

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

March 25, 2024

Meeting was called to order at 5:02 PM by Vice Chairman James Farley.

Present: James B. Farley, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Lee Mendelson, Treasurer
Douglas Williams, Asst. Treasurer

Absent: Anthony Barresi, Secretary

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Terance Walsh, Agency Counsel (Virtual)

Lee Mendelson moved to adopt the proposed agenda. Douglas Williams seconded. The agenda was adopted.

MINUTES:

#08-24 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF February 5, 2024

Member Lee Mendelson offered the following resolution, which was seconded by Member Douglas Williams.

RESOLVED, the minutes of the meeting of February 5, 2024 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: 4 Yes

1 Absent

Chairwoman Lori Ann Pipczynski asked about investing some of the agency funds. The ED reported that during the Finance Committee there was a discussion and it will be reported during the Finance Committee Report.

CORRESPONDENCE: The Executive Director reported that there was correspondence received from the applicants from 203 Riverhead, LLC requesting to postpone consideration of Resolution #10-24.

The ED noted that the Agency received its bond allocation for 2024 in the amount of \$746,422.

TREASURERS REPORT:

Cash Balance in as of February 29th	\$283,370.33
Money Market	\$45,092.07
Revenue for February	\$1,334.37
Profit and Loss	\$ -26,093.80
Total Expenses Paid	\$27,428.17
Project Deposit Account bal.	\$35,524.75

#09-24 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF February 29, 2024

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, 2023 to February 29, 2024 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated March 4, 2024 covering the month of February be and are hereby accepted and expenses as listed are authorized for payment.

Member Lee Mendelson made a motion to accept Treasurer's Report, which was seconded by Member Douglas Williams. **Motion approved.**

VOTE: 4 Yes
1 Absent

COMMITTEE REPORTS:

Audit Committee –

The Executive Director reported that the Audit Committee met virtually on March 22nd to review the annual audit and reports.

Kathy Galway, partner of the firm Jones & Little, introduced herself and Stephanie Castro who reviewed the audit with the committee. Jones & Little issued an unqualified clean opinion, noting that the last couple of years there was a going concern. This year that was not the case. Jones & Little did issue a segment of the opinion under Emphasis of Matter regarding pending litigation. That is discussed in the footnotes. The Management Discussion Analysis (MDA) shows where the financial numbers fall and provides an explanation of what is going on in the Agency. The Net position was up \$234,000 from the year before. The condensed income statement reflects comparison to the year before. Operating revenues increased by \$326,000. The increase in revenue is a result of closed project fees and an increase in the fee schedule.

The auditors then went through the budgetary analysis. Actual revenue came in much higher than budgeted, mostly due to the additional project closings. Expenses were a little more than budgeted. That is a result of the required NYS Retirement System Pension Liability Deferred Inflow/Outflow. The agency came in \$317,000 over what had been budgeted.

Stephanie explained the Reimbursed Expense Deposit to the committee, covering the Preliminary Agreement with the CAT/TOR Application. She explained the economic outlook for the Agency looks stable. Jones & Little did speak with all the attorneys representing the agency regarding the litigation with Calverton Aviation and Technology and determined the exposure is minimal if any. Therefore, they did not need to modify their opinion as a result, but they did footnote it.

It was explained that the agency falls under the Town of Riverhead as a component unit. The IDA is its own agency, but the Town of Riverhead reports the agency's activities in its financial statements. The town also reports the LDC. It is understood that the statements are separately stated. It is a public benefit corporation that has to be sponsored by a municipality and approved by NYS. The Town has the legal right to replace the board of directors.

The ED explained again that the NYS Retirement section required by GASB 68 is hypothetical and reflects the agency's contribution to the state should the NYS Retirement system fail. It's a balance sheet item that changes every year. It's not a true expense of the Agency. Much of the required reporting footnotes for the Pension Liabilities comes from the KPMG audited report of the retirement system. Ms. Castro then noted the opinion on internal control of financial reporting was all good and clean. There is another opinion on the investment policy, a one-page opinion that was also clean. A governance letter is addressed to the audit committee from Jones & Little and is to notify them that there were no problems in drafting the audit, that management was very cooperative and timely. She noted that Denise is very thorough, and they are able to meet there timelines.

With no further questions, the 2023 audit, investment guidelines policy and report, salary and compensation policy, whistleblower policy, real property report and assessment of internal controls were approved to recommend to the full board for consideration.

The meeting closed at 9:56am.

Lee Mendelson motioned to accept the report. Douglas Williams seconded. Audit Report was approved. 4 Yes. 1 Absent.

Governance Committee –

Chairwoman Pipczynski reported that there was a hybrid governance committee meeting on February 26th. The first order of business was to review the annual policies including the Fee Schedule, Disposition of Real Property Policy, Procurement Policy, Statement of Board Responsibilities, Code of Ethics, Whistleblower Policy, Bylaws, Time and Attendance Policy, Equal Opp & Non discrimination, Salary & Compensation, Defense & Indemnification and the Mission Statement and Measurement Report. After a discussion between members, the committee approved a motioned to recommend that the full board reauthorize the policies as written. Discussion was also held regarding the inducement of 203 Riverhead, LLC. The committee recommended that the Chairman and Executive Director meeting with the applicant to request additional information before finalization of the PILOT schedule.

The committee discussed the status of the Restaurant Depot project and the fact that the Assessors office has not acknowledged the exemption and how the agency may have to consider amending the PILOT as a result. The ED briefed the board on a potential application for 12 McDermott Avenue, issues raised during the latest public hearing regarding the school

district and information on publishing and posting timeline requirements for meetings and public hearings.

Lee Mendelson motioned to approve the report. Douglas Williams seconded. Governance Report was approved. 4 Yes. 1 Absent.

Finance Committee

Chairman Lee Mendelson reported that the Finance Committee met virtually on March 19, 2024 at 2pm. The committee consulted with counsel regarding legal mechanisms related to negotiations with respect to a project. The committee discussed investment options for the Agency's present cash balances. An M&T investment schedule presented during the meeting highlighted US Treasury rates available for various investment terms. The Executive Director was asked to confer with the CFO and determine an amount which the agency could invest for a term of two (2) months while ensuring adequate operating funds for the same two months. Noting these rates are subject to change, the two month term on this day was 5.31%. The meeting was adjourned at 3:31pm

OLD BUSINESS:

Consideration of Financial Assistance 203 Riverhead, LLC Resolution #10-24 was tabled. The Chairman provided time for Dan Baker, counsel to 203 Riverhead, LLC, just requested that the board table the resolution. Lori Ann Pipczynski motioned to table Resolution #10-24. Douglas Williams seconded. With 4 Yes votes and 1 absent, the motion carried.

NEW BUSINESS:

#11-24 A RESOLUTION ADOPTING, RATIFYING AND CONFIRMING BOARD POLICIES AND ANNUAL REPORTS

The following resolution was offered Lori Ann Pipczynski,

And seconded by Douglas Williams.

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 2023 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, 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, Fee Schedule, and

WHEREAS, the Board of Directors of the Riverhead Industrial Development Agency the Board wishes to reauthorize and 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: 4 Yes
1 Absent

Seeing no further business, Lori Ann Pipczynski motioned to adjourn the meeting. Douglas Williams seconded. The meeting adjourned at 5:17pm

Dated: 4-8-24


Secretary/Asst.