

Nassau County Local Economic Assistance Corporation (“LEAC”)

Board Meeting Minutes

October 17, 2019

6:30 PM

I. Board Roll Call

John Coumatos	Present
Amy Flores	Present
Chris Fusco	Present
Richard Kessel	Present
Anthony Simon	Present
Lewis M. Warren	Present
Timothy Williams	Excused

Others Present:

Harry Coghlan	Chief Executive Officer
Thomas D. Glascock	Corporation Counsel
Andrew D. Komaromi, Esq.	Bond/Transactional Counsel

I. New Business

A. Preliminary Resolution

i. EPIC Long Island

Greg Lacalzi, Jr. and Thomas Hopkins (the Applicant’s President and CEO) presented the application to the Board.

The Applicant presented an application for financial assistance to the Corporation, which requested that it consider the issuance, in one or more series or sub-series, of tax-exempt and/or taxable revenue bonds in an aggregate principal amount not to exceed \$12,000,000 for the purpose of paying the costs associated with a certain project consisting of: (A) (1) the refunding of all of the Corporation’s Series 2011A Bonds and Series 2011 B Bonds outstanding, the proceeds of which were used for the (i) acquisition of an 0.872 acre parcel of land located at 1500 Hempstead Turnpike in East Meadow, Town of Hempstead, Nassau County, and (ii) the acquisition, renovation and equipping of an approximately 38,000 square foot two-story building located on the land, including, but not limited to, interior renovations, to be used to expand and enhance day habilitation program and clinic services offered to developmentally disabled adults and to individuals in need of mental health services, respectively, and to incorporate the Applicant’s administrative offices into the same location; (2) the refunding of all of the Corporation’s Series 2014B-1 Bonds outstanding and Series 2014B-2 Bonds outstanding, the proceeds of which were used for the financing and/or refinancing of five individualized residential alternative (IRA) group

homes located throughout Nassau County; (3) the refunding of all of the Corporation's Series 2015D-1 Bonds outstanding and Series 2015D-2 Bonds outstanding, the proceeds of which were used to finance (i) the costs of the acquisition of an approximately 0.1837 acre parcel of real property located at 15 11th Avenue, Farmingdale, Town of Oyster Bay, Nassau County, New York and the acquisition, renovation and/or equipping and furnishing of an approximately 3,353 square foot single-family residence and related structures and facilities, all for the use as a supportive housing facility for up to six (6) adults with developmental disabilities; and (B) the funding of a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds.

EPIC Long Island has been in existence since 1952, and it employs approximately 650 workers. Moreover, approximately 1,500 families are provided mental health and related services, hundreds of persons are enrolled in EPIC Long Island programs, and EPIC Long Island runs 18 group homes (13 of which are located within Nassau County).

Chair Kessel discussed the importance of LEAC, and the assistance it can provide the not-for-profit community. As such, LEAC should be used more, and its board wants to meet with representatives of the not-for-profit community more frequently. Chair Kessel then stated that he supports the project.

Director Warren restated Chair Kessel's comments, including his support of the project.

Director Warren then moved to adopt the preliminary resolution, which was seconded by Director Flores. The preliminary resolution was approved unanimously.

B. Consent Resolution

i. Life's W.O.R.C., Inc.

Frank Meyers, the Applicant's CFO, presented the application to the Board.

The Applicant requested that the Corporation authorize the issuance and sale of up to \$1,643,000 aggregate principal amount Tax-Exempt Revenue Bonds (Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014 C-1 Bonds, and \$106,000 aggregate principal amount of Taxable Revenue Bonds (Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014 C-2 Bonds for the purpose of financing a project consisting of the following: (A) financing of the acquisition, construction, renovation and/or equipping of a certain civic facility at the above described location consisting of an approximately 0.6313 acre parcel of real property, the renovation of approximately 17,500 square feet of commercial building space thereat, and the acquisition and installation of equipment and furnishings, including, without limitation, telephone systems, alarms, furniture and computers, all for the use as an autism program facility for up to 100 adults with developmental disabilities; and (B) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the bonds.

