come up with

1

2

something that will explain to us what they

3

propose to do and see where it goes, but at

4

some point you will have to take action, I

5

think; if you delay, you're setting precedent

6

for other people, et cetera.

7

MR. BRAUN: Right.

8

MS. SCHEIDT: It would be good to have

9

had some direct communication, either with

10

them or their lawyers, to understand what's

11

going on here.

12

MS. MULLIGAN: Ann-Marie, I did receive

13

an email after we sent the letter. She sent

14

an email and said that they were dealing with

15

COVID, they were quarantined because of COVID

16

and that takes us back maybe two weeks, three

17

weeks, it doesn't explain the months prior.

18

MS. SCHEIDT: Right.

19

MR. GRUCCI: I think Fred's suggestion

20

makes a lot of sense. There's not a whole lot

21

of construction being done in the winter, it

22

affects their primary source of income,

23

they're probably hurting, so I would be

24

inclined to move Fred's suggestion.

25

MS. SCHEIDT: I second Felix's motion,

1

2

which makes great sense and was far more

3

eloquent than I could have put it.

4

MR. BRAUN: We need a formal

5

resolution, I think we have a consensus of the

6

four board members that are here.

7

I just want to jump back to -- Lori,

8

unless you've got anything else --

9

MS. MULLIGAN: Howard, did we need

10

anything else on that or are we good, that's

11

fine?

12

MR. GROSS: No, that's fine and I'll

13

reach out to the two attorneys who represent

14

them on this. I don't think they're going to

15

be helpful and I wonder whether or not they're

16

going to be able to recover from their

17

setbacks. The interest and penalties are

18

significant, so on taxes, but we'll try.

19

MR. GRUCCI: Howard, on that, if we

20

issue benefits for any company and they get

21

into a situation where they're totally

22

incapable of making the PILOT payments and the

23

PILOT payments have accrued over the years to

24

a significant number already in that matter

25

and they're no longer in a position to make

1

2

payment, they lost everything, who makes that

3

PILOT payment, who makes those municipalities

4

whole; is it the IDA?

5

MR. GROSS: No.

6

What will normally happen is you would

7

deed the property back to the company, it will

8

then go back on the tax rolls and the assessor

9

will retroactively assess the unpaid monies.

10

MR. GRUCCI: Correct. But if the

11

company that owns the property was put back on

12

the tax roll, they still owned it, they're

13

going to lose it to tax, what do you call it .

14

. . .

15

MR. GROSS: Yes. No, they will lose

16

it, the property, by foreclosure essentially

17

by the taxing authorities and they will try to

18

realize their money that way and they will

19

resell it. So it will be the normal situation

20

you have with everyone else.

21

MR. GRUCCI: Doesn't the -- for

22

purposes of this discussion, when Suffolk

23

County takes the property for lack of tax and

24

they auction it, don't they only auction it

25

off for what the value of the taxes are, not

1

2 the PILOT payment, but --

3

4

5

6

7

8

9

10

11

12

MR. GROSS: Suffolk County is only concerned about recovering moneys that were unpaid. Theoretically someone could offer more money, there could be a bidding war if the property was valuable and people could come to buy that property from Suffolk County and they theoretically could bid more than the amount of the taxes owed and the excess would go back to probably the bank first, you know, it would go to others.

13

14

15

16

17

18

19

20

MR. GRUCCI: What I'm trying to understand, though, is I would assume that after this whole process is done, whatever the process may entail, there's going to be some monies that are owed to those taxing districts that were entitled to a PILOT payment because there's not going to be significant amount of monies coming from the tax sales.

21

22

Who's obligated to make those municipalities whole?

23

24

25

MR. GROSS: To the extent Suffolk County recovers the money, Suffolk County will make them whole.

1

2

3

4

5

6

MR. GRUCCI: To the extent that they recover, so the entities that were originally relying upon the PILOT payments are the ones who are going to be losing some or all of their revenue?

7

8

9

10

11

12

13

14

15

MR. GROSS: Yes. But that is the same in reality as what happens on ordinary tax situations, on your house or a commercial piece of property that's not involved with us. If you don't pay your real estate taxes, Suffolk County eventually will sell it at auction and they will take that money and they will pay the expenses and then pay the taxing authorities, et cetera.

16

17

18

19

20

MS. EADERESTO: No, no.

Howard, they actually -- we get paid -- as soon as the taxes aren't paid in June, the County takes the liens and all the taxing authorities get all the money.

21

22

23

24

25

MR. GROSS: Okay, I'm sorry.

MS. EADERESTO: The loss is -- but what happens is later on, it will go on that tax line on the real estate bill so it gets spread out throughout the County, but the County then

1

2

takes the property and sells it and the County
recoups that money.

3

4

MR. GROSS: Thank you, Annette.

