

MINUTES



BOARD OF DIRECTORS REGULAR MEETING

Wednesday, October 14, 2020

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

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

On Wednesday, October 14, 2020, the Dutchess County Local Development Corporation [DCLDC] Board of Directors Meeting was called to order by Chairman Dean at 9:19 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, Amy Bombardieri, Jamie Piccone II, Don Sagliano and Al 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 the Nuvance Captive Insurance Company Board of Directors. Mr. Torreggiani noted he has a conflict with Nuvance because his company is doing work at the Hospital.

PROOF OF MEETING NOTICE

Meeting notice was published on October 8, 2020.

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

None

REPORT OF THE TREASURER

A. Financial Report

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

- Current cash balance is \$2,577,421.23

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- The majority of the accounts receivable of \$153,047.13 is due from the IDA and will be transferred as needed
- The accounts payable is at \$40,000 and the majority of this is from the September 30 payroll
- \$40,000 was budgeted #6275 equipment but currently only \$5,600 of that was used. This budget was mainly for the expansion but due to the capitalization policy, \$22,000 of that is listed under assets. More than half of this money was spent but it was placed in the asset category instead of under expense.

A motion was made by Ms. Bauer, duly seconded by Mr. Torreggiani to approve the September 30, 2020 financial report as presented. All voted in favor. Motion carried.

REPORTS OF COMMITTEES

A. Finance Committee-2021 Budget

Ms. Bauer gave a brief overview of the 2020 & 2021 budgets.

2020 Budget

Revenues:

- For the 2020 year-end estimate, the administrative fee is approximately \$656,750 which is based on two projects closing: Vassar College and Bard College
- The application fee of \$500 is estimated based on the Vassar and Bard College projects
- The biggest decline in revenue is the \$451,000. The board agreed to forfeit its contract with Dutchess County and use the reserve budget to cover this expense.
- \$150,000 is due from the IDA
- The private sector has decreased from \$113,000 to \$15,000 because the BEA event will not be done in-person this year but will be done via video
- The Workforce Investment Board contract is stable at \$27,000 for rent
- The estimated interest income from our reserves is at \$37,000 for the year

Expenditures:

- Normal audit expenditures is \$12,000
- Board expenditure is down to \$500
- The business intelligence program was not purchased but this amount does include the cloud-based loan program management tool
- Payroll fringe is lower because some employees are utilizing benefits offered through other sources
- Trade show and travel has been reduced due to the pandemic

2021 Budget

- Administrative and application fees are based on three closed projects
- The County will not approve any of its budget until the end of the year. It is anticipated that the LDC will be getting the requested amount of \$338,250.
- The IDA professional service contract will remain the same at \$150,000
- The interest income from the CDs was significantly reduced to \$10,000 in anticipation that the interest rate will not increase next year
- Events expense is at a moderate amount of \$25,000
- Payroll remains the same
- The professional service contracts is slightly reduced
- Trade show is at a moderate amount and depends on in-person events

Paris 5 Year Budget

- The numbers remain consistent based on 3 projects closing each year, the \$150,000 from the IDA, service contracts from the County, and the reduced interest income from investments
- Expenses are consist
- There is a slight increase with salary
- Professional service contracts remain stable

Based upon further discussion, the board agreed to reduce the total line items for Trade Show & Travel by \$15,000 and transfer this \$15,000 to Dues, Publications and Subscriptions to purchase the subscription to the lead identification software.

A motion was made by Chairman Dean, duly seconded by Mr. Piccone to accept the 2021 LDC budget as presented and amended and to submit the 5 year budget to PARIS. All voted in favor. Motion carried.

UNFINISHED BUSINESS

A. Nuvance Update

Chairman Dean and Mr. Torreggiani logged off due to the conflicts noted above and Vice Chairman Doyle presided over this portion of the meeting.

Ms. Darcy noted the following:

- They are in final stages of completing the audit
- The errors from the 2017 & 2018 audits have been restated and will be presented to their audit committee for approval at their October 30 meeting.
- All the audit work for the 2019 audit is complete and the financials are prepared
- They are requesting that a final extension letter be granted to Nuvance to accommodate their audit committee meeting on October 30.

A motion was made by Mr. Doyle, duly seconded by Mr. Piccone to authorize Ms. Lee to sign a document from the LDC stating that there is no event of default until November 12. All voted in favor. Motion carried.

NEW BUSINESS

None

ADJOURNMENT

There being no further business to discuss on the agenda, the meeting was adjourned by Vice Chairman Doyle at 10:00 a.m.

