

**MINUTES**



**BOARD OF DIRECTORS REGULAR MEETING**

Wednesday, July 8, 2020

**Present:** Tim Dean, Chairman  
Mark Doyle, Vice Chairman  
Kathleen Bauer, Secretary/Treasurer  
Jamie Piccone II  
Don Sagliano

**Unable to Attend:** Alfred Torreggiani

**Also Present:** Sarah Lee, CEO  
Marilyn Yerks, CFO  
Jasmin Haylett, Office Administrator  
Don Cappillino (Counsel)  
Steven Rosenberg & David J. Kates (Nuvance)

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On Wednesday, July 8, 2020, the Dutchess County Local Development Corporation [DCLDC] Board of Directors Meeting was called to order by Chairman Dean at 8:17 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, Jamie Piccone II and Don Sagliano. Unable to attend was: 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 Nuvance because he serves on the board of Vassar Brothers Medical Center and on a Nuvance committee.

**PROOF OF MEETING NOTICE**

Meeting notice was published on July 2, 2020.

**BILLS AND COMMUNICATIONS**

None

**APPROVAL OF MINUTES**

June 24, 2020

Chairman Dean asked for a motion to approve the June 24, 2020 Minutes of the Dutchess County Local Development Corporation.

A motion was made by Mr. Sagliano, duly seconded by Mr. Piccone to approve the DCLDC Board of Directors Meeting Minutes for June 24, 2020. All voted in favor. Motion carried.

**REPORT OF THE TREASURER**

None

**REPORTS OF COMMITTEES**

None

**UNFINISHED BUSINESS**

None

**NEW BUSINESS**

A. Nuvance

Chairman Dean logged off for this section of the agenda due to the conflicts noted above. Vice Chairman Doyle presided over this portion of the meeting.

Mr. Cappillino noted the following:

- Under the terms of the loan agreement between Nuvance and the LDC there was a requirement that there be an audit file by the end of February of 2020 however, the filing of the audit has been delayed.
- When Health Quest and Western Connecticut Health Network merged to create Nuvance as they were trying to bring the financial statements together and upon reviewing them some discrepancies arose.
- Nuvance is requesting the Board to authorize the Executive Director to sign a document stating the LDC will not declare an event of default.

Discussion, questions, responses, and comments ensued.

Mr. Kates noted that while it is a technical violation of a covenant within the loan agreement, it is actually not an event of default as long as Nuvance is diligently pursuing the delivery of the audit which they are doing.

Mr. Rosenberg noted the following:

- They are working more than diligently to close the audit for fiscal year 2019. While closing out the 2019 fiscal year financial statements for Nuvance his team recognized that there was a pretty significant variance in the accounts receivable and the revenue recognition over the past couple of years. The receivables were overstated by \$75 million.
- They went back to the legacy audit for Health Quest and presented the case that there was an error in the audited financial statements. They first argue that it was just a change in estimate but after seeing all the information they recognize that there was an error in the 2018 financial statements and is currently working with management team to go back and restate 2018.

- Everything is anticipated to be done by the end of August

A motion was made by Mr. Sagliano, duly seconded by Mr. Piccone to authorize Ms. Lee, the Chief Executive Officer to sign a document from the LDC stating that there is no event of default. All voted in favor. Motion carried.

**ADJOURNMENT**

There being no further business to discuss on the agenda, a motion was made by Mr. Piccone, duly seconded by Ms. Bauer to adjourn the meeting. All voted in favor. Motion carried. The meeting adjourned at 8:40 a.m.

Respectfully submitted,

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Kathleen M. Bauer, Secretary/Treasurer

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Date

<b>Meeting</b>	<u>07-08-2020</u>
<b>Approved</b>	<u>09-09-2020</u>
<b>Certified</b>	<u>09-09-2020</u>