

**MINUTES**



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**FINANCE and AUDIT COMMITTEE MEETING**  
Friday, September 30, 2022

**Present:** Kathy Bauer, Secretary/Treasurer  
Jamie Piccone II

**Unable to Attend:** Don Sagliano

**Also Present:** Sarah Lee, CEO  
Jane Denbaum, CFO  
Jim Beretta & Doreen Tignanelli, Members from the public

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On Friday, September 30, 2022, the Dutchess County Local Development Corporation [DCLDC] Finance and Audit Committee was called to order by Ms. Bauer at 8:30 AM. Present was: Kathy Bauer and Jamie Piccone II. Unable to attend was Don Sagliano. Quorum was established.

**APPROVAL OF MINUTES**

Ms. Bauer asked for a motion to approve the March 4, 2022 Finance and Audit Committee minutes.

A motion was made by Mr. Piccone, duly seconded by Mr. Sagliano to approve the DCLDC March 4, 2022 Finance and Audit Committee Minutes. Roll call vote was taken. All voted in favor and the motion was carried.

**2023 LDC PROPOSED BUDGET**

Ms. Lee presented the 2022 year end estimate revenues and expenses and the 2023 LDC proposed budget revenues and expenses.

Discussion, questions and comments ensued.

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to present the proposed 2023 LDC budget to the board at the next meeting in October. Roll call vote was taken. All voted in favor and the motion was carried.

**OLD BUSINESS**

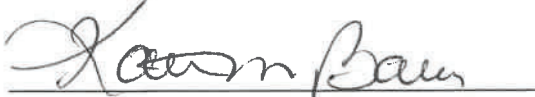
None

**NEW BUSINESS**

None

**ADJOURNMENT**

There being no further business on the agenda to discuss, the meeting was adjourned by Ms. Bauer at 9:00 AM.



Kathleen Bauer, Secretary/Treasurer

4/72/23

Date

<b>Meeting</b>	<u>09-30-2022</u>
<b>Approved</b>	<u>03-09-2023</u>
<b>Certified</b>	<u>03-09-2023</u>

# Dutchess County Local Development Corporation

	2021 Audit	2022 Budget	2022 Estimate EOY	2023 Budget Proposed
<b>LDC</b>				
<b>Revenues:</b>				
1 Administration Fees	249,519	375,000	264,035	215,000
2 Application Fees	2,250	3,000	1,000	1,000
3 Compliance Fee	0	1,000	1,000	1,500
4 Dutchess County	419,290	651,000	651,000	450,000
5 DCIDA	150,000	150,000	150,000	150,000
6 Private Sector	42,195	70,000	70,000	70,000
7 WIB	33,303	30,086	29,100	28,928
8 Interest	4,138	5,000	10,250	10,000
<b>Total Revenue</b>	<b>900,695</b>	<b>1,285,086</b>	<b>1,176,385</b>	<b>926,428</b>
<b>Expenditures:</b>				
9 Audit	12,700	12,900	13,100	13,300
10 Board & Committee	0	1,000	0	1,000
11 Computer Consulting	10,092	12,000	12,900	14,100
12 Dues, pub, sub	47,167	50,000	48,000	50,000
13 Education/Training	1,674	4,000	2,900	4,000
14 Equipment	1,296	2,000	850	2,000
15 Events - TD produced	19,720	50,000	70,000	50,000
16 Insurance	4,128	4,000	4,223	4,500
17 Marketing	98,290	166,000	160,000	100,000
18 Misc/Other/Depr	19,923	2,000	3,100	2,000
19 Office Supplies	2,005	5,000	4,000	5,000
20 Payroll	434,321	441,368	440,271	475,531
21 Payroll tax	40,887	40,046	42,874	43,535
22 Payroll Fringe	102,615	108,000	101,258	144,000
23 Phone	5,731	5,000	7,133	6,500
24 Postage	169	1,000	300	500
25 Printing	265	1,000	250	500
26 Professional Fees	8,528	15,000	10,000	10,000
27 Professional Service Contracts	189,010	255,000	215,000	215,000
28 Rent	86,861	87,489	115,000	102,000
29 Trade Show	1,330	5,000	4,000	15,000
30 Travel & Meeting	11,684	10,000	15,000	25,000
<b>Total Expense</b>	<b>1,098,398</b>	<b>1,277,804</b>	<b>1,270,159</b>	<b>1,283,466</b>
Excess Income /Expense	(197,704)	7,282	(93,774)	(357,039)
29 Professional Service Contracts	2021 Estimate	2022 Budget	2022 Estimate	2023 Proposed
Accelerator	0	40,000	0	0
Marketing	200,000	200,000	200,000	200,000
WEDC	15,000	15,000	15,000	15,000
	<u>215,000</u>	<u>255,000</u>	<u>215,000</u>	<u>215,000</u>