Respectfully submitted,

Kathleen M. Bauer, Secretary/Treasurer

Date

Meeting	<u>10-14-2020</u>
Approved	<u>11-12-2020</u>
Certified	<u>11-12-2020</u>

Dutchess County Local Development Corporation

10/07/20

Balance Sheet

Accrual Basis

As of September 30, 2020

	Sep 30, 20
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1100 · Checking -- TD Bank	538,706.92
1101 · Petty Cash	300.00
1180 · CD1 - Riverside	254,793.87
1182 · CD2 - Riverside	1,783,620.44
Total 1010 · Cash	<u>2,577,421.23</u>
Total Checking/Savings	2,577,421.23
Accounts Receivable	
11000 · Accounts Receivable	153,047.13
Total Accounts Receivable	<u>153,047.13</u>
Total Current Assets	2,730,468.36
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	125,468.52
1710 · Accumulated Depreciation	-51,407.00
Total 1390 · Furniture & Equipment	<u>74,061.52</u>
Total Fixed Assets	74,061.52
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expenses	8,317.14
1320 · Payroll Deposit	15,011.00
Total 1175 · Other Assets	<u>23,328.14</u>
Total Other Assets	23,328.14
TOTAL ASSETS	<u><u>2,827,858.02</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	39,998.73
Total Accounts Payable	39,998.73
Credit Cards	
2200 · Credit Card Payable	-190.04
Total Credit Cards	-190.04
Total Current Liabilities	<u>39,808.69</u>
Total Liabilities	39,808.69
Equity	
30000 · Opening Balance Equity	1,093,744.17
32000 · Unrestricted Net Assets	2,035,563.86
Net Income	-341,258.70
Total Equity	<u>2,788,049.33</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,827,858.02</u></u>

Dutchess County Local Development Corporation
Profit & Loss Budget vs. Actual
 January through September 2020

1:16 PM
 10/07/20
 Accrual Basis

	Jan - Sep 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	500.00	750.00	-250.00	66.7%
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	15,000.00	100,000.00	-85,000.00	15.0%
4080 · DCWIB	20,930.13	32,000.00	-11,069.87	65.4%
4910 · Interest	32,179.80	30,000.00	2,179.80	107.3%
Total 4000 · Cash Revenues	385,359.93	1,064,250.00	-678,890.07	36.2%
Total Income	385,359.93	1,064,250.00	-678,890.07	36.2%
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	6,906.00	14,000.00	-7,094.00	49.3%
6273 · Dues, Subs, & Pubs	28,818.48	47,000.00	-18,181.52	61.3%
6274 · Education/Training	2,020.00	3,900.00	-1,880.00	51.8%
6275 · Equipment	5,689.28	40,000.00	-34,310.72	14.2%
6310 · Insurance	3,864.83	4,000.00	-135.17	96.6%
6390 · Marketing	19,199.45	45,000.00	-25,800.55	42.7%
6395 · Office Supplies	2,052.25	5,500.00	-3,447.75	37.3%
6400 · Other Expenditure	262.50	2,000.00	-1,737.50	13.1%
6410 · Payroll	322,720.89	420,189.00	-97,468.11	76.8%
6415 · Payroll Tax	28,859.00	38,426.00	-9,567.00	75.1%
6420 · Payroll Fringe	75,478.23	108,000.00	-32,521.77	69.9%
6450 · Professional Fees	18,228.54	15,000.00	3,228.54	121.5%
6500 · Professional Service Contracts	149,409.95	238,000.00	-88,590.05	62.8%
6505 · Phone	4,152.88	15,000.00	-10,847.12	27.7%
6510 · Postage	569.26	600.00	-30.74	94.9%
6520 · Printing	0.00	1,000.00	-1,000.00	0.0%
6540 · Rent	55,418.97	71,627.00	-16,208.03	77.4%
6548 · Trade Show	0.00	15,000.00	-15,000.00	0.0%
6550 · Travel & Meetings	2,968.12	20,000.00	-17,031.88	14.8%
Total 6000 · Expenditures	726,618.63	1,117,742.00	-391,123.37	65.0%
6243 · Event Expenses	0.00	50,000.00	-50,000.00	0.0%
Total Expense	726,618.63	1,167,742.00	-441,123.37	62.2%
Net Income	-341,258.70	-103,492.00	-237,766.70	329.7%

