

**MINUTES OF THE ANNUAL MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
January 6, 2020**

Meeting was called to order at 5:05PM by Chairman Thomas Cruso.

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

Absent: Lori Ann Pipczynski, Vice Chairwoman

Signifying a quorum.

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

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

The Chairman then requested to recess into executive session. James Farley motioned to recess into executive session to review legal issues. Bob Kern seconded. The regular meeting was recessed at 5:06pm.

**EXECUTIVE SESSION:**

Present: Tom Cruso, Bob Kern, James Farley, Anthony Barresi,

Absent: Lori Ann Pipczynski

Also present: Richard Ehlers, Tracy Stark-James

Executive Session was opened with a motion from Bob Kern and seconded by James Farley at 5:06pm. Counsel briefed the board on a legal matter and provided an opinion to the board regarding pilot payments.

Bob Kern motioned to close the Executive Session. James Farley seconded. The Executive Session adjourned at 6:14pm

Anthony Barresi motioned to reopen the regular board meeting. James Farley seconded. The regular board meeting resumed at 6:14pm

**MINUTES**

The Board moved to dispense with the reading of and voted on the December 2, 2019 meeting minutes.

**#05-20 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF December 2, 2019.**

Member James Farley offered the following resolution, which was seconded by Member Anthony Barresi.

**RESOLVED**, the minutes of the meeting of December 2, 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:** 4 Yes  
1 Absent

The Chairman then took item #IV out of order to consider the organizational resolutions casting one vote.

Bob Kern motioned to approve resolutions 01-20 through 04-20. James Farley seconded.

**#01-20 RESOLUTION DESIGNATES OFFICERS OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY FOR THE ORGANIZATIONAL YEAR 2020**

Bob Kern offered the following resolution as amended, which was seconded by James Farley.

**WHEREAS**, in accordance with Article II of the By-Laws of the Riverhead Industrial Development Agency, it is necessary to make appointment of the officers of the Agency at the annual meeting of the Agency.

**NOW, THEREFORE, BE IT RESOLVED**, that the officers of the Riverhead Industrial Development Agency be and are hereby appointed as follows:

Thomas Cruso	Chairman
Lori Ann Pipczynski	Vice Chairperson
Anthony Barresi	Secretary
Bob Kern	Asst. Secretary
Bob Kern	Treasurer
James Farley	Asst. Treasurer

**Vote:** 4 Yes  
1 Absent

**RESOLUTION #02-20 ESTABLISHES MEMBERSHIP OF COMMITTEES FOR THE RIVERHEAD IDA 2020**

Bob Kern offered the following resolution, which was seconded by James Farley.

**RESOLVED**, that the following is the membership of the Board committees:

Audit Committee – **Chair Thomas Cruso**, Bob Kern, Anthony Barresi

Governance Committee – **Chair Lori Pipczynski**, Thomas Cruso, Anthony Barresi

Finance Committee – **Chair Bob Kern**, James Farley, Thomas Cruso

**Vote:** 4 Yes  
1 Absent

**#03-20 RESOLUTION AUTHORIZING ENDORSMENT FOR DEPOSITORY ACCOUNTS FOR 2020**

Bob Kern offered the following resolution, which was seconded by James Farley

**WHEREAS**, Peoples United Bank have been designated official depository for the Agency, and

**WHEREAS** it is necessary to reauthorize the current endorsements and authorize representatives to sign and otherwise act on behalf of the Agency, and

**NOW THEREFORE BE IT RESOLVED**, that Lori Ann Pipczynski as Vice Chairwoman, Robert Kern as Treasurer, James Farley as Asst. Treasurer and Tracy Stark-James as Executive Director/CEO be and are hereby designated as the official authorized representatives to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to accounts, banking transactions or services for the Riverhead Industrial Development Agency as assigned to Peoples United Bank Operating and PILOT accounts.

**BE IT FURTHER RESOLVED**, that the Agency authorizes each of these designees to countersign checks in the amount of \$3,000 or more that require dual signatures consistent with the policies and procedures of the Agency.

