

MINUTES



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BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, May 13, 2020

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

Unable to Attend:

Also Present: Sarah Lee, CEO
Marilyn Yerks, CFO
Jasmin Haylett, Office Administrator
Don Cappillino & Elizabeth Cappillino (Counsel)

On Wednesday, May 13, 2020, the Dutchess County Local Development Corporation [DCLDC] Board of Directors Meeting was called to order by Chairman Dean at 8:49 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, Stacey Langenthal, Jamie Piccone II, 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. Ms. Langenthal and Ms. Bauer noted they have a conflict with item B under New Business because they work for banks and will log off during this portion of the agenda.

PROOF OF MEETING NOTICE

Meeting notice was published on May 7, 2020

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

March 23, 2020

Chairman Dean asked for a motion to approve the March 23, 2020 Minutes of the Dutchess County Local Development Corporation.

A motion was made by Mr. Torreggiani, duly seconded by Mr. Piccone to approve the DCLDC Board of Directors Meeting Minutes for March 23, 2020. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the April 30, 2020 Balance Sheet and Profit & Loss Budget

- Current cash balance of \$2.9 million
- The accounts receivable is \$153,000 which is due from IDA
- Profit & Loss is on budget

Question: Is there anything within the accounts receivable that could currently impact the Profit & Loss budget?

Response: No

Question: Does the IDA have a corresponding accounts payable to the LDC?

Response: Yes it does.

A motion was made by Mr. Doyle, duly seconded by Mr. Torreggiani to approve the April 30, 2020 financials as presented. All voted in favor. Motion carried.

REPORTS OF COMMITTEES

None

UNFINISHED BUSINESS

A. Consideration and Approval of 2020 Salary for CEO

Chairman Dean noted that at a prior meeting on February 12, 2020, the board entered into Executive Session to discuss the employment history and 2019 performance of the CEO, Sarah Lee. At that time, the board noted that Ms. Lee has performed her duties at a very high level and to the board's satisfaction. The board discussed her 2020 salary and compensation, but before voting on the approval of this salary, the board wanted to give Ms. Lee the opportunity to bring anything to their attention that she thinks they should consider during her salary review. After the meeting, he met with Ms. Lee and discussed her performance in great detail. They had an amicable conversation about how she feels about her job and how the board feels about her performance. Based on the review of her performance, he would like to entertain a motion that Ms. Lee be granted the salary increase that was granted to all members of the staff which was 3%, effective January 1, 2020. This would bring her annual salary to \$109,272.00. He also recommended that the board continue the practice of the prior year in which Ms. Lee was provided with an additional \$7,000 in performance bonus as part of her compensation.

A motion was made by Ms. Langenthal, duly seconded by Ms. Bauer to approve the proposal to increase Ms. Lee's salary by 3% to \$109,272.00, effective January 1, 2020 and to provide her with a \$7,000 bonus which is the same amount as the prior year for her performance in 2019. All voted in favor. Motion carried.

NEW BUSINESS

A. Poughkeepsie Day School

Ms. Lee noted that Poughkeepsie Day School has announced it will not reopen in the fall. They currently hold a bond that is issued through the LDC.

Mr. Cappillino added that on Wednesday, May 6, 2020, the board was sent an explanation of the resolution from bond council regarding this matter. The school is asking for a forbearance. If not

done properly under the internal revenue provisions, the school could lose its tax exemption status. The bonds were all purchased by M&T Bank with the understanding that there would be a tax exemption. A waiver is also being granted to allow bond council to represent the parties involved. Payments will be delayed for six months or to the end of the year. There is a clear indication that there may be a foreclosure at the end of this but there are safe harbor provisions through the internal revenue which allows this to be delayed. No payment was made since the April 1st payment. The amount of the remaining bond is \$1,444,308.18. There is a small change to the resolution that bond council provided. The first is the time of the meeting was scheduled for 8:10 am not 8:00 am and the second is at the end of section two on pg. 3 there is a space for the board to impose additional conditions. They are granting a waiver to allow this forbearance to take place. He suggests the word "none" be added because no additional conditions are recommended.

Chairman Dean noted that the Poughkeepsie Day School is a not-for-profit organization not a for-profit organization.