Dutchess County Local Development Corporation

LDC	2019 Audit	2020 Budget	2020 Estimate EOY	2021 Budget
Revenues:				
1 Administration Fees	268,787	300,000	656,750	300,000
2 Application Fees	250	750	500	750
3 Dutchess County	0	451,500	0	338,250
4 DCIDA	601,500	150,000	150,000	150,000
5 Private Sector	113,505	100,000	15,000	50,000
6 Private Sector - In Kind	0	0	0	0
7 WIB	24,024	32,000	27,669	32,000
8 Interest	48,780	30,000	37,000	10,000
Total Revenue	1,056,846	1,064,250	886,919	881,000
Expenditures:				
9 Audit	12,000	12,000	12,000	12,000
10 Board & Committee	0	1,500	500	1,000
11 Computer Consulting	9,480	14,000	12,000	12,000
12 Dues, pub, sub	17,815	47,000	30,000	30,000
13 Education/Training	1,502	3,900	4,000	4,000
14 Equipment	1,678	40,000	6,000	2,000
15 Equipment lease	0	0	0	0
16 Events - TD produced	53,629	50,000	15,000	25,000
17 Insurance	3,748	4,000	4,000	4,000
18 LDC Loan Reserve Fund	0	0	0	135,000
19 Marketing	50,870	45,000	45,000	45,000
20 Misc/Other/Depr	13,439	2,000	270	2,000
21 Office Supplies	4,187	5,500	4,000	5,000
22 Payroll	361,800	420,189	420,189	420,189
23 Payroll tax	33,895	38,426	38,426	38,426
24 Payroll Fringe	84,390	108,000	101,000	108,000
25 Phone	7,533	15,000	9,000	8,000
26 Postage	192	600	600	500
27 Printing	1,032	1,000	500	1,000
28 Private Sector - Inkind	0	0	0	0
29 Professional Fees	13,868	15,000	18,000	15,000
30 Professional Service Contracts	217,369	238,000	248,000	215,000
31 Rent	62,877	71,627	71,627	84,941
32 Trade Show	9,244	15,000	0	10,000
33 Travel & Meeting	14,867	20,000	4,000	15,000
Total Expense	975,416	1,167,742	1,044,112	1,193,056
Excess Income /Expense	81,430	(103,492)	(157,193)	(312,056)
	2019 Audit	2020 Budget	2020 Estimate	2021 Budget
29 Professional Service Contracts	0	18,000	18,000	0
Accel7	0	0	15,000	0
CCNY	200,000	200,000	200,000	200,000
DCI-Marketing	2,369	5,000	0	0
P-TAC	15,000	15,000	15,000	15,000
WEDC	217,369	238,000	248,000	215,000

Dutchess County Local Development Corporation 2020 End of Year Estimate Budget Narrative

Revenues:

1. *Administrative Fees* income is based 2 projects to close in 2020
2. *Application Fees* income is based on 2 applications received in 2020
3. This line item reflects the decision to relinquish the County's contract in response to the COVID-19 pandemic.
4. The Dutchess County IDA professional service contract for administrative services \$150,000.
5. As a result of the health and safety concerns of the current pandemic, the organization has decided to cancel the in-person Business Excellence Awards event and instead produce a video to showcase this year's winners. As a result the private contributions reflect the significant decrease in private sector revenue.
6. *Private Sector In Kind* is estimated at \$0
7. *WIB (Workforce Investment Board)* – income from the contract for professional services which include rent, equipment and any additional service fees as a result of the co-location.
8. Income from DCLDC investments in short-term CD's in 2020.

Expenditures: Reflect projected costs through the end of the year.

9. *Audit* costs is based on the contract with RBT, LLP
10. *Board & Committee* has been lowered to \$500.
11. *Computer Consulting* spending is expected to be around \$12,000.
12. *Dues, Publications and Subscriptions* - Due to the unexpected loss of income as a result of the pandemic, the LDC did not purchase the business intelligence program as planned, however the 2020 estimated end of year budget includes a cloud based loan management tool to manage the loan program implemented by the LDC in 2020. The budgeted amount includes the annual dues, publication and subscription costs and the subscription to the loan management software program. The purchase of the business intelligence program has been put on hold.
13. *Education/Training* spending is the costs for staff training.
14. *Equipment costs* have been decreased as a result of reduced spending and as a result of the agency's capitalization policy.
15. The office will not be leasing Equipment in 2021.
16. *Events* budget item has been reduced to reflect the production costs to produce the Think Dutchess video in lieu of the traditional in-person event.
17. *Insurance* includes the crime bond and general liability.
18. *Marketing* expenses are on-track.

