



**MINUTES**  
**BOARD OF DIRECTORS MEETING**  
Thursday, October 22, 2020 – 10:30 AM  
State Office Building – Conference Room 1, 11th Floor  
Zoom Conference Call/Teleconference  
317 Washington Street, Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session at the State Office Building, 11<sup>th</sup> Floor Conference Room, 317 Washington Street, Watertown, New York on Thursday, October 22, 2020 at 10:30 am.

**Members Present**

Voting

Frederick Carter, Chairman  
Margaret Murray  
Thomas Hefferon  
Dennis Mastascusa  
Alfred Calligaris  
John Johnson Jr.  
Alex MacKinnon  
Gary Turck

Non-Voting

Mary Doheny  
James Hollenbeck  
Stephen Hunt  
Brian McGrath

**Members Absent**

**Staff Present:**

Carl Farone, Executive Director  
Dawn Caccavo, Comptroller  
Michelle Capone, Director, Regional Development Division  
Laurie Marr, Director of Communications and Public Affairs  
Brian Nutting, Manager, Water Quality Division  
Patricia Pastella, Manager, Materials Management Division  
Regina Rybka-Lagattuta, Human Resources Director  
Jennifer Staples, Chief Financial Officer  
Carrie Tuttle, Director, Engineering and Environmental Division  
David Wolf, Manager, Telecommunications Division  
Angela Marra, Executive Assistant

**Guests:**

Jennifer Granzow, Counsel, Wladis Law Firm

This meeting was conducted in person and as a teleconference meeting with several members of the Board in attendance via teleconferencing. The meeting was also live streamed from the State Office Building. The meeting itself, due to the Corona Virus emergency restrictions, had no public access, but was accessible through the Authority

website through live streaming. This meeting is in compliance with Governor Cuomo's Executive Order.

During this meeting, because it was done in part telephonically, it was asked that when speaking to please state your name so you can be identified appropriately in the minutes. Within the Board Packet, whether in front of you or on the screen, the pages have been numbered. As the resolutions are reviewed, the page number will be stated as well. Lastly, as with the previous Board Meeting, there are no committee meetings being held resulting in each resolution being reviewed by the whole Board.

1. Chairman Carter called the meeting to order at 10:31 AM.

2. Chairman Carter requested a roll call by A. Marra.

- All Board Members were present.
- A quorum of voting members and non-voting members was established.

3. Privilege of the Floor was offered.

A. MacKinnon commented that at the last meeting, those participating via Zoom could not hear as the noise was so intense and we need to remember to speak one at a time. He further stated that he could not understand what was being discussed during the first part of the meeting because everyone had conversations going on. Please remember that we have to speak one at a time as long as there are members participating on Zoom. F. Carter reiterated the request to please identify yourself when speaking, and to make sure only one person speaks at a time.

4. Upon a motion by A. Calligaris, and seconded by A. MacKinnon, the minutes from the July 22, 2020 Special Meeting of the Board and the August 27, 2020 Board Meeting, were unanimously approved.

5. Chairman's Report

a. Strategic Planning Following the Board Meeting

b. T. Hefferon has been reappointed by the City of Watertown on 9/17/20 for a 4 year term.

B. McGrath stated that he had difficulty hearing, and asked if people could speak up. J. Johnson stated that there was a great deal of background noise even while B. McGrath was speaking, and that this is the most unruly meeting he attends online and it must be fixed. Microphones will be turned off unless speaking, and the output volume was adjusted for the Zoom meeting speakers and this seemed to improve the sound quality.

6. Executive Director's Report – C. Farone

a. New Appointments:

CFO – Jennifer Staples

Jennifer has a Bachelor's Degree in Accounting, 30 years' of professional experience, including 14 years as controller, 8 years as a production manager, and 5 years as president of a manufacturing facility in Pennsylvania. She has been with the Authority since 2018. She started as the Director of Information Systems, was promoted to the

Director of Administration, and is now the CFO. The CFO is in charge of finance, human resources, IT, and procurement.

**Comptroller – Dawn Caccavo**

Dawn has been promoted to Comptroller of the Authority. She has a Bachelor's Degree in Accounting, in excess of 15 years of accounting and finance experience. She has been with the Authority since 2017 and was actually hired at an entry level accounting position with the intent she would move up through the ranks because of known pending retirements.

