

**MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

October 21, 2019

Meeting was called to order at 5:02PM by Chairman Thomas Cruso.

Present: Thomas (Tom) Cruso, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Robert (Bob) Kern, Treasurer
Anthony (Tony) Barresi, Secretary
James Farley, Asst. Treasurer

Absent:

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Richard Ehlers, Counsel
Councilman James Wooten, Town Liaison

Member Bob Kern motioned to approve the proposed agenda. Member Tony Barresi seconded. The agenda was adopted.

PRESENTATION: Representatives from the Calverton Addiction and Treatment Center presented an explanation for a sizable increase to the project's budget. The project has seen a cost of construction increase from \$59,062,000 to \$75,509,082 million. The board questioned the announcements on record of a \$95 million project. Peter Curry, counsel to the applicant explained that much of the cost relayed in the press releases included expenses such as financial carrying costs, contingency, recruitment marketing for operations, fees in general that he believed should not be included in the calculation of the overall "project cost," much of which are also stabilization expenses required to be shown by the lender. The board members questioned what was encompassed in some of the line item categories. Financial fees increased almost \$1million. Architectural fees increased \$400,000. Sewer fees increased \$200,000. Permit fees increased \$300,000. Hard cost construction increased approximately \$10 million since the original submitted budget almost 3 years ago. Lori Ann Pipczynski affirmed that contingency fees are normally accounted for in construction. Mr. Curry stated that he considered \$18 million to be consistent with what should be included within the IDA application as cost of construction. The applicant did not request any increase in benefits, but did suggest that the fee on the increase be considered at such time as the project is built. The importance of accuracy of the project cost relative to the benefit provided and the Agency's reporting to NYS was explained to the applicant. The ED cautioned the board about setting a precedent with extracting categories from the project costs. The Governance Committee will meet to discuss the suggested proposal.

The Chairman moved new business out of order to allow for the representatives of the Firehouse project to present a new tenant. Leucio Iacobelli of Montauk Distillery and Frank Sommers contractor, requested approval for tenancy to take occupancy of 4,000 sq. ft. within the Firehouse formerly occupied by Long Beard Brewery. They will produce vodka, rum, gin and bourbon. They anticipate 6 employees upon full production of the distillery and tasting room. All the ingredients are sourced locally with the exception of sugar cane. They currently produce using a custom crush facility in upstate NY and produce about a pallet and half per month of each brand (960 cases). The ED explained that there was some outstanding material needed to complete the application, so recommended the board table the resolution of authorization until it has been submitted.

The Chairman resumed the regular order of the agenda.

MINUTES

The Board moved to dispense with the reading of and voted on the September 9th meeting minutes.

#39-19 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF September 9, 2019.

Member Bob Kern offered the following resolution, which was seconded by Member Lori Ann Pipczynski.

RESOLVED, the minutes of the meeting of September 9, 2019 as prepared e-mailed and amended be and are hereby approved, and

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

Vote: 5 Yes

CORRESPONDENCE: None

TREASURER'S REPORT: Reported that a money market account and a certificate of deposit was opened.

Cash Balance in as of September 30th	\$94,135.75
CD	\$30,000
Money Market	\$140,263.94
Revenue for August	\$199.78
Profit and Loss	\$-15,096.33
Total Expenses Paid	\$12,293.28

#40-19 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF September 30, 2019

WHEREAS, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted monthly financial reports, including a report of expenses, to the Riverhead Industrial Development Agency for the period of September 1 to September 30, 2019 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated October 3, 2019 covering the month of September, be and are hereby accepted and expenses as listed are authorized for payment.

Member Bob Kern made a motion to accept Treasurer's Report, which was seconded by Member Lori Ann Pipczynski. **Motion approved.**

Vote: 5 Yes

COMMITTEE REPORTS:

Governance Committee:

Chairwoman Lori Ann Pipczynski reported that the committee met on Sept 23rd and conducted an annual review of project milestones. The committee determined that no additional actions were necessary at this time and will continue to monitor the projects. The committee recapped the meeting with the Town Board to determine if any additional action was warranted with regard to reporting and the website updates. The committee agreed that the Agency would incorporate additional resources within the new website as it is developed. They discussed improving the Agency's integration with the Assessor's office. Finally they continued their review of agency policies and moved to recommend an amendment to the Statement of Board Policies and Procedures and a new Sexual Harassment Policy that mirrors the one adopted by the Town Board.

The Chairman then recessed the meeting to move into an Audit Committee meeting. Lori Ann Pipczynski moved to recess the regular board meeting. Bob Kern seconded. The meeting was recessed at 5:48pm

Lori Ann Pipczynski moved to reopen the regular board meeting. Tony Barresi seconded. The board meeting resumed at 5:50pm.

Audit Committee:

The committee recommended the execution of the Engagement Letter from Jones, Little and Company as the Agency's Auditors recognizing a cost increase of \$300 from the prior year.

