

**MINUTES OF REGULAR MEETING OF
THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
Monday, September 10, 2012**

Meeting was called to order by Chairman Tom Cruso at 5:08 p.m.

Present: Tom Cruso, Chairman
Elias (Lou) Kalogeras, Vice Chairman
Dawn Thomas, Asst. Treasurer/Secretary

Others in Attendance: Tracy James, Executive Director
Richard Ehlers, Agency Counsel

Absent: Paul Thompson, Treasurer
Carl Gabrielsen, Secretary

Lou Kalogeras motioned to approve the agenda. Paul Thompson seconded. The Agenda as proposed was approved.

MINUTES: The Board voted to dispense with the reading of and voted on the previous meeting minutes.

#49-12 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF August 6, 2012

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas.

RESOLVED, the minutes of the regular meeting of August 6, 2012 as prepared and e-mailed 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: 3 Yes

CORRESPONDENCE:

- The Agency received a letter from the Department of Treasury terminating the examination of \$7,500,000 - Qualified Small Bonds Issue Bonds Section 144(a)
- The Agency received a letter from NYS Homes & Community Renewal thanking it for participating in the 2012 CFA Application for NYS Main Street Funds.
- The Agency received letters from the Riverhead Town Assessor's office notifying it of undercharges and amendments to sewer rents on 7 properties under IDA ownership. All companies were notified electronically and by mail promptly after the Agency received notification. Complaint filing date was set for Tuesday, September 11 at 5:30pm. Counsel

explained that our pilot agreements state that property owners can challenge assessments if they so deem necessary.

TREASURER'S REPORT: The Treasurer reported that we have

Cash Balance as of August 30th, 2012	\$46,359.98
Revenue for August (accruing late charges)	\$258.54
Profit and Loss (August)	\$-17,584.60
Total Year	\$-6,285.69
Accounts Receivable (Country Limo, Island)	\$2,309.38
Total Bills Paid for June	\$12,086.63

50-12 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF AUGUST 30, 2012

WHEREAS, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted a monthly financial report, including a report of expenses, to the Riverhead Industrial Development Agency for the period of August 1 to August 30, 2012 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated September 4, 2012 covering the month of August, be and are hereby accepted and expenses as listed are authorized for payment.

Lou Kalogeras made a motion to accept Treasurer's Report, which was seconded by Dawn Thomas. **Motion approved.**

Vote: 3 Yes

COMMITTEE REPORTS:

There were no reports from the Audit or Governance Committees.

The **Personnel Committee** reported that a contract with personnel had been negotiated and executed.

Finance Committee recommended an amended draft budget proposal for 2013 **as attached**. Dawn Thomas noted that the minor amendments from the first draft reduced expenses from \$207,190 to \$200,550.

51-11 RESOLUTION APPROVING BUDGET FOR FISCAL YEAR 01/01/13-12/31/13 FOR THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas

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 Reports reporting requirements for state and local public authorities and requires the submission of budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

WHEREAS, a preliminary budget was prepared and amended;

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby approved as amended and adopted as the Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/13 through 12/31/13; 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: 3 Yes

OLD BUSINESS: Chairman moved to take Old Business out of order and address during executive session.

NEW BUSINESS: The Executive Director proposed amendments to the current fee schedule (**see attached**). Lou Kalogeras recommended revisiting the late pilot payment fee during the next Governance Committee meeting.

RESOLUTION #52-12 AMENDS FEE SCHEDULE

Dawn Thomas offered the following resolution, which was seconded by Lou Kalogeras

RESOLVED, that the following is established as the fee schedule of the Riverhead Industrial Development Agency based upon total project cost and subsequent administrative expenses. All costs of issuance of bonds, including local counsel and bond counsel, shall be borne separately by the applicant.

A non-refundable application fee of \$2,000 for applications under \$5 million and \$4,000 for applications over \$5 million is required at the time of application. This fee will be credited to the Agency's Administrative Fee, payable at closing.

The **Administrative Fee** charged by the Agency at closing is as follows:

¾ of 1% of the financial assistance on the first \$10 million.

¼ of 1% of the financial assistance between \$10 million and \$20 million.

1/10 of 1% of the financial assistance over \$20 million.