**Deputy Comptroller – Tracey Yarina**

Tracey has a Bachelor's Degree in Accounting with 15 years experience. She was the site manager at Neenah from 2014-2020. Prior to that position, her experience was 100% accounting.

**Director of Human Resources – Regina Rybka-Lagattuta**

Regina has a Bachelor's Degree in Business Economics, she is a certified professional in human resources, a certified trainer of coaching and maximizing performance, a certified master instructor of management in human resources, and a certified internal auditor. Regina has over 20 years experience in human resources management. Her most recent role was vice president of human resources at Samaritan Medical Center.

**b. Environmental Protection Agency (EPA) inspection at MMF**

The EPA was at the Materials Management Facility on October 8<sup>th</sup> and 9<sup>th</sup> doing an inspection. They were there to record non-methane organic compounds (NMOC). In the past these have been reported every 5 years. The EPA wanted to come on site to see if we should be moved from a tier 2 to tier 4 (there is no tier 3). If the test results move up to a higher tier, we will have additional reporting requirements. As a tier 2 right now we are tested every 5 years, however if we are moved to a tier 4 this would be done quarterly resulting in financial implications due to more testing.

A. MacKinnon asked for an explanation as to why they are looking for methane. P. Pastella responded that it is for the non-methane organic compound, it is not methane, but other organic compounds that are in the digestive gas. A. Mackinnon asked where they would check this. P. Pastella responded that they check it at each gas well.

C. Farone asked that if going forward, all managers could come up to the microphone for all those participating on Zoom.

**c. Insurance Renewal**

An RFP is done every 5 years for insurance of the Authority. The current contract expires on December 16, 2020. The RFP was prepared and issued over the summer. This was advertised according to procurement standards, and 4 responses were received. The same insurer, Eastern Shore Associates, was selected. They provided the best response and the price was slightly less than last year. This policy will be in place for the next five years.

**d. Windstream Bankruptcy - \$107,971.97**

In January of 2019, the Authority was notified that Windstream and its subsidiaries were filing for voluntary bankruptcy. Back then the Authority agreed upon a settlement amount with Windstream of 60% of the amount that was outstanding, which left a

receivable amount of \$107,971. The Authority received payment this past month so the case is closed. In February of 2019 we did have a write off amount of \$71,000 that was authorized by the Board.

e. ECC Broadband Study – Lewis County

This was approved by the Board of Directors at the last meeting. C. Farone came to the Board and requested that the Board provide a 50% match to a study of the broadband capabilities within Jefferson, Lewis, and St. Lawrence Counties.

Lewis County jumped on board very quickly. The contract has been signed with ECC Technology. A portion of the project will be to go out and drive all the roads and assess what infrastructure is in place. This is currently occurring and will be wrapped up by the end of next week. ECC will then take this data and put it into a GIS database that can be provided to the Authority via shape files. Carrie and her team will then put it into our GIS system so we will know where all of these facilities are within Lewis County.

The second piece of this process is a survey which we will market heavily to the Lewis County residents. We will be requesting they go to this site and fill out a survey of their broadband capabilities asking if they have broadband at their home. A simple speed test is also a first part of the survey to assist those who don't know if they have broadband and its speed. D. Wolf, Telecom Division Manager & L. Marr, Director of Communications/Public Affairs, have been a successful project team. Lewis County has been very happy with the marketing strategy that L. Marr has put together. L. Marr suggested that we not launch during the week of elections, but will be ready to launch on November 9<sup>th</sup> with a great deal of advertising. Results of the survey will provide a great deal of reliable data. Once this has been defined, the Board can take a look at available funds and determine if we wish to invest in providing these services to those who currently don't have broadband capability. This will also set the Authority in place to apply for grant funds in the future with hard documented evidence for these unserved areas. Lewis County was first. C. Farone has also had conversations with B. Hagemann, and he will be bringing it to the Jefferson County legislature by December. C. Farone, L. Marr, F. Carter, and possibly A. McKinnon will be meeting with St. Lawrence County Monday night at their finance committee meeting.

B. McGrath commented that he is very excited about this project. B. McGrath asked if the Authority has coordinated this project with the area providers to help get information to assist this project. He is asking this question because he has been in Lowville for several months and Spectrum has fiber on his road, but on their own website and publicly, it was not disclosed. B. McGrath further asked if 5G is coming out, understanding that right now it is only available in major metropolitan areas, but is the impact 5G will have being built into the survey study because as he understands, 5G could replace the need for hard wired broadband lines.

C. Farone responded we are working with Lewis County to roll out this project. We have spoken with Ryan Piche (Lewis County Manager) about how it is difficult for the Authority to know what Verizon Wireless and Spectrum's build out plans are since they don't have to share with the Authority. We spoke to R. Piche to ask if the county could reach out to those area providers to determine what their build out plans are. To date, we have not received anything and the county hasn't received anything.

D. Wolf commented that it is tough to tell with the service providers because they don't always share public maps. We are certainly looking at all public information that is available. D. Wolf has heard in the past from talking with other municipalities that they

can get the maps but they have to sign an NDA and cannot share them with anyone. This is why the Authority hired the ECC because they are driving every road in county looking at aerial and underground facilities, looking at the tags and conduits and following those as best they can with the markers and are documenting where there are facilities. They are also looking for where there are drop wires so they know where a service provider may have fiber in an area, but are not tapping into that and connecting customers which then doesn't count as a served area. ECC is looking at documenting this information as well as looking at other infrastructure such as antennas for future wireless opportunities. This study is providing the Authority with this information as well as the survey as mentioned by C. Farone.

D. Wolf continued by saying that the part about 5G is more difficult. When we look at strategic planning and whether or not we should deliver broadband to residential, one of the big issues is the competitive threat of 5G because it could very easily replace this. The Authority does work closely with Verizon, AT&T, and T-Mobile but all they will disclose for our region is this is down the road a few years, meaning we do not have an idea when 5G will be available. It is still very much in the back of our minds in terms of that being a major competitive threat to a fiber premise network. While this information does not directly answer the question, this is very much something we think about, look at, and have asked about. We are an approved vendor to AT&T to build out the 5G infrastructure. We have done some of the work with Verizon on a dark fiber connection to a big base station. We were just up at the Olympic Regional Development Authority because of the number of people they are bringing in. We are looking at some micro cells up there with Verizon and AT&T, so that when that event happens the wireless people will be able to handle the load.

B. McGrath appreciated D. Wolf's response, and stated D. Wolf's comments were the best heard so far during this meeting.

f. Telecom DOT Tax

C. Farone stated that the Authority continues to work with DOT. A letter was drafted in September reiterating the Authority stance that we should be exempt from this fee, and it will significantly negatively impact our ability to serve the North Country residents. There have been quite a few articles published as of late in the paper in regards to this so called tax, and that it should be repealed. Senate Minority leader, Rob Orr, is pushing to repeal this so called broadband tax and it looks like there may be some traction in the Assembly as well. We will continue to work through the process and will continue to work with local elected officials. They are trying to make sure that the people in the Senate and Assembly understand how critical this is to Northern New York by limiting broadband access at a time during COVID when it is needed more than ever.

F. Carter asked once we get the service to the area to get it into the house, if we don't have anybody at home who is working are we going to play a part in this as well. C. Farone responded that the first part of the study from a broadband perspective is to identify the areas, then to find a partner. Right now the Authority doesn't provide internet or phone, so the first step would be to see if we can find someone who would partner with us that already has a back office operation that might have to hire a technician. We would prefer to stay out of this business, and promote a private business to be able to provide those services. We will need to look at and determine how far we need to go to provide a solution.

## 7. Financials through August 31, 2020 – CFO

Under the statement of net position the total assets for the Authority have decreased by about \$2.2 million. Total liabilities have decreased by \$2.3 million. The Authority continues to utilize and fund our restricted and Board designated assets as instructed by the Board of Directors.

Under Assets of the Authority the cash and cash equivalents have increased from about \$5.6 million to \$15 million, but at the same time the funds held in trust have been reduced from \$12.8 million to less than \$1 million. The funds held in trust included a project fund to fund the southern extension. To date the Authority has spent \$16.3 million in funds drawn down from the project account. These funds have been placed in the cash and cash equivalents account. The southern extension is expected to be completed within the next several months, and these funds will be needed to pay the contractor invoices.

Total Accounts Receivable is \$2.3 million at the end of August, with roughly half that being Telecom. A bankruptcy was received from Windstream, so we will see this going down. As a current review of the receivables we are in good shape for all customers for all divisions.

Under capital assets in the asset section they have gone from \$72.6 to \$77.9 million, an increase of \$5.3 million, depicting total assets less depreciation. Under net position is listed investments and capital assets, which has gone from \$62 to \$55.8 million for a decrease of \$6.3 million. This change is due to the invested in capital assets and includes the expenses to date less depreciation and then less the bond proceeds that were drawn down.

