

May 12, 2021 LDC Regular Meeting Transcript

Tim Dean: Okay, I would like to call to order the May meeting of the Duches County LDC. Jasmin could you take the roll call please?

Jasmin Haylett: Tim Dean

Tim Dean: Present

Jasmin H: Mike Doyle

Mark Doyle: Present

Jasmin H: Kathy Bauer

Kathy Bauer: Present

Jasmin H: Amy Bombardieri

Amy Bombardieri: Present

Jasmin H: Jamie Piccone

Jamie Piccone: Present

Jasmin H: Don Sagliano

Don Sagliano: Present

Jasmin H: Al Torreggiani

Al Torreggiani: Present

Tim Dean: Okay, the first thing to mention is again our conflict of interest disclosures. If any board member has a conflict of interest with any project or any part of the agenda, I would ask that you please state so now. Okay hearing none, if they're one arises during a meeting, please be sure to let us know and we'll recuse you from that part of the meeting.

Amy Bombardieri: This is Amy, I'm sorry, I have a conflict. My firm also does work for the Anderson Center Services.

Tim Dean: Thank you Amy. Okay, so when we get to that part of the meeting will move you into the waiting room and then bring you back for the discussion on the fee schedule.

Amy Bombardieri: Thank you.

Tim Dean: Thank you. Okay anybody else? All right. Sarah proof of meeting notice was posted, correct?

Sarah Lee: Yes

Tim Dean: Okay, any bills and communications?

Sarah Lee: No

Tim Dean: Approval of the minutes of the March 19, 2021 meeting, does anybody have any corrections or questions about the minutes? Sarah are there any from your end, any corrections?

Sarah Lee: No, no corrections.

Tim Dean: Okay. All right. So could I get a motion from a board member to approve the minutes?

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Jamie Piccone: I'll make a motion to approve the minutes of March 19th.

Tim Dean: Thank you Jamie. Could I get a second, please?

Don Sagliano: I'll second it.

Tim Dean: Thank you, Don Sagliano. Okay, Jasmin can you please just take a roll call vote?

Jasmin H: Kathy Bauer

Kathy Bauer: Approved

Jasmin H: Amy Bombardieri

Amy Bombardieri: Approved

Jasmin H: Mark Doyle

Mark Doyle: Approved

Jasmin H: Jamie Piccone

Jamie Piccone: Approved

Jasmin H: Al Torreggiani

Al Torreggiani: Approved

Jasmin H: Don Sagliano

Don Sagliano: Approved

Jasmin H: Tim Dean

Tim Dean: Approved

Tim Dean: And I do want to apologize to everybody that's on the call. I know that I ask for a roll call vote for everything that we do. I know in some zoom meetings there's been all kinds of different ways of approving with only asking for extensions or objections but I just feel our business is too important and I really would like the individual vote of every board member for our matters, so I know that takes a little bit of extra time, but I think it's worth it. Okay Marilyn would you like to do a report of the treasurer?

Marilyn Yerks: Sure this is Marilyn speaking. Looking at the balance sheet, we currently have \$2.8 million available in cash. You'll note the accounts receivable balances is \$95,000. \$92,000 of that is coming from the County which we're going to discuss in a minute. Looking at the P&L, we're on budget. There's nothing unusual to report, nothing noteworthy. Does anyone have any questions?

Tim Dean: Okay. Thank you. All right. Bear with me for one second. Okay, next item on the agenda is the County reimbursement requests.

Marilyn Yerks: Do you want me to start?

Sarah Lee: I'll just give it back to Marilyn. A new provision in our service contract with Dutchess County now requires board approval before we can file our request to the County so with that I'm going to give that to Marilyn to present.

Tim Dean: Marilyn just so people know, it is page eight in our meeting packets of the tabbed agenda, go ahead.

Marilyn Yerks: Okay, this is Marilyn.

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Don Sagliano: Excuse me Mr. Chairman, I cannot open the LDC meeting packet from the thing. It says I need to request sharing. I didn't have that issue with the IDA meeting package.

Tim Dean: Is that the one that Sarah emailed to you directly or from the invite?

Don Sagliano: It's in the invite.

Tim Dean: Does anybody else have that problem?

Amy Bombardieri: There's an attachment. If you don't click the link, I did have that problem but if you click the attachment it'll open.

Don Sagliano: I don't have the attachment.

Sarah Lee: Don I'm going to send it to you again, but you can also go on our website, the LDC website.

