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TOWN OF BROOKHAVEN  
LOCAL DEVELOPMENT CORPORATION

- - - - -x

BOARD MEETING  
HELD BY CONFERENCE CALL

- - - - -x

May 13, 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  
SCOTT MIDDLETON  
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

\* \* \*

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MS. MULLIGAN: It's Wednesday, May 13,  
2020. This is Lisa Mulligan.

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On this call: Fred Braun, Marty  
Callahan, Frank Trotta, Ann-Marie Scheidt,  
Gary Pollakusky, Scott Middleton, Jocelyn  
Linse, Jim Tullo, Amy Illardo, Bill Weir,  
Howard Gross, Lori LaPonte, Annette Eaderesto  
and Terry Alkon.

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MR. BRAUN: For the record and the  
minutes, we have a quorum.

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MS. MULLIGAN: Thank you.

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The first item on the agenda is the  
minutes which were sent to the members  
previously.

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MR. BRAUN: Can I have a motion to  
accept the minutes?

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MR. TROTТА: Make a motion.

19

MR. BRAUN: Second?

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MS. SCHEIDT: Second.

21

MR. BRAUN: I have two very minor  
additions or corrections.

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23

Please indicate that a quorum was  
present and also, on page ten, line eight, as  
it relates to IGHL, it should say pay off the

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25

1

2

bonds, not pay up the bonds.

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MS. MULLIGAN: Thank you, Fred.

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MR. BRAUN: Any other changes?

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(No response.)

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MR. BRAUN: Fred Braun votes yes to

7

accept.

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Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Ms. Scheidt?

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MS. SCHEIDT: Yes.

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MR. BRAUN: Mr. Middleton?

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MR. MIDDLETON: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

16

MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

18

MR. BRAUN: Motion carries.

19

Ms. LaPonte, may we have the CFO's

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report?

21

MS. LaPONTE: Included in the package

22

is the profit and loss versus budget for the

23

month, year to date through April 2020.

24

I pointed out, I showed the first

25

quarter and then I showed the results for

1

2

April and compared the budget to date.

3

Nothing has come in as far as income.

4

Expenses are our normal monthly expenses.

5

6

I did want to point out we received another notification from Empire that they

7

reduced our interest rates on our investment

8

account. It was at 30 basis points or 0.003

9

and it was -- I'm sorry, it was at 40 basis

10

points, it was reduced to 30 basis points, so

11

now we're getting the 0.30 percent with the

12

investment account and the operating account,

13

it was at 0.05 percent or five basis points

14

and it's still at that same rate, I just

15

wanted to point that out. So this is like the

16

third as far as I'm tracking it reduction in

17

our interest rate at Empire.

18

Any questions on that?

19

MR. CALLAHAN: Lori, did their merger

20

go through yet?

21

MS. LaPONTE: No and they sent us

22

notification that it was delayed.

23

MR. CALLAHAN: Okay.

24

MS. LaPONTE: The other item is we have

25

been in contact with AVZ about the status of

1

2

the audit. We had sent them comments back in

3

March and we hadn't heard from them, so I did

4

start saying, you know, we are looking for an

5

updated draft so we could get it to the board,

6

so they have been contacting me and trying to

7

finalize that. I do expect it in the next

8

week.

9

MR. BRAUN: Anything else, Lori?

10

MS. LaPONTE: No.

11

MR. BRAUN: Can I have a motion to

12

accept the report?

13

MR. POLLAKUSKY: Gary Pollakusky.

14

MR. BRAUN: Is there a second?

15

MR. TROTTA: Second.

16

MR. BRAUN: Thank you, Frank.

17

Mr. Braun votes yes.

18

Ms. Scheidt?

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MS. SCHEIDT: Yes.

20

MR. BRAUN: Mr. Callahan?

21

MR. CALLAHAN: Yes.

22

MR. BRAUN: Mr. Middleton?

23

MR. MIDDLETON: Yes.

24

MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

4

MR. BRAUN: Motion carries.

5

Thank you.

6

MS. LaPONTE: Fred, I did want to

7

mention and I probably should have done this

8

before you vote because I don't think it needs

9

a ruling, it's just for everyone's

10

information.

11

We have established a process for check

12

disbursement during the COVID crisis amongst

13

us, so I just want to quickly, it applies to

14

both the LDC and IDA, but let me review the

15

LDC.

16

What we're doing is all the bills that

17

come in are scanned. Jocelyn will email the

18

scanned bill to Lisa. Lisa uses an electronic

19

approval and sends them to me with a copy of

20

the bill. I process the check, I keep a list

21

and I keep a copy of the check and all the

22

supporting documents including Lisa's

23

approval. I send the check with the envelope

24

for mailing and everything to Lisa and I keep

25

a list of it and from there, she mails it out.