Finance Committee: No report.

OLD BUSINESS:

**#41-19 RESOLUTION ADOPTING PROPOSED BUDGET FOR FISCAL YEAR
01/01/20-12/31/20**

Bob Kern offered the following resolution, which was seconded by Anthony Barresi.

WHEREAS, it is recommended accounting practice that an operating budget be established for the Riverhead Industrial Development Agency; and

WHEREAS, Section 2801 of Public Authorities Law provides budget reporting requirements for state and local public authorities and requires the submission of proposed budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

WHEREAS, Article 18-A of GML requires a copy of the draft budget to be forwarded to the chief executive office and the governing body of the municipality for whose benefit the agency was established for inspection and comment of its proposed budget for the forthcoming fiscal year, no later than twenty business days before its adoption.

WHEREAS, a preliminary budget was prepared and submitted to the Town Board of the Town of Riverhead and Town Clerk's office for review and comment, and

WHEREAS, there were no comments received from the municipality, and

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby adopted as the Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/20 through 12/31/20; and

BE IT FURTHER RESOLVED, copies of this resolution be and hereby are authorized to be filed with all necessary parties as described by law.

Vote: 5 Yes

NEW BUSINESS:

#42-19 RESOLUTION AUTHORIZES CHAIRMAN TO EXECUTE ENGAGEMENT CONTRACT WITH JONES, LITTLE & CO, LLP AS OFFICIAL AUDITING FIRM FOR THE RIVERHEAD IDA

Anthony Barresi offered the following resolution, which was seconded by Bob Kern.

RESOLVED, that the Chairman of the Agency is hereby authorized to execute a contract with Jones, Little & Co, LLP as the official auditing firm of this Agency for 2019 fiscal year and that said books are to be audited annually with a copy of said audit to be provided to the Agency and become part of the record of such Agency.

Vote: 5 Yes

#43-19 RESOLUTION APPROVES TENANT (Hampton Rum Company, Inc.) FOR WOLF PROPERTIES ASSOCIATES, LP/FIREHOUSE (TABLED)

Anthony Barresi motioned to table Resolution #44-19. Lori Ann Pipczynski seconded. Motion carried with 5 yes votes.

#44-19 A RESOLUTION AMENDING AND ADOPTING POLICIES (TABLED)

Anthony Barresi motioned to table Resolution #44-19. Lori Ann Pipczynski seconded. Motion carried with 5 yes votes.

EXECUTIVE DIRECTORS REPORT:

Nov 13th - We will be participating once again in the LI Manufacturers Symposium with the NYSEDC on Wednesday Nov13th. I will be sitting on one of the panels. Second Annual full day symposium to bring together manufacturers from Long Island and introduce them to the various resources that exist throughout Long Island and across New York State.

Topics include: Manufacturing Extension Partnerships (MEPs), Centers for Advanced Technology (CATs), Centers of Excellence (COEs), workforce development resources, cyber security, Industrial Development Agency tools, clean energy and more!

Nov. 14th - The very next day is the IDA Academy put on by NYSEDC. The board is encouraged to attend and the ED requested to invite the Town Board. The board discussed extending an invite to the Assessors as well. The cost to attend is \$100 per person.

The IDA Academy will provide regular training by NYSEDC IDA members, the Office of the State Comptroller (OSC), the Authorities Budget Office (ABO) and other industry experts for IDA staff and executives on a variety of issues to help operate an IDA office more efficiently and effectively. It will provide training, understanding and best practices around the functions, powers and tools available to IDAs. This seminar will be held at the Melville Marriott Long Island and will include sessions on live streaming, video posting/storage and many other important topics.

Nov. 15th - NYSEDA will host an Offshore Wind Technical and Training Workshop at Farmingdale State College on Long Island. This workshop is an opportunity for local businesses, training providers, labor organizations, and educators to coordinate with offshore wind developers, component manufacturers, and service suppliers to identify the technology and training needs for future offshore wind projects in the region. The workshop will also set the stage for New York's \$20 million Offshore Wind Training Institute, which will provide benefits to workers across New York State through new job training programs, tailored college curriculum, and enhanced academic research opportunities.

Dec 6th - Opportunity Zone Workshop – Coordinated effort with the Chamber & CDA. December 6th luncheon at the SeaStar Ballroom.

11:30 Registration 12 Start

Michael Maturo – President & CEO of RXR Realty


Philip Marra – National Audit Leader & US Real Estate Funds Leader at KPMG, LLP

Richard Blumenreich – Principal in Charge, Tax Credit and Energy Advisory Services

And either an economist or a representative from the State

Member Lori Ann Pipczynski motioned to adjourn the board meeting. Member Bob Kern seconded. The meeting was adjourned at 6:04pm.

Dated: 11/04/09


Secretary/Asst.