5

6

MR. BRAUN: Just to sum up, we have a
consensus that we'll give them an additional
30 days, Howard is going to speak to their
attorneys and we'll take it up 30 days from
now if they have not paid.

7

8

9

10

We still need to approve Lori's audit
and PARIS submissions. I need a motion for
that.

11

12

13

MS. SCHEIDT: So moved.

14

MR. CALLAHAN: So moved.

15

MS. SCHEIDT: Second.

16

MR. BRAUN: Mr. Callahan?

17

MR. CALLAHAN: Yes.

18

MR. BRAUN: Mr. Grucci?

19

MR. GRUCCI: Yes.

20

MR. BRAUN: Ms. Scheidt?

21

MS. SCHEIDT: Yes.

22

MR. BRAUN: Mr. Braun votes yes, that
motion carries.

23

24

Thank you, Lori.

25

MS. MULLIGAN: The next item on the

1

2

agenda is the East Setauket Energy Storage,

3

LLC project and Savion, LLC, also. This is a

4

proposed project at 366 Sheep Pasture Road in

5

Port Jefferson Station. It's currently a

6

mulch and nursery operation. The project is

7

proposing a 125 megawatt BESS system and that

8

stands for battery energy storage system.

9

This is . . . we've been doing a lot of solar

10

installations, a lot of fuel cell projects.

11

This is now a battery storage project, which I

12

suspect is the newest of the renewables and I

13

don't know what's coming next, but we'll find

14

out soon. Well, wind, we have some wind

15

projects, so basically what these do is they

16

take the power, it's like a battery, they take

17

the power -- it is a battery -- they hold the

18

power until the grid needs it and then they

19

pull from the battery and then they can

20

replenish when there's a decrease in the need

21

and then they sit sort of idle and wait until

22

the grid needs them again.

23

It's a -- you can think of it sort of

24

like a peaker plant except that they're not

25

making power, they're just holding the power.

1

2 So this project is a \$154 million project and
3 they are requesting sales tax, mortgage
4 recording tax exemption and a PILOT.

5 There's no jobs associated with this,
6 just like the rest of the renewable projects
7 that we've been doing. Obviously there's
8 construction and there are some contractors
9 that will be involved as far as servicing,
10 making sure that everything is as it should
11 be.

12 Howard is representing the project and
13 I think we have some guests, if anyone has
14 questions for either Howard and/or
15 representatives who are in our waiting room;
16 they can hear us, but they can't see us until
17 we --

18 MR. GROSS: If I may, Lisa, we have my
19 clients, Walter Meisner is I believe on the
20 Zoom call and Rob Panasci is on the call and
21 Bill Miller's on the call.

22 MS. MULLIGAN: Just to continue, this
23 is the application was in your packets.
24 Basically what we're doing is the request is
25 to accept the application at this point.

1

2 There's some work that and also schedule to
3 allow me to schedule the public hearing. But
4 we're working through some PILOT information.

5 These are a little bit different than
6 anything we've seen before, so it's kind of an
7 exciting project. We do have an application
8 for an additional battery project that you've
9 seen already, but that one's on municipal
10 property, so it's a little bit different as
11 far as our relationship with it.

12 But did anyone have questions for
13 either Howard or the project?

14 MR. CALLAHAN: Howard, I have a
15 question.

16 Was that property sold in the last
17 couple of years?

18 MR. GROSS: This property, I don't
19 know.

20 MR. CALLAHAN: Okay.

21 MR. GROSS: I don't know.

22 Walter, I don't know if Walter's on the
23 line or Rob or they can hear us or they can
24 speak, they would know better than I would.

25 MS. MULLIGAN: Joce, do you want to

1

2

bring them -- Joce is going to have them join
as panelists.

3

4

MR. CALLAHAN: Sure. Good morning.

5

MR. BRAUN: Good morning, gentlemen.

6

7

MR. MEISNER: I'm Walter Meisner with
Savion.

8

9

I'm not sure when the property changed
hands most recently, but we entered into a
lease agreement with the current landowner
about a year and a half, two years ago.

10

11

12

MR. CALLAHAN: So you're leasing, okay.

13

14

MR. MEISNER: We have a long-term lease
option, 20 something years.

15

16

MR. BRAUN: Will any part of the
existing operation remain there or they'll be
out completely?

17

18

19

MR. MEISNER: Right now it's seasonal
and it's actually not always in compliance
with their code for land use, but the property
as currently planned is a portion of the front
portion of the project might still be able to
be operated as it currently is for the
nursery.

20

21

22

23

24

25

MR. BRAUN: And the construction is a

1

2 long-term one, this doesn't happen overnight,
3 correct?

4

MR. MEISNER: That's correct.

