

MINUTES OF MEETING OF MONDAY, MAY 5, 2008

Present: Hank Boerner
Angela DeVito
Jack Orben
Lori Taggert
Kathleen Wojciechowski
William Belmonte, Executive Director
Lucille Sullivan, CFO
Dick Ehlers, Counsel to the IDA

Absent: Sean McCabe
Jim Csorny

Mr. McCabe requested that Jack Orben act as temporary chair of the meeting since both Mr. McCabe and Mr. Csorny would be absent. Mr. Orben called the meeting to order at 5:06 PM. Ms. DeVito had not yet arrived.

#21-08 APPROVES MINUTES OF MEETING OF 3/4/08

Hank Boerner offered the following resolution, which was seconded by Lori Taggert:

RESOLVED, the minutes of the meeting of March 4, 2008 as prepared and submitted be and are hereby approved; and

BE IT FURTHER RESOLVED, that a copy of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

Vote: 4 yes

#22-08 APPROVES MINUTES OF MEETING OF 4/7/08

Lori Taggert offered the following resolution, which was seconded by Hank Boerner:

RESOLVED, the minutes of the meeting of April 7, 2008 as prepared and submitted be and are hereby approved; and

BE IT FURTHER RESOLVED, that a copy of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

Vote: 4 yes

Ms. DeVito arrived at the meeting at 5:10PM. At this point in the meeting Mr. Orben explained to the board that he has requested Ms. Sullivan to prepare a report showing operating funds for the Agency if the agency received no income from administrative fees and continued to fund fixed monthly expenditures for salaries, professional fees and

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office fees. Ms. Sullivan presented the report to the board and explained methods of calculation. Ms. Sullivan informed the board that it was difficult for her to prepare an analysis based on the agency failing. Mr. Orben stated that he knew the exercise was difficult, but he wished to impress on the board that adjustments may need to be made with respect to operations and asked the Board to consider the report and bring suggestions to the next board meeting. Ms. Sullivan's reports shows the Agency depleting all its funds by January of 2010 if no administrative fees are collected during the time period. Ms. Sullivan then presented the Board with the expense report for the month of April which was presented in the form of a profit & loss statement for the month, printed from the new accounting system. Ms. Sullivan informed the board that more precise reports could be generated upon request as she becomes more familiar with the system.

#23-08 ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS

Angela DeVito offered the following resolution, which was seconded by Kathleen Wojciechowski:

WHEREAS, the CFO has prepared and submitted a report of expenses of the RIDA for the period 4/1/08 to 4/30/08 as attached;

NOW, THEREFORE, BE IT RESOLVED, that said report of expenses dated 4/01/08 be and is hereby accepted, and expenses as listed are authorized for payment.

Vote: 5 yes

At this point in the meeting, Mr. Belmonte informed the board that Riverhead Industrial Properties had issued a check in the amount of \$8,804.85 for final payment of its disputed 2007-2008 PILOT payment and that the funds had been distributed to the appropriate taxing authorities. Mr. Ehlers explained to the board that no late penalties had been applied as the calculation error was made by the IDA and that Riverhead Industrial Properties had been informed that no late penalties would be assessed, if payment was made in a timely manner following resolution of the dispute.

#24-08 ACCEPTS PILOT PAYMENT FROM RIVERHEAD INDUSTRIAL PROPERTIES WITHOUT PENALTY

Kathleen Wojciechowski offered the following resolution which was seconded by Angela Devito:

WHEREAS, the IDA underestimated the PILOT payment dues from Riverhead Industrial Properties for the 2007-2008 tax year by \$8,804.85; and

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WHEREAS, the IDA notified Riverhead Industrial Properties of the error on January 9th, 2008; and

WHEREAS, Riverhead Industrial Properties raised questions with respect to the calculation error and asked for time to evaluate its response; and

WHEREAS, the IDA informed Riverhead Industrial Properties that no penalties would be applied to the disputed amount if paid in a timely manner;

NOW, THEREFORE, BE IT RESOLVED, that the IDA accepts the \$8,804.85 payment submitted by Riverhead Industrial Properties as payment in full of its 2007-2008 PILOT Obligation.

Vote: 5 yes

At this point in the meeting, Mr. Belmonte spoke to the Board with respect to a late filing of the RPT-41-a tax exempt form for Browning Hotel Properties which would have made Browning Hotels exempt for PILOT purposes beginning in the 2008-2009 tax year. Mr. Orben asked why the form was filed late. Mr. Belmonte responded that he assumed that Ms. Gablenz, the former acting executive director had filed the form upon closing. Mr. Belmonte also informed the Board that the Assessor's office had notified him on April 22nd 2008, that the form was not in their file for Browning Hotel Properties. Mr. Belmonte filed the form on the same day but was notified by the Assessor's office by letter dated April 28th 2008, that the request had been denied as the form was due before March 1st, 2008. The Board of Assessors also informed that the IDA could appeal the decision before the assessment review board on May 20th, 2008. Mr. Belmonte informed the board that after consultation with Mr. Ehlers, Mr. Browning of Browning Hotel Properties was offered a choice of appealing the Assessor's ruling or of amending his PILOT Agreement to reflect a one year change in commencement date throughout the ten year abatement period. Mr. Belmonte informed the Board that Mr. Browning had chosen to change the commencement date rather than appeal the Assessor's ruling. There ensued a general discussion among the Board members with respect to the legal ramifications arising from the late filing. There was further discussion regarding timing of filing the reports. Ms. Taggart suggested that the reports be filed upon closing as opposed to filing upon the Assessor's receipt of the deed from the Town Clerk.

#25-08. AUTHORIZES THE CHAIRMAN OF THE BOARD TO AMEND THE PILOT AGREEMENT WITH BROWNING HOTEL PROPERTIES, LLC TO REFLECT A ONE YEAR CHANGE IN COMMENCEMENT DATE THROUGHOUT THE TEN-YEAR PERIOD OF THE PILOT AGREEMENT

Hank Boerner offered the following resolution, which was seconded by Angela DeVito:

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WHEREAS, The IDA did not timely file a form RPT-41-a with the Riverhead Board of Assessors; and

WHEREAS, the Board of Assessors denied approval of a 2008-2009 exempt status for Browning Hotel Properties LLC; and

WHEREAS, Mr. Lee Browning of Browning Hotel Properties, LLC was given a choice by the IDA of either appealing the ruling of the Assessor or amending the existing PILOT Agreement dated May 4, 2007 to reflect a one-year change in commencement date throughout the ten-year term of the existing PILOT Agreement and informed the IDA on May 5th, 2008, that he chose to amend the PILOT and forego any appeal;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the Chairman of the Board to approve such change in the PILOT Agreement.

Vote: 5 yes

At this point in the meeting, Mr. Belmonte informed the Board that the IDA was in receipt of 2000 reprints of the article printed in Long Island Business News in November of 2007 that were usable as collateral for marketing purposes. Mr. Belmonte asked for input from the Board as to distributing the materials. Ms. Taggert and Mr. Boerner suggested using lists from Long Island Business News. A general discussion ensued among the Board members with respect to marketing expenditures.

Mr. Orben informed the Board that he had sent an e-mail to the Supervisor suggesting that the IDA and Town Board work more closely together. Mr. Orben suggested the Board consider forming a committee to interact with the Town Board to enhance the possibilities of moving economic development forward. Ms. Taggert suggested that the CDA and EDZ also be brought into the mix as they have the same objectives as the IDA. Ms. Taggert suggested that the IDA could joint market with the EDZ and the planning department.

There being no further business, the meeting adjourned at 6:45PM