**Vote:** 4 Yes  
1 Absent

**#04-20 RESOLUTION AUTHORIZES ELECTRONIC TRANSFER OF FUNDS BETWEEN AGENCY ACCOUNTS**

Bob Kern offered the following resolution, which was seconded by James Farley.



**WHEREAS**, the Agency has official depository accounts at Peoples United Bank, and

**WHEREAS**, it is necessary and customary to collect administrative fees and/or electronically transfer funds between the Agency accounts as necessary for Agency operations, and

**NOW, THEREFORE, BE IT RESOLVED**, that the Riverhead IDA hereby authorizes the financial administrator Denise Cooper to electronically transfer funds between Agency accounts as necessary for Riverhead Industrial Development Agency customary operations.

**Vote:** 4 Yes  
1 Absent

**CORRESPONDENCE:** None

**TREASURER'S REPORT:**

Cash Balance in as of December 31st	\$29,797.40
CD	\$30,000
Money Market	\$115,723.37
Revenue for December	\$6,387.73
Profit and Loss	\$-15,115.77
Total Expenses Paid	\$40,824.70

**#06-20 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF January 3, 2020**

**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 December 1 to December 31, 2019 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, said monthly financial report dated January 3, 2020 covering the month of December, 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 James Farley. **Motion approved.**

**Vote:** 5 Yes  
1 Absent

**COMMITTEE REPORTS:**

Audit: None

Governance Committee: None

Finance Committee: None

**OLD BUSINESS:** None

**NEW BUSINESS:**

Two resolutions came off the floor.

Counsel reviewed with the board a question posed to him in executive session with regard to the John Wesley Village LP project. The board asked the opinion of counsel concerning the impact of section 2.01 of the PILOT Agreement in relationship to a tax bill the Agency received wherein John Wesley Village LP was billed \$789,000 for a pro rata tax in the same year that they will be owing a PILOT payment of \$75,000. The question the board posed regarded whether the Agency could send the pilot bill in addition to the tax bill. It was of counsel's opinion that the board could not. The board discussed a motion to send the \$75,000 bill for 2019/2020 pilot in light of the tax bill motioned by Anthony Barresi and seconded by Bob Kern. After brief discussion, the first maker of the motion consented to amend the motion to clarify and read "to not" send a pilot bill to John Wesley Village LP for the 2019/20 Pilot payment.

**#08-2020 AUTHORIZES NOTIFICATION TO JOHN WESLEY VILLAGE LP RE:  
PILOT PAYMENT FOR 2019/2020 TAX YEAR**

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

**WHEREAS**, John Wesley Village LP has entered into a Payment In Lieu of Tax Agreement ("PILOT") with the Agency dated March 28, 2018 which requires a PILOT payment of \$75,000. for the 2019/2020 tax year, and

**WHEREAS**, John Wesley Village LP has received and owes a property tax payment for 2019/2020 in the amount of \$788,748.18, and

**WHEREAS**, Section 2.01(b) of the PILOT provides that PILOT payments are replaced by the obligation to pay Real Estate Taxes.

**NOW, THEREFORE, BE IT RESOLVED**, that pursuant to the Payment In Lieu of Tax Agreement between John Wesley Village LP and the Agency dated March 28, 2018, no PILOT payment shall be due and owing for the 2019/2020 tax year and the Executive Director shall so notify John Wesley Village LP.

**Vote:** 4 Yes

1 Absent

The second issue regarded Calverton Addiction Treatment LLC. Counsel explained that the question in executive session was in regard to options the board had with regard to the contesting of resolution #50-19 adopted during the prior board meeting. Counsel advised the board that they need to make a fact finding and have a public hearing before it can reach a determination on its assertion of a contest to the resolution.



