

**MINUTES**



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**FINANCE and AUDIT COMMITTEE MEETING**

Wednesday, October 2, 2019

**Present:** Stacey Langenthal  
Kathy Bauer  
Don Sagliano

**Also Present:** Sarah Lee, Executive Director  
Marilyn Yerks, CFO  
Jasmin Haylett, Office Administrator  
Tim Dean, Chairman  
Ron Hicks, Dutchess County

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On Wednesday, October 2, 2019, the Dutchess County Local Development Corporation [DCLDC] Finance and Audit Committee was called to order by Ms. Langenthal at 8:25 a.m. Present was: Stacey Langenthal, Kathy Bauer and Don Sagliano. Quorum was established.

**APPROVAL OF MINUTES**

A motion was made by Mr. Sagliano, duly seconded by Ms. Bauer to approve the DCLDC March 13, 2019 Finance and Audit Committee Minutes. All voted in favor. Motion carried.

**2020 PROPOSED BUDGET**

Ms. Lee briefly explained the following line items from the 2020 Proposed Budget.

**Revenues:**

1. *Administrative Fees* income is based on a historic average of 3 projects  
The \$300,000 is based on the average administrative fee revenue over the past five years.
2. *Application Fees* income is based on 3 projects
3. While Dutchess County will not have an approved budget until December it is expected the funding from the County for Economic Development services will \$451,500
4. The Dutchess County IDA professional service contract for administrative services will be \$150,000
5. The projection for *Private Sector* contributions has been adjusted downward as we are expecting a decrease in private contributions
6. *Private Sector In Kind* is estimated at \$0
7. *WIB (Workforce Investment Board)* – income from the contract for rent, equipment and any additional fees as a result of the co-location. There is a fee increase to reflect the increase in rent cost with the proposed expansion. Currently the LDC is funding 50% of the WIB's rent of the space.

The proposed rent will reduce the subsidized percentage however the LDC will continue to subsidize the space in 2020.

Question: Why does the LDC subsidize the rent for WIB?

Response: The concept for this space was to create a one-stop. Businesses would receive the services they need at this location rather than traveling to different locations. While WIB was already located in the building in order to accommodate the co-location the DCLDC could not charge them the true market value rent as this was too significant of an increase for WIB's budget at the time.

8. DCLDC expects to continue to invest in short-term CD's similar to 2019, however, the interest expectations are lowered in as interest rates have fallen

#### **Expenditures:**

9. *Audit costs* is based on the contract with RBT, LLP
10. *Board & Committee* remains the same as 2019
11. *Computer Consulting* are expected to rise in 2020 as a result of our current provider investing in increased security software and the additional license to our cloud computing system
12. *Dues, Publications and Subscriptions* - To remain competitive and to improve our lead and business intelligence, the LDC would like to subscribe to two cloud based data analytics programs that will improve lead generation, deal flow and talent retention and attraction as it relates to business attraction, business retention and expansion and talent attraction. The two programs in particular are EMSI, a labor market analytics tool and Gazelle.AI, a user friendly business intelligence program to help us identify target industry leads.

Through a trial period Think Dutchess used EMSI to attract Cozzini Knives to iPark. With EMSI Think Dutchess was able to prove Dutchess County's competitive advantage over the other locations Cozzini was considering. NYSEDC has secured a grant to subsidize the subscription to EMSI reducing our annual subscription costs from \$30,000 to \$10,000.

Gazelle.AI will be used to help identify growth clusters for more effective business attraction targeting and to help prioritize the Business Retention and Expansion efforts by using the information to identify a company's network and supply chain. While a trial use has not been utilized yet the staff has spoken with other economic development organizations that use Gazelle.AI.

13. *Education/Training* is the estimated costs for staff training
14. *Equipment costs* have been increased to purchase new equipment related to the office expansion. Currently all the work spaces are occupied and the co-located agencies are experiencing growth. This has resulted in sharing of cubicles and conference room scheduling challenges. The space next door is available for expansion. The proposed expansion would accommodate one more conference room and approximately 5 more cubicles. We estimate the equipment for the expansion would cost \$30,000 for the additional furniture. The construction cost will be built into the rent.
15. The office will not be leasing Equipment in 2020
16. *Events* is a new line budget item to reflect the costs to produce Think Dutchess/LDC events
17. *Insurance* includes the crime bond and general liability
18. *Marketing* expenses has been reduced as the organization will not be publishing a Magazine in 2020
19. *Misc/Other/Depr* does not reflect the costs as a result of depreciation which will be determined in the 2020 Audit
20. *Offices Supplies* is based on current and projected usage
21. *Payroll* reflects a 3% increase
22. *Payroll Taxes* reflect the associated taxes

23. *Payroll Fringe* are calculated based on full time staff at the maximum benefit package worth \$18,000 per employee
24. *Phones* - The cost of has been increased to reflect the purchase of additional phones with the expansion and projected maintenance and support
25. *Postage* is estimated based on current and projected usage
26. *Printing cost* is estimated based on current and projected usage of marketing collateral and other office materials
27. *Private Sector - In-kind* has been added to account for in-kind services the organization receives
28. *Professional Fees* reflect the services provided by Staff-Line, Cappillino & Rothschild, LLP, and estimated fees related to the video recording requirement of meetings and public hearings
29. *Professional Service Contracts* reflect the costs incurred by service contracts with other economic development service organizations and marketing services. As part of the professional service contract we are proposing a new partnership to start a seed accelerator with Accel7. Accel7 would recruit the startups, provide professionals subject matter advisement and access to capital resources to Dutchess County start-ups. This would be a one year pilot project with the potential to renew for 2021.
30. *Rent* is based on the rental agreement with Guardian Storage. The cost has been increased to reflect the expanded space.
31. *Trade Show* budget is based potential trade show activity for 2020
32. *Travel and Meeting* is an estimate based on past travel and planned travel activity

A motion was made by Mr. Sagliano, duly seconded by Ms. Bauer to approve the 2020 DCLDC Proposed Budget. Motion was approved and carried.