The capital reserves under Board designated liabilities has increased from \$12.2 to \$17.7 million, because once the funds were drawn down from the trustee it increased the capital reserve. Those capital reserve funds will be utilized to complete the southern extension. We are projecting that when the southern extension is completed there will be about \$7 million in the capital reserve.

Moving on to the P&L or change in net position year to date, the Development Authority had a total operating revenue of \$10.4 million, total expenditures of about \$10.6 million. There has been an interest income of \$500,000 and interest expense of \$257,000 resulting in a net change of just over \$62,000 year to date.

Customer billings are on track versus budget. The waste diversion revenue to date is budgeted at \$404,000, with actual billing of \$99,000. We are under budget because both Lewis and St. Lawrence County are being invoiced by Oneida-Herkimer and Recycling America directly for recyclables. When the budget was created it was thought the Authority would be paying these bills and then invoicing the counties. This is still the plan, however has not quite happened yet. Under operating expenses, we are under budget on almost every line item. The interest income being \$232,000 is lower than budget which is attributed to the CD market having low interest rates resulting in the Authority not earning what was expected.

J. Staples further noted that the overall tonnage at MMF was lower year to date in August by 11,000 tons. This is mainly due to contaminated soil where we are down 8,000 tons.

Municipal solid waste (MSW) is slightly over what was projected, and municipal solid waste is about 67% of the tons going into the landfill.

J. Staples further noted that the budget process is to begin in November.

J. Johnson asked if the community benefits that are up \$52,000 is this because of the higher municipal solid waste. J. Staples responded that the total tons for MMF are down so the community benefits for MMF alone are down. We are actually over under Regional Development. The Community Rental Housing Program pays community benefits and they paid that community benefit in total already, however the budget reflects that we spread it out over 12 months resulting in being on budget or slightly under at year end.

B. McGrath asked why the Authority is down substantially in salaries and fringe benefits. Is this due to reductions in positions, furloughs, or simply vacancies? J. Staples responded this is mainly due to vacancies, especially with people leaving and having to rehire, but mainly vacancies.

Upon a motion by A. Calligaris, and seconded by M. Murray, the financials ending August 31, 2020, were unanimously approved.

## 8. Governance –

- a. Resolution No. 2020-10-107, naming the Chairman, Treasurer, Executive Director, Chief Financial Officer, and Comptroller as authorized signatories on Authority bank accounts and that all documents required as evidence of this authority be executed by the appropriate Authority Officers/personnel. Further. Mary Allyn Baeslack of Benefits Services Group shall be named as an additional signatory on the Authority's Health Reimbursement Account (HRA) and Section 125 Plan Bank Account. This resolution further states that the Deputy Comptroller, Accountant I and Accounting Associate be designated authorized representatives for the purpose of initiating electronic transfers of Authority funds, when authorized by the designated Authority Officers/personnel, and that all documents required as evidence of such authority be executed by Authority Officers/personnel.

Upon a motion by M. Murray, and seconded by A. MacKinnon, Resolution No. 2020-10-107, Authorizing Depository Account Resolutions and Check Signing Authorization, was unanimously approved.

- b. Resolution No. 2020-10-108, naming the Chairman, Treasurer, Executive Director, Chief Financial Officer, and Comptroller be named as authorized signatories on the Voluntary Defined Contribution Program (VDC) bank account and that all documents required as evidence of this authority be executed by the appropriate Authority Officers/personnel. This resolution further states that the Deputy Comptroller, Accountant I and Accounting Associate be designated authorized representative for the purpose of initiating electronic transfers of Authority funds, when authorized by the designated Authority Officer/personnel, and that all documents required as evidence of such authority be executed by Authority Officer/personnel.

C. Farone explained that historically the Authority provided a defined benefit program to the Authority staff. In 2013 the State of New York authorized a defined contribution plan. This provides that the Authority, or any other state entity, would provide an 8%

contribution into a fund for an employee who is eligible for the defined contribution plan. When the employee making over a certain wage threshold begins their employment, they are offered one of the following benefits, either the defined benefit program or the defined contribution plan. The employee chooses one or the other, not both. Since the state's approval in 2013, the Authority has not had an employee who wanted this plan until recently. The Authority is now required to create an escrow account, which will be with Community Bank, to deposit the funds withheld for the employee as well as the Authority's match. These funds would stay in an escrow account until the employee becomes vested after 12 months, at which time the funds would be transferred to the State of New York with a 4% return.

