

MINUTES



BOARD OF DIRECTORS REGULAR MEETING

Wednesday, September 9, 2020

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

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

On Wednesday, September 9, 2020, the Dutchess County Local Development Corporation [DCLDC] Board of Directors Meeting was called to order by Chairman Dean at 8:42 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, 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 and Mr. Torreggiani has conflicts with two items on the agenda. He has a conflict with Nuvance because he serves on the board of Vassar Brothers Medical Center an affiliate of Nuvance and with Bard College because his firm provides some brokerage services to Bard College. Mr. Torreggiani has a conflict with Nuvance because his company is doing work at the Hospital.

Due to the project conflicts, Chairman Dean suggested the meeting agenda be re-ordered with New Business first and then Unfinished Business.

PROOF OF MEETING NOTICE

Meeting notice was published on September 3, 2020.

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

July 8, 2020

Chairman Dean asked for a motion to approve the July 8, 2020 Minutes of the Dutchess County Local Development Corporation.

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A motion was made by Mr. Sagliano, duly seconded by Mr. Torreggiani to approve the DCLDC Board of Directors Meeting Minutes for July 8, 2020. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the August 31, 2020 Balance Sheet and Profit & Loss Budget

- Current cash balance is \$2,643,027.22
- An accounts receivable of \$150,000 is due from the IDA
- Nothing to report from the Profit & Loss
- The end of the year net loss will be approximately \$180,000

A motion was made by Mr. Doyle, duly seconded by Ms. Bauer to approve the 8/31/2020 financial report as presented. All voted in favor. Motion carried.

REPORTS OF COMMITTEES

None

NEW BUSINESS

A. Loan Fund Update

Ms. Lee noted the following:

- In response to the pandemic, the LDC approved the creation of a loan fund to assist local businesses
- The loan fund is currently open. One application was received but was denied because this business did not meet the parameters of the fund including having received other COVID-related financial assistance and was in operation for less than one year.

B. Consideration and Approval of a Preliminary Inducement Resolution for the Issuance of the LDC's Tax-Exempt Refunding Bonds Series 2020 (Bard College Project) in an amount presently estimated to be \$250,000,000 but not to exceed \$270,000,000 for the benefit of Bard College.

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

Ms. Lee noted the following about this project:

- Bard College is asking for assistance from the LDC for tax exempt bonds and a portion of this bond will be taxable
- With the funds from this bond, Bard College would like to refund existing debt including a 2007 IDA bond, general renovations to the campus and to fund reserves

Mr. Cappillino noted the following:

- The environmental form was received and properly completed by the applicant
- There is a typo on page 5 of the resolution. The date of the EAF was inserted as September 8 and it should be September 7. When considering this resolution, consider it with this singular amendment.
- In addition to paying off existing debt, new projects are also listed. Each of these was tested against the SEQR regulations and are Type II actions which calls for green upgrades.
- This preliminary resolution calls for a public hearing

A motion was made by Mr. Sagliano, duly seconded by Mr. Piccone to approve the Preliminary Inducement Resolution for the Issuance of the LDC's Tax-Exempt Refunding Bonds Series 2020 (Bard

College Project) in an amount presently estimated to be \$250,000,000 but not to exceed \$270,000,000 for the benefit of Bard College with the amendment noted above. 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. Lee noted there is still quorum with Mark Doyle, Kathy Bauer, Jamie Piccone and Don Sagliano present and proceeded to give the following update about Nuvance:

- At the LDC meeting in July, Nuvance came before the board asking for authorization to have her sign a letter not declaring a default on the Nuvance bond that was issued last year due to audit delays. As part of the letter they were to give an update at the next IDA meeting after July.

Steve Rosenberg, Chief Financial Officer for Nuvance, proceeded to note the following:

- At the last meeting they explained to the board some of the issues they were facing in regards to restating the 2018 Legacy Health Quest financial statement and closing the 2019 Health Quest statements
- The issue revolved around an overstatement in the accounts receivable of approximately, \$75 million
- Since that time nothing was found that would greatly impact the balance sheet or the income statement
- They are nearing the end of the process and will have all the audits and required information completed by September 30 and is asking that another extension be granted for September 30.

Question: Does the hospital have a timeline as to when the audit will be completed.

Response: Target date for completion is September 30. An audit committee meeting is scheduled for September 24.

