

MINUTES
BOARD OF DIRECTORS MEETING
Thursday, March 24, 2022 – 10:00 AM
Warneck Pump Station
23557 NYS Rt. 37, Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session in person and via Zoom Videoconference at the Warneck Pump Station, 23557 NYS Rt. 37, Watertown, New York on Thursday, March 24, 2022 at 10:00 am.

Members Present

Voting

Margaret Murray, Vice Chairperson
Dennis Mastascusa
Mary Doheny
Mark Hall
Thomas Hefferon
Alex MacKinnon
Eric Virkler

Non-Voting

Nancy Henry
Stephen Hunt
James Hollenbeck
Brian McGrath

Members Absent

Staff Present:

Carl Farone, Executive Director
Jennifer Staples, Chief Financial Officer
Carrie Tuttle, Chief Operating Officer
Stephen Bohmer, Director of Information Technology
Dawn Caccavo, Comptroller
Michelle Capone, Director of Regional Development
Kevin Feuka, Director of Engineering
Laurie Marr, Director of Communications and Public Affairs
Brian Nutting, Director of Water Quality
Patricia Pastella, Director of Materials Management
David Wolf, Director of Telecommunications
Regina Rybka-Lagattuta, Director of Human Resources
Angela Marra, Executive Assistant
Katie Maitland, Administrative Assistant

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm

1. Vice Chairperson Murray called the meeting to order at 10:01 AM.
2. Vice Chairperson Murray requested a roll call.
 - A quorum of voting and non-voting members was established.

3. Privilege of the Floor was offered
4. Upon a motion by M. Hall, and seconded by D. Mastascusa, the minutes from the February 24, 2022 Board Meeting, were approved.
5. Chairperson's Report
 - a. Resolution No. 2022-03-21, recognizing the life, service, commitment and contributions of Alfred E. Calligaris upon his untimely death and extending the sympathies of the Authority Board Members to the Calligaris Family – his wife and children, acknowledging their loss and honoring his life was read aloud in its entirety by C. Farone.

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, Resolution No. 2022-02-20, Memorializing Alfred E. Calligaris, Development Authority Board Member and Former Chairman, was unanimously approved.

A moment of silence in honor of Mr. Calligaris was observed by the Board and all meeting attendees.

C. Farone followed the resolution with a brief statement he had written as we were all devastated by the loss of A. Calligaris. This was a tragic loss for his family, his friends, and anyone who had the pleasure of knowing him. He is a husband, father, successful business man, but he always found time to be involved in organizations like ours and we are very fortunate to have someone of Al's caliber on our Board. He was an extremely professional and successful person, and I was fortunate to have Al as a mentor. His experience on the Board over the last 14 years certainly made the Development Authority a much better organization.

C. Farone stated he is going to miss Al's leadership and input on critical issues, their similar accounting views, and more importantly his friendship. He was a great man and a friend to all of us, and that should be noted for the record.

6. Executive Director's Report
 - a. Performance Measurements Report – FYE 2022 –

C. Farone explained that the Board adopts the Performance Measurements annually. A list is compiled at the end of the year to provide to the state showing how well the Authority met these Performance Measurements. It is important for the Board to review this list as well. C. Farone continued by saying those items in black are positive, while those in red are negative. He reviewed the list beginning with the highlighted items under meet or exceed federal, state, and local regulatory requirements such as; the Authority owned Army water line, Army sewer line, and regional water line operated with no violations, an A+ rating on the Minority and Women Owned Business Enterprise report card, sexual harassment prevention training was completed for all employees as required, human resources coordinated a third-party vendor to conduct all required onsite alcohol and drug screenings for our CDL drivers, and human resources ensured all Board members and required employees completed their

JCOPE filings and financial disclosures. C. Farone continued by mentioning negative items listed including; not meeting the SDVOB goal of 4%.

M. Hall asked if these are self-inflicted performance measures, or if they were set for the Authority. C. Farone responded that New York State suggests these goals for us.

C. Farone continued with the following negative items listed; the MWBE goal is 30% and the Authority is currently at 24.75%, water pollution control facilities serving the villages of Carthage, West Carthage, Clayton, and Malone, and the City of Ogdensburg had seven violations, down from 20 last year. A notice of violation was received pertaining to the Army water line as a result of disinfection byproduct contaminates.

B. McGrath asked if we have comparable numbers for the prior year, or are these new violations that did not previously occur. C. Farone responded that these items had previously occurred. C. Tuttle explained how these items are dealt with and tracked through a rigorous process used when logging any violation. An incident tracking log is completed anytime there is a violation. This is an environmental incident report or EIR which is also given to C. Farone. This is documented by staff who determine what the issue is, why it happened, and what we are going to do differently to ensure it doesn't happen again. For some of these, the solution lies within a capital project or permit modification that may take months or years to implement. We continue to log those violations which may result in an environmental incident report that has been open for a long period of time because the corrective action cannot be completed quickly. This is all managed by driving at the root cause, and if it is found to be a procedural or a training issue we then look across the other facilities to see if changes need to be made there as well. B. McGrath thanked C. Tuttle for the explanation and stated he had wanted to know if there were trends we were discovering, and further stated that her response answered his question completely and it sounds like a great system is in place.