As security for the bonds and the Applicant's obligations under a Bond Purchase Agreement, (i) the Applicant granted to the Corporation a mortgage lien on, and security interest in, the facility pursuant to a certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2014, from the Applicant to the Corporation and the Israel Discount Bank of New York; which was then assigned by the Corporation to the bank pursuant to a certain Assignment of Mortgage, dated June 30, 2014, and (ii) the Applicant granted to the bank a first priority security interest in Pledged Collateral, pursuant to the terms of a certain Pledge and Security Agreement, subject to the terms of the Intercreditor Agreement. The proceeds of the bonds were loaned by the Corporation to the Applicant pursuant to a Bond Purchase Agreement.

The bank purchased the bonds in an aggregate principal amount of \$1,749,000 and made the proceeds thereof available to the Applicant for the purpose of assisting in the financing of the project and delivered said bonds, all on the terms of the Bond Purchase Agreement and Loan Agreement, dated June 30, 2014 (the "Bond Purchase Agreement").

By letter dated October 2, 2019, the Applicant has requested that the Corporation consent to an amendment of the Bond Purchase Agreement to permit additional unsecured Indebtedness in a principal amount not to exceed \$500,000 in the aggregate in any fiscal year and, in connection with the same, to require the Applicant to provide to Bank a pro-forma budget and corresponding calculation to demonstrate that upon the issuance of any such additional Indebtedness it will remain in compliance with its Debt Service Coverage Ratio covenants.

Director Simon asked about Life's W.O.R.C.'s clients, and the services it provides. Mr. Meyers replied that it services persons with neuro disabilities, including persons with autism and dementia. It has group homes (approximately 45 within the metro area), and day programs (which service more than 300 people).

Director Simon mentioned opportunities to speak with Engel Burman and other developers who can construct group homes.

Director Simon then moved to adopt the consent resolution, which was seconded by Chair Kessel. The preliminary resolution was approved unanimously.

II. Committee Reports

a. Governance Committee

Member Simon reported that the Governance Committee has met immediately prior to the Board meeting, during which time they discussed the Agency's status towards satisfying its 2019 PARIS filings, and discussed governance matters. He reported that the Governance Committee recommended that the Agency board by resolution approved the 2020 preliminary budget and authorize its filings with the Authorities Budget Office to satisfy PARIS filing requirements.

b. Audit Committee

Member Simon likewise reported that the Audit Committee had met immediately prior to the Board meeting, during which time it met with the Agency's outside auditors, discussed the financial condition of the Agency, the Agency's draft 2019 preliminary budget, the Agency's status towards satisfying its 2019 PARIS filing requirements, and various governance matters.

He reported that the Audit Committee recommends that the Agency board by resolution approved the 2020 preliminary budget and authorize its filings with the Authorities Budget Office to satisfy PARIS filing requirements.

c. Finance Committee

Member Warren reported that the Finance Committee also met immediately prior to the Board meeting, during which time it discussed the financial condition of the Agency, the Agency's draft 2020 preliminary budget, the Agency's status towards satisfying its 2019 PARIS filing requirements, and various governance matters.

He reported that the Finance Committee recommends that the Agency board by resolution approved the 2020 preliminary budget and authorize its filings with the Authorities Budget Office to satisfy PARIS filing requirements.

III. Old Business

a. None

IV. Other Business

a. Minutes

i. Approval of September 19, 2019 Meeting Minutes

Director Simon moved to approve the September 19, 2019 minutes. Director Warren seconded the motion. The motion carried unanimously.

b. Other

i. Resolution to approve a 2020 preliminary budget

Director Simon moved to approve the Resolution. Director Fusco seconded the motion. The motion carried unanimously.

V. Bills and Communications

Chair Kessel reported that there were no additional bills or communications to report.

VI. Unfinished Business

None.

VII. Adjournment

A motion to adjourn was made by Director Coumatos, which was seconded by Director Simon. The Resolution was approved unanimously.

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