Don Sagliano: Can you send me the attachment, please? I don't think I should have to navigate to the website.

Tim Dean: Yes, yes, no problem.

Don Sagliano: Thank you.

Tim Dean: Is anybody else having problems opening their attachment? Okay so hopefully that's something that we can ... We're going to pause just briefly while we wait for Don to get that.

Don Sagliano: Sorry for the delay.

Sarah Lee: Okay, that was sent.

Tim Dean: That's okay.

Don Sagliano: Okay, thank you.

Tim Dean: Okay, so again, page eight of 60 is where we're at, go ahead Marilyn.

Marilyn Yerks: Hey, this is Marilyn speaking. We're looking at the Dutchess County payment request form. There are two forms submitted with this. The payment request which I'm going to review with you and the progress report which Sarah will review with you. Looking at our approved budget in the first column, our approved contract is for \$338,250; expenditures this period, we are going to be submitting quarterly; we have our personnel and fringe benefits for a portion of staff time that is spent on the contract; the contractual consulting of \$43,500 is for our DCI contract for three months, the monthly fee; the occupancy expense of \$12,297 is the same for every quarter, that's a pre-negotiated rate with the County that has already been approved. Other expenses of \$18,000, in that line item, we have two software applications at the called Emsi and Gazelle. They are lead generation software and data analytics, giving us a total of \$91,919 and 96 cents that we will be putting in for reimbursement for the first quarter. All of these items are in the contract already so they've been approved by the County and of course I have all the backup information, receipts and invoices that will go with that. Does anyone have any questions on the payment request form?

Tim Dean: Okay, does Sarah want to do her part now on that?

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Sarah Lee: So, on page nine of your packet is the progress report. These are deliverables as part of our county contract. While the organization may have higher outcomes than what is reported in this report, the county just reimburses us for a portion of the activities that the organization does so to that, one of our outcomes is to advertise in one industry cluster publication. That has not been done in first quarter but is planned for a future quarter. The familiarization tours is for media and brokers which are really tours that we host for reporters and journalists. We did not do one in first quarter, but we are planning on one actually in the beginning of third quarter and possible a second one in the middle of third quarter. We released one e-newsletter. These are new e-newsletters specifically for site selectors and then increase our website traffic, social media impressions and engagement, we are on track to meet our goals. Our lead generation, we are on track to meet the goal. We've conducted six of the 15 site visits in first quarter and we provided 15 technical assistance meetings to local businesses and we have hosted 4 topic specific workshops as part of our contract.

Tim Dean: Great. So Sarah do you need a motion from us on this or is this within your authority to sign?

Sarah Lee: Yes, I do need a motion to approve this request.

Tim Dean: Okay, so what I would like to ask for is a board motion to approve the submission of the Dutchess County payment request and related documents.

Al Torreggiani: So moved.

Tim Dean: Al Torreggiani, I have your motion. Mark would you be willing to second that?

Mark Doyle: Yes, please.

Tim Dean: Okay Mark Doyle second. Jasmin could you please take a vote?

Jasmin H: Don Sagliano

Don Sagliano: In favor

Jasmin H: Jamie Piccone

Jamie Piccone: Approved

Jasmin H: Amy Bombardieri

Amy Bombardieri: Approved

Jasmin H: Al Torreggiani

Al Torreggiani: Approved

Jasmin H: Mark Doyle

Mark Doyle: Approved

Jasmin H: Kathy Bauer

Kathy Bauer: Approved

Jasmin H: Tim Dean

Tim Dean: Approved

Tim Dean: Okay, are there any reports of committees, Sarah?

Sarah Lee: No, not at this time.

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Tim Dean: Any unfinished business?

Sarah Lee: No

Tim Dean: Okay new business, consideration and approval of a preliminary inducement. We need to have Amy moved out, I think at this time, is that correct?

Sarah Lee: That is correct.

Tim Dean: Okay. All right, Amy has been placed in the waiting room. Okay, so Sarah would you like to kick this preliminary inducement resolution matter off?

Sarah Lee: Yes. So in front of the board this morning is consideration for the inducement resolution for Anderson Center Services, Inc. Anderson Service Center, Inc is a nonprofit organization that operates the Anderson Center for autism, a school and residential campus serving a specific and defined group of individuals with developmental disabilities. Anderson Center Services is requesting the LDC assistance for tax exempt bond to refinance the remaining balance of a previous series 2010 LDC bond in the amount approximately \$10 million not to exceed \$13 million. The original series 2010 LDC bond was used to finance the reconstruction and replacement of Malcolm Hall, construction of a new recreation center, two new residence halls and a wastewater treatment facility. Refunding and refinancing of this debt will enable the school to increase its sustainability and enhance programmatic functions as well as retain their current 431 FTE employees. We have with us this morning, representatives from Anderson to answer any questions the board may have.

Tim Dean: Okay and Sarah do you want to introduce those folks?

Sarah Lee: So we have Tina Chirico, she is the CFO of Anderson.

Tim Dean: Hi Tina.

Tina Chirico: Hi, how are you?

Tim Dean: I'm doing well. Would you like to make any comments about the project?

Tina Chirico: I just wanted to let you know that the reason why we can enhance and we can use the difference between the interest rates is our funding source who actually pays for the bonds will allow us to keep the difference in the interest rate for two years. It would be giving Anderson almost \$300,000 to actually keep the enhancements of the campus. We're going to put it right back into the campus and keep it going so that's why we're looking to technically refinance the bond.

Tim Dean: That's great. Can you talk a little bit about how the school has been affected by COVID and funding issues during the past year?

Tina Chirico: Well, actually the funding issues have not, we've actually been okay because our school is a residential schools, so we have 124 children that actually live on campus and go to our school. We didn't have the same issues that a public school would have where they had to remotely learn but it got a little complicated when it came to being able to teach them and isolate them. If something happened parents wanted to see their children and the state saying that they couldn't so it was more logistical than it was for funding. Actually the funding didn't hit us so much because of the fact that we're residential. And the children we serve are very highly complex so when COVID hit they didn't go home. They still stayed with us so I have to say and I will put a shout out to anytime somebody wants to talk to us our

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direct support professionals were the greatest people in the world because they worked through the entire time, so we came through pretty well actually.

Tim Dean: Good to hear. Does any board member have any questions, Don Sagliano?

Don Sagliano: Thank you, Chairman Dean. Tina can you provide us with your current cost of funds on the existing bond and what you expect the new interest rate to fall under?

Tina Chirico: The current one is 6.1 and at this point and time we've calculated that the new interest rate, all in, will be about 3.04.

Don Sagliano: Great, thank you very much.

Tina Chirico: You're welcome.

Tim Dean: As you mentioned, you will be, the person who or however you're receiving this funding, they're going to, they're not going to capture the benefit for the first two years. They're going to allow you to utilize the difference towards your budget?

Tina Chirico: Yes

Tim Dean: Okay. Any other questions? Okay, hearing no other questions, would there be a board member willing to make a motion to approve this preliminary resolution?

Don Sagliano: I'll make that motion.

Tim Dean: Thank you. Could I get a second, please?

Al Torreggiani: I'll second.

Tim Dean: Thank you Al. Okay Jasmin could you please take a roll call vote?

Jasmin H: Mark Doyle

Mark Doyle: Approved

Jasmin H: Kathy Bauer

Kathy Bauer: Approved

Jasmin H: Amy Bombardieri

Sarah Lee: She's in the waiting room.

Jasmin H: Jamie Piccone

Jamie Piccone: Approved

Jasmin H: Don Sagliano

Don Sagliano: Approved

Jasmin H: Al Torreggiani

Al Torreggiani: Approved

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Jasmin H: Tim Dean

Tim Dean: Approved

Tim Dean: Okay, so the preliminary resolution is approved. Sarah now this will go forward. Is there a public hearing needed for this manner?

Sarah Lee: Yes, there's a TEFRA hearing on this matter and then they will come back to the board at a future meeting for their final inducement resolution.

Tim Dean: Great. Okay.

Tina Chirico: Thank you so much, Bye.

Tim Dean: Bye now. Okay, can we bring Amy back in please? Okay, Amy are you back in?

Sarah Lee: She is just muted.

Tim Dean: Okay, I'm going to assume that you're back in.

Amy Bombardieri: I'm here.

Tim Dean: Thank you. Okay, all right so Sarah we need to move on to fee schedule, is that correct?

Sarah Lee: Correct

Tim Dean: Okay, do you want to start us out on that?

Sarah Lee: Yes

Tim Dean: We are going to the end of our packet.

Sarah Lee: Yes, so the fee schedule starts on page 58 of your packet and I will focus my discussion on page 60, which is the chart in the packet. So for the LDC, the LDC has never changed their fee schedule since its creation in 2010. As a result we do charge, our fees are quite low. I did look at several LDCs in the state, but the reality is our competition when it comes to the LDC is the New York State Dormitory Authority, so I only included the Dormitory Authority fees as comparison rather than include all the other LDCS. So what I am proposing actually a modest increase in our fee schedule which is point 0.5% of the first \$25 million and then a quarter percent of the balance above. If you look at the bottom of the chart you'll see the example in practice, so a bond that is \$10 million will be paying \$50,000 in admin fees as opposed to \$43,750 under the old formula. DASNY charges anywhere between \$125 for standard. Actually educational facilities, they charge a standard admin fee of \$125,000. For healthcare that standard fee starts at \$150,000. They also have a separate fee for what they consider complex projects, as well as projects that are over \$20 million and that standard admin fee is \$200,000. I skipped over the application fee. We will be raising our application fee to \$1,000 consistent with what the IDA is charging. We currently charge \$250. DASNY does not charge an application fee but their admin fee and their annual fee is quite high, so I can see why they don't charge an application fee. The annual compliance fee that I'm proposing for LDC projects, because these are nonprofit projects, is \$500 a year. We currently don't charge an admin fee but DASNY charges a percentage, so they take six basis points off the first three years of the balance of the bond and then three basis points for the remaining years of the bond. Healthcare bonds or healthcare projects that starts at 10 basis points with a maximum on both sides of administrative fee of \$100,000. The administrative fee for DASNY bonds, DASNY allows them to finance that with the bond itself so they could be paying those bonds up front similar. It almost becomes an admin closing fee. Modifications after closing, extension of inducement, refinancing, bonds termination fees, I am not proposing any of that other than the ad. Any

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modification after closing or processing fee of a flat \$5,000. And then, our processing fee that we currently have that covers our council costs and transcription services will remain the same, and that is at cost to the applicant.

Tim Dean: So Sarah I see down at the bottom, you have examples in practice and for DASNY, it says annual fee of \$99,000 over on the right hand side there, but I see, I don't, is that, I'm just trying to understand how that compares to the \$125/\$150 that's in the table itself.

Sarah Lee: So, because DASNY allows applicants to include that annual fee as part of their administrative fee at closing so while the flat fee or the starting fee is \$125/\$150, it could be quite high if the entity decides to finance the annual costs into it so I added that. So you'll see that for a \$300 million bond, under the proposed fee schedule, we will be collecting \$812 while DASNY, it says \$200,000. If you include their annual fees it could be up to \$3.2 million.

Tim Dean: Did everybody else follow that? So Sarah I just want to just make a comment. You had mentioned that our competition was DASNY, I just want to be clear and I understand what you meant but what we're trying to do, our mission is to make this process something that's as cost effective as possible for the eligible applicants within our county and so our goal is to try and keep the cost of these types of things reasonable for them. It's not to compete with DASNY per se to win at all costs. Our goal is to make this a reasonable way for our applicants to finance meaningful projects.

Don Sagliano: Chairman Dean, if I could just add in here, yes I agree that's not a competitive nature but it would be the applicant's best course of action to look for their best cost benefit analysis, whether it's accessing or the ongoing carrying costs, etc. so we just offer a cost effective alternative.

Tim Dean: Yes. Agreed. Is there any other questions or comments from board members about this fee proposal? Okay and Sarah just to be clear, we do not need any further analysis assistance on these types of projects? These are much more straightforward for us correct?

Sarah Lee: Correct

Tim Dean: Okay. All right, so unless there's any other questions I would entertain a motion from a board member to prove the fee schedule is presented to us.

Kathy Bauer: This is Kathy, I'll make that motion.

Tim Dean: Thank you Kathy. Can I get a second?

Mark Doyle: Mark Doyle, I'll also second.

Tim Dean: Thank you Mark. Okay Jasmin can you please take a vote?

Jasmin H: Al Torreggiani

Al Torreggiani: Approved

Jasmin H: Don Sagliano

Don Sagliano: Approved

Jasmin H: Jamie Piccone

Jamie Piccone: Approved

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Jasmin H: Amy Bombardieri
Amy Bombardieri: Approved

Jasmin H: Kathy Bauer
Kathy Bauer: Approved

Jasmin H: Mark Doyle
Mark Doyle: Approved

Jasmin H: Tim Dean
Tim Dean: Approved

Tim Dean: Okay. Sarah is there any other business we need to talk about?

Sarah Lee: No, not this morning.

Tim Dean: Okay at this time I'd like to adjourn the meeting of the Dutchess County LDC and thank everybody for their time and patience as we went through these agendas.