C. Farone continued reviewing the next category of meet or exceed federal, state and local safety requirement highlights. Despite COVID we have been able to continue operations while implementing proper safety measures for staff. The Authority had a reportable incident rate of zero for the calendar year 2020, which is a decrease from 6.5 in 2019.

B. McGrath asked if this was a reflection of remote work, or just better controls. C. Farone responded that remote work is part of it, but also better controls. C. Tuttle added that there is a similar procedure for safety incidents as is used for environmental incidents. There is a process where the near miss is investigated and then we try to fix these situations. This information is then looked at across all facilities. The Safety Committee meets every month to review the near miss and accident reports, and have noticed that working remote has had a positive impact on these instances. Vehicle accidents are a big risk for the Authority because we have so many employees on the road. Driver safety training is done frequently but this is still a high risk due to the number of staff on the road for many hours each day. C. Farone stated that one of the important keys C. Tuttle touched on is if something is identified at one facility, it is communicated throughout the entire Authority and integrated

into the operations. This is part of the COO bringing all the operating divisions together to identify and fix issues.

C. Farone continued the performance measurements by sharing that the Authority hosted an emergency response drill with the South Jefferson Rescue Squad and other local emergency response volunteers. This was the first time a drill like this had been done at the Authority and it was a success. The Authority also coordinated and implemented the safety training program for Authority and municipal partners that included 32 sessions and 511 attendees. All required Authority personnel attended the training to meet OSHA safety requirements. The one negative was that CPR training and respirator fit training were not able to be completed due to delays resulting from COVID.

C. Farone reviewed the highlights of the next Performance Measurement, manage the Authority's assets in a prudent and fiscally responsible manner. Based on Board direction, the Telecommunications business plan has been completed. An integrity assessment was completed on the Army water line which showed there is needed work to be done. Landfill operations have been able to reduce leachate production by 45%. A study has been completed to evaluate the feasibility of establishing a Materials Recovery Facility at the Harrisville site. IT has implemented several security measures to protect the Authority's digital information.

The next item is operate transparently and with accountability to partners and general public. C. Farone reviewed the highlights stating that M. Capone and her team created a query tool on the Fort Drum Compatibility website to help better identify encroachment issues, L. Marr issued 11 Authority press releases, and 84 media stories, the Authority website was updated, M. Capone and her staff held a symposium at Fort Drum to allow for discussion between Fort Drum Garrison staff and community leaders that was well attended despite COVID, annual partner letters summarizing Authority services were sent to our three county partners and the City of Watertown, and a newsletter was sent to Rodman residents to help keep residents updated on landfill activities.

Encourage environmental stewardship and advance as a more sustainable organization highlights include; completing 929 environmental compliance items for calendar year 2021, completing a study on solar at our facilities that concluded the solar array may be feasible at the Materials Management Facility, replacing lights at Warneck Pump Station with LEDs for an annual savings of \$6,955, and purchasing 23.45% of the Authority's power from renewable sources.

The Authority provided regional initiatives and partnerships that provide value added services to communities by; partnering with Jefferson, Lewis and St. Lawrence County to conduct a broadband survey, launching Drum Country NY regional marketing initiative as a partnership between economic development organization of Jefferson, Lewis, and St. Lawrence Counties, the Authority and National Grid to focus on attracting and retaining workers and businesses to the North Country, Telecommunications working with the Olympic Regional Development Authority to design the communications network that will support the World University Games in 2023, Telecommunications being awarded contracts to continue providing services to 82 telemedicine sites throughout the

region, Regional Development staff participating in the planning committee for the NYS Costal Lakeshore Economy and Resiliency initiative, Telecommunications upgrading their network, and Regional Development providing grant administration and program delivery services for housing programs in the Town of Gouverneur, and Villages of Massena, Tupper Lake, and St. Lawrence County.

Lastly, the Authority developed internal analytic data to improve assessment and decision-making through Information Technology programming the water/wastewater software to properly record and track information for Carthage/West Carthage moving from using paper in the field to iPads and having real-time information making the system more efficient and less apt for error.