5

6 MR. GROSS: Fred, if I may, my
7 understanding is -- and I haven't been
8 involved in this aspect of it -- they've been
9 meeting with the Planning Department and the
10 planning board and they're proceeding along
11 with them and the Planning Department's
12 familiar with the project.

12

13

14

15

This is -- if I may, this is one of a
number of projects they have planned of this
nature in the Town. This is the first of
them.

16

17

18

MR. BRAUN: Are you at liberty to
discuss any of the other ones or is it
premature?

19

MR. GROSS: I think it's premature.

20

MR. MEISNER: If Howard will let me.

21

22

MR. GROSS: It's up to you, Walter,
you're the boss, whatever you say.

23

24

25

MR. MEISNER: I can say we're
currently -- we've already met with the
Planning Department once or a number of times

1

2

I should say and we're strategically

3

developing about another five projects.

4

5

LIPA's current RFP for battery energy storage is expected to come out here in the

6

next month and that will kind of determine our

7

strategic plan going forward, but we would

8

expect up to another five projects that we'd

9

want to introduce to you in the near future.

10

MR. BRAUN: Did they have to do a

11

significant amount of wiring, you know, I'm

12

kind of prehistoric in that term, in order for

13

you to connect into the grid?

14

MR. MEISNER: It does require a new

15

interconnection to the LIPA grid system.

16

There's a number of ways to do that, but yes,

17

we do construct either an interconnect, a line

18

tap or we go into an existing substation.

19

MR. BRAUN: Thank you.

20

Questions from the board members?

21

MS. SCHEIDT: So this is the property

22

that's kind of adjacent to the Greek orthodox

23

church on Sheep Pasture Road?

24

MR. CALLAHAN: Yes.

25

MS. MULLIGAN: Across the street or

1

2

adjacent?

3

MR. BRAUN: Adjacent.

4

MS. SCHEIDT: Adjacent, yes.

5

MS. MULLIGAN: Okay.

6

MR. BRAUN: For those that go by it,

7

just a side comment, there's a huge clearing

8

directly across from the Greek church, which I

9

think is probably the second stage of Setauket

10

Meadows, which we are not involved in.

11

MR. CALLAHAN: Yup.

12

MR. GRUCCI: I got a question.

13

When you've completed your construction

14

project, what is it going to look like?

15

MR. MEISNER: The system generally

16

looks, what we propose, they're like

17

containers that house the batteries and in

18

between each one is essentially an inverter

19

and potentially a transformer, some controls,

20

it's very passive and typically through the

21

planning departments we generally end up

22

screening them at any, you know, visual point,

23

so you typically will see a fence and some

24

trees. Height is very usually low to the

25

ground based on the container sizing.

1

2

MR. GRUCCI: So this will be a series -- how many containers would you require and how much room does that take up?

3

4

5

MR. MEISNER: This project is proposed at 125 megawatts. Generally speaking, it's two to three containers per megawatt, so I would suspect we're probably on the verge of 300 containers or so. I'd have to go back and look at the technology we proposed here, but that's the kind of rule of thumb and I'm sorry, you had a second question.

6

7

8

9

10

11

12

13

MR. GRUCCI: How much room would that take up?

14

15

MR. MEISNER: How much room.

16

So we would in this regard anticipate using most of this property just so that we allow for space and screening. I think the property is about 15, 16 acres. We'll probably end up using maybe anywhere up to that point; could be a little bit less, could be maybe ten acres if we can consolidate and keep things close, but the substations as per the earlier question for LIPA also take up some space.

17

18

19

20

21

22

23

24

25

1

2

MR. GRUCCI: The containers, are they like the cargo shipping containers or are these a special made container?

3

4

5

MR. MEISNER: They're especially made for this use, but they generally look that way.

6

7

8

There's other -- there are other providers as well, you know, some of the name brands that you would hear, Tesla, Fluence, a number of other product developers have slightly different cabinets that look a little bit different, but they're generally in that regard.

9

10

11

12

13

14

15

MR. BRAUN: Security issues, cameras, fencing, how about those issues?

16

17

MR. MEISNER: Yeah. Generally most -- I shouldn't say generally. All of our facilities will be fenced and secured to meet typical utility standards.

18

19

20

21

MR. BRAUN: Thank you.

22

23

MS. SCHEIDT: Just why is the agency support needed?

24

25

MR. GROSS: For the benefits. The sales tax is substantial, the savings in order

1

2

to do this, to make it work. The mortgage

3

recording taxes, we anticipate a mortgage and

4

of course, the PILOT benefits. All of those

5

are necessary to make this competitive.