C. Farone commented that this program is not an option to the Authority, but something that is required by New York State. This also provides a savings to the Authority in that a tier 6 employee is a 9.6% contribution rate whereas this is 8%.

Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2002-10-108, Authorizing Establishment of Bank Account with Community Bank, Voluntary Defined Contribution Program, was unanimously approved.

#### 9. Engineering –

- a. Resolution No. 2020-10-109, authorizes the Development Authority of the North Country to direct the Executive Director to enter into a Temporary Water Operator Services Agreement with the Village of Malone.

C. Tuttle stated that due to recent retirement of a staff person who was the only person who held the appropriate license for their water system, they reached out to the Authority for help. The Authority staff member that was overseeing their wastewater facility holds the appropriate license, and we have offered to provide this service on an interim basis while they get additional staff trained. This service is on an as needed basis, meaning if the village has a waterline break or situations arise that require a licensed operator we will respond and bill them our standard hourly rates.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2020-10-109, authorizing Temporary Water Operator Services Agreement with the Village of Malone, was unanimously approved.

- b. Resolution No. 2020-10-110, authorizes the Executive Director to enter into the standardized GIS hosting agreements in accordance with the terms of the contracts listed within the resolution.

C. Tuttle explained that all of these communities participated in a NYS Archives grant for a shared services GIS Project. When the project is completed, the communities convert into hosting customers.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2020-10-110, authorizing GIS Hosting Agreements, Village of Gouverneur, Village of Rensselaer Falls, Village of Philadelphia, Town of Madrid, was unanimously approved.

c. Resolution No. 2020-10-111, approves the Technical Services Agreement by and between the Authority and Lewis County, and authorizes and directs the Executive Director to execute the Agreement.

C. Tuttle explained that this is essentially a Brownfield Redevelopment in the Village of Turin in an old downtown Main Street row building known as the brick block building. The Authority has been working with the Lewis County Local Development Corporation and the Village of Lyons Falls on the redevelopment of the Lyons Falls mill site. Connections made during that process resulted in Lewis County reaching out to see if the Authority could help them take this building down. The first phase would be the preliminary hazardous material assessment to find out what is there in terms of asbestos or other hazardous materials. This information would be used to put together bid documents for a demolition contractor. They do not currently have title of the property, and has been condemned by the county.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2020-10-111, approves the Technical Services Agreement, Lewis County, Turin Brick Block Building, was unanimously approved.

d. Resolution No. 2020-10-112, approves the Technical Services Agreement for Great Bend Pump Station Fiberglass Hut Replacement Project by and between the Authority and the Route 3 Sewer Facilities Board of Commissioners, for a total not to exceed contract amount of \$14,000. This resolution further authorizes and directs the Executive Director to execute said agreement.

C. Tuttle stated this project is to replace fiberglass huts that were originally installed in 1999 in the Hamlet of Great Bend in the Town of Champion. As the result of completing an asset management plan, some of their infrastructure was identified as being at the end of its useful life and in need of replacement.

Upon a motion by M. Murray, and seconded by A. MacKinnon, Resolution No. 2020-10-112, approves the Technical Services Agreement, Rt. 3 Sewer Facilities Board of Commissioners, Great Bend Pump Station Fiberglass Hut Replacement Project, was unanimously approved.

e. Resolution No. 2020-10-113, approves the Technical Services Agreement by and between the Authority and Westelcom, and furthermore authorizes and directs the Executive Director to execute said agreement.

C. Tuttle explained that Westelcom has been a customer of the Authority for some time. They have now developed their own in-house GIS Services and have elected to not renew their hosting agreement. However they are still requesting GIS support services from the Authority focusing mainly on data development. They have additional areas in their system that have not been mapped, and they do not have the equipment to do that field work or the staff expertise to complete that. The contract is changing from a hosting agreement to a GIS data development contract on an as needed basis, whereas when they request services we will provide a proposal for work to be completed in accordance with this agreement.

Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2020-10-113, approves Technical Services Agreement, Westelcom, was unanimously approved.

- f. Resolution No. 2020-10-114, approves Technical Services Agreement Amendment No. 1, by and between the Authority and the Village of Alexandria Bay, and furthermore authorizes and directs the Executive Director to execute said Agreement Amendment.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2020-10-114, approves the Technical Services Agreement Amendment No. 1, Village of Alexandria Bay, Casino Island Project Management and Grant Administration, was unanimously approved.

- g. Resolution No. 2020-10-115, approves Technical Services Agreement Amendment No. 1, by and between the Authority and the Village of Alexandria Bay, and furthermore authorizes and directs the Executive Director to execute said Agreement Amendment.

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, Resolution No. 2020-10-115, approves Technical Services Agreement Amendment No. 1, Village of Alexandria Bay, Water Treatment Plant Assessment and Grant Writing, was unanimously approved.

- h. Resolution No. 2020-10-116, approves Technical Services Agreement Amendment No. 3, by and between the Authority and the Village of Lyons Falls, and furthermore authorizes and directs the Executive Director to execute said Agreement Amendment, was unanimously approved

C. Tuttle explained that all the buildings have been demolished on the site. The village of Lyons Falls received an additional state and municipal grant through DASNY which provided them additional funds that they are now figuring out how best to utilize. They have asked for the Authority's help in determining which projects would be best. One option under consideration is building out the water and the sewer from the village by extending it onto the site. They are also considering some paving, and other site improvements.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2020-10-116, approves Technical Services Agreement Amendment No. 3, Village of Lyons Falls, Phase 4 Engineering and Redevelopment Planning, was unanimously approved.

Additional Resolution –

- i. Resolution No. 2020-10-122 – approves the Technical Services Agreement for NBRC Grant Administration by and between the Authority and the Village of Heuvelton, and further authorizes and directs the Executive Director to execute said agreement.

C. Tuttle stated that part of the grant requirements are that the community enter into an agreement with their local development district, and the Authority is the Local Government District for St. Lawrence County. NBRC cannot issue notice to proceed to the village until they receive the executed contract.

Being a late addition to the Board meeting C. Tuttle read the resolution in its entirety for those participating via Zoom.

Upon a motion by A. MacKinnon, and seconded by T. Hefferon, Resolution No. 2020-10-122, approves Technical Services Agreement for 2020 Northern Border Regional Commission Local Development District Grant Administration, was unanimously approved.

## 10. Project Development –

### Loan Report –

M. Capone reported that any past due accounts as of 9/30 are paid and current. There are a couple loans still being worked on in terms of moratoriums or interest only periods.

351 E Orvis Street, a housing loan in Massena, have been struggling with occupancy issues for the past nine months during COVID. They primarily lease to DSS clients and with the Governor's extension of the eviction moratorium this has become an issue. They also have had issues with the units themselves and will need to repair quite a few of them. We are going to work with owner over the next couple months to help him come up with a plan for that project. There are a couple other local lenders in on the project, including the bank, St. Lawrence County Local Development Corporation, and North Country Alliance. We will be working out a plan so that we don't continue extending these interest only periods. She will be bringing a request before the PDC (Project Development Committee) to extend their interest only through 12/01/2020 so he can work on his restructuring plan.

B. McGrath stated that he recalled at an earlier meeting in either April or May we approved extending restructures through October, and does it need to be revisited. M. Capone stated that it was actually extended to December 31, and is good through the end of the year. If there are additional issues, she will bring them before the Board in December.

M. Capone explained that an NCEDF loan, NYPA funds, for Johnson Newspaper has extended the interest only payments through December 1, 2020. All other loans are paid as agreed with one exception. ProSport Manufacturing is in default. We are looking to collect on this, and will most likely write it off on March 31, 2021. As a reminder to the Board, any losses to the North Country Economic Development Fund are not a loss to the Development Authority, only to that fund itself. This fund has a separate board, completely separate from the Authority.

M. Capone stated that we have been working with all our borrowers. If there are any issues we tried to address them early on, and she was pleased to report that they are all paying as agreed.

Regarding the Grown and Certified Program, a modification was recently sent to the Project Development Committee for the grant to Jake Ladue of the Adirondack Pork Company. Mr. Ladue did not need to use his entire grant, so it was reduced. In the original write up it stated the grant amount was \$16,000, but it was actually awarded for \$20,000. This adjustment will be noted in today's minutes, and there is now \$12,000 in grant funds available. We will be working with extension offices to get these funds out to eligible projects.