J. Hollenbeck asked if PESH ever comes for an inspection of employees. C. Tuttle responded that they have, and this year the Authority brought them in. They have a consulting division that provides assistance to municipalities. The Authority proactively reached out to them because we have a plant that we are now operating that had a diatomaceous earth filtering system that required different training on our part. They came in and did this training for us, free of charge, and helped us to set up the program. We then updated our health and safety manual to incorporate the new requirements. The Authority has a good relationship with them. Years back there were two fatalities at facilities. PESH stepped up their site visits following those events by visiting almost every wastewater treatment plant that we contract operate. During COVID they were not really doing inspections. We will have to see what the next year brings. J. Hollenbeck further stated that they have started coming around some of the highway departments. C. Tuttle commented that they show up for inspections unannounced.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, accepting Performance Measurements Report – FYE 2022, was unanimously approved.

b. Mission Statement and Performance Measures – FYE 2023 –

C. Farone stated that it is an annual requirement that the mission statement and performance measurements be reviewed with the Board of Directors. C. Farone read the mission statement aloud and stated that both are presented unchanged.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Accepting the Mission Statement and Performance Measures FYE 2023, was unanimously approved.

c. COVID Update -

C. Farone reported positive news. The Authority had seen an uptick two months ago and then it turned itself around. As of the last Board meeting mask requirements were no longer in place. Cases have been down and things are running very smoothly. We are hopeful that the spring and summer will be more of the same as we would like to start thinking about how to get staff back together later in the year and build back the morale that is lost when you don't see each other for such a long time.

B. McGrath asked if peripherally related to COVID, do we need to start looking into adjusting or preparing for adjustments on compensation for various staff in part to the rise in inflation over the last two years as an effect of COVID. C. Farone responded that it definitely is, and staff raises are currently in process. Some staff have come back stating inflation is at 7.24% and we are only getting a raise of "X" amount. Management is going to need to assess this and may bring it back to the Board for additional funding. The Authority is also creating a total compensation statement for each Authority employee that shows wages and benefits to show staff the other things they get working for the Authority. J. Hollenbeck stated that inflation is now at 7.9%, to which C. Farone agreed.

d. Annual Forms –

C. Farone stated that each year the Executive Director Evaluation, Confidential Evaluation of Board Performance, and the Ethics Policy – Disclosure of Outside Interests are to be completed by each Board member. We will send these forms to each Board member asking that they be completed honestly and submitted back to us by April 30th. We will work with the chairperson to consolidate all information, and the chairperson will report the results back to the Board.

B. McGrath asked about recent emails regarding a data security leak related to our disclosures, and if there was an update as to what we need to do. C. Farone replied that the email the Board received was the last information we had received, and it appeared that the system would be brought back up and be operational. There was an extension to this but J. Staples confirmed that we do not believe it will affect anyone on our Board. She further added that it is not believed that anyone's personal information had been breached, however if they find that it was, they will reach out to those individuals. This was the old system that was used prior to 2017 that was breached, not the current system. C. Farone stated that Board members should receive information on or about April 15th as far as the requirement to file with May 5th being the requirement deadline. B. McGrath asked if this was just the update for the previous year with the new system, because he had used both the old and new. C. Farone confirmed that is correct.

7. Finance Report – Chief Financial Officer

J. Staples reviewed the January 31, 2022 financial information. On the statement of net position from fiscal year ending 2021 to January 2022 there is a decrease overall in assets and liabilities of \$3.5 million. Under account receivables there was an increase of \$951,000 from fiscal year end 2021 due to timing of payments, increase in tonnage at MMF, and the continuation of Westelcom not paying their full monthly invoice. They are making good faith payments each month while looking for refinancing options. We will be meeting with the president of Westelcom on April 4th to review this situation and determine a good way forward. Loan receivables decreased by \$3 million as a result of two loans being paid in November of 2021. Investments decreased by \$11.8 million due to funds being moving to the restricted assets line in order to put additional funds in the closure and liner reserves. Under liabilities the liner reserve increased from \$7 million to \$10.2 million, and the closure prefunding was added as a new line on the statement of net position restricted liabilities. Capital reserve decreased by \$8 million as funds were moved to closure

prefunding. All of these moves were made to realign funds with the reserves related to the southern expansion as was discussed and approved at the August Board meeting under resolution number 2021-08-106.

Within the Change in Net Position, operating revenue customer billing is over by \$655,000. MMF customer billing is over by \$452,000 due to more tons coming in than were projected. Telecommunication customer billing is over by \$379,000 due to dark fiber. This is due to wireless customers needing to sign new contracts which will reduce revenue but have not done so as of yet, so we are still billing under the old contract pricing. Under operating expenses, most expenses are under budget. Community benefits is an exception being slightly over budget year to date because more tons were brought in than were projected, resulting in us paying more community benefits to the Town of Rodman. Materials and supplies are over budget year to date, not for the full year, because of the gravel and stone needs at the landfill. Interest income is showing a negative year to date. This does not mean we are earning a negative interest on our investments. The reason we are seeing this is because it is a negative adjustment to the market. We used to invest all of our money in CDs and prior to June the CD investment rates were around 1%. They started to drop to .08% and we began to look around for additional options and found Federal Home Loan investments and Treasury investments to be higher and began to purchase these to combat the lower interest rates on CDs. We were then required to make an adjustment in market value of these investments and that is what is being reflected in the negative interest income. This is only an accounting entry and the loss would not be recognized unless we cashed the investments in early.