6

MR. WEIR: Ann-Marie, the other reason,

7

too, is with all of the other alternative

8

energy projects that the IDA has been doing

9

that Lisa mentioned, the solar and wind coming

10

on and fuel cell projects, you need . . . not

11

all of that energy is produced when it's

12

always needed, so you need these energy

13

storage facilities so that when the grid needs

14

the power, the power's there. If it's not

15

sunny or not windy, those other projects can't

16

produce electricity, so this is --

17

MS. SCHEIDT: Sure, Bill. Sure. I

18

understand the technical need for it, thank

19

you for clarifying the relationship to all of

20

the other renewable energy projects we've been

21

doing. Thank you.

22

MR. WEIR: Thank you.

23

MR. BRAUN: Howard, to your comment

24

about mortgage recording tax, these containers

25

are technically transportable, so the mortgage

1

2 recording tax is really basically the land
3 only?

4 MR. GROSS: How they -- I'm not privy
5 to all the details of how they finance the
6 entire projects, but I suspect that the fact
7 that we consider it to essentially be land and
8 although Bill and I did have discussions and
9 Lisa did have discussions about how you would
10 look at that, but if the project costs a
11 significant amount of money, that does not
12 mean a bank or a lender would not want a lien
13 on the entire property for the amount of the
14 loan. So if it's a \$50 million loan, the fact
15 that the land may only be valued at \$2 million
16 for argument's sake doesn't mean that they
17 would not take a mortgage on the property to
18 that amount.

19 MR. BRAUN: But they'd still file UCC's
20 against the equipment, correct?

21 MR. GROSS: I'm certain they will
22 because if it's considered fixtures or
23 personal property, they'd want to do that and
24 I'm sure that their lawyers will do that.

25 MR. BRAUN: Any other questions from

1

the board members?

2

3

(No response.)

4

MR. BRAUN: Hearing none, I'll

5

entertain a motion to accept the application.

6

MS. SCHEIDT: So moved.

7

MR. BRAUN: Second?

8

MR. GRUCCI: Second.

9

MR. CALLAHAN: Second.

10

MR. BRAUN: Thank you.

11

On the vote, Mr. Callahan?

12

MR. CALLAHAN: Yes.

13

MR. BRAUN: Mr. Grucci?

14

MR. GRUCCI: Yes.

15

MR. BRAUN: Ms. Scheidt?

16

MS. SCHEIDT: Yes.

17

MR. BRAUN: Mr. Braun votes yes, the

18

motion carries. The application is accepted

19

and welcome, gentlemen.

20

MS. MULLIGAN: Thank you.

21

MR. MEISNER: Thank you very much.

22

MS. SCHEIDT: See you again.

23

MR. PANASCI: Bye.

24

MS. MULLIGAN: The next item on the

25

agenda is an amended application for the AOE,

1

2

the American Organic Energy project and just

3

to remind everyone, this is a project that's

4

been a long time in the making. I'm just

5

looking at my white board, I see we did a

6

public hearing in 2016 for this, so it's been

7

in the works and I don't even know if

8

everybody . . . I don't know if everybody was

9

on the board when we accepted this, I suspect

10

that Gary -- well, it's been a long time

11

coming.

12

So just to remind everyone -- go ahead,

13

Bill, did you want to give them an overview?

14

MR. WEIR: The IDA and the LDC have

15

both passed numerous resolutions for this. It

16

was originally going to be financed with tax

17

exempt bonds, they're now getting a mortgage

18

from the Green Bank, which is a New York State

19

entity, so they're no longer doing bonds.

20

Twice we railed against them

21

(inaudible) allocation (inaudible), but those

22

who don't remember, this is a project that

23

will take organic waste, everything from food

24

waste to yard waste, they put it into a

25

machine that is called a digester, add water,

1

2

it produces methane gas that will be

3

transported across the road to the power plant

4

by the landfill that uses landfill gas. This

5

is methane gas coming out of here. What comes

6

out at the back end is pure water that could

7

be used for any purpose and then the solid

8

waste that comes out will be transferred to

9

Scott's Miracle-Gro, they bag it and you can

10

put that compost in your garden or around your

11

shrubs, so this is keeping a lot of material

12

out of the landfill and actually, you know,

13

putting it to good use and so it's very green

14

project.

15

What -- part of the loan from the Green

16

Bank, so you heard the Vigliotti brothers,

17

they were the hundred percent owners of

18

American Organic Energy. The lender has

19

requested that they put a holding company in

20

between the owners and the company so that if

21

it ever -- to make it bankruptcy remote if the

22

individual owners were ever file for personal

23

bankruptcy, it would not impact the company,

24

that's why they're doing this. So it's really

25

a very simple amendment just reflecting this

1

2

change in the ownership structure to put a holding company in there, this has no impact on our lease documents.

3

4

5

MS. MULLIGAN: And one thing, Bill, I don't think that the gas goes to the landfill, I think they discussed that at one point, but I think they're going to be using it for their own . . .