## **Dutchess County Local Development Corporation**

### **2022 End of Year Estimate Budget Narrative**

#### **Revenues:**

1. *Administrative Fees* income is based on the Marist 2022 refinancing projects which closed in May. No additional bonds are expected to close in 2022.
2. *Application Fees* income is based on one applications received in 2021
3. Compliance Fees from 2 projects
4. The Service Contract between the County and DCLDC reflects the \$451,000 from the annual service contract and \$200,000 as part of the American Relief Plan service contract.
5. The Dutchess County IDA professional service contract for administrative services \$150,000.
6. Private Sector income is a result of the sponsor and ticket revenue from the networking breakfast, Accelerate Hudson Valley and the Business Excellence Awards.
7. *WIB (Workforce Investment Board)* – income from the contract for professional services which includes rent, equipment and any additional service fees as a result of the co-location. In 2021 we received an increased payment from WIB that included unpaid 2020 rent. In 2022, there was staff spaces were reconfigured as a result the WIB annual rent went down slightly which accounts for the lower rent income in 2022 and 2023.
8. Interest income from DCLDC investments.

#### **Expenditures:**

9. *Audit* costs of \$13,100 is based on the contract with RBT, LLP
10. *Board & Committee* is lowered to \$0.
11. *Computer Consulting* spending is expected to be slightly over budget at \$12,900 as a result of additional costs to on-board new employees and terminate employees that have left.
12. *Dues, Publications and Subscriptions* - The estimated amount of \$48,000 is expected to be on budget.
13. *Education/Training* spending is projected to be less than budgeted.
14. *Equipment costs* is expected to be less than budgeted at \$850.
15. *Events* –typically we produce one event a year which costs approximate \$50,000 to produce. In 2022, we produced three in person events which increased the spending over budget.
16. Insurance includes Crime Bond and General Liability
17. The Marketing spending includes the programs implemented using the American Relief Plan funds including the Accelerator to assist Dutchess County small businesses.

18. *Misc/Other/Depr* does not reflect the costs as a result of depreciation which will be determined in the 2022 Audit.
19. *Offices Supplies* is based on current and projected usage at \$4,000.
20. *Payroll* is expected to be on budget
21. *Payroll Taxes* reflect the associated taxes including SUTA & FUTA
22. *Payroll Fringe* is reduced to reflect the actual cost as some employees are not using the full benefit package amount of \$18,000 per employee and employee vacancies.
23. *Phones* - The projected \$7,133 is slightly over budget based on transitioning employees, space reconfiguration and increased support service costs.
24. *Postage* spending reflects projected usage.
25. *Printing cost* is reduced to reflect estimated usage.
26. *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.
27. *Professional Service Contracts* is on track as budgeted at \$215,000 and reflects the costs incurred by service contracts with other economic development service organizations and marketing contract.
28. In 2022 GASB rules have changed how rent is portrayed. Interest Expense and Lease Amortization Expense over the term of the lease has to be accounted for.
29. *Trade Show* spending is slightly reduced
30. *Travel and Meeting* is projected to be over budget as a result of increase attendance at meetings and conferences by staff.

**Dutchess County Local Development Corporation**  
**2023 Budget Narrative**  
**Proposed**

**Revenues:**

1. *Administrative Fees* income is based on a projected income from 1 project. Based on increased interest rates and few existing projects eligible for refunding their bonds it is expected that bond projects will be done compared to past years.
2. *Application Fees* income is based on 1 project.
3. 3 projects will be subject to the new compliance fee.
4. While Dutchess County will not have an approved budget until December, we have requested \$450,000 for FY2023.
5. The Dutchess County IDA professional service contract for administrative services will remain the same at \$150,000.
6. The projection for *Private Sector* contributions is a conservative estimated income from Think Dutchess events and programs. While many organizations are holding in-person events they are finding their in-person attendance is still lagging from pre-pandemic times, therefore we estimate the willingness of organizations to sponsor in person events to remain conservative.
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. It is expected that interest rates will increase.

**Expenditures:**

9. *\$13,300 Audit* costs is based on the contract with RBT, LLP
10. *\$1,000 Board & Committee* to provide supplies and pay for training.
11. *\$14,100 Computer Consulting* are expected to increase as a result of increased service support costs and the implementation of additional security measures.
12. *\$50,000 in Dues, Publications and Subscriptions*, the budgeted amount includes the annual dues, publication and subscription costs and the subscription to a CRM system, cost-benefit program and business intelligence programs.
13. *\$4,000 in Education/Training* for staff training.
14. *\$2,000 in Equipment costs*.
15. *\$50,000* for planned events
16. *\$4,500 Insurance* includes the crime bond and general liability.
17. *\$100,000 for Marketing* expenses
18. *The \$2,000 in Misc/Other/Depr* historically does not include depreciation which will be determined in the 2023 Audit.