The January year to date change in net position is a positive \$87,000, versus a budgeted loss of \$2.7 million.

Upon a motion by E. Virkler, and seconded by M. Hall, Financials ending January 31, 2022, was unanimously approved.

8. Governance –

- b. Resolution No. 2022-03-22, authorizing the write-off of the above identified receivables and further directs the Chief Financial Officer to make adjustments to the Authority's financial statements to reflect this transaction.

C. Farone explained that just because the Authority is writing this off as uncollectable does not mean that we are still not trying to collect. After the auditors have reviewed it, and a certain amount of time has passed and they still have not paid, it is deemed uncollectible. We will pursue legal action, however it is required to physically write this off. If we are paid then this will be recognized as revenue.

M. Capone added that Barclay Damon is the attorney in the process of serving them. Once that occurs we proceed as planned.

A. MacKinnon asked the location of the building. M. Capone replied that she does not have the exact address, but it is a mixed use building in downtown Malone to include commercial space with some residential above and a restaurant. They are also past due with the North Country Alliance who is also proceeding with litigation.

A. MacKinnon asked if this business was still operational. M. Capone replied that it is still operational, but does not have cash flow. Several attempts were made to work out a plan with them, but it never came to fruition. A. MacKinnon asked when this was attempted. M. Capone stated this was in 2021, and they have gone almost a year without making payments.

J. Hollenbeck asked if one year was the criteria. M. Capone replied no, legal action was begun almost 5 months ago. She further explained that based upon the collection policy a letter is sent at 30 days notifying them they are past due. This is followed up at 60 days with a reminder, and asking what their plan may be. At 90 days we issue a notice of default letter that requests payment be made by a specific date or we will move forward with legal action. A final notice would then be sent stating everything is due calling the whole note. We did this step in December because we have to protect the public's money, but we also attempt to work out a scenario with them as much as possible.

M. Hall asked if this could be COVID related seeing that it is a restaurant business. M. Capone replied that it is in part COVID related because they tried to open the business in the middle of COVID. Malone also benefits from Canadian business that comes across the border. However, neither of these excuse the fact that they wouldn't work with us.

M. Hall asked if we knew the amount of the original loan and how much they had paid back. M. Capone stated it was \$500,000, \$250,000 loan and \$250,000 grant. We will only be writing off the loan, but the grant is part of the litigation.

B. McGrath asked what the Authority's lien position is, and do we have personal guarantees from principles of the LLC. M. Capone responded yes, we have a first mortgage on the property. We did approve subordinating, however we are in a co-proportional position with the Franklin County Economic Development Organization and we do have personal guarantees. Part of the current issue is that they changed their addresses. While the attorney's office feels comfortable serving them with the address they have now, they cannot do anything with the property. Once we serve them, judgements will be filed against them.

B. McGrath asked why if this was sent to the Barclay firm five months ago are they just serving the complaint now. He further stated that as a lawyer this is an undue delay and asked what the reason for this is. M. Capone replied that we sent the last notice to the borrowers in December requesting a response by January. We are uncertain why it has taken so long, but we can question them for clarification as to why.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-03-22, Authorizing the Write-Off of a Certain Loan Receivables as Bad Debts, was unanimously approved.

- c. Resolution No. 2022-03-23, authorizes the write-off of the above identified receivable and further directs the Chief Financial Officer to make adjustments to the Authority's financial statements to reflect this transaction.

C, Farone explained that this is a clinic that was receiving 65% subsidy from USAC. USAC became informed that the clinic would be closing, however they didn't close

and the Authority continued to provide services only to find out USAC wouldn't fund them. The clinic paid their 35% per the agreement, but there is nowhere that ties the clinic to pay the additional 65%. This leaves the Authority with that 65% as uncollectible.

A. MacKinnon asked what USAC is. C. Farone responded it is the Universal Service Administrative Company. Of the hospital network the hospitals pay 35% and USAC, being federally subsidized pays 65%. However because they were closing the facility USAC said the funding is no longer available. A. MacKinnon asked if the facility was still operating and generating money. C. Farone replied yes, they are still operating but we have no recourse to go to the facility for the 65%. It is not part of the current contract that if USAC does not pay, the customer is responsible for it. Going forward, this will be included in our service orders.