A motion was made by Mr. Doyle, duly seconded by Mr. Piccone to approve this resolution with amendments to this resolution regarding the insertion of the word "none" at the end of section 2 pg. 3, changing the time to 8:10 am, and that the board is aware of the last paragraph outlining the waiver of any conflict issues. All voted in favor. Motion carried.

B. COVID-19 Relief Program

Ms. Langenthal and Ms. Bauer logged off for this portion of the meeting due to the conflict noted above. Ms. Langenthal noted she has a commitment at work and will not be able to log back on.

Question: Do we still have quorum?

Response: Yes, five members of the board are still present

Chairman Dean noted that the county and the country is in crisis due to COVID-19 pandemic. Many businesses have been forced to shut down due to a great loss in revenue. Even businesses that remain open have seen a tremendous decline in revenue and unemployment numbers are high. He asked Ms. Lee to discuss ways the LDC can assist local businesses based on LDC's mission and ability.

Ms Lee noted that the IDA is prohibited from lending or granting of its funds, however, the LDC has more flexibility. The LDC board is considering to create a COVID-19 Emergency Business Relief Program to provide small businesses in Dutchess County that were impacted by the COVID-19 crisis with short-term financial relief. These would be loans up to \$10,000 and would be limited to Dutchess County businesses. The intent is to offer loans at zero percent interest for a term of 36 months. The purpose of this discussion is to layout parameters the board may want to incorporate in the program.

Question: In working with the County Executive's office and other members how did you come to identify specific businesses that need help?

Response: A joint survey was sent out and the responses received indicate that there was a need for small business loans to assist local businesses during this COVID-19 crisis.

Question: Can you discuss the amount of funds that we are talking about and how our funds may be utilized for this type of program?

Response: We are proposing to commit up to \$500,000 of LDC funds to support this program.

Chairman Dean noted based on the survey, limitation will be added to the number of employees. The intention is not to loan money to businesses that were in financial crisis before COVID-19. The intent

is to focus on businesses that are having the most difficulty getting funds from other sources. Ms. Lee recommended that the limit be up to 10 FTEs.

Question: Who is going to be involved in the vetting process?

Response: Community Capital NY

A motion was made by Mr. Torreggiani, duly seconded by Mr. Sagliano to approve the COVID-19 Relief Program as amended. All voted in favor except Ms. Bauer and Ms. Langenthal who has a conflict. Motion carried.

C. Budget Discussion

Ms. Bauer logged back on to join this portion of the meeting.

Chairman Dean noted that the county has been in very good financial position for a number of years. In the current year it had millions of dollars in reserved funds in anticipation of any crisis. As a result of out of budget expenditures, by the time the year-end budget is done, the county may exhaust its reserved fund. Considering that the LDC has an outstanding amount of \$450,000 due from the county in this budget year, LDC could, if financially able, decline this money and allow the county to keep the \$450,000 which was committed to LDC. On top of adding \$500,000 to LDC's expense, \$450,000 in revenue will be removed which about a \$1 million swing to LDC's budget. He asked Ms. Lee to present budget scenarios of how the LDC budget would be affected based on this suggestion.

Ms Lee proceeded to present scenarios of the LDC budget for 2020, 2021, and 2022 based on the proposed scenarios.

A motion was made by Mr. Sagliano, duly seconded by Ms. Bauer to direct Ms. Lee to proactively notify the county that LDC will withdraw/forego the funding that was committed to LDC in the 2020 year in the amount of \$451,000. All voted in favor. Motion carried.

ADJOURNMENT

There being no further business to discuss on the agenda, the meeting adjourned at 10:36 a.m.