Annual Reporting/Compliance Fee: payable with pilot

For bond/lease projects up to \$2.5 million - \$250 annually

For bond/lease projects between \$2.5 million and \$5 million - \$500 annually

For bond/lease projects between \$5 million and \$10 million - \$1000 annually

For bond/lease projects between over \$10 million- \$2000 annually

Late Reporting/Compliance Fee: commencing the day following report due date

State law requires that the Town of Riverhead Industrial Development Agency file an Annual Financial and Compliance Report with the State of New York. Much of the information within this report is required to be furnished by your company and the IDA is obligated to meet a state submission deadline. In order to meet this deadline, the Agency will impose a \$500 penalty for late filings (applied the day immediately following the due date) with an additional two hundred and a \$250 pro-rateable fee for every 30 days thereafter until the submission of the report or benefit recapture provision is implemented.

Processing Fee:

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. prepayment of bonds, sales tax extension, etc. The Agency will charge a \$250 processing fee for each request.

Assignments & Assumptions:

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon the sale of the IDA property. The new company often wishes to continue IDA involvement to maintain the viability of the project and needs to retain the incentives. The Agency will charge a \$1200 fee for each of these transactions.

Refinance Fee:

During the course of IDA ownership/involvement, the Agency may be required, by the company, to consent to a variety of refinancing mechanisms i.e. second mortgages, additional secured financing, refinancing, etc. The Agency may charge a \$2500 processing fee for each request.

Late PILOT Payment:

In addition to requirements of GML 874(5), the Agency reserves the right to impose its own 5% penalty, plus \$1000 administrative fee for delinquent PILOT payments that are 5 days late.

Vote: 3 yes

EXECUTIVE DIRECTOR'S REPORT:

- ED provided updates on current projects
- ED informed board of Long Island Vitro Retinol Consultants intent to purchase their building.
- ED reported on new leads
- ED is coordinating a Governance Committee meeting for Sept.
- Empire Zone – A board of Director's meeting was held on Aug 21st at which the Zone Board ratified the agreement with the Town of Riverhead confirming the ongoing administration on the zone. The next meeting is tentatively scheduled for January.
- ED provided a brief overview of the impacts of the 2% cap legislation on IDA's and economic development.
- ED listed upcoming events of interest: 9-19 Trade East End/Chamber of Commerce at Indigo, 9-20 Arts Means Business, 9-21 potential grand opening for All Star, 9-27 Brookhaven Business Expo, 10-12 LIBN East Meets West at the Hyatt
- ED reported that she is working with the Chamber and SCCC on a workforce symposium initiative to take place in March or April of 2013

At this point the board recessed into Executive Session to discuss contracts. Lou Kalogeras motioned to adjourn and go into executive session. Dawn Thomas seconded.

All remained present during the executive session where the board discussed matters pertaining to the Protrack System and its contract.

Lou Kalogeras motioned to close the executive session and resume the meeting into regular session at 6:07pm. Dawn Thomas seconded. The meeting resumed with old business and the board voted on the following resolution to execute the notice of termination of lease.

#54-12 RESOLUTION AUTHORIZING CHAIRPERSON TO EXECUTE NOTICE OF TERMINATION OF LEASE

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas .

WHEREAS, by Resolution #13-12, the Chairperson was authorized to negotiate and sign a new lease for 209 West Main Street, and

WHEREAS, a new lease has been negotiated for 209 West Main Street, Riverhead.

RESOLVED, that the Chairman be and is hereby authorized to execute a notice of termination on the current month to month lease at 1 East Main Street thereby providing thirty (30) days

notice to the landlord; and to execute the new lease for office space located at 209 West Main Street, Riverhead, New York for occupancy as of October 15, 2012.

Vote: 3 Yes

The board then authorized Dick Ehlers to draft a letter to SVAM, Inc notifying of the Agency's intent to discontinue use of the Protrack system.

#53 -11 RESOLUTION AUTHORIZING THE CANCELLATION OF CONTRACT WITH PROTRACK

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas

WHEREAS, it is now the desire of the Board of Directors to cancel any webhosting contract with SVAM, Inc if any, and

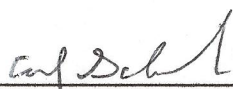
NOW, THEREFORE BE IT RESOLVED, that the Executive Director is hereby authorized to immediately notify SVAM, Inc in writing of the Agency's intent to cancel any webhosting service agreement if any.

Vote: 3 Yes

Date for the next business meeting is October 1, 2012

Lou Kalogeras motioned to adjourn the meeting, Dawn Thomas seconded.
There being no further business, the meeting was adjourned at 6:07pm

12/14/12
Date


Secretary