A. MacKinnon asked if the clinic notified USAC they would be closing, and then did not close so now they are not getting the subsidy from USAC. C. Farone stated this is correct, they were paying their 35% as per the agreement. A. MacKinnon asked if that money was part of their cash flow or an initial fund to get them started. C. Farone replied no, they pay every month directly to the Authority. A. MacKinnon further inquired if this is still in existence and they are not getting the subsidy but generating their own cash flow. J. Staples commented that this contract with USAC ended in June of 2019 and this clinic is no longer a customer receiving our monthly services. A. MacKinnon stated that it seems that the cash flow is there, they have just decided to not pay. J. Staples stated they were not required to pay, and we are unsure if this facility is still open. D. Wolf confirmed that we are unsure if they are still open as we stopped providing service to them some time ago. C. Farone stated that this situation is unfortunate, but will be corrected moving forward.

Upon a motion by M. Hall, and seconded by A. MacKinnon, Resolution No. 2022-03-23, Authorizing the Write-Off of Certain Accounts Receivable as Bad Debts, was unanimously approved.

- d. Resolution No. 2022-03-24, approves the Personnel Policy as attached to and incorporated in the resolution.

C. Farone explained that this policy was reviewed by R. Lagattuta, Director of Human Resources, and J. Staples, Chief Financial Officer, to determine if there were any applicable federal and state regulations that should be included. Once completed the policy was sent to our legal counsel for their review. C. Farone continued by reviewing the number of additions, modifications, and deletions cited on the resolution and highlighted within the policy itself.

B. McGrath recommended using a different acronym for short term disability. C. Farone agreed and said we can take care of that.

M. Hall asked how these changes to the policy are distributed to the employees. C. Farone replied that we have a system where each employee will receive a copy of the policy with highlighted sections indicating what was changed. They will sign off once they have reviewed the policy, and as always the managers will be available to explain the changes.

Upon a motion by D. Mastascusa, and seconded by E. Virkler, Resolution No. 2022-03-24, Approving Modifications to Personnel Policy, was unanimously approved.

- e. Resolution No. 2022-03-25, authorizes the Authority's Executive Director to enter into an agreement with St. Lawrence-Lewis BOCES to lease office space suitable to the Authority's needs and said office will be housed in St. Lawrence-Lewis BOCES facilities located in Canton, New York.

C. Farone further explained that this has been discussed during the budget review process. Through discussions we found out that the St. Lawrence – Lewis BOCES has a very nice location with an available wing in one of their buildings. There are individual offices available with adequate parking and an affordable price. There are also several conference rooms that we would be able to utilize.

A. MacKinnon commented that these are spacious offices and a better choice for the type of things we are doing. He further stated that it is a very nice building with all kinds of amenities and plenty of parking right in the middle of things.

C. Farone stated that our current lease ends in June, and we would like to have a contract signed with BOCES to begin in May.

Upon a motion by A. MacKinnon, and seconded by M. Hall, Resolution No. 2022-03-25, Authorizing Office Space Lease, St. Lawrence County, Development Authority of the North Country, was unanimously approved.

9. Finance –

- a. Resolution No. 2022-03-26, authorizes professional services contracts as per listed in the resolution.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-03-26, Authorizing Professional Services Contracts, was unanimously approved.

- b. Resolution No. 2022-03-27, authorizes the standardization of computer software programs as per listed in the resolution.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Resolution No. 2022-03-27, Authorizing Standardized Computer Software Programs, was unanimously approved.

- c. Resolution No. 2022-03-28, authorizes the standardization for purchases of certain classes of equipment for use in the Materials Management Division as necessary for construction or operational activities will obtain economic and efficiency benefits, and is therefore in the best interests of the Authority. Be it further determined this resolution shall take effect immediately.

C. Farone explained that this does not mean that items will not go out to bid, but that we will specify a certain model or brand when the items do go out for bid. The large compactor is a Caterpillar. This brand was given an extensive evaluation and by standardizing all replacement parts, supplies, staff training, repair, and cost of ownership become streamlined by standardization.

Upon a motion by M. Hall, and seconded by D. Mastascusa, Resolution No. 2022-03-28, Standardizing Upon Certain Equipment for Use in Relation to the Material Management Division, was unanimously approved.

- d. Resolution No. 2022-03-29, authorizes the standardization for purchases of certain classes of equipment for use in the Open Access Telecommunications Network as necessary for construction or operational activities will obtain economic and efficiency benefits, and therefore in the best interest of the Authority. Be it further determined this resolution shall take effect immediately.

Upon a motion by D. Mastascusa, and seconded by M. Hall, Resolution No. 2022-03-29, Standardizing Upon Certain Equipment for Use in Relation to the Open Access Telecommunications Network, was unanimously approved.

- e. Resolution No. 2022-03-30, authorizes the standardization for purchases of certain classes of equipment for use in the Water Quality Management Division as necessary for construction or operational activities will obtain economic and efficiency benefits, and therefore in the best interests of the Authority. Be it further determined this resolution shall take effect immediately.

Upon a motion by D. Mastascusa, and seconded by M. Hall, Resolution No. 2022-03-30, Standardizing Upon Certain Equipment for Use in Relation to the Water Quality Management Division, was unanimously approved.