M. Capone also offered an update on the loan the Board made at the beginning of the year for the recently rebranded Zoo NY. They are working through COVID and they benefited from the Payroll Protection Program. They currently have a little more money in the bank heading into the winter this year. They were able to pay off their line of credit with Community Bank, and they are shopping around for the best rates to get a new line of credit.

Marketing for the facility has been successful. They successfully held Boo at the Zoo last weekend and this weekend. They are adding a new event this year called "Winter Wonderlights" that will run from the Saturday after Thanksgiving through January 2 in hopes of bringing in additional revenue. They have a matched challenge grant of \$2,000 with 100% Board participation, and are partnering with BOCES and a local architecture and engineering firm to look at a physical master plan for the facility. They have also met with the Fort Drum Garrison and are working on a more formal partnership with Fort Drum. They seem to be moving in a very positive direction as they are looking at the long-term future and viability of the facility.

A. Calligaris asked if the NCEDF loan fund was not on the books. C. Farone responded that it is under the NCEDF funds and on the books. NYPA provided the Authority with \$10 million. This is NYPA's money. At the end of the year this will be booked to NYPA as a liability for the entire fund balance. Any gains and losses belong to NYPA. M. Capone stated that this is still above \$10 mil granted with the interest earned even with losses.

T. Hefferon asked if when C. Farone became Executive Director, if he joined that Board. C. Farone responded yes. M. Capone stated that the board is comprised of a representative from the Development Authority, the North Country Alliance, Patrick Kelly, the New York Power Authority, two designees/one vote Tricia Wilson from Massena and Steve Hunt being director of the economic development region. This board is interesting because in order to have an affirmative vote, they need to have a positive vote by Empire State Development and the New York Power Authority.

- a. Resolution No. 2020-10-117, approves a loan/grant not to exceed \$161,349.11 (\$50,000 grant/\$111,349.11 loan) from the Community Rental Housing Program Regional Redevelopment Housing Program to Neighbors of Watertown, Inc. for the renovation of 825 Academy Street, Watertown, and authorizes the Executive Director or Chief Financial Officer to execute all appropriate documents necessary to execute the loan. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

M. Capone stated that in 2017 the Board was looking at purchasing some of the adjacent buildings. In the end a private investor bought the adjacent building, and Neighbors of Watertown took control of this property from the city of Watertown, renovating and redeveloping it. At that time the construction loan was approved up to \$200,000. Permanent financing was then provided of up to \$100,000, \$50,000 loan and \$50,000 grant. As of today they have drawn \$161,349.11 on the construction loan. This property has yet to be sold to a qualified buyer, due in part to them waiting quite some time for a lead clearance from the Department of Health. COVID also slowed this process. The lead clearance was needed because a child had been identified with lead poisoning in the property prior to them taking it on. The lead clearance has since been received and they currently have two prospective buyers for the property, however they are still working on their credit. They do income qualified but the credit needs to improve in order to get a bank to participate so they are asking for the Authority's assistance in bridging the financing. Neighbors does not think there will be a long window between the time that we would bridge to the permanent financing. This resolution would increase the amount of our loan to \$111,349, with the grant remaining at \$50,000, allowing them to convert to permanent financing. When the buyer is identified, this may come back before the board because it was always assumed that the buyer may need to absorb a portion of this debt. The intent would be that the bank financing would pay down our loan of \$111,349, and

Neighbors of Watertown thinks the Authority may end up holding a note to the buyer in the amount of \$30,000.

M. Doheny asked if this then remains Neighbors of Watertown and the Authority still has the first mortgage on the property. M. Capone responded yes, and if the deal goes through and the buyer ends up purchasing the property, this will be brought back before the Board with a revised project.

F. Carter asked if we know the value before it was completed and now. M. Capone responded she is not sure of the value before, it currently appraises at \$123,000, \$220,000 has been invested to bring up to livable conditions due to environmental issues including the asbestos and lead. The renovation costs are substantial for these buildings, and the way they bring the costs down are through subsidies in government. T. Hefferon commented that there was no way this was going to make financial sense. The goal was revitalizing the corner and the neighborhood.

T. Hefferon asked if there was going to be anything done with the house on the corner with the parking issue. M. Capone stated that a private developer purchased that duplex and is working with Neighbors of Watertown on the parking issues and may have money to do rental rehabilitation.

Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2020-10-117, approves Community Rental Housing Program, Regional Redevelopment Housing Program, Neighbors of Watertown, Inc., Loan Authorization, was unanimously approved.

