

**Minutes**  
**Southold LDC**  
**Initial/Organizational Meeting**  
**June 27, 2014**

Approved 7/7/14

**Present**

Jeanne Kelley, Board Member  
Steve Latham, Board Member  
Noreen McKenna, Board Member  
John Schopfer, Board Member  
Rona Smith, Board Member

**Also Present**

Bruce Ferguson, Economic Development Consultant  
Ron Grosser, Esq., Hawkins Delafield & Wood LLP  
Robert Smith, Esq., Hawkins Delafield & Wood LLP

The initial/organizational meeting of the Southold Local Development Corporation held in the second floor conference room of the Town Hall Annex, 54375 Route 25 Southold, New York was called to order at 10:40 a.m.

**Organizational Business**

Mr. Ferguson introduced himself to the Board and explained that he had been retained by the Town to help with the LDC. Each Board Member introduced themselves to the other Members of the Board. Mr. Grosser and Mr. Smith also introduced themselves and noted that Hawkins is Bond Counsel to the Town and that the firm has had a long relationship with the Town.

Mr. Ferguson introduced Martin Finnegan, Southold Town Attorney, to the Board. Mr. Finnegan thanked the Board Members for volunteering to be on the LDC. He explained that the LDC was created in order to assist the not for profit organizations in the Town which are large employers and which make significant economic contributions to the Town. He indicated that if Board Members had any questions they should feel free to contact him. Mr. Ferguson thanked Mr. Finnegan and he left the meeting.

**LDC Overview**

Both Mr. Ferguson and Mr. Grosser explained the role of the LDC and the type of activities it can engage in regard to assisting not for profits. Mr. Grosser noted that tax exempt bonds issued by the LDC are non-recourse conduit financings which means neither the LDC nor the Town are responsible for repaying the bonds. The benefit of a tax exempt bond is a lower interest rate and generally a longer term than a commercial loan. Both Mr. Ferguson and Mr. Grosser gave an overview of the State Authority Budget Office (ABO) requirement of LDCs.

### **Draft By-Laws**

The Board reviewed and discussed the draft By-Laws of the LDC. Ms. McKenna had questions and concerns in regard to the Indemnification of Officers section and wanted to make sure that the language was strong enough to insure indemnification. Board Members questioned whether an E and O policy would be needed and whether the LDC could be covered under the Town's policy. Mr. Ferguson indicated he would check with Mr. Finnegan. In regard to the Officers of the LDC the Board felt it would be more appropriate to have a Vice Chair in place of President and would like to see that changed.

After further discussion and;

Upon a motion by Mr. Latham, seconded by Ms. McKenna it was:

RESOLVED, to adopt the draft By=Laws as amended subject to further clarification of the Indemnification of Officers section.

Unanimously carried 5/0.

### **Election of Officers**

The Board decided to take no action at this time.

### **Executive Director**

Mr. Ferguson distributed the Town resolution appointing him as consultant to the LDC and his proposal to the Town.

After further discussion and;

Upon a motion by Mr. Latham, seconded by Ms. McKenna it was:

RESOLVED, to hire Mr. Ferguson as Executive Director of the Southold Local Development Corporation as per his proposal submitted to and accepted by the Town of Southold subject to the execution of an employment/consultant contract in the future.

Unanimously carried 5/0.

### **Bond Counsel**

Mr. Grosser and Mr. Smith noted that their firm Hawkins Delafield & Wood has extensive experience as Bond Counsel to a number of LDCs and IDAs throughout the State. They explained the role of Bond Counsel and noted that unless otherwise requested by the LDC to do special projects; their fees are paid by the applicant.

After further discussion and;

Upon a motion by Mr. Latham, seconded by Ms. McKenna it was:

RESOLVED, to appoint Hawkins Delafield & Wood as sole Bond Counsel to the Southold Local Development Corporation for 2014.

Unanimously carried 5/0.

**Committees, Policies and Other Organizational Matters**

Mr. Grosser distributed draft policies to Board Members to consider and review. Board Members decided to take no action so that could further review these requirements before acting upon them at a future meeting.

After further discussion and;

Upon a motion by Mr. Schopfer, seconded by Ms. McKenna, it was:

RESOLVED, to adjourn the meeting of the Southold LDC at 12:23 p.m.

Unanimously carried 5/0.