10. Technical Services Summary Report –

C. Tuttle reviewed the listed contracts individually, and the table was approved with two motions. These items are within our service area, and under \$100,000 annually.

- a. Jefferson / St. Lawrence County / Municipalities of Lewis County -
 - I. Village of Potsdam, Technical Services Agreement, Underwriting – DRI Rebuild Downtown Potsdam Fund, Total Agreement Amount of \$20,000, 03/01/22 – 12/31/24, St. Lawrence County
 - II. Town of Clifton, Operation & Maintenance Agreement, Town of Clifton – Newton Falls Wastewater Services, Total Agreement Amount of \$115,851, 4/1/22 – 3/31/2027, St. Lawrence County
 - III. Village of Sackets Harbor, SCADA Services Agreement, Sackets Harbor SCADA Computer Upgrade SSA, Total Agreement Amount of \$20,000, 4/1/22 – 12/31/2022, Jefferson County
 - IV. Town of Parishville, SCADA Services Agreement, Parishville Water Plant Control Panel SCADA Services, Total Agreement Amount of \$46,195, 4/1/22 – 12/31/2022, St. Lawrence County
 - V. Town of Louisville, Technical Services Agreement, Water Systems Improvements Amendment 2, Total Agreement Amount of \$34,500, 3/1/22 – 3/31/2023, St. Lawrence County
 - VI. Village of Heuvelton, Technical Services Agreement, Water Improvements Amendment 4, Total Agreement Amount of \$82,000, 4/1/22 – 12/31/22, St. Lawrence County

- VII. Village of Heuvelton, Technical Services Agreement, Wastewater Treatment Plant Municipal Restructuring Amendment 3, Total Agreement Amount of \$105,000, 4/1/22 – 12/31/23, St. Lawrence County

Upon a motion by M. Hall, and seconded by D. Mastascusa, Board Contract Summary Table items numbered I through VII for the month of March, was unanimously approved.

11. Engineering –

- a. Resolution No. 2022-03-31, approves the technical services agreement by and between the Authority and the Town of Tupper Lake, and further authorizes and directs the Executive Director to execute said agreement.

Upon a motion by D. Mastascusa, and seconded by E. Virkler, Resolution No. 2022-03-31, Technical Services Agreement, Town of Tupper Lake, GIS Services for Regional GIS Data Development Project, was approved. M. Hall abstained due to his employer being one of the 25 municipalities.

12. Water Quality –

- b. Resolution No. 2022-03-32, amends the operating budget of the Army Sewer Line to increase the budget for sewer purchases from \$1,234,029 to \$1,419,711. This resolution further amends the operating budget of the Army Sewer Line to increase the budget for utilities from \$54,980 to \$64,980. Lastly, the resolution amends the operating budget of the Army Sewer Line to increase customer billings from \$2,779,184 to \$2,974,866.

C. Tuttle explained that it is also important to note that our contract with the Army covers our costs meaning if there is an increase in our expenses that will be made whole.

Upon a motion by M. Hall, and seconded by A. MacKinnon, Resolution No. 2022-03-32, FY 2022 Army Sewer Line Operating Budget, Amendment, was unanimously approved.

13. Regional Development -

- a. Loan Report –

M. Capone stated that there is nothing new to report on the loan portfolio. There were two loans that were over 30 days past due, but as of today both are current. M. Capone had already reported on MCM Development of Malone in Resolution No. 2022-03-22. All other loans are being paid as agreed.

- b. Resolution No. 2022-03-33, approves the loan modification for Lewis County Development Corporation for an additional seven months beginning March 1, 2022 and ending October 1, 2022, and authorizes the Director of Regional Development to execute all necessary documentation.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-03-33, Community Development Loan Fund, Lewis County Development Corporation, Loan Modification, was approved. E. Virkler abstained as a LCDC Board Member.

- c. Resolution No. 2022-03-34, approves a loan of up to \$800,000 to S&J Properties of Watertown, LLC with \$425,000 from the Community Rental Housing Program and \$375,000 from the Watertown Local Development Corporation subject to the terms and conditions in the term sheet attached to the resolution, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary. It is further resolved that the Development Authority of the North Country does hereby subordinate its existing debt to an additional \$525,000 in debt to Watertown Savings Bank for construction financing. This is also resolved to be a Type II Unlisted Action taken under the State Environmental Quality Review (SEQRA).

B. McGrath asked about this \$100,000 that has come up through a miscommunications, and should we anticipate increased construction costs given the inflation before the project is completed. He further asked if this amount is going to be enough, or are we going to get another resolution at the next Board meeting seeking an additional modification of the loan terms to add more money. M. Capone responded that it is our full intent that this is it. She further stated that she feels very confident with the numbers that the contractor has provided, and we are working diligently between the bank, ourselves, and the Watertown Local Development Corporation to keep these costs in line.