6

7

8

9

10

MR. WEIR: Okay.

11

MS. MULLIGAN: For their automobiles

12

that can run on it.

13

MR. WEIR: Okay.

14

MR. CALLAHAN: We almost pulled the

15

trigger on this, right, we met the owner,

16

didn't he come by and see us at one time?

17

MR. BRAUN: Yes, he did.

18

MS. MULLIGAN: Yes.

19

MR. WEIR: Yes, he did.

20

This has been -- as Lisa said, we've

21

been working on this project for six years

22

now, so finally hopefully ready to close in

23

the next few weeks.

24

MS. SCHEIDT: Wow.

25

MR. CALLAHAN: There you go.

1

2

MR. BRAUN: Need a motion to accept the
amended application.

4

MS. SCHEIDT: So moved.

5

MR. GRUCCI: Go ahead.

6

MR. BRAUN: On the vote, Mr. Callahan?

7

MR. CALLAHAN: Yes.

8

MR. BRAUN: Mr. Grucci?

9

MR. GRUCCI: Yes.

10

MR. BRAUN: Ms. Scheidt?

11

MS. SCHEIDT: Yes.

12

MR. BRAUN: Mr. Braun votes yes, the
motion is carried.

14

MS. MULLIGAN: Thank you everyone.

15

The next item on the agenda is a
banking resolution, which has everything that
we discussed in the LDC resolution plus a
little bit more.

19

Fred, did you want me to go through
that or did you want to discuss it?

20

21

MR. BRAUN: You can and then I'll pick
it up.

22

23

MS. MULLIGAN: Okay.

24

So it's in your packets and like I
said, it has the same caveat that Flushing is

25

1

2

not able to have a threshold whether they have

3

one signature or two signatures, so we added

4

the same information that will allow us to do

5

one signature . . . do two signatures, but

6

have an email when -- an email system when

7

we're unable to get the second signature and

8

we'll just do that internally, they're not

9

going to double check whether we have one or

10

two signatures. If a check comes in with two,

11

it doesn't really matter to them. But in

12

addition to that, we made some -- we cleaned

13

up the resolution a little bit. We added a

14

few pieces of information that we thought were

15

pertinent.

16

Instead of having just savings

17

accounts, we also included NOW interest

18

checking accounts for investments because

19

that's the system I guess that Flushing uses.

20

We also included at the bottom of page

21

two and the beginning of page three that

22

accounts will be secured through collateral

23

agreements to cover money, 205 percent in

24

excess of the FDIC insured limits or an

25

irrevocable letter of credit, so we just

1

2

wanted to make sure that our language in this resolution followed what we've actually been doing, making sure that we're in line with -- our resolution's in line with the reality of what Flushing can do and what's been working.

7

8

And then a little bit further down, Fred, did you want to add anything?

9

10

11

MR. BRAUN: The only thing I would say is the letter of credit would be issued by one of the several federal home loan banks.

12

13

MS. MULLIGAN: And that language is in this resolution.

14

15

16

MS. LaPONTE: Lisa, it's all accepted by the New York State OSC guidelines that we do this.

17

MS. MULLIGAN: Yes. Yes.

18

19

MR. BRAUN: Can I have a motion to accept that resolution?

20

MR. CALLAHAN: So moved.

21

MR. BRAUN: Second?

22

MS. SCHEIDT: Second.

23

MR. BRAUN: Thank you.

24

Mr. Callahan, on the vote?

25

MR. CALLAHAN: Yes.

1

2

MR. BRAUN: Mr. Grucci?

3

MR. GRUCCI: Yes.

4

MR. BRAUN: Ms. Scheidt?

5

MS. SCHEIDT: Yes.

6

7

MR. BRAUN: Mr. Braun votes yes, motion carries. Thank you.

8

MS. MULLIGAN: Thank you.

9

10

The next item on the agenda is a resolution to hiring Margolin Besunder, LLC.

11

12

So Margolin Besunder, you'll recognize Mr. Besunder's name, they are the firm working on the Ronk Hub project.

13

14

15

16

17

18

19

Annette, do you have anything you want to add to this, just we wanted to make sure that we had everything sort of lined up and clearly delineated and we wanted to make sure that we had a resolution with the IDA hiring Margolin Besunder, LLP?

20

MR. BRAUN: Annette, you're muted.

21

22

MS. MULLIGAN: Did you want to add anything, Annette?

23

24

MS. EADERESTO: No, not at all. I think we killed this one two weeks ago.

25

MS. MULLIGAN: So now we're just

1

2

officially taking action.

3

4

5

6

7

8

9

10

11

MR. BRAUN: With their cost to be reimbursed by Tritec, not at our expense and we will still get a document prepared by Zach Dubey of Besunder's firm basically transferring the responsibility from the Town to the IDA. We don't have that yet. At the last meeting they said it probably would be 30 days before we would get it, but we do need a motion to hire them on our behalf.

