

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

March 27, 2023

Meeting was called to order at 5:03 PM by Chairman James Farley.

Present: James B. Farley, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Lee Mendelson, Treasurer
Anthony (Tony) Barresi, Secretary
Douglas Williams, Asst. Treasurer

Absent:
Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
William Weir, Counsel (Virtual Attendance)
Milan Tyler, Transaction Counsel (Virtual Attendance)

Lee Mendelson moved to adopt the proposed agenda. Anthony Barresi seconded. The agenda was adopted.

MINUTES:

The Board moved to dispense with the reading of and voted on the February 6, 2023 meeting minutes.

#10-23 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF February 6th, 2023. Member Doug Williams offered the following resolution, which was seconded by Member Anthony Barresi.

RESOLVED, the minutes of the meeting of February 6th, 2023 as prepared and e-mailed be and are hereby approved, and

BE IT FURTHER RESOLVED, that the 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: Correspondence was distributed to the board from the EPCAL watch Committee

TREASURER'S REPORT:

Cash Balance in as of February 28	\$ 227,006.05
Money Market	\$ 45,046.88
Revenue for February	\$ 58,402.99

Profit and Loss	\$39,315.65
Total Expenses Paid	\$ 19,087.34

#10-23 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF February 6,, 2023

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 February 1 to February 28, 2023 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated March 7, 2023 covering the month of February be and are hereby accepted and expenses as listed are authorized for payment.

Member Anthony Barresi made a motion to accept Treasurer's Report, which was seconded by Member Doug Williams. **Motion approved.**

VOTE: 5 Yes

COMMITTEE REPORTS:

Audit: Anthony Barresi reported that the Audit Committee met virtually on March 21st to review the 2022 audited financials with the Agency Auditing Firm of Jones & Little. The Audit did include an emphasis of matter paragraph regarding the agency as a going concern, but after performing an evaluation the auditors looked at forecasts and decided the agency will continue to operate. The auditors issued 3 clean opinions.

Operating expenses were pretty in line with the prior year. There was a decrease in the Net position, but it was still positive. Overall the net position of the agency is \$74,000.

GASB 68 requires the auditors to show the NYS Pension liability on the agency balance sheet. Due to growth in investments, the NYS Pension section shows assets this year.

It was noted in the budgetary analysis that the Agency came in better than the budget, revenues were higher. Assets exceeded liabilities. The NYS pension entry expense was lower than budgeted. Professional fees were lower than budgeted. Travel and conference costs were lower than budgeted. Overall the Agency looked good. The auditors noted that the IDA is run very well. The committee moved to recommend the approval of the audit to the full board.

The committee then reviewed and moved to recommend the Investment Guidelines Policy and report, Salary and Compensation Policy, the Whistleblower policy, the Disposition of Real Property Policy and Report and Assessment of Internal Controls to the full board for approval. The procurement report was not available for review and will be considered during this meeting by the full board.

Governance Committee: Lori Ann Pipczynski reported on the January and March meetings. The Governance Committee met virtually on January 27th to conduct a project status review and to conduct the annual Agency policy review.

Attorneys from Phillips Lytle updated the committee on the status of the Preliminary Agreement and stated that it has been executed by the IDA and the CDA but not CAT at that time. They were to reach out to the developer's attorney to check the status of execution and establishment of the escrow for due diligence expenses with a due date of February 6th to submit the signed Agreement.

Phillips Lytle announced that they have reached out to two reputable accounting firms to vet CAT's financial capabilities and expects to receive proposals in the next several weeks. The committee stressed vetting conflicts of interest with the firms. A firm will be retained only after establishment of an account by CAT. A representative of the accounting firm will be made available at the Agency's request should questions arise from their ultimate findings.

Phillips Lytle's SEQRA expert discussed the town's processes related to SEQRA and zoning applicable to the site. It was explained that the IDA can rely on the SEQRA work that has already been completed, but once the developer commits to a definite course of action, the IDA will need to make an additional findings statement as part of its own SEQRA process to ensure the developer's plans are consistent with the work of the town thus far. Any consistency analysis will be coordinated with the town. As an interested agency, IDA closing documents will include language that states that the IDA has authority to look at each phase of development as it emerges. Committee members expressed the importance of maintaining communications with the Planning Department, the Planning Board and the Town Board in this regard, but the IDA will be taking an independent hard look at the environmental impact of the project.

For the benefit of the Agency and the public, committee members worked with the attorneys to establish a draft outline of the approval process moving forward. The draft will be made a part of the next meeting's agenda and will be subject to amendments as future conditions warrant.

Phillips Lytle will follow up with CAT regarding the Preliminary Agreement, move forward with selecting a financial consultant, talk with CAT and the town attorney about their SEQRA processes as they seek town approvals to build, reach out to the assessor to engage her in a discussion of assessed valuation, and draft the process memo. They will also retain a firm to conduct an economic impact study once the deposit is established.

The committee then reviewed the Agency policies as they do each year and had no suggested changes to any of them but the fee schedule, which will be taken up at a later time. The committee approved the following policies for recommendation of adoption by the full board: the disposition of real property policy, procurement policy, statement of board responsibilities, code of ethics, whistleblower policy, bylaws, time and attendance policy, equal opportunity and non-discrimination policy, salary and compensation policy, defense and indemnification policy and the mission statement and measurement report.

The Governance Committee also met virtually on March 20, 2023 with the first order of business being a review of the disposition of real property policy, which was recommended for approval without any amendments. A review of the Procurement Report was tabled until a future date, and the indemnity policy is under review to ensure that the chapter of town law it cites is still accurate. The committee recommended that the full board conduct a review of the PARIS Report at the next scheduled meeting on March 27th. The committee reviewed the results from the annual board evaluation and all members confirmed their satisfaction with board operations in compliance with state law. A motion was approved to recommend submission of the annual board evaluation as part of the agency's reporting to NYS. As it does every year, the committee

wishes to remind all board members that they have every opportunity and are encouraged to delay any board action for consideration of any project or ask for further information that they may require to make an informed decision on agency projects.

Committee members were updated on the status of the CAT project by the Executive Director and counsel, who both met with company and CDA representatives and their attorneys. The discussion covered the development plan, CAT's ability to implement the project, their equity position, borrowing and business plans, and the items that remain outstanding from a due diligence request sent on March 1st. Discussions focused on the desire to identify four consultants to undertake a thorough review by subject matter experts including an accountant, mortgage broker or banker, a construction firm, and a commercial leasing broker. Committee members once again expressed their desire for CAT to make a presentation to the public to discuss their development plan and timeline, with an opportunity for a question and answer session – which would be separate and distinct from the agency's official public hearing on the application for assistance.

The committee approved the recessing of the meeting to enter into executive session for the purposes of discussing contracts with their attorney from Philips Lytle.

Finance Committee: None

OLD BUSINESS: None

NEW BUSINESS:

#12-23 A RESOLUTION ADOPTING, RATIFYING AND CONFIRMING BOARD POLICIES AND ANNUAL REPORTS

The following resolution was offered Lee Mendelson

And seconded by Anthony Barresi

WHEREAS, in accordance with the Public Authorities Law, it is a recommendation of the Audit Committee of the Riverhead Industrial Development Agency that the following policies be reviewed, adopted, ratified and confirmed, and

WHEREAS, the following policies and reports recommended by the Audit committee to the Board of Directors include the 2022 Audit and Financials including Assessment of Internal Controls, Investment Guidelines and Report, Disposition of Real Property Report, Salary and Compensation Policy, and

WHEREAS, in accordance with the Public Authorities Law, it is a recommendation of the Governance Committee of the Riverhead Industrial Development Agency that the following policies be reviewed, adopted, ratified and confirmed, and

WHEREAS, the following policies have been reviewed and recommended by the Governance Committee including the Mission Statement and Measurement Report, Procurement Policy, Disposition of Real Property Policy and Report for 2022, Statement of Board Responsibilities, Code of Ethics, Whistleblower,

Bylaws, Time and Attendance, Equal Opportunity and Non-discrimination Policy, Salary and Compensation policy, Defense and Indemnification policy, Annual Report on Operations, and

WHEREAS, the Procurement Report was reviewed, and

WHEREAS, the Defense and Indemnification Policy was updated to site the correct Town Code, and

WHEREAS, the Board of Directors of the Riverhead Industrial Development Agency the Board wishes to adopt the above mentioned and attached policies and reports.

NOW, THEREFORE, BE IT RESOLVED, that the attached policies and reports be and hereby are adopted, ratified and confirmed.

(see attached policies)

Vote: 5 Yes

**#13-23 RESOLUTION RATIFYING, AFFIRMING AND AUTHORIZING
SUBMISSION OF THE 2022 PARIS REPORT**

The Executive Director noted that the board will notice 31 project cards, but there are only projects. That is due to phasing of projects. Six companies reflected a loss in jobs from the prior year and the agency will follow up on the reporting with these companies as to why. Despite the job losses, the overall net change in jobs was still greater than the prior year.

Four projects graduated in 2022: PBMC, Solutions, EPIC/Summerwind and Mirah Max. She reminded the board that much of the impact of the work of the agency is not captured in PARIS, such as the full tax load that the projects pay. It only reflects the PILOT payments themselves. It also reflects “exemptions” which are based on the increase to the assessment from the projects investment. In other words, the reflected exemption amount was not pre-existing tax revenue that the community was receiving. The taxable revenue that was not there prior to the project is how the “exemptions” are calculated, which can be misleading to the public. Other impacts that are not measurable or are not quantifiable, such as the noted investment in Second Street that has come secondary to the two IDA projects that were induced.

The following resolution was offered by Lee Mendelson

And seconded by Anthony Barresi

WHEREAS, Public Authorities Law, as amended in 2005 by the Public Authorities Accountability Act, requires state and local authorities to file specific financial and budgetary information with the ABO and Public authorities have been submitting these reports through the Public Authorities Reporting Information System (PARIS), and

WHEREAS, in accordance with the Public Authorities Law, the information must be submitted to the State 90 days after the fiscal year end date which is March 31st, and

WHEREAS, the PARIS report was presented in substantial form to the board for review and authorization for final submission.

NOW, THEREFORE, BE IT RESOLVE, the Board of Directors of the Riverhead Industrial Development Agency ratifies, affirms and authorizes the final submission of the PARIS report for 2022.

(see attached report)

Vote: 5 Yes

#14-23 RESOLUTION AUTHORIZING ENDORSMENT FOR DEPOSIT ACCOUNT

Doug Williams offered the following resolution, which was seconded by Anthony Barresi

WHEREAS, M&T Bank has been designated official depository for the Agency, and

WHEREAS, it is necessary to open a new depository account for the agency, and

WHEREAS, it is necessary to authorize the endorsements and authorize representatives to sign and otherwise act on behalf of the Agency for a new depository account, and

WHEREAS, Lee Mendelson as Treasurer, and Denise Cooper as CFO were previously designated as the official authorized representatives to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to certain accounts, banking transactions or services for the Riverhead Industrial Development Agency as assigned to M&T Bank more specifically known as the Money Market Account, and

THEREFORE BE IT RESOLVED, consistent with the policies and procedures of the Agency Lee Mendelson as Treasurer and Denise Cooper are hereby authorized by the Board of Directors to sign and otherwise act on behalf of the Riverhead Industrial Development Agency as assigned to M&T Bank more specifically with respect to the transactions necessary for the individual account known as the Depository account.

Vote: 5 yes

OLD BUSINESS: None

EXECUTIVE DIRECTORS REPORT

The Executive Director distributed the ST62 for the boards review. It is another report that is submitted to the Director of Budget, Town Supervisor, State Commissioner of Economic Development, State Comptroller and Tax & Finance. It reports whether the agency has recaptured any sales tax for the year. It was not necessary to recapture any sales tax from any projects this past year.

It was reported that the agency received a bond allocation of \$719,180.

The ED noted that News 12 East End did a piece on two Riverhead businesses. North Fork Brewing Company and North Fork Chocolate, both located in IDA assisted space. North Fork Chocolate was actually raised in the Calverton Incubator which was built by the IDA, then launched in Tanger

which was assisted with sales tax and is now located in downtown Riverhead in a site that was encouraged by IDA assistance to create smaller retail space.

The Chairman then adjourned the meeting to move into executive session to discuss matters of litigation. Lori Ann Pipczynski motioned to adjourn the regular meeting. Doug Williams seconded. The meeting adjourned at 5:23pm.

Lori Ann Pipczynski moved to close the executive session at 6:02pm. Doug Williams seconded.

Lori Ann Pipczynski moved to reopen the regular meeting of the agency. Doug Williams seconded.

The meeting resumed at 6:04pm

There was no action taken during the executive session.

Seeing no further business, Lee Mendelson motioned to adjourn the meeting. Douglas Williams seconded. The meeting adjourned at 6:04pm

Dated: 5/08/23


Secretary/Asst