1

2

MR. BRAUN: I suggest you put that in writing so that when the auditors look at it from an internal control standpoint next year, that they have something to look at.

5

6

MS. LaPONTE: Yes, we have done that.

7

MR. BRAUN: Okay. Thank you.

8

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MS. LaPONTE: And we're writing also on the bill, on the documentation, COVID-19, so there's no questions about the period or what happened, so we're trying to keep pristine records even in this time.

10

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MR. BRAUN: Thank you.

14

Lisa, I'll turn it over to you.

15

MS. MULLIGAN: Sure.

16

17

The first item on the next part of our agenda is the PARIS update. So I think this was emailed out to everybody. I know that Joce sent it as part of our packets, but I just wanted to bring to your attention that we got further direction from the ABO basically saying that I guess that they're giving us additional time to not send in our PARIS report.

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My take on it is that it's just them



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2

sort of acknowledging that nobody has sent it

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in because as it stands right now, they have

4

no power to require us -- we're required to

5

put it in, but if we don't, they have no means

6

to sanction us until I think it's 36 months

7

late and they've asked us multiple times for

8

the items. So it's just an update that their

9

eyes are open and they are being a little bit

10

more normal given the circumstances, but what

11

we received is in your packets, if you want to

12

read what they sent out.

13

As we discussed at the last meeting,

14

I'm a little bit hesitant for us to put PARIS

15

in until we can all sort of be in the office,

16

pull the documents, go through, research

17

things. A lot of our information, although

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much of it is electronic, a lot of it is paper

19

files and there's something to be said for

20

that interaction and us being together and

21

someone going wait, I remember, this is where

22

this was and sort of piecing the whole thing

23

together, so it's just an update. As for

24

right now, we along with I dare say almost

25

every other IDA and LDC in the state have not

1

2 put in their PARIS report, so does anybody  
3 have any questions on that?

4 MR. WEIR: I have one update on PARIS.

5 Islip IDA received an inquiry from the  
6 ABO wanting to know if the IDA and LDC had  
7 adopted a policy prohibiting extension of  
8 credit to board members, officers and staff.  
9 There is a provision in the PAAA that's  
10 codified under Section 28245 of the Public  
11 Authorities Law that statutorily prohibits any  
12 agency or authority from making loans or  
13 granting credits to board members, officers  
14 and staff.

15 Unlike other sections of the PAAA, I  
16 have never seen any requirement that you have  
17 to have adopted this policy because there's a  
18 statute prohibiting it. ABO in their infinite  
19 wisdom is now saying well, how come you  
20 haven't adopted this as a policy.

21 MS. MULLIGAN: I think that we have  
22 that adopted as a policy. I'm just going to  
23 our governance page and I'm pretty sure that  
24 not only have we adopted this, but it's also  
25 on our website and if it's not on our website,

1

2 I know we've adopted it, it basically just  
3 says that we won't make loans to --

4 MR. WEIR: Did you adopt that as a  
5 separate policy or did you adopt it as part of  
6 your conflict of interest policy?

7 MS. MULLIGAN: I think it's a  
8 standalone, it's a standalone policy, I'm like  
9 99 percent sure and we've done it for years  
10 during our organizational meeting.

11 MR. WEIR: Okay.

12 Could you just send me that again?

13 MS. SCHEIDT: I fully agree with you.  
14 I remember that we adopted as a separate  
15 policy and we indeed have done it for years.

16 MS. MULLIGAN: Yeah. I think that we  
17 started doing it when there was a request from  
18 someone who wasn't even an employee for a  
19 loan, so I do believe that that was when we  
20 started doing it.

21 MS. LaPONTE: Resolution 21-2020,  
22 adopting policy concerning member employee  
23 loan.

24 MS. MULLIGAN: Okay. Perfect.

25 MR. WEIR: Could you send that to me,

1

2 Lori?

3 MS. LaPONTE: Yeah, I can send it now,  
4 Bill.

5 MR. WEIR: Okay, thank you.

6 MR. BRAUN: We have adopted that both  
7 for the LDC and the IDA for the past several  
8 years.

9 MS. MULLIGAN: Yes.

10 MS. LaPONTE: Yes.

11 MR. WEIR: I couldn't remember if you  
12 had done it or not.13 MS. MULLIGAN: It's nothing dramatic,  
14 it just says basically we --

15 MR. BRAUN: We won't do it.

16 MS. MULLIGAN: We won't, yeah.

17 MR. BRAUN: Right.

18 MS. MULLIGAN: Did anyone have any  
19 questions as far as the LDC is concerned with  
20 that PARIS update?

21 (No response.)

