

MINUTES



BOARD OF DIRECTORS REGULAR MEETING

Wednesday, June 12, 2019

Present: Tim Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen Bauer
Stacey Langenthal, Secretary/Treasurer
Don Sagliano
Alfred Torreggiani

Also Present: Sarah Lee, CEO
Marilyn Yerks, CFO
Jasmin Haylett, Office Administrator
Charles Daniels III
Donald Cappillino & Elizabeth Cappillino, Counsel
Katherine Bacher, Health Quest/Nuvance

On Wednesday, June 12, 2019, the Dutchess County Local Development Corporation [DCLDC] Board of Directors Meeting was called to order by Chairman Dean at 8:53 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, Stacey Langenthal, Jamie Piccone, Don Sagliano and Alfred Torreggiani. Quorum was established.

CONFLICT OF INTEREST DISCLOSURES

Chairman Dean asked board members if they had any potential conflicts with any items on the agenda. Chairman Dean noted he has a conflict with the Nuvance project because he is a trustee on the Board of Directors for VBMC and Mr. Torreggiani has a conflict because he was contacted by the Health Quest to provide them with a proposal.

PROOF OF MEETING NOTICE

Meeting notice was published on June 7, 2019

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

May 8, 2019

Chairman Dean asked for a motion to approve the May 8, 2019 Minutes of the Dutchess County Local Development Corporation.

A motion was made by Mr. Torreggiani, duly seconded by Mr. Sagliano to approve the DCLDC Board of Directors Meeting Minutes for May 8, 2019. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the 5/31/2019 Balance Sheet and Profit & Loss Budget

Balance Sheet

- Cash balance was \$2,646,680.41
- Outstanding accounts payable is the last payroll of the month

Profit & Loss

- Revenue was \$658,117.01
- Nothing outstanding to report

A motion was made by Ms. Langenthal, duly seconded by Mr. Doyle to approve the 5/31/2019 financial report as presented. All voted in favor. Motion carried.

B. RFP for Investment

Ms. Langenthal and Ms. Bauer recused themselves from this portion of the meeting and left the room.

Chairman Dean noted that Ms. Yerks sent out a RFP to get quotes on interest rates for the excess LDC funds.

Ms. Yerks informed the board that the RFP was for 30, 60, or 90 days. She sent the RFP to banks the County approved and that the IDA can use. She received 5 bids. The highest bid was from Riverside Bank at 2.31% for 90 days. This is the bank she recommends.

The board gave consent for Ms. Yerks to use Riverside Bank for the Investment.

REPORTS OF COMMITTEES

None

UNFINISHED BUSINESS

None

NEW BUSINESS

- A. Consideration and Approval of a Preliminary Inducement Resolution for the Issuance of the LDC's Tax-Exempt Bonds Series 2019 (Nuvance Health) in an amount presently estimated to be \$165,000,000.00 but not to exceed \$170,000,000.00 for the benefit of HQ-WCHN Health System Inc., which is doing business as, and is to change its name to Nuvance Health, and one or more of its affiliated entities including Western Connecticut Health Network, Inc. and Health Quest Systems, Inc. to be used for refinancing existing Health Quest bonds and for the construction of Health Quest – Marist School of Medicine.

Chairman Dean and Mr. Torreggiani recused themselves due to a conflict of interest and left the room.

Vice Chairman Doyle presided over this portion of the meeting. He welcomed Katherine Bacher who was representing the project.

Ms. Bacher noted that she is the Chief Financial Officer for Legacy Health Quest. The new corporation merged with Western Connecticut. Currently the legal name is Health Quest-WCHN but is in the process of being change to Nuvance Health. Nuvance Health will be a combination of two health systems, Western Connecticut and the Health Quest Hospitals.

Ms. Lee noted the following:

- With this merger between Health Quest and Western Connecticut Health Systems, they have the opportunity to refinance and finance projects under what is called acquisition financing. However, there is a finite time period and this window closes in August.

Question: When was the close date?

Answer: April 1, 2019 was when the Western Connecticut and Health Quest closed. October 1, 2019 would be the six month deadline. The goal is to have all the paperwork done by August.

- The board is being asked to consider a bond issuance of approximately \$165,000,000. \$80,000,000 will go to refinance existing debts (IDA, LDC, & Dormitory Authority Bonds) and \$85,000,000 will be used to construct the Health Quest-Marist School of Medicine.
- The project would allow the retention of 2,411 employees and with the construction of the medical school, about 91 jobs would be created after two years of operation.

Question: Is there anything we should consider with the impact of a dual state entity?

Answer: The acquisition financing for Western Connecticut under the new heading is also being done at the same time. This project is complicated because it deals with people in both States but the documentation for all this will be DCLDC. DCLDC has the authorization by the legislator and the attorney general to extent into adjacent counties that do not have a LDC.

A motion was made by Mr. Sagliano, duly seconded by Ms. Langenthal to approve the Preliminary Inducement Resolution for the Issuance of the LDC's Tax-Exempt Bonds Series 2019 (Nuvance Health) and issue a notice that includes the projects here or any parts thereof in an amount presently estimated to be \$165,000,000.00 but not to exceed \$170,000,000.00 for the benefit of HQ-WCHN Health System Inc., which is doing business as, and is to change its name to Nuvance Health, and one or more of its affiliated entities including Western Connecticut Health Network, Inc. and Health Quest Systems, Inc. to be used for refinancing existing Health Quest bonds and for the construction of Health Quest - Marist School of Medicine and to authorize Ms. Lee to issue a notice that includes this project or any parts thereof. All voted in favor. Motion carried.