**#09-20 RESOLUTION REGARDING HEARING FOR CALVERTON ADDICTION AND TREATMENT LLC FACILITY CERTIFICATION AND FEE COMPLIANCE**

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

**WHEREAS**, by Resolution #50-19 duly adopted December 2, 2019, after receiving written and oral information from representatives of the Applicant at a public meeting, the Agency determined that the correct Project Cost for the Calverton Addiction and Treatment LLC Facility is \$89,639,494. which required a "...certification by the Company that the facts and statements made in this resolution [#50-19] are correct in the form stated herein shall be delivered to the Agency within 30 days from the day hereof together with the applicable fee.", and

**WHEREAS**, by correspondence dated December 4, 2019 the Agency transmitted Resolution #50-19 to Calverton Addiction and Treatment LLC, and

**WHEREAS**, by letter dated December 30, 2019 the attorney for Calverton Addiction and Treatment LLC contested the contents of Agency Resolution #50-19, and

**WHEREAS**, the required Certification and Agency fee have not been submitted to the Agency by Calverton Addiction and Treatment LLC as of the date hereof which date is more than 30 days after December 2, 2019, and

**WHEREAS**, due to the failure of Calverton Addiction and Treatment LLC to certify as correct the increase in Project Cost from the previously certified amount of \$59,062,000. to \$89,639,494. and that the appropriate Agency fee related to such increase as stated in the sworn Agency Application of Calverton Addiction and Treatment LLC is \$301,757.43, it is now necessary for the Agency to hold an evidentiary hearing.

**NOW, THEREFORE, BE IT RESOLVED**, that the Riverhead Industrial Development Agency will hold an evidentiary hearing on February 3, 2020 at 5:00 p.m. at 200 Howell Avenue, Riverhead, New York 11901 to provide an opportunity for the Applicant to contest the Agency determination of the increase in the Project Cost for the Calverton Addiction and Treatment LLC facility from \$59,062,000. to \$89,639,494. and the appropriate Agency fee thereon of \$301,757.43. At such hearing Calverton Addiction and Treatment LLC shall submit sworn testimony and business records regarding all costs and expenses associated with the development and construction of the Calverton Addiction and Treatment LLC Facility as stated to be \$95,000,000. in its October 26, 2018 press release, and

**BE IT FURTHER RESOLVED**, that the unpaid Agency fee shall accrue interest due and owing at the statutory rate from January 2, 2020 until paid, and

**BE IT FURTHER RESOLVED**, that a certified copy of this Resolution shall be delivered by registered mail, postage prepaid, to the Company, with copies as stated in Article X of the Lease Agreement dated as of August 1, 2018 by and between Calverton Addiction and Treatment LLC and the Town of Riverhead Industrial Development Agency.

**Vote:** 4 Yes

1 Absent

**#07-20 RESOLUTION AUTHORIZING ATTENDANCE TO NYSEDC CONFERENCE**

Bob Kern offered the following resolution, Anthony Barresi seconded.

**WHEREAS**, the New York State Economic Development Council will be hosting its 2020 Economic Developer Conference, and

**WHEREAS**, the Board of Directors finds it necessary and appropriate for the Executive Director, Tracy Stark - James, to attend this informational conference; and

**WHEREAS**, a two day conference is scheduled in Albany on January 28th through January 30th, thereby requiring the director to stay at the Marriott Renaissance (or comparable facility) from January 28th through January 30th, at a cost of transportation, food and registration to be reimbursed upon submission of receipts not to exceed \$1600; and

**WHEREAS**, the Suffolk County Industrial Development Agency has requested that member of their Agency travel with the Executive Director to the conference, and

**BE IT RESOLVED**, that the Board of Directors approves the expenditures for lodging at the Marriott Renaissance Albany (or comparable facility) and reimbursement of transportation and food for Executive Director, Tracy Stark-James to attend the NYSEDC Annual Economic Developer Conference in Albany, NY from January 28<sup>th</sup>- January 30th 2020, and


**BE IT FURTHER RESOLOVED**, the request of the Suffolk County IDA to allow an Agency member to travel with the Executive Director is approved and no payment shall be made by the Suffolk County IDA to the Riverhead IDA for such transportation.

**Vote:** 4 Yes  
1 Absent

**EXECUTIVE DIRECTOR REPORT:** Postponed to the next meeting.

Seeing no further business, Bob Kern motioned to adjourn the meeting. Anthony Barresi seconded. The meeting adjourned at 6:33pm

Dated: 2/3/20

  
Secretary/Asst. Vice Chair