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 is on track*
22. *Payroll Taxes* reflect the associated taxes.
23. *Payroll Fringe* has been reduced to reflect the actual cost as some employees are not using the full benefit package amount of \$18,000 per employee.
24. *Phones* - The cost of phones reflect current maintenance and support.
25. *Postage* spending reflect projected usage.
26. *Printing cost* is has been reduced to reflect estimated usage.
27. *Private Sector –In-kind* accounts for in-kind services the organization receives. However, we do not expect any in-kind private sector contributions in 2020.
28. *Professional Fees* reflect the services provided by Staff-Line, Cappillino & Rothschild, LLP, and 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 contract.
30. *Rent* is based on the rental agreement with Guardian Storage.
31. *Trade Show* spending is significantly reduced as travel to trade shows has been restricted due to the pandemic
32. *Travel and Meeting* spending is based on 2020 travel and meeting activity.

Dutchess County Local Development Corporation 2021 Budget Narrative

Revenues:

1. *Administrative Fees* income is based on a historic average of 3 projects
2. *Application Fees* income is based on 3 projects
3. While Dutchess County will not have an approved budget until December, we have requested an austerity budget request of \$338,250 for 2021.
4. The Dutchess County IDA professional service contract for administrative services will be \$150,000.
5. The projection for *Private Sector* contributions is the estimated income from Think Dutchess events and programs. The estimate is reduced as we expect the impact of the current COVID-19 pandemic will impact businesses' ability to sponsor events in 2021.
6. *Private Sector In Kind* is estimated at \$0
7. *WIB (Workforce Investment Board)* – income from the contract for professional services which include rent, equipment and any additional service fees as a result of the co-location.
8. DCLDC expects to continue to invest in short-term CD's similar to 2020, however, the interest expectations are lowered as interest rates have significantly fallen.

Expenditures:

9. *Audit* costs is based on the contract with RBT, LLP
10. *Board & Committee* has been lowered to \$1000.
11. *Computer Consulting* are expected to stay stable in 2021.
12. *Dues, Publications and Subscriptions* - Due to the unexpected loss of income as a result of the pandemic, the LDC did not purchase the business intelligence program as planned, however the 2020 estimated end of year budget includes a cloud based loan management tool to manage the loan program implemented by the LDC in 2020. The budgeted amount includes the annual dues, publication and subscription costs and the subscription to the loan management software program. The purchase of the business intelligence program has been put on hold.
13. *Education/Training* is the estimated costs for staff training.
14. *Equipment costs* have been decreased as a result of decreased projected revenue.
15. The office will not be leasing Equipment in 2021.
16. *Events* budget has been reduced as a result of lowered Private Sector revenue.
17. *Insurance* includes the crime bond and general liability.
18. *Marketing* expenses has been kept stable.
19. *Misc/Other/Depr* does not reflect the costs as a result of depreciation which will be determined in the 2021 Audit.

20. *Offices Supplies* budget has been kept stable based on current usage
21. *Payroll* – Due to revenue uncertainty due to the impact of the current pandemic, payroll has kept at 2020 levels.
22. *Payroll Taxes* are also kept at 2020 levels to 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 phones reflect projected maintenance and support.
25. *Postage* projections have been lowered as a result of cost savings measures.
26. *Printing cost* is estimated based on 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 contract.
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 2021. This figure has been lowered from past budgets as it is expected limits will remain on travel due to the pandemic and some tradeshow transitioning to a virtual platform.
32. *Travel and Meeting* is an estimate based on planned travel and meeting activity.

Dutchess County Local Development Corporation

Paris 5 Year Budget filing

Year: 2020

	Audit 2019	Estimated EOY 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024
Operating Revenues:						
Administrative and Closing Fees	269,037	657,250	300,750	300,000	300,000	300,000
Program Revenue	113,505	15,000	50,000	100,000	100,000	100,000
Service Contract Revenue	625,524	177,669	520,250	632,000	632,000	632,000
Nonoperating Revenues:						
Investment earnings	48,780	37,000	10,000	10,000	10,000	10,000
Other Non-Operating Revenues	0	0	0	0	0	0
Total Revenue	1,056,846	886,919	881,000	1,042,000	1,042,000	1,042,000
Operating Expenditures:						
Salaries and Wages	395,695	458,615	458,615	472,373	486,545	501,141
Other Employee Benefits	84,390	101,000	108,000	108,000	108,000	108,000
Professional Services Contracts	252,717	272,500	254,000	254,000	254,000	254,000
Other	236,932	207,997	367,441	388,764	389,818	401,513
Supplies	5,682	4,000	5,000	5,500	5,500	5,500
Nonoperating Expenditures:						
Other Non-Operating Expenditures	0	0	0	0	0	0
Total Expense	975,416	1,044,112	1,193,056	1,218,338	1,243,863	1,270,154
<i>Excess Income /Expense</i>	81,430	(157,193)	(312,056)	(176,338)	(201,863)	(228,154)