B. McGrath asked if additional underwriting analysis was done on the additional \$100,000. M. Capone responded yes, the write-up attached to the resolution incorporated the additional lending. The cash flow analysis and loan-to-value were based on the updated information and we are at a 90% loan to value after the bank mortgage.

Upon a motion by M. Hall, and seconded by D. Mastascusa, Resolution No. 2022-03-34, Community Rental Housing Program, S&J Properties of Watertown LLC, Loan Modification, was unanimously approved.

- d. Resolution No. 2022-03-35, affirms the loan approval process for the North Country Regional Tourism Community Transformational Revolving Loan Fund authorizing the respective Loan Review Committee to commit loans up to \$250,000 on behalf of the Board to be ratified by the Governance Committee and reported to the Board at the next Board Meeting, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documents to close the loan. It is further resolved to affirm the loan approval process for the North Country Value Added Agriculture Revolving Loan Fund authorizing the respective Loan Review Committee to commit loans of up to \$250,000 on behalf of the Board to be ratified by the Governance Committee and reported to the Board at the next Board meeting, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documents to close on the loan. Lastly, it is further resolved to affirm the loan approval process for the North Country Redevelopment Fund authorizing the respective Loan Review Committee to commit loans/grants of up to \$500,000 in total on behalf of the Board to be ratified by the Governance Committee and reported to the Board at the next Board Meeting, and authorizes

the Executive Director or Chief Financial Officer to execute all necessary documents to close on the loan.

M. Capone explained that this resolution came from a recommendation from one of our regional committees. These loan committees were determined by Empire State Development on terms of the type of representation required on each committee such as; regional representation, Development Authority representation, and Empire State Development representation. M. Capone further stated that there is \$900,000 left to lend from the Tourism Fund and over that amount in terms of projects of interest. The ability to make these loans will be predicated in the future upon repayments to determine how much we have available. The redevelopment fund has some of money available because some projects fell through.

T. Hefferon asked if the money isn't actually the bank's money. M. Capone responded that it is our money as we were the grant recipient, however it is not operating funds.

T. Hefferon stated that it is hard for us to operate if we have to wait a couple months because we cannot commit and disperse the funds without the full Board.

S. Hunt commented that we are receiving a number of these requests and we are rushed in our review of the application in order to bring them to the Board, otherwise they would be waiting two months. It would be helpful if there was a committee established that could expedite the approval process or at least make it more flexible so we could make these loans.

A. MacKinnon asked what would happen if the committee approved the funds and the loan proceeded and then two months later the Board rejects it, unless we amend the Board policy to allow for Governance Committee approval. He further asked if this resolution would give this committee particular authority to speak for the Board. M. Capone stated yes, that is what this resolution is stating.

T. Hefferon commented that he doesn't recall the Board ever deeply examining one of these loans.

B. McGrath commented that he appreciates the concern and the attempt at finding a solution for this problem. He further stated that the only modification he would add to the resolution would be that when it goes to ratification by the Governance Committee, the notice be provided to the full Board of that Governance Committee meeting to provide the full Board with the opportunity to attend that meeting to express any concerns.

A. MacKinnon stated his concern about setting a trend where next month something else will be done by the Governance Committee as opposed to the full Board. He further stated this is a difficult road because you do not want the Governance Committee running the entire organization because that would be against our enabling legislation.

M. Capone responded that authority was given to the committees to commit funds already, and it is odd then that the Board needs to ratify this. There could be a time the committee committed the funds and the Board says no and we would have

to go back to the borrower and tell them no. This is allowing for more oversight because we would be taking it to the Governance Committee and they are ratifying it.

T. Hefferon commented that the other issue is that sometimes the committee would like to take an extra week to review the application more seriously, but we are rushed to be ready for the next Board meeting or wait and wreck the project.

C. Farone stated that he liked B. McGrath's suggestion of sending the meeting notice to the full Board. S. Hunt agreed that this makes sense. M. Capone stated that this resolution will have an additional resolve which will state that the Development Authority does hereby affirm the loan approval process and a notice will be given to the full Board for the Governance meeting.

A. MacKinnon asked who votes then. T. Hefferon asked M. Capone to list the members of the tourism committee. M. Capone stated the committee members are T. Hefferon, S. Hunt, and Alexandria Roalsvig from the eastern side of the state, and Corey Fram from the TI Tourism Council. She further stated the redevelopment fund members and the Ag committee members.

A. MacKinnon stated that he wants it to be clear so that everyone understood. This is a deviation from his standard operating procedures when it comes to boards like this.

