

Minutes
Southold LDC
Regular Meeting
December 16, 2016

Approved 2/10/17

Present

John Schopfer, Chairman
Rona Smith, Vice Chair
Noreen McKenna, Secretary

Excused Absence

Jeanne Kelley, Treasurer
Steve Latham, Board Member

Also Present

Bill Ruland, Town of Southold Board Member
Maureen Liccione, Esq. Jaspan Schlesinger LLP
Bruce Ferguson, Executive Director

The regular meeting of the Southold Local Development Corporation held in the Town Hall Annex, Second Floor Conference Room 54375 Route 25 Southold, New York 11971 was called to order by Mr. Schopfer, Chairman at 10:48 a.m.

Audit Committee Minutes

Board Members reviewed the minutes of the September 30, 2016 meeting of the Audit Committee of the Southold LDC.

After discussion and;

Upon a motion by Mr. Schopfer seconded by Ms. Smith it was;

RESOLVED to approve the minutes of the September 30, 2016 meeting of the Audit Committee of the Southold LDC.

Unanimously adopted 3-0

Finance Committee Minutes

Board Members reviewed the minutes of the September 30, 2016 meeting of the Finance Committee of the Southold LDC.

After discussion and;

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

RESOLVED to approve the minutes of the September 30, 2016 meeting of the Finance Committee of the Southold LDC.

Unanimously adopted 3-0

Governance Committee Minutes

Board Members reviewed the minutes of the September 30, 2016 meeting of the Governance Committee of the Southold LDC. The Board decided to defer action on the minutes until the next meeting. Ms. McKenna noted that she has recently completed the ABO Board Member training program.

Minutes

Board Members reviewed the minutes of the September 30, 2016 regular meeting of the Southold LDC.

After discussion and;

Upon a motion by Ms. Smith seconded by Ms. McKenna it was;

RESOLVED to approve the minutes of the September 30, 2016 regular meeting of the Southold LDC.

Unanimously adopted 3-0

Re-Appointment of Noreen McKenna and Steve Latham to 12/31/19

Mr. Ferguson indicated that the terms of Ms. McKenna and Mr. Latham will expire on 12/31/16.

After further discussion and;

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

RESOLVED, to re-appoint Noreen McKenna and Steve Latham to the Southold LDC for three years to 12/31/19 and to request that the Town Board also re-appoint them for three more years.

Unanimously adopted 3-0.

Finance Committee Report

Mr. Schopfer indicated that the Finance Committee recommended that the SLDC revise the annual fee schedule to \$5,000 per year.

After further discussion and;

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

RESOLVED, to revise the Southold LDC's annual fee schedule to \$5,000 per year.

Unanimously approved 3-0.

Bond Counsel

Mr. Ferguson noted that the LDC has recently received an application but that currently the LDC does not have a Bond Counsel. Mr. Ferguson indicated that he had contacted 5 bond counsel firms (Harris Beach, Hawkins Delafield, Nixon Peabody, Philips Lytle and Winston Strawn) to see if any of them were interested in being Bond Counsel to the Southold LDC. Responses were received from Hawkins, Nixon and Winston and these responses had been forwarded to Board Members for review. Board Members felt that Hawkins had done a good job in the past and they felt that the fee quoted by Hawkins was very reasonable.

After further discussion and

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

RESOLVED, to appoint Hawkins Delafield as Bond Counsel to the Southold LDC for the remainder of 2016 and for a 3 year period, renewable annually, commencing on 1/1/17.

Unanimously adopted 3-0.

Eastern Long Island Hospital Association Application

Mr. Ferguson indicated that the Eastern Long Island Hospital Association is seeking an inducement resolution for an approximate \$15 million to \$20 million tax exempt bond. Mr. Ferguson indicated that approximately \$15 million will be used to refund outstanding current tax exempt bonds and the additional amount will be used for the purchase of equipment and for improvements and renovations to the hospital. The additional amount to be borrowed will depend upon the interest rate and term they are able to obtain. ELIH is currently completing an Affiliation Agreement with Stony Brook University Hospital and that should result in ELIH having a better credit rating.

Councilman Ruland was concerned that there was no new job creation indicated in the application and that there were no assurances that the affiliation with Stony Brook would result in reduced jobs. He also wanted to know if the savings ELIH receives as a result of this bond issue will benefit the community and whether or not ELIH can service the debt on their own. Ms. Liccione suggested that the LDC review the affiliation agreement to get a clearer picture of its impact.

Mr. Schopfer introduced Mr. Paul Connor, CEO, ELIH and Mr. Robert Ragona, CFO,

ELIH to the Board Members. Mr. Connor indicated that ELIH serves the Towns of Southold and Shelter Island and has been considering an affiliation arrangement for some time now. He indicated that in order for many hospitals to survive particularly smaller ones like ELIH they need to affiliate with larger hospitals. ELIH had considered Northwell but their Board felt that Northwell would shut the unprofitable portions of ELIH and this would hurt the community. He indicated that the ELIH Board felt that Stony Brook University Hospital's mission of providing quality healthcare was more in line with ELIH's 111 year old mission to strengthen and improve healthcare on the North Fork. The ELIH Board felt that Stony Brook will help ELIH identify and fill medical service gaps that will result in better healthcare. In response to questions concerning employment Mr. Connor indicated that the vast majority of ELIH workers belong to SEIU 1199 and that the affiliation will safe guard their positions and their benefit packages. In regard to the creation of new jobs at the hospital Mr. Connor indicated that the next year or so a comprehensive needs assessment and strategic plan will be done and he anticipates that after that is complete there will probably be a need for new jobs. He indicated that some off campus new jobs will be created as a result of the affiliation and agreed to provide the Board with a supplement to the application to provide further details about those new jobs. Also in response to questions he indicated that he would address concerns about how the extra money will be used in the supplemental information he submits.

Board Members had questions about the affiliation and how it will impact ELIH if Stony Brook decides to terminate it. Ms. Smith indicated that there seems to be a lot that the LDC doesn't know and in response Mr. Connor indicated that if the LDC was willing to sign a non-disclosure agreement he would ask his Counsel to provide all the pertinent documents. The Board agreed to sign an NDA. There being no further questions Mr. Schopfer thanked Mr. Connor and Mr. Ragona and Messrs. Connor and Ragona left the room. The Board felt that they did not have enough information in regard to the affiliation, the creation of jobs and the use of the additional funds to adopt a full Inducement Resolution for this application.

After further discussion and

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

RESOLVED, to approve a Preliminary Inducement resolution for a tax exempt bond in an amount up to \$20 million for the Eastern Long Island Hospital Association.

Unanimously adopted 3-0.

There being no further business and:

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

RESOLVED, to adjourn the meeting of the Southold LDC at 12:39 p.m.

Unanimously approved 3-0.