**OLD BUSINESS**

None

**NEW BUSINESS**

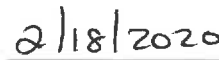
None

**ADJOURNMENT**

There being no further business, the meeting adjourned at 9:20 a.m.



Kathleen Bauer, Secretary/Treasurer



Date

<b>Meeting</b>	<u>10-02-2019</u>
<b>Approved</b>	<u>02-18-2020</u>
<b>Certified</b>	<u>02-18-2020</u>

## Dutchess County Local Development Corporation

LDC	2018 Audit	2019 Budget	2019 Estimate EOY	2020 Budget
<b>Revenues:</b>				
1 Administration Fees	266,954	300,000	268,787	300,000
2 Application Fees	750	750	250	750
3 Dutchess County	451,500	0	0	451,500
4 DCIDA	174,000	601,500	601,500	150,000
5 Private Sector	124,900	110,000	100,000	100,000
6 Private Sector - In Kind	0	0		0
7 WIB	55,601	23,676	24,024	32,000
8 Interest	34,599	4,500	44,000	30,000
<b>Total Revenue</b>	<b>1,108,304</b>	<b>1,040,426</b>	<b>1,038,561</b>	<b>1,064,250</b>
<b>Expenditures:</b>				
9 Audit	12,000	12,000	12,000	12,000
10 Board & Committee	0	1,500	0	1,500
11 Computer Consulting	10,759	10,800	10,759	14,000
12 Dues, pub, sub	13,156	16,000	18,613	47,000
13 Education/Training	1,770	3,900	1,100	3,900
14 Equipment	1,591	4,000	10,000	40,000
15 Equipment lease	0	1,000	0	0
16 Events - TD produced	41,248	45,000	55,000	50,000
17 Insurance	3,772	4,000	3,772	4,000
18 Marketing	64,468	65,000	60,000	45,000
19 Misc/Other/Depr	19,389	2,000	20,000	2,000
20 Office Supplies	4,214	4,000	4,500	5,500
21 Payroll	327,833	402,905	402,905	420,189
22 Payroll tax	29,825	37,103	37,103	38,426
23 Payroll Fringe	75,370	103,500	84,000	108,000
24 Phone	6,021	7,000	7,000	15,000
25 Postage	548	1,000	200	600
26 Printing	0	2,000	1,000	1,000
27 Private Sector - Inkind	0	0	0	0
28 Professional Fees	11,227	10,000	5,200	15,000
29 Professional Service Contracts	250,209	220,000	220,000	238,000
30 Rent	60,675	62,453	62,900	71,627
31 Trade Show	12,847	15,000	5,500	15,000
32 Travel & Meeting	17,189	20,000	10,000	20,000
<b>Total Expense</b>	<b>964,114</b>	<b>1,050,161</b>	<b>1,031,552</b>	<b>1,167,741</b>
Excess Income /Expense	144,190	(9,735)	7,009	(103,491)
	2018	2019	2019	2020
29 Professional Service Contracts	Audit	Budget	Estimate	Budget
Accel7	0	0	0	18,000
DCI-Marketing	308,260	200,000	200,000	200,000
DCWIB	21,183	0	0	0
P-TAC	0	5,000	5,000	5,000
WEDC	0	15,000	15,000	15,000
	<b>329,443</b>	<b>220,000</b>	<b>220,000</b>	<b>238,000</b>

## Dutchess County Local Development Corporation 2020 Budget Narrative

### Revenues:

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## Dutchess County Local Development Corporation

Paris 5 Year Budget filing

Year: 2020

	Audit 2018	Estimated EOY 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023
<b>Operating Revenues:</b>						
Administrative and Closing Fees	267,704	269,037	300,750	300,750	300,750	300,750
Program Revenue	124,900	100,000	100,000	100,000	100,000	100,000
Service Contract Revenue	681,101	625,524	633,500	633,500	633,500	633,500
<b>Nonoperating Revenues:</b>						
Investment earnings	34,599	44,000	30,000	30,000	25,000	25,000
Other Non-Operating Revenues	0	0	0	0	0	0
<b>Total Revenue</b>	<b>1,108,304</b>	<b>1,038,561</b>	<b>1,064,250</b>	<b>1,064,250</b>	<b>1,059,250</b>	<b>1,059,250</b>
<b>Operating Expenditures:</b>						
Salaries and Wages	327,833	402,905	420,189	432,794	445,778	459,152
Other Employee Benefits	75,370	84,000	108,000	108,000	108,000	108,000
Professional Services Contracts	284,195	247,959	279,000	279,000	279,000	279,000
Other	275,916	292,188	355,052	325,704	335,475	345,539
Supplies	801	4,500	5,500	5,500	5,500	5,500
<b>Nonoperating Expenditures:</b>						
Other Non-Operating Expenditures	0	0	0	0	0	0
<b>Total Expense</b>	<b>964,115</b>	<b>1,031,552</b>	<b>1,167,741</b>	<b>1,150,998</b>	<b>1,173,753</b>	<b>1,197,190</b>
<b>Excess Income /Expense</b>	<b>144,189</b>	<b>7,009</b>	<b>(103,491)</b>	<b>(86,748)</b>	<b>(114,503)</b>	<b>(137,940)</b>