- b. Resolution No. 2020-10-118, ratifying a loan in the amount of \$300,000 from the North Country Value Added Agriculture Fund to Tug Hill Vineyards, LLC at the terms and conditions outlined in the Term Sheet attached to the resolution, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

M. Capone explained that the North Country Value Added Agricultural Loan Funds are ESD funds that the Authority received for the seven county North Country region. This request is under different ownership, but keeping the same name for the company. The Beller family owns a farm in Lewis County and wishes to continue increasing their farm to table offerings at the facility, as well as the products offered through the vineyard. This loan is subject to Empire State Development approval because it exceeds the \$250,000 amount, however the committee has reviewed it and is recommending it for Board approval. The Authority would have a third mortgage on the facility behind the bank.

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, Resolution No. 2020-10-118, ratifying a North Country Value Added Agriculture Revolving Loan Fund, Tug Hill Vineyards, LLC, was unanimously approved.

- c. Resolution No. 2020-10-119, reaffirms that a loan in the amount of \$500,000 from the North Country Tourism Transformational Community Revolving Loan Fund to Swan Bay Developers, LLC is subordinate to a loan by Watertown Savings Bank in an amount not to exceed \$933,500. The resolution further reaffirms that a loan in the amount of \$300,000 from the North Country Economic Development Fund to Swan Bay Developers, LLC in subordinate to a loan by Watertown Savings Bank in an

amount not to exceed \$933,500 with the North Country Economic Development Fund Board reaffirming the subordination on October 5, 2020.

M. Capone stated that the bank is ok with terming the \$993,500 out as opposed to reducing it. This resolution is being brought to the Board to reaffirm the Board's previous approval subordinating to the \$993,500. There is no transaction because this is already subordinated to the \$993,500 due to the construction loan.

B. McGrath asked if this was already subordinate to the original construction loan. M. Capone responded that this is a reaffirmation because the original resolution read they were going to pay down the mortgage to \$725,000, but the bank is leaving the loan at \$993,500. M. Capone also disclosed that the banker on the project is her brother. C. Farone commented that he and M. Capone had spoken about this and wanted to be as transparent as possible.

A. Calligaris asked if this loan is not in as good of shape as it was before. M. Capone responded it is actually better. The Authority is in the same lien position, but based upon the improvements to the facility, and the most recent appraisal, the value has improved. The loans are also being paid down. A. Calligaris asked if it's not that they aren't making money but investing it. M. Capone responded that this is not a loan due to lack of profits, this was invested into the property for improvements.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2020-10-119, Reaffirming Subordination, Swan Bay Developers, LLC, Ratifying Loan and Grant, was unanimously approved.

## 11. Water Quality –

- a. Resolution No. 2020-10-120, authorizes and directs the Executive Director to enter into an Operations and Maintenance Service Agreement with the Town of Lisbon, and further authorizes the Executive Director to execute the required and necessary agreements.

B. Nutting stated the scope of services has not changed since the previous contracts were approved.

Upon a motion by A. MacKinnon, and seconded by A. Calligaris, Resolution No. 2020-10-120, authorizes Operations and Maintenance Service Agreement, Town of Lisbon, Water and Sewer Districts, was unanimously approved.

- b. Resolution No. 2020-10-121, authorizes and directs the Executive Director to enter into an Operations and Maintenance Service Agreement with the Thousand Island Bridge Authority, and further authorizes the Executive Director to execute the required and necessary agreements.

B. Nutting explained this is the same water operator who ran their Boldt Castle facilities and was also their wastewater operator at the water treatment plant. The Authority will be covering these services at their water treatment plant as wastewater operator because as a water treatment plant, they are still discharging some of the waste into the river and need to have a licensed operator to perform these services.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2020-10-121, authorizes Operations and Maintenance Service Agreement, Thousand Islands Bridge Authority, Water and Wastewater Facilities, was unanimously approved.

12. Executive Session – Personnel Matters / Discussion regarding Proposed Litigation

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, the meeting moved into Executive Session at 11:50 AM.

Upon a motion by T. Hefferon, and seconded by M. Murray, the meeting moved out of Executive Session at 12:18 AM.

No action was taken during the Executive Session.

13. Next Meeting – Moved from December 17, will combine with January 28, 2021

14. Upon a motion by M. Murray, and seconded by A. Calligaris, the meeting was adjourned at 12:20 PM.

Respectfully submitted,



Dennis Mastascusa  
Board Secretary