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Minutes of a CDA Meeting held by the Town Board of the Town of Riverhead, at Town Hall, 200 Howell Avenue, Riverhead, New York, on Thursday, December 30, 1999 at 12:00 P.M.

**Present:**

Vincent Villella,	Chairman
Philip Cardinale,	Member
Christopher Kent,	Member
Mark Kwasna,	Member
James Lull,	Member

**Also Present:**

Andrea Lohneiss,	Director
Barbara Grattan,	Town Clerk
Adam Grossman, Esq.,	Town Attorney

Chairman Villella called the meeting to order.

Chairman Villella: "Andrea, would you like to-- Barbara?"

(There was some inaudible discussion among the members.)

Resolution #27

Barbara Grattan: "Somebody has got to bring it up off the table."

Member Kent: "I'll move Resolution 27 which is a resolution converting two loan for the Town of Riverhead Community Development Agency to the Riverhead Foundation for Marine Research. So moved to bring it off the table."

Chairman Villella: "Is there a second to bring it off the table?"

Member Lull: "I'll second it."

Chairman Villella: "Moved and seconded."

The Vote: "Cardinale."

Member Cardinale: "What are we converting them to?"

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Member Kent: "This is just to bring it up-- "

Member Cardinale: "Yeah, yeah, let's bring it up for discussion. The more the merrier."

The Vote: "Cardinale, yes; Kent, yes; Kwasna, yes; Lull, yes; Villella, yes. The resolutions are off the table."

Member Kent: "For everyone's recollection, I'll try to refresh. At the last Town Board meeting this resolution was offered and it was tabled because we wanted to ask the president of the Board of the Marine Research Foundation to, excuse me, Foundation for Marine Research, to come down and answer some questions about the assets of the foundation."

Member Cardinale: "What did he say? I wasn't there."

Member Kent: "He-- well, we didn't have the meeting, we cancelled the Town Board work session, but I did speak to him on the telephone and his response was that the foundation is solvent but that it has no significant assets. Based on the delay of-- in finalizing the town and Bissett's deal, they had some cash flow problems and Mr. Bissett has now assumed the responsibility for subsidizing the operation of the foundation and that is a significant draw to the aquarium. But it's no longer a town's problem."

This money-- they don't have assets to cover this. We could bring him in here and ask him himself but that was his representation that he made to me on the telephone conversation that I had with him."

Member Cardinale: "Chris, let me ask you this. Assume you're an attorney for a client, assume you are seeking to collect a debt of \$60,000."

Member Kent: "Forty- \$40,000."

Member Cardinale: "\$40,000. Assume that you called the debtor and you gave-- "

Member Kent: "No, no, no, wait. \$60,000. You're correct."

Member Cardinale: "\$60,000. Assume that you called the debtor and he gave you that explanation. After you stop laughing, what would you do?"

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Chairman Villella: "Sue."

Member Cardinale: "Exactly. That is what I suggest the Town of Riverhead do. The money was a loan, they didn't pay it back, they're solvent although they don't have much money. It sounds like what I tell the guy that-- "

Member Kent: "Well, I think what we should probably do instead of suing them right away, I think we should probably try to negotiate. What I would do first, my honest response. I would first try to negotiate a settlement where the debtor pays a sum of monies, probably try to tap him down to zero and try to get whatever I can out of him without having to sue because suing is just costly. And we end up losing money. Trying to collect a \$60,000 debt we could spend-- in that radiostation case, we had a local attorney handling it and I think it cost us \$15,000 when we were only seeking ten. And we ended up getting nothing except a headache and then we tried not to pay the attorney and the attorney threatened to sue the town. So I think instead of going into litigation over this, I think we should try to honestly negotiate with the debtor to see what we can get out of them."

Member Cardinale: "That's exactly what I would do and I agree with you and I also think when you're trying to get, you know, \$.25 or \$.50 on a dollar, you've got to produce evidence of your financial dismay because then you can approve it logically so that's good. I think the new administration probably would want to do that."

Member Kent: "I think we should get more information to find out whether they truly are in financial distress."

Chairman Villella: "Would you like to clarify that to the audience so it doesn't make Adam look-- "

Member Cardinale: "Is there an audience who cares?"

Member Kent: "Clarify why?"

Adam Grossman: "The radio station and the problem collecting on it."

Member Kent: "We had-- that was done 10 years ago or something. There was a-- some monies that were-- I think there were CDA monies also at that time to open up a local radio station-- "

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Chairman Villella: "Okay. All right, you clarified that."

Member Kent: "--- funding that done. It's not WRIV. It's a station I believe that never operated and the money was lent and the money disappeared and we hired outside counsel or prior Town Boards, maybe three Board ago hired an outside counsel to-- "

Member Cardinale: "Succinctly put, part of a previous administration."

Member Kent: "So I don't think we should repeat that."

Chairman Villella: "Okay. I just wanted clarification."

Barbara Grattan: "Are you going to leave this resolution tabled then?"

Member Kent: "Well, I think-- did we move and second it?"

Barbara Grattan: "To bring it off the table."

Member Kent: "And it was voted to bring it off the table or did we just have discussion?"

Chairman Villella: "We still-- "

Member Kent: "Okay, so why don't we just leave it on the table."

Chairman Villella: "Yeah, they're not hungry yet."

Barbara Grattan: "It's dead. All right."

Member Kent: "It doesn't help you, Jack, but-- "

Chairman Villella: "You have to close the books by certain-- is that what this was all about?"

Member Cardinale: "Consider it a \$60,000 asset, Jack. We'll get you some money."

Chairman Villella: "We close the CDA meeting."

CDA meeting closed at 1:11 p.m.

*Barbara Grattan*  
*Town Clerk*