19. *\$5,00 budget in Offices Supplies* is based on past usage
20. *\$475,531 in Payroll* – representing a 3 % increase from 2022.
21. *\$43,535 Payroll Taxes* align with the proposed salary increases and include State and Federal Unemployment Tax (SUTA & FUTA), Disability, Workers Comp and Social Security (FICA).
22. *\$144,000 Payroll Fringe* are calculated based on full time staff at the maximum benefit package worth \$24,000 per employee. An increase in fringe benefits is being *proposed* to account for rising health insurance costs experienced and projected since the last increase in benefit amount in 2016. The board will need to approve an increase to the payroll fringe benefit.
23. *\$6,500* for service, maintenance and support for the phone system.
24. *\$500 in Postage* includes mailing, postage of marketing materials and other documents.
25. *\$500 in Printing* includes printing of marketing collateral and other office materials.
26. *\$10,000 in 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.
27. *\$215,000 in Professional Service Contracts* reflect the costs incurred through a service contracts with the Women's Enterprise Development Center and the marketing contract.
28. In 2022 GASB rules have changed how rent is portrayed. Interest Expense and Lease Amortization Expense over the term of the lease is now included in rent costs.
29. *\$15,000 Trade Show* - Attendance at industry trade shows are a pivotal part of the Business Attraction program. We are restoring the budget to previous levels as trade show activity has picked up
30. *\$25,000 Travel and Meeting* is an estimate based on planned travel and meeting activity by staff.

## Dutchess County Local Development Corporation

Paris 5 Year Budget filing

Year: 2023

	Audit <b>2021</b>	Estimated EOY <b>2022</b>	Proposed <b>2023</b>	Proposed <b>2024</b>	Proposed <b>2025</b>	Proposed <b>2026</b>
<b>Operating Revenues:</b>						
Administrative and Closing Fees	251,768	266,035	217,500	250,000	300,000	300,000
Program Revenue	42,195	70,000	70,000	100,000	100,000	100,000
Service Contract Revenue	602,593	830,100	628,928	632,000	632,000	632,000
<b>Nonoperating Revenues:</b>						
Investment earnings	4,138	10,250	10,000	5,000	5,000	5,000
Other Non-Operating Revenues	0	0	0	0	0	0
<b>Total Revenue</b>	<b>900,694</b>	<b>1,176,385</b>	<b>926,428</b>	<b>987,000</b>	<b>1,037,000</b>	<b>1,037,000</b>
<b>Operating Expenditures:</b>						
Salaries and Wages	475,208	483,145	519,066	534,638	550,678	567,198
Other Employee Benefits	102,615	101,258	144,000	132,000	132,000	132,000
Professional Services Contracts	220,330	238,100	238,300	300,000	300,000	300,000
Other	298,240	412,133	377,100	388,413	400,065	412,067
Supplies	2,005	4,000	5,000	5,500	5,500	5,500
<b>Nonoperating Expenditures:</b>						
Other Non-Operating Expenditures	0	0	0	0	0	0
<b>Total Expense</b>	<b>1,098,398</b>	<b>1,238,636</b>	<b>1,283,466</b>	<b>1,360,551</b>	<b>1,388,243</b>	<b>1,416,764</b>
<i>Excess Income /Expense</i>	(197,704)	(62,252)	(357,039)	(373,551)	(351,243)	(379,764)

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Projected Y/E Fund Balance	2,994,534	2,932,282	2,575,244	2,201,692	1,850,449	1,470,685
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9/13/2022

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**Dutchess County**  
**Local Development Corporation**  
**2023 Budget**  
Proposed

**Operating Revenues:**

Charges for services	217,500
Other Operating Revenue	<u>698,928</u>
	916,428

**Operating Revenues:**

Investment Earnings	10,000
Other Non-Operating Revenue	<u>0</u>
<b>Total Revenue</b>	<b>926,428</b>

**Operating Expenditures:**

Salary and Wages	519,066
Other Employee Benefits	144,000
Professional Services Contracts	238,300
Other	377,100
Supplies	<u>5,000</u>
	1,283,466

**Non-Operating Expenditures:**

Other Non-Operating Expenditures	<u>0</u>
<b>Total Expense</b>	<b>1,283,466</b>

Excess Income /Expense	(357,039)
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