Respectfully submitted,



Kathleen M. Bauer, Secretary/Treasurer

8/12/2020
Date

Meeting 05-13-2020
Approved 06-24-2020
Certified 06-24-2020

Dutchess County Local Development Corporation

05/07/20

Balance Sheet

Accrual Basis

As of April 30, 2020

	Apr 30, 20
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1100 · Checking – TD Bank	898,352.31
1101 · Petty Cash	300.00
1180 · CD1 - Riverside	252,778.20
1182 · CD2 - Riverside	1,769,472.06
Total 1010 · Cash	2,920,902.57
Total Checking/Savings	2,920,902.57
Accounts Receivable	
11000 · Accounts Receivable	153,292.32
Total Accounts Receivable	153,292.32
Total Current Assets	3,074,194.89
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	111,002.73
1710 · Accumulated Depreciation	-51,407.00
Total 1390 · Furniture & Equipment	59,595.73
Total Fixed Assets	59,595.73
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expenses	5,571.50
1320 · Payroll Deposit	15,011.00
Total 1175 · Other Assets	20,582.50
Total Other Assets	20,582.50
TOTAL ASSETS	3,154,373.12
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	37,242.82
Total Accounts Payable	37,242.82
Total Current Liabilities	37,242.82
Total Liabilities	37,242.82
Equity	
30000 · Opening Balance Equity	1,093,744.17
32000 · Unrestricted Net Assets	2,035,563.86
Net Income	-12,177.73
Total Equity	3,117,130.30
TOTAL LIABILITIES & EQUITY	3,154,373.12

11:58 AM

05/07/20

Accrual Basis

Dutchess County Local Development Corporation Profit & Loss Budget vs. Actual

January through April 2020

	Jan - Apr 20	Budget	\$ Over Budget	% of Budget
Income				
4000 · Cash Revenues				
4020 · Administration Fees	166,750.00	300,000.00	-133,250.00	55.6%
4030 · Application Fees	250.00	750.00	-500.00	33.3%
4048 · Dutchess County - 2020	0.00	451,500.00	-451,500.00	0.0%
4050 · DCIDA	150,000.00	150,000.00	0.00	100.0%
4060 · Private Sector	0.00	100,000.00	-100,000.00	0.0%
4080 · DCWIB	9,163.32	32,000.00	-22,836.68	28.6%
4910 · Interest	15,261.56	30,000.00	-14,738.44	50.9%
Total 4000 · Cash Revenues	341,424.88	1,064,250.00	-722,825.12	32.1%
Total Income	341,424.88	1,064,250.00	-722,825.12	32.1%
Expense				
6000 · Expenditures				
6240 · Audit	0.00	12,000.00	-12,000.00	0.0%
6245 · Board & Committee	0.00	1,500.00	-1,500.00	0.0%
6270 · Computer Consulting	3,040.00	14,000.00	-10,960.00	21.7%
6273 · Dues, Subs, & Pubs	24,233.20	47,000.00	-22,766.80	51.6%
6274 · Education/Training	970.00	3,900.00	-2,930.00	24.9%
6275 · Equipment	3,077.56	40,000.00	-36,922.44	7.7%
6310 · Insurance	3,864.83	4,000.00	-135.17	96.6%
6390 · Marketing	36,650.81	45,000.00	-8,349.19	81.4%
6395 · Office Supplies	555.39	5,500.00	-4,944.61	10.1%
6400 · Other Expenditure	262.50	2,000.00	-1,737.50	13.1%
6410 · Payroll	139,524.41	420,189.00	-280,664.59	33.2%
6415 · Payroll Tax	13,811.23	38,426.00	-24,614.77	35.9%
6420 · Payroll Fringe	33,115.38	108,000.00	-74,884.62	30.7%
6450 · Professional Fees	2,227.58	15,000.00	-12,772.42	14.9%
6500 · Professional Service Contracts	58,860.00	238,000.00	-179,140.00	24.7%
6505 · Phone	1,955.07	15,000.00	-13,044.93	13.0%
6510 · Postage	396.46	600.00	-203.54	66.1%
6520 · Printing	0.00	1,000.00	-1,000.00	0.0%
6540 · Rent	27,948.10	71,627.00	-43,678.90	39.0%
6548 · Trade Show	0.00	15,000.00	-15,000.00	0.0%
6550 · Travel & Meetings	3,110.09	20,000.00	-16,889.91	15.6%
Total 6000 · Expenditures	353,602.61	1,117,742.00	-764,139.39	31.6%
6243 · Event Expenses	0.00	50,000.00	-50,000.00	0.0%
Total Expense	353,602.61	1,167,742.00	-814,139.39	30.3%
Net Income	-12,177.73	-103,492.00	91,314.27	11.8%