12

MR. GRUCCI: So moved.

13

MR. BRAUN: Second?

14

MS. SCHEIDT: Second.

15

MR. BRAUN: On the vote, Mr. Callahan?

16

MR. CALLAHAN: Yes.

17

MR. BRAUN: Mr. Grucci?

18

MR. GRUCCI: Yes.

19

MR. BRAUN: Ms. Scheidt?

20

MS. SCHEIDT: Yes.

21

MR. BRAUN: Mr. Braun votes yes, that motion carries.

22

23

Lisa, want to back up to AOE,

24

authorizing resolution?

25

MR. GRUCCI: Fred, just a quick

1

2

question on the Ronkonkoma Hub or if you

3

want --

4

MR. BRAUN: Sure.

5

MR. GRUCCI: -- I can defer the

6

question until --

7

MR. BRAUN: No, no.

8

MR. GRUCCI: When do we need to take

9

the next action that we discussed at our last

10

board meeting?

11

MS. MULLIGAN: Not until they get us

12

that agreement and we pass that resolution.

13

That will be the next item that we need to --

14

the next action that we would take.

15

MR. BRAUN: And if I remember

16

correctly, the next step beyond that would be

17

a public hearing.

18

MR. GRUCCI: Okay. Thank you.

19

MS. MULLIGAN: I apologize, guys, I

20

printed my version of the agenda a day ago and

21

we added something on, so Fred's right, we

22

need to do a resolution for American Organic

23

Energy.

24

MR. BRAUN: Yes, Bill, final

25

authorizing?

1

2

MS. MULLIGAN: Yes.

3

MR. BRAUN: I see him shaking his head.

4

5

MS. MULLIGAN: The final authorizing resolution is, in fact, in your -- it's an

6

amended authorizing resolution in your

7

packets, so we do need a motion for that

8

resolution.

9

MR. BRAUN: Somebody care to make that?

10

MR. CALLAHAN: So moved.

11

MR. BRAUN: Thank you.

12

Second?

13

MR. GRUCCI: Second.

14

MR. BRAUN: On the vote, Mr. Callahan?

15

MR. CALLAHAN: Yes.

16

MR. BRAUN: Mr. Grucci?

17

MR. GRUCCI: Yes.

18

MR. BRAUN: Ms. Scheidt?

19

MS. SCHEIDT: Yes.

20

MR. BRAUN: Mr. Braun votes yes, that

21

motion carries.

22

MS. MULLIGAN: Thank you.

23

The next item on the agenda is

24

Framerica Corporation.

25

So if you recall, I think maybe the

1

2

last meeting, maybe the meeting before that,

3

we did a final authorizing resolution for the

4

Framerica company corporation to purchase --

5

to lease space in 19 Nicholas in Yaphank and

6

they told us that they needed sales tax

7

exemption. They've subsequently come back and

8

said that they need more sales tax exemption,

9

so they've asked for an additional \$150,000

10

worth of purchases, which works out to

11

roughly, don't quote me on this, but like

12

\$10,000 in sales tax that would be exempted

13

and so that's the request to the board right

14

now.

15

MR. BRAUN: My only question is why

16

would they need that if the equipment is going

17

to be used in their production?

18

MS. MULLIGAN: They needed to do

19

electric upgrades in the building.

20

MR. BRAUN: Okay.

21

I'll make that motion then.

22

Is there a second?

23

MR. GRUCCI: Yes, second.

24

MR. BRAUN: On the vote, Mr. Callahan?

25

MR. CALLAHAN: Yes.

1

2

MR. BRAUN: Mr. Grucci?

3

MR. GRUCCI: Yes.

4

MR. BRAUN: Ms. Scheidt?

5

MS. SCHEIDT: Yes.

6

7

MR. BRAUN: Mr. Braun votes yes, that motion carries. Thank you.

8

MS. MULLIGAN: Thank you.

9

10

Okay. The next item on the agenda is the Ronk Hub project.

11

12

Bill, do you want to give the board an overview?

13

14

15

16

17

18

MR. WEIR: So they are ready to move forward with Phase 2A, the land that they have acquired, they're ready to go. It's very similar in size to Phase 1. It's actually a little bit more land, slightly more buildings, but very comparable.

19

20

21

22

23

24

25

So what Lisa and I are looking at, the original PILOT for Phase 1 and comparing it what we had authorized the PILOT for Phase 1 and then we authorized the total PILOT, so we got to take for Phase 2 out of what's already been authorized for the total PILOT on everything if and when it's ever built and so

1

2

looking at and comparing it, what we decided

3

or suggested that probably the best way to do

4

the PILOT for Phase 2A is make it the same

5

PILOT payments as they were paying on Phase 1.

6

It's so similar in size and everything that to

7

try to crunch numbers to change it by a

8

thousand dollars here or there was just --

9

didn't make any sense and that's where we came

10

out, but they are ready to move forward and

11

they want to close on that in the next few

12

weeks.

13

MR. GRUCCI: What do they need from us

14

now?

15

MR. WEIR: So, it's just a final

16

authorizing resolution for Phase 2A and

17

approving the PILOT and schedule for Phase 2A,

18

which will be identical as Phase 1.

19

So again, just for the board's review,

20

this goes back also forever. The IDA approved

21

the total project, everything to be built on

22

the land and the total PILOT payments, so we

23

did a hundred thousand and it has -- to start

24

with and then the total amount going forward

25

and ramps up after ten years and ramps very

1

2

quickly and so this is -- but then we've been

3

approving each phase as they are ready to

4

close, so we approved the overall transaction,

5

then we approved Phase 1 and now we're

6

approving Phase 2A.

7

Phase 2B, that's land that we talked

8

about that we'll see how that comes into

9

title.

10

MR. GRUCCI: What's going to take place

11

on 2A, what are they building?

12

MR. WEIR: Phase 2A is going to be a

13

combination --

14

MS. MULLIGAN: That's the piece that's

15

going to have the town square and it's also

16

going to have retail and -- retail, commercial

17

and housing.

18

MR. WEIR: And residential. So it has

19

residential, retail and commercial and the

20

town square.

21

MR. GRUCCI: I'll make the motion, I'll

22

offer the resolution.

23

MR. BRAUN: Is there a second?

24

MR. CALLAHAN: Second.

25

MS. SCHEIDT: Second.

1

2

MR. BRAUN: On the vote, Mr. Callahan?

3

MR. CALLAHAN: Yes.

4

MR. BRAUN: Mr. Grucci?

5

MR. GRUCCI: Yes.

6

MR. BRAUN: Ms. Scheidt?

7

MS. SCHEIDT: Yes.

8

MR. BRAUN: Mr. Braun votes yes, motion

9

carries.

10

MR. CALLAHAN: Sorry, Ann-Marie.

11

MS. SCHEIDT: No, you're faster than I

12

am, Marty.

13

MR. BRAUN: Felix, you had a question?

14

MR. GRUCCI: Yeah.

15

On Tritec, is Tritec just a

16

construction firm for this project or are they

17

the owner-operators?

18

MR. BRAUN: They're the owner-operator.

19

MR. WEIR: Yup.

20

MR. GRUCCI: Okay.

21

MR. BRAUN: And they were the party

22

that the Town selected as part of the urban

23

renewal process.

24

MR. GRUCCI: Not that it changes

25

anything, I just was unclear if they were just

1

2

the construction firm or if they were the

3

actual owners of the project.

4

MR. WEIR: They're the owners, the

5

operators and they're in it for the long haul.

6

MR. GRUCCI: Good.

7

MS. MULLIGAN: Okay. Thank you

8

everybody.

9

The next item on the agenda is C2NY.

10

They asked for a sales tax and completion date

11

extension. They asked if they could have

12

until May 31st of '21 for their completion and

13

their -- to extend their sales tax. They told

14

us they didn't need additional exemption, just

15

more time and just to remind everybody, this

16

is the Pennysaver solar, so -- yeah,

17

Pennysaver solar installation at the Town's

18

amphitheater.

19

MR. BRAUN: Motion?

20

MS. SCHEIDT: So moved.

21

MR. BRAUN: Thank you.

22

Second?

23

MR. CALLAHAN: Second.

24

MR. BRAUN: Thank you.

25

Mr. Callahan?

1

2

MR. CALLAHAN: Yes.

3

MR. BRAUN: Mr. Grucci?

4

MR. GRUCCI: Yes.

5

MR. BRAUN: Ms. Scheidt?

6

MS. SCHEIDT: Yes.

7

MR. BRAUN: Mr. Braun votes yes, motion

8

carries.

9

MS. MULLIGAN: Thank you.

10

Again, our board assessments.

11

So as was discussed in the LDC meeting,

12

we're required to send the overview of the

13

assessments to the ABO by the 31st.

14

I wanted to just make sure that

15

everybody was aware of how we sort of fell in

16

those assessments, but I suspect as we

17

discussed in the last meeting, we're going to

18

push the discussion of those numbers as well

19

as the discussion of the written comments,

20

which don't go to the ABO, to the April

21

meeting, but I just wanted to make sure that

22

you had a chance to see them prior to me

23

sending them to the ABO.

24

MR. GRUCCI: Has everybody filled out

25

their assessment form?

1

2

MS. MULLIGAN: Yes.

3

4

MR. BRAUN: We have to bang a few people in the head, but yes, we get them back.

5

Thank you, Felix.

6

7

MS. MULLIGAN: Okay. So we will send those to the ABO and we will discuss them again in April.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

The next couple of -- the next item, the ethics forms, I just wanted to remind everybody to get your ethics forms in if you have not already. I need to do mine, guilty. So everyone, we can send around reminders to anyone that we haven't received them yet, but just a reminder, those need to be done soon.

MR. CALLAHAN: Should be good.

MS. MULLIGAN: Okay.

The next item on the agenda is the job creation numbers.

So like we discussed with the LDC and also like we discussed in PARIS, we are required to send the job creation numbers to the ABO. I'm just going to share my screen so you guys can see this, try to anyway. Hold on one second.

1

2

(Pause.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

MS. MULLIGAN: So this was included in your packets for the IDA. As you can tell, we have the project name, the year that they were certified, how many jobs they had, how many jobs they told us they would create in their first and second year and then I only included '19 and '20 just for a point of reference because the chart is huge, it would never fit reasonably, but so as you can see as you go through these, our projects are -- even with COVID, our projects are doing a nice job with their job creation numbers. We have some that are not quite there, but for the most part, there's very few, I'm pleased to say, that we're going to have to bring back for discussion, so . . . and some of these that might look problematic, they either -- their job creation numbers haven't started yet, so we have like CD Ramsay is showing as zero, but that's because we didn't expect -- we aren't at year one yet, so we're fine with that.

There's a couple that we need to bring back and have discussions with, but as in

1

2

years past, what I suggest is that Fred and I

3

go through these numbers and sort of pare them

4

down and bring back ones that are . . . you

5

know, that we think we need a little more

6

information on and we can work on getting

7

information back to them.

8

Some of these that are below the

9

threshold terminated last year, so, you know,

10

we're still required to gather the information

11

because they were in our system for part of

12

the year last year, but it's -- there's really

13

not much that could or should be done if

14

they're below the agreed number.

15

MR. TULLO: Also, Lisa, if you look at

16

like Excel, that's the hospitality industry,

17

we understand what happened over the past

18

year, so, you know, obviously the board has

19

already had discussions about how they'll take

20

those types of projects into account and

21

circumstances.

22

MS. MULLIGAN: A hundred percent. And

23

there's some projects that as Fred and I go

24

through here, there's going to be, you know,

25

we'll still ask them for explanation for -- so

1

2

we have everything documented, but Jim's a

3

hundred percent right, there's some projects

4

that . . .

5

MR. TULLO: Hotels and such.

6

MS. MULLIGAN: Yes. It's funny, I

7

skipped right over that one.

8

So just so you guys have this, we'll

9

bring this back, but if you wanted to review

10

any of these numbers, just for you to be aware

11

of.

12

MR. BRAUN: Lisa, do you have anything

13

else; I don't think we need executive session,

14

do we?

15

MS. MULLIGAN: No, we don't.

16

Just a reminder, if you have not done

17

your harassment training, I'm harassing you to

18

do your harassment training.

19

MR. CALLAHAN: Banged everything out

20

last week.

21

MS. MULLIGAN: Okay. Thank you, Marty.

22

MR. BRAUN: Marty, how long did it take

23

you, about a half an hour?

24

MR. CALLAHAN: Well, like Lisa said,

25

she hounded and hounded and I did the one

1

2

thing and then I got another email saying I

3

didn't do something from last year, so I said

4

you know what, yeah, about a half hour.

5

MS. MULLIGAN: But how long did the

6

harassment training --

7

MR. CALLAHAN: It was less than a half

8

hour, I believe, yeah, it wasn't too bad.

9

MS. MULLIGAN: Okay.

10

MR. CALLAHAN: Fifty screens.

11

MR. GRUCCI: I think it was about 20

12

minutes depending upon how fast you can read.

13

MR. BRAUN: If there's -- well, let me

14

ask, anything else that anyone would like to

15

bring up?

16

(No response.)

17

MR. BRAUN: Hearing none, I thank you

18

very much. I'll entertain a motion to

19

adjourn.

20

MR. GRUCCI: So moved.

21

MS. SCHEIDT: So moved, second to

22

Felix.

23

MR. BRAUN: Mr. Callahan?

24

MR. CALLAHAN: Yes.

25

MR. BRAUN: Mr. Grucci?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

MR. BRAUN: Mr. Braun votes yes.

We are adjourned, thank you.

(Time noted: 11:54 a.m.)

I, JOANN O'LOUGHLIN, a Notary Public
for and within the State of New York, do hereby
certify that the above is a correct transcription
of my stenographic notes.

JOANN O'LOUGHLIN