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TOWN OF BROOKHAVEN
LOCAL DEVELOPMENT CORPORATION

- - - - -x

BOARD MEETING
HELD BY CONFERENCE CALL

- - - - -x

March 25, 2020
12:04 p.m.

TRANSCRIPT OF PROCEEDINGS

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A P P E A R A N C E S :

MEMBERS :

FREDERICK C. BRAUN, III
MARTIN CALLAHAN
FELIX J. GRUCCI, JR.
GARY POLLAKUSKY
ANN-MARIE SCHEIDT
FRANK C. TROTTA

ALSO PRESENT :

LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER
LORI LaPONTE, CHIEF FINANCIAL OFFICER
JAMES M. TULLO, DEPUTY DIRECTOR
JOCELYN LINSE, EXECUTIVE ASSISTANT
TERRI ALKON, ADMINISTRATIVE ASSISTANT
AMY ILLARDO, ADMINISTRATIVE ASSISTANT
ANNETTE EADERESTO, ESQ., AGENCY COUNSEL
WILLIAM F. WEIR, ESQ., NIXON PEABODY
HOWARD R. GROSS, ESQ.,
WEINBERG GROSS & PERGAMENT, LLP
ANDREW D. KOMAROMI, ESQ., HARRIS BEACH, PLLC

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MR. BRAUN: Minutes of our meeting of

3

February 26th have been distributed to

4

everyone.

5

Can I have a motion to accept, please?

6

MR. POLLAKUSKY: So moved.

7

MS. SCHEIDT: Second.

8

MR. BRAUN: Thank you.

9

Any questions, corrections?

10

(No response.)

11

MR. BRAUN: Hearing none, all those in

12

favor?

13

(Multiple ayes.)

14

MS. MULLIGAN: Should we do a roll call

15

Bill, Howard?

16

MR. WEIR: Yes, you should probably do

17

a roll call.

18

MR. BRAUN: All right.

19

Fred Braun says yes.

20

Marty?

21

MR. CALLAHAN: Yes.

22

MR. BRAUN: Gary?

23

MR. POLLAKUSKY: Yes.

24

MR. BRAUN: Frank Trotta?

25

MR. TROTTA: Yes.

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MR. BRAUN: Felix Grucci?

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MR. GRUCCI: Yes.

4

MR. BRAUN: Ann-Marie Scheidt?

5

MS. SCHEIDT: Yes.

6

MR. BRAUN: Thank you. The motion

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carries.

8

Lori LaPonte, you want to give us the

9

CFO's report?

10

MS. LaPONTE: Correct.

11

The operating statement for the month

12

of February will be reviewed, is being

13

reviewed and will be distributed at the April

14

meeting.

15

There are some other things I want to

16

point out. We got notification yesterday from

17

Empire that our interest rate on our savings

18

account will be dropping to point five percent

19

effective immediately.

20

I also want to mention that the draft

21

of the audit report was received late last

22

week from AVZ. We submitted back our comments

23

and we're waiting for an update.

24

The PARIS report that is due for the

25

LDC on March 31st is in draft format. We need

1

2

a couple of things to make that happen and one

3

of the things would be that we have to

4

finalize the audit and have the board approve

5

it. Those two things are not going to be made

6

in time, so we will be delaying that and

7

presenting it at the April meeting.

8

One more thing, too, is just to keep

9

you informed, we are processing checks

10

remotely and as mentioned before, I'm going to

11

the office tomorrow just to follow up on

12

things.

13

MR. BRAUN: Just to repeat that, we

14

will not be filing the PARIS report by

15

March 31st. I have not seen anything, unless

16

Bill or Lisa have --

17

MS. MULLIGAN: No.

18

MR. BRAUN: -- to indicate that they

19

have delayed or approved the delay of filing.

20

I think under the circumstances, it's

21

ridiculous that they have not, but we are not

22

going to be the only one in that boat and as

23

I've said in the past, we could submit . . .

24

we do need the financial statements, so that

25

precludes that, but we could submit without

1

2

all the information from all of our projects,

3

but the problem as you've heard in past

4

meetings is PARIS is very difficult to work

5

with and once you submit, trying to make any

6

corrections becomes almost impossible, so it's

7

my recommendation and Lori's and Lisa's that

8

we delay filing until we have all the

9

information and we have our fully audited

10

financial statement ready to go.

11

With that said, I'd like a motion to

12

accept Lori's financial report.

13

MR. POLLAKUSKY: So moved.

14

MS. SCHEIDT: Second.

15

MR. BRAUN: Thank you.

16

All those in favor?

17

(Multiple ayes.)

18

MR. BRAUN: Opposed?

19

(Not audible.)

20

MR. BRAUN: I'll go again.

21

MR. WEIR: Are you doing a roll call on

22

every vote?

23

MR. BRAUN: Yes, I will.

24

MS. MULLIGAN: Yes.

25

MR. BRAUN: Fred Braun votes yes.

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2

Marty Callahan?

3

MR. CALLAHAN: Yes.

4

MR. BRAUN: Gary Pollakusky?

5

MR. POLLAKUSKY: Yes.

6

MR. BRAUN: Frank Trotta?

7

MR. TROTTA: Yes.

8

MR. BRAUN: Felix Grucci?

9

MR. GRUCCI: Yes.

10

MR. BRAUN: Ann-Marie Scheidt?

11

MS. SCHEIDT: Yes.

12

MR. BRAUN: Motion carries. Thank you.

13

Lisa, there's a resolution on the

14

agenda, I think this is the point where Felix

15

and I need to excuse ourselves or recuse

16

ourselves from the meeting.

17

MS. MULLIGAN: Yes.

18

MR. BRAUN: So we'll drop off.

19

MS. MULLIGAN: Anyone else that needs

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to, it's Long Island Community

21

Hospital/Brookhaven Memorial Hospital.

22

MR. BRAUN: And Jim, you'll send us an

23

email when we can come back in?

24

MR. TULLO: I have the all-clear email

25

already set to go, Fred and Felix.

1

2

MR. BRAUN: All right, thank you.

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MS. EADERESTO: So just let the record reflect that Felix Grucci and Fred Braun have recused themselves from this matter.

6

7

(Fred Braun and Felix Grucci dropped out of the call.)

8

9

MR. WEIR: Lisa, do you want me to lead the discussion on this?

10

11

MS. MULLIGAN: That would be wonderful, Bill, thank you.

12

13

14

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16

MR. WEIR: So before you is a final authorizing resolution to approve the bond financing for Brookhaven Memorial Hospital Medical Center doing business as Long Island Community Hospital.

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Due to the circumstances that we're all involved in now with the Coronavirus, there's one thing that has not happened that normally would happen by this point. We have not held the public hearing for the issuance of these bonds. It was originally scheduled for Monday. With the no gathering orders from the state and the federal government and basically shut down in New York State, we canceled that

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2 public hearing, so technically you do not have
3 to hold a public hearing, it's a tax code
4 requirement, until the bonds are issued and
5 then the supervisor signs it. So closing will
6 be conditioned upon holding the public
7 hearing. Unfortunately, the Internal Revenue
8 code or actually Treasury Department regs do
9 not allow for electronic meetings for public
10 hearings, so we're waiting for guidance, we're
11 hoping Treasury comes out and gives us
12 guidance to be able to hold electronic public
13 hearings as the governor did with New York
14 Opening Meetings Law. Treasury's trying to
15 implement all of the bills that have been
16 passed through Congress as well as other
17 presidential executive orders dealing with the
18 economy, so public hearings for bonds is kind
19 of far down on their list, but we hope to get
20 that shortly.