22 MS. MULLIGAN: The next item on the  
23 agenda is Brookhaven Memorial Hospital update.24 I just want to point out that since  
25 this is just an update and there's no action,

1

2 my understanding is that Fred does not need to  
3 leave the meeting; Bill, is that correct?

4 MR. WEIR: That's correct. It's just  
5 an update, no action was taken.

6 The only real update is that we had  
7 scheduled the TEFRA hearing. The IRS and  
8 Treasury finally came out with regs that allow  
9 for electronic hearings to be held. They have  
10 to be held via telephone. You can do a Webex  
11 or Zoom or something like that, but you have  
12 to have a toll-free number that people can  
13 call into without being charged and that they  
14 have the opportunity to be heard, so that's  
15 the . . . similar to what we're doing anyways  
16 with our other public hearings under the IDA  
17 Act. So they finally had to update that and  
18 that will probably be in effect as long as  
19 we're all under lockdowns. You're holding a  
20 public hearing at ten a.m. in the morning; if  
21 you work, you can't attend, but now you can  
22 call in even from work, take a coffee break,  
23 call in the public hearing.

24 MS. MULLIGAN: Amy, I just want to  
25 confirm, that was, in fact, posted on the LDC

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website?

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MS. ILLARDO: Lisa, I am going to look right now, but I am pretty sure that yes, it was on the LDC website or it is on the LDC website.

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MS. MULLIGAN: Okay. Just want to confirm that. It's scheduled for Monday, the 18th at 10:15 a.m. and all of the information that's required is on the website.

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MS. ILLARDO: Yes. The application is listed, both are listed in news and events.

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MS. MULLIGAN: Okay, great. And the public hearing notice is up, too, so that we will have that public hearing on the 18th starting at 10:15 a.m., it's a toll-free call-in number and after that, Annette, we're going to ask you, I guess to get the TEFRA notice, the TEFRA documents to the supervisor for his signature, but we'll --

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MS. EADERESTO: Not a problem.

22

MS. MULLIGAN: Thank you.

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Did anyone have any questions about

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that?

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(No response.)

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MS. MULLIGAN: So the next item on the agenda is an update regarding the Jefferson Ferry project.

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Bill, do you want to give the board an update on this?

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MR. WEIR: Jefferson Ferry is getting going. We are working on the bond documents now. We'll also schedule the public hearing for that as well. It's anticipated we will have a final authorizing resolution for the June board meeting and then that way as soon as the markets calm down a bit and they're close to -- they need 12 more presales, independent living units, to be ready to go to market and then -- they need 50 percent presales, so they're 12 short, but they're getting a lot of interest and they hope to be ready to mail an official statement in July for a closing, they would like to close in late July, early August, all of which will be dependent upon presales if the bond market is a little less unpredictable than it is today. It seems like every week, whether it's a good week or a bad week, can be the market, so

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2 they're going forward and then part of that,  
3 we'll meet the IDA and there will be another  
4 portion to talk about there with respect to  
5 some of the (inaudible) of what they have  
6 requested.

7 MS. MULLIGAN: Does anyone have any  
8 questions about that?

9 (No response.)

10 MS. MULLIGAN: So the only other item  
11 that I wanted to just touch on, right now, we  
12 moved this meeting, our meeting was originally  
13 scheduled for May 27th. I don't know that we  
14 have any action that we will need to do with  
15 the LDC, but when we get to the IDA, I want to  
16 bring up the possibility of keeping the  
17 May 27th meeting, but I figured I'd mention it  
18 here, too. It might make sense to keep  
19 May 27th and then do June 17th, but we can  
20 discuss that in the IDA a little bit further.

21 Does anyone have anything else for this  
22 meeting?

23 (No response.)

24 MR. BRAUN: If not, I entertain a  
25 motion to adjourn.



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MR. POLLAKUSKY: So moved.

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MR. BRAUN: Second?

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MR. CALLAHAN: Martin Callahan second.

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MR. BRAUN: Thank you.

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Mr. Braun votes yes.

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Ms. Scheidt?

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MS. SCHEIDT: Yes.

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MR. BRAUN: Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Middleton?

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MR. MIDDLETON: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

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MR. BRAUN: Is Mr. Grucci on the call?

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MS. MULLIGAN: I don't believe so.

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MR. BRAUN: Okay.

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Jocelyn, would you just send Mr. Grucci

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an email to see if he is available?

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MS. LINSE: Sure, I'll do it right now.

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MR. BRAUN: Thank you.

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The motion carries. The Local

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Development Corporation is adjourned.

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(Time noted: 12:23 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.

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JOANN O'LOUGHLIN