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to authorize Ms. Lee to sign a document from the LDC stating that there is no event of default until September 30. All voted in favor. Motion carried.

ADJOURNMENT

There being no further business to discuss on the agenda, the meeting adjourned by Vice Chairman Doyle at 9:18 a.m.

Respectfully submitted,



Kathleen M. Bauer, Secretary/Treasurer

10/29/2020

Date

Meeting	<u>09-09-2020</u>
Approved	<u>10-02-2020</u>
Certified	<u>10-02-2020</u>

Dutchess County Local Development Corporation
Balance Sheet
 As of August 31, 2020

	Aug 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1100 · Checking -- TD Bank	607,492.48
1101 · Petty Cash	300.00
1180 · CD1 - Riverside	254,397.38
1182 · CD2 - Riverside	1,780,837.36
Total 1010 · Cash	2,643,027.22
Total Checking/Savings	2,643,027.22
Accounts Receivable	
11000 · Accounts Receivable	150,652.08
Total Accounts Receivable	150,652.08
Other Current Assets	
12000 · Undeposited Funds	2,002.00
Total Other Current Assets	2,002.00
Total Current Assets	2,795,681.30
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	123,793.52
1710 · Accumulated Depreciation	-51,407.00
Total 1390 · Furniture & Equipment	72,386.52
Total Fixed Assets	72,386.52
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expenses	8,317.14
1320 · Payroll Deposit	15,011.00
Total 1175 · Other Assets	23,328.14
Total Other Assets	23,328.14
TOTAL ASSETS	2,891,395.96
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	38,990.72
Total Accounts Payable	38,990.72
Credit Cards	
2200 · Credit Card Payable	-611.32
Total Credit Cards	-611.32
Total Current Liabilities	38,379.40
Total Liabilities	38,379.40
Equity	
30000 · Opening Balance Equity	1,093,744.17
32000 · Unrestricted Net Assets	2,035,563.86
Net Income	-276,291.47
Total Equity	2,853,016.56
TOTAL LIABILITIES & EQUITY	2,891,395.96

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

January through August 2020

	Jan - Aug 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	15,000.00	100,000.00	-85,000.00	15.0%
4080 · DCWIB	18,535.08	32,000.00	-13,464.92	57.9%
4910 · Interest	28,885.15	30,000.00	-1,114.85	96.3%
Total 4000 · Cash Revenues	379,420.23	1,064,250.00	-684,829.77	35.7%
Total Income	379,420.23	1,064,250.00	-684,829.77	35.7%
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	6,120.00	14,000.00	-7,880.00	43.7%
6273 · Dues, Subs, & Pubs	28,722.19	47,000.00	-18,277.81	61.1%
6274 · Education/Training	2,020.00	3,900.00	-1,880.00	51.8%
6275 · Equipment	4,983.48	40,000.00	-35,016.52	12.5%
6310 · Insurance	3,864.83	4,000.00	-135.17	96.6%
6390 · Marketing	37,169.46	45,000.00	-7,830.54	82.6%
6395 · Office Supplies	1,997.49	5,500.00	-3,502.51	36.3%
6400 · Other Expenditure	262.50	2,000.00	-1,737.50	13.1%
6410 · Payroll	287,604.04	420,189.00	-132,584.96	68.4%
6415 · Payroll Tax	25,820.20	38,426.00	-12,605.80	67.2%
6420 · Payroll Fringe	67,005.66	108,000.00	-40,994.34	62.0%
6450 · Professional Fees	17,710.62	15,000.00	2,710.62	118.1%
6500 · Professional Service Contracts	116,909.95	238,000.00	-121,090.05	49.1%
6505 · Phone	3,919.20	15,000.00	-11,080.80	26.1%
6510 · Postage	449.63	600.00	-150.37	74.9%
6520 · Printing	0.00	1,000.00	-1,000.00	0.0%
6540 · Rent	48,479.33	71,627.00	-23,147.67	67.7%
6548 · Trade Show	0.00	15,000.00	-15,000.00	0.0%
6550 · Travel & Meetings	2,673.12	20,000.00	-17,326.88	13.4%
Total 6000 · Expenditures	655,711.70	1,117,742.00	-462,030.30	58.7%
6243 · Event Expenses	0.00	50,000.00	-50,000.00	0.0%
Total Expense	655,711.70	1,167,742.00	-512,030.30	56.2%
Net Income	-276,291.47	-103,492.00	-172,799.47	267.0%