21 The other thing in the resolution, the
22 hospital has received a commitment for bond
23 insurance and a determination whether or not
24 the bonds will be insured by Assured Guaranty
25 or not will be determined by the hospital and

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2

the underwriter at the time the bonds are

3

placed. The way the bond market right now is

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very -- well, it's pretty much shut down, but

5

credits and so forth, the hospitals are all

6

over the place due to the economic conditions

7

caused by the virus, so good chance there will

8

be bond insurance, but we won't know that

9

shortly, so the resolution contemplates that

10

there can be, but not required.

11

The other thing the resolution does

12

have because we don't know -- again, due to

13

the impact of the virus on the economy -- what

14

the hospital's credit rating would be without

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bond insurance. Right now it would be

16

investment grade rated, but we don't know that

17

for sure, so we have in the resolution in

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compliance with the IDA and LDC's policies

19

that if the bonds do not have an investment

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grade rating, the minimum authorized

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denomination's a hundred thousand dollars;

22

however, if the bonds are investment grade

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rated, the minimum authorized denominations

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are 5,000 and that's the way all of the bonds

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for the IDA and LDC have been in place for the

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last 35 years, but again, we should have those

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in there. So those things are a little bit

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different from this.

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The other thing it does contemplate as

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I'm sure many of you are aware or read in

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Newsday, the hospital and Stony Brook

8

University Medical Center have entered into a

9

letter of intent for an affiliation. It's

10

still being processed and it's got to go

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through approvals at the board level of the

12

hospital, final approval at the hospital

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level, New York State Department of Health as

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well as State University System of New York

15

will have to approve that and a lot of details

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have to be worked out, but it is contemplated

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that it would be similar to what has happened

18

with Eastern Long Island Hospital out in

19

Greenport and Southampton Hospital where if

20

the affiliation agreement is signed, there

21

will be a lease of the hospital building or

22

campus to Stony Brook for a term of 99 years

23

and so that again is contemplated and

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permitted under the resolution and the bond

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documents if, in fact, it happens.

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So that's pretty much, you know, little bit different from some of our normal resolutions. Other than that, the bonds look very much like other bonds we've done for the hospital as well as other hospitals such as Mather, so if anyone has any questions, I'll be happy to answer them.

9

(No response.)

10

11

MS. MULLIGAN: Hearing no questions, may I have a motion?

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MR. POLLAKUSKY: So moved.

13

MR. CALLAHAN: Second.

14

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MS. MULLIGAN: I'm going to go around and ask for a roll call.

16

Gary?

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MR. POLLAKUSKY: Aye.

18

MS. MULLIGAN: Marty?

19

MR. CALLAHAN: Aye.

20

MS. MULLIGAN: Ann-Marie?

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MS. SCHEIDT: Yes.

22

MS. MULLIGAN: Frank?

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MR. TROTTA: Yes.

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MS. MULLIGAN: Thank you so much.

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Motion carries.

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That's the only business we have.

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Should we have Felix and Fred come back on or should we just close the meeting, we've got 15 minutes till the IDA starts?

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MR. WEIR: They should come back on.

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MS. MULLIGAN: Okay.

8

Jim, will you ask them to come back on?

9

10

MR. TULLO: I just sent the email, they should be back on momentarily.

11

12

MR. WEIR: When they come back on, you should tell them the motion carried and then ask the chairman to have a motion to adjourn.

13

14

MS. MULLIGAN: Close the meeting.

15

Okay. Let's give them a minute.

16

(Fred Braun rejoined the conference call.)

17

18

MR. BRAUN: Fred Braun.

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MS. MULLIGAN: Hi, Fred.

20

21

MR. BRAUN: Do you have anything else to report for the LDC?

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MS. MULLIGAN: No.

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MR. BRAUN: Okay.

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If there's nothing else for the LDC, I will ask for a motion to adjourn the meeting.

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MR. POLLAKUSKY: So moved.

MR. TROTTA: Second.

MR. BRAUN: Thank you.

The meeting is adjourned.

(Time noted: 12:18 p.m.)

I, JOANN O'LOUGHLIN, a Notary Public
for and within the State of New York, do hereby
certify that the above is a correct transcription
of my stenographic notes.

JOANN O'LOUGHLIN