ADJOURNMENT

There being no further business to discuss, a motion was made by Mr. Sagliano to adjourn the meeting. All voted in favor. Motion carried. Meeting adjourned at 9:20 a.m.

Respectfully submitted,



Stacey Langenthal, Secretary/Treasurer

9/16/19

Date

Meeting	<u>06-12-19</u>
Approved	<u>07-17-19</u>
Certified	<u>07-17-19</u>

Dutchess County Local Development Corporation

06/04/19

Balance Sheet

Accrual Basis

As of May 31, 2019

	May 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1100 · Checking -- TD Bank	2,646,380.41
1101 · Petty Cash	300.00
Total 1010 · Cash	2,646,680.41
Total Checking/Savings	2,646,680.41
Accounts Receivable	
11000 · Accounts Receivable	612,211.00
Total Accounts Receivable	612,211.00
Total Current Assets	3,258,891.41
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	97,267.28
1710 · Accumulated Depreciation	-40,443.00
Total 1390 · Furniture & Equipment	56,824.28
Total Fixed Assets	56,824.28
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expenses	4,635.35
1320 · Payroll Deposit	15,011.00
Total 1175 · Other Assets	19,646.35
Total Other Assets	19,646.35
TOTAL ASSETS	3,335,362.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	20,282.69
Total Accounts Payable	20,282.69
Total Current Liabilities	20,282.69
Total Liabilities	20,282.69
Equity	
30000 · Opening Balance Equity	1,093,744.17
32000 · Unrestricted Net Assets	1,954,134.93
Net Income	267,200.25
Total Equity	3,315,079.35
TOTAL LIABILITIES & EQUITY	3,335,362.04

Dutchess County Local Development Corporation
Profit & Loss Budget vs. Actual
 January through May 2019

11:18 AM
 06/04/19
 Accrual Basis

	Jan - May 19	Budget	\$ Over Budget	% of Budget
Income				
4000 · Cash Revenues				
4020 · Administration Fees	0.00	300,000.00	-300,000.00	0.0%
4030 · Application Fees	0.00	750.00	-750.00	0.0%
4050 · DCIDA	601,500.00	601,500.00	0.00	100.0%
4060 · Private Sector	29,090.00	110,000.00	-80,910.00	26.4%
4080 · DCWIB	10,010.00	23,676.00	-13,666.00	42.3%
4910 · Interest	17,517.01	4,500.00	13,017.01	389.3%
4940 · Other Income	0.00			
Total 4000 · Cash Revenues	658,117.01	1,040,426.00	-382,308.99	63.3%
Total Income	658,117.01	1,040,426.00	-382,308.99	63.3%
Expense				
6000 · Expenditures				
6240 · Audit	0.00	12,000.00	-12,000.00	0.0%
6241 · Bad Debt Expense	270.00			
6245 · Board & Committee	0.00	1,500.00	-1,500.00	0.0%
6270 · Computer Consulting	3,400.00	10,800.00	-7,400.00	31.5%
6273 · Dues, Subs, & Pubs	13,738.62	16,000.00	-2,261.38	85.9%
6274 · Education/Training	830.89	3,900.00	-3,069.11	21.3%
6275 · Equipment	0.00	4,000.00	-4,000.00	0.0%
6277 · Equipment Lease	0.00	1,000.00	-1,000.00	0.0%
6310 · Insurance	3,747.94	4,000.00	-252.06	93.7%
6390 · Marketing	23,840.17	65,000.00	-41,159.83	36.7%
6395 · Office Supplies	1,772.73	4,000.00	-2,227.27	44.3%
6400 · Other Expenditure	0.00	2,000.00	-2,000.00	0.0%
6410 · Payroll	152,312.90	402,905.00	-250,592.10	37.8%
6415 · Payroll Tax	14,548.33	37,103.00	-22,554.67	39.2%
6420 · Payroll Fringe	36,588.04	103,500.00	-66,911.96	35.4%
6450 · Professional Fees	2,368.04	10,000.00	-7,631.96	23.7%
6500 · Professional Service Contracts	93,137.29	220,000.00	-126,862.71	42.3%
6505 · Phone	3,707.93	7,000.00	-3,292.07	53.0%
6510 · Postage	-35.14	1,000.00	-1,035.14	-3.5%
6520 · Printing	300.00	2,000.00	-1,700.00	15.0%
6540 · Rent	27,267.81	62,453.00	-35,185.19	43.7%
6548 · Trade Show	3,654.00	15,000.00	-11,346.00	24.4%
6550 · Travel & Meetings	7,078.11	20,000.00	-12,921.89	35.4%
Total 6000 · Expenditures	388,527.66	1,005,161.00	-616,633.34	38.7%
6243 · Event Expenses	2,389.10	45,000.00	-42,610.90	5.3%
Total Expense	390,916.76	1,050,161.00	-659,244.24	37.2%
Net Income	267,200.25	-9,735.00	276,935.25	-2,744.7%