M. Hall stated that he supports what we are trying to do, but also asks if the Authority can legally advocate this. T. Hefferon responded that the Governance Committee can operate on their own. C. Farone stated that the Governance Committee can act on behalf of the Board between Board meetings if required to do so. He further commented that this could be a solution as opposed to getting the full Board together each month. It can be requested that the Governance Committee review them because they have that ability to act on behalf of the full Board. We do not want to do this all the time. In looking at previous resolutions, the committee has the ability to commit these funds to the borrower by resolution but the funds are not actually committed until it is brought before the full Board which slows the process. M. Capone added that this resulted in being able to tell the borrower that the funds are committed, but not yet approved and a commitment letter cannot be provided yet.

M. Hall asked if this would flow within the ESD funds that have been provided to the Authority. M. Capone stated that this is already their established process, and that our approval process is our own and approved internally.

S. Hunt clarified the committee that is organized is reviewing it from a regional priority perspective and the Authority is providing the formal underwriting process. This is in alignment with the goals that the region is trying to meet as far as tourism projects. He further stated these would come to the full Board at the Authority in the past, but that the timeframe is making it difficult for us to review these so we are looking for a better solution.

D. Mastascusa asked if when it comes to the Authority, is everything in play such as applications and appraisals. M. Capone stated we usually don't have the appraisals. She stated that the write-ups for the resolutions are done for a

minimum to cover the loans by at least one-to-one. If the appraisal doesn't come in we go back to the borrower to discuss sufficient collateral and then either reduce the loan amount or they produce more equity. The committee reviews these applications before a resolution is created, and not all applications are approved. These committees are difficult to get through. The applications may not fit the transformational project for the region, or may be too much of a risk, at which time they are stopped at the committee level. Only once the committee makes a recommendation can the resolution be issued with a date included stating that the committee recommends them for approval. If an application is received a week or two before the Board meeting deadline this limits the time for the committee's review before the Board meeting.

D. Mastascusa asked if there were still contingencies even after the Governance Committee gives approval. M. Capone responded yes, all of our loans have contingencies. C. Farone stated there is no change in the process other than during off Board meeting months the Governance Committee would review these loans. M. Capone added that if there is a Board meeting scheduled or there is not rush we would use the current process.

B. McGrath asked to clarify that the resolution has been amended to include the notice of the Governance Committee meetings on these considerations. M. Capone agreed, the resolution will be amended to have the resolve that the notice will go to the full Board for the Governance meeting.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2022-03-35, North Country Value Added Agriculture Loan Fund, North Country Redevelopment Fund, North Country Tourism Community Transformational Loan Fund, Affirm Loan Approval Process, was unanimously approved.

14. Executive Session – to discuss the sale or purchase of real property.

Upon a motion by M. Hall, and seconded by E. Virkler, the Board moved into Executive Session at 11:58 AM.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, the Board moved out of Executive Session at 12:36 PM.

C. Farone reported that no action was taken during the Executive Session.

15. Report of the Nominating Committee –

A. MacKinnon presented as the chair of the nominating committee, consisting of A. MacKinnon, T. Hefferon, D. Mastascusa, and J. Hollenbeck.

The committee nominated the following officers for Fiscal Year Ending 2023:

Chair – Margaret L. Murray
Vice Chair – Thomas H. Hefferon
Secretary – Dennis M. Mastascusa
Treasurer – Alex A. MacKinnon

Upon a motion by T. Hefferon, and seconded by M. Hall, approving the nomination of officers for the Fiscal Year 2022-2023 was unanimously approved.

A. Mackinnon stated that it is important that each of the partners are represented within the Board officers. This keeps the partners involved, and keeps one area from monopolizing Authority efforts.

16. Authority Board Meeting Dates – FYE 2023

C. Farone presented the Board Meeting dates and stated that these dates typically occur on the fourth Thursday of the month. An exception was made in December to avoid conflicts around the holidays. Following this schedule, the next Board meeting would be May 20, 2022. An email will be sent to all Board members and Authority managers with the meeting date schedule attached.

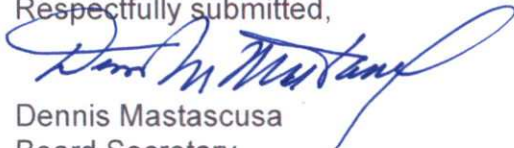
S. Hunt asked if the meeting used to be on the third Thursday as he has conflicts on the fourth Thursday and it is always difficult for him to attend. A. MacKinnon confirmed that they used to be held on the third Thursday. C. Farone asked if the third Thursday worked better. M. Hall commented that he would have a conflict on that day.

S. Hunt asked if we could try to find a better day for the group. C. Farone stated the Board members would be polled to find out which day works best.

M. Hall asked about the possibility of potentially attending virtually in the future. C. Farone responded that is something the Board decided they would revisit once the pandemic was over to determine how to move forward. From a legal perspective, J. Granzow has confirmed that we could continue that practice.

17. Upon a motion by D. Mastascusa, and seconded by E. Virkler, the meeting was adjourned at 12:41 PM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary