



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, June 23, 2022 – 10:30 AM
Materials Management Facility
23400 NYS Route 177, Rodman, New York

The Development Authority of the North Country Board of Directors met in regular session in person and via Zoom Videoconference at the Materials Management Facility, 23400 NYS Route 177, Rodman, New York on Thursday, June 23, 2022 at 10:30 am.

Members Present

Voting

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

Non-Voting

Nancy Henry
James Hollenbeck
Stephen Hunt
Brian McGrath

Members Absent

Eric Virkler

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
Regina Rybka-Lagattuta, Director of Human Resources
David Wolf, Director of Telecommunications
Angela Marra, Executive Assistant

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Cyril Mouaikel, RBC Wealth Management
John Nuber, RBC Wealth Management
Tania Budge, The Bonadio Group
Frederick J. Carter, Sr.
James W. Wright

1. Prior to the meeting being called to order, J. Staples reviewed the financial report for the month ending April 30, 2022. Beginning with the statement of net position there were not many changes noted within the month. Accounts receivable has increased by \$1 million due to timing of invoices and payments in April and capital assets has decreased by \$1 million due to depreciation. In the change in net position summary of all units, total operating revenue is 4% under budget. MMF projected waste volume was 10,273 tons, but came in at 14,005 tons, which is approximately 36% over the projected tons, however customer billing is under budget due to 4,793 tons of contaminated soil being received in April which was higher than projected and costs less than the MSW tip fee. Operating expenses show a depreciation over budget by \$108,000 associated with the southern expansion. Initially the liners were anticipated to depreciate over the 50-year full life of the landfill. We have since learned that we can only depreciate it for the useful life of that particular cell. This condenses the anticipated timeframe from fifty down to five years. Closure, post-closure costs, along with community benefits are over budget due to the larger waste volumes received in April. Under non-operating revenue, interest income is showing a negative \$349,000 due to a market adjustment in April. This would only be a true loss if the held investments were to be cashed in, which we do not plan to do. This is a required journal entry at this point based on accounting guidelines. In total, the change in net position came in at a loss of \$571,000 versus a budgeted loss of \$239,000.
2. Chairperson Murray called the meeting to order at 10:38 AM.
3. Chairperson Murray requested a roll call.
 - A quorum of voting and non-voting members was established.
4. Privilege of the Floor was offered
5. Upon a motion by A. MacKinnon, and seconded by T. Hefferon, the minutes from the May 26, 2022 Board Meeting, were approved.
6. Chairperson's Report
 - a. Service Recognition of Frederick J. Carter, Sr.

Mr. Carter was recognized for his service to the Development Authority, and presented with an engraved clock and gavel, and a signed framed copy of his resolution as a token of our appreciation.

C. Farone recognized J. Wright for his service as Executive Director of the Authority from April 2009 to May 2020 by presenting him with and reading aloud Resolution No. 2020-08-90, acknowledging our appreciation for his time as Executive Director of the Development Authority.
 - b. Southern Expansion Ribbon Cutting at 1:00 PM.

M. Murray announced that the Board meeting will be followed by the ribbon cutting, and invited all present to attend.
7. Executive Director's Report
 - a. FY 2022 Annual Report

C. Farone gave a brief presentation of the Annual Report and reviewed the By the Numbers section in detail. The Annual Report was distributed to Board members in attendance, and copies will be mailed to those attending via Zoom or absent.

b. Army Water Line – EPA Administrative Order

C. Farone offered an update on the City of Watertown's progress in addressing the Disinfection Byproduct issue. After receiving an EPA Administrative Order, Authority staff and Executive Director met with city staff to discuss how the city is going to improve the disinfection byproducts issue. The city hired an engineering firm who has recommended that they pilot two different processes. The City of Watertown has committed \$3 million for this project and are in the process of implementing the pilot programs that they plan to have running by August 2022. They plan to have preliminary results of the pilot programs in January of 2023, which will provide the data required to estimate costs for the project. The Authority is concerned about the timeline and wants to make sure that the City is in a position to commence preliminary engineering so that in June the City can apply for grants to help offset the cost of the project. The key is to ensure that the preliminary engineering is complete so the City can apply for the necessary money and grants a year from now. The Authority will help the City stay on schedule. We are scheduled to meet with the City next week when they host a stakeholder's meeting to discuss this issue.

M. Hall asked if this is a violation of TTHMs. C. Tuttle responded that this was HAA5s for us and registered at 150 at our booster pump station 1. We just had another violation because the 150 is within the four-quarter average. The highest results are usually in the summer time when the water temperatures are higher. C. Tuttle stated this is likely to continue until the capital project is completed. She continued by stating the numbers are very high and only .3 miles from the city's water treatment facility. C. Farone stated that the City of Watertown has responded to the EPA with corrective action plan outlining the two pilots, and hope to be in the position to apply for grant funding next year.

c. Marketing Certificate of Excellence Award – Let's Meet Drum Country

C. Farone shared that M. Capone and the Regional Development team have been working with economic development offices of the Authority's three county partners and the Chamber of Commerce to develop a new website and social media marketing effort to attract and obtain workforce and businesses to the North Country called "Let's Meet" at www.drumcountryny.com. This is the result of a yearlong effort between the three counties, the Development Authority, Advocate Drum, and National Grid. The campaign highlights what makes the North Country a great place to live, work, and play. Congratulations to Michelle and her team.

d. Matt Siver – AUSA Volunteer of the Year

Matt Siver, Regional Development Authority staff, was named AUSA Volunteer of the Year. Matt is their treasurer and this award demonstrates that the staff are engaged within the Authority, as well as outside the organization. Congratulations to Matt Siver.

8. FYE 2022 Investment Report – RBC

J. Staples introduced C. Mouaikel, Managing Director, and J. Nuber, Associate VP, from RBC Wealth Management to present the annual investment report. She further stated that they would also be presenting a second report called the projected portfolio impact or 'shock report'. This report is important because the market has been negatively impacted and this report will show what they believe our investments will look like over the next year.

C. Mouaikel began by explaining their process. Every month the Authority has many accounts that RBC looks at. They then prepare a report for the Authority CFO. Depending upon the Authority's cash flow needs and investments, they then offer recommendations. The CFO and Executive Director would review this report, and once they have approved the suggested investments, RBC goes back to the market and invests in these instruments. The Authority requires that all investments are FDIC insured government backed with zero risk. There is no flexibility, they cannot buy corporate loans, and they are restricted to the shorter instruments. There is never going to be a real loss in terms of capital loss due to the work of the CFO and Executive Director, and we have never had to sell anything. We are not trading these accounts, only buying them and earning the income. RBC provides the Authority with a statement of what the value would be if they were to sell everything today even though nothing is being sold. It is not known at this time where interest rates are going. Last March 31 the two-year treasury was at 0.28%, and this March 31 it is at 2.28%. This is a 2% increase on a two-year treasury; which is why the portfolio looks as bad as it does. C. Mouaikel stated that over the last 20 years that he has been reporting to this group he has never had something this sad to report. There is no real loss to report, nor is that a gain. Everything is a market value adjustment. New bonds are also being sent to the CFO at a much better price as things begin to improve.

J. Nuber discussed the shock report.

RBC has been running this report for a few years to offer an idea of what might happen should markets and industry continue to increase. This program can run multiple scenarios depicting if rates were to freeze and nothing were to change, up through the fifth scenario showing parallel shifts, ending with the seventh scenario showing what could happen if the Federal Reserve and markets don't raise on the short end. Roughly, one third of the portfolio matures each year and based on the matured or called pieces we reinvest them for the remaining terms. J. Nuber reviewed each scenario showing what could happen as these rates change.

C. Mouaikel concluded by stating RBC will continue to work with the Authority's CFO and Executive Director to see where it fits the best to get the best yield. The Authority portfolio will remain short term, extremely high quality, triple A across the board. Not a penny will be lost or will be lost because of credits. The CDs that the Authority is buying are from all over the country through 300 to 400 different banks. They will continue to follow the FDIC numbers to ensure they never cross the 250 threshold. There is a great deal of work being done behind the scenes to ensure the Authority's money is 100% safe.

Following the RBC presentation, C. Mouaikel and J. Nuber left the meeting at 10:58.

9. Independent Audit – Bonadio Group

J. Staples stated that the Audit Committee met last Thursday to review in detail the results from our external audit for FY22. G. Evans, a partner from the Bonadio

Group, provided that report to the audit committee. The committee reviewed it and they are recommending it to the full Board today. J. Staples asked Tania Budge, account manager from The Bonadio Group, to address the full Board with a brief presentation on the results of the audit. T. Budge presented this review of the audit results, as it was presented to the Audit Committee on Thursday, June 16, 2022. T. Budge further reviewed the letters, financial statements, report on internal controls and compliance as included in the independent auditor's report.

- a. Resolution No. 2022-06-52, accepts the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments, as of and for the year ended March 31, 2022.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-06-52, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2022, was unanimously approved.

- b. Resolution No. 2022-06-53, approves the assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country, for the fiscal year 2022.

Upon a motion by M. Hall, and seconded by A. MacKinnon, Resolution No. 2022-06-53, Approving the Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year 2022, was unanimously approved.

- c. Resolution No. 2022-06-54, approves the Annual Bond Sales Report for the fiscal year ending March 31, 2022, as attached and incorporated in this Resolution.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-06-54, Approving Annual Bond Sales Report for Fiscal Year Ending March 31, 2022, was unanimously approved.

T. Budge left the meeting at 11:20 AM.

9. Finance Report – Chief Financial Officer

This report was presented by J. Staples prior to the Board meeting being called to order.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Financials ending April 30, 2022, was unanimously approved.

10. Technical Services Summary Report –

C. Tuttle reviewed the Technical Services Summary Report and noted that these contracts are within our service area and generate revenue under \$100,000 annually.

a. Non-Lewis County Contracts -

- I. Fort Drum, Memorandum of Understanding, GIS Data Sharing, 7/01/22 – 7/01/23

- II. Town of Hermon, Technical Services Agreement, Main Street New York Grant Assistance, Total Agreement Amount of \$1,500, 6/01/22 – 7/30/22, St. Lawrence County
- III. Village of Richville, Technical Services Agreement, Engineering Planning Grant and USDA Grant Assistance, Total Agreement Amount of \$3,800, 7/01/22 – 12/31/2022, St. Lawrence County
- IV. Town of Diana, Technical Services Agreement, Water System Improvement Project Amendment 3, Total Agreement Amount of \$55,000, 7/01/22 – 12/31/2023, Lewis County
- V. Village of Potsdam, Technical Services Agreement, NBRC Grant Administration, Total Agreement Amount of \$7,150, 7/01/22 – 9/30/2024, St. Lawrence County

Upon a motion by A. MacKinnon, and seconded by M. Hall, the contracts included on the Technical Services Summary Table for the month of June were unanimously approved.

M. Hall asked why this is listed as Non-Lewis County contracts. C. Tuttle explained this is listed like this because E. Virkler works for Lewis County and cannot vote on those items.

11. Materials Management –

- a. Resolution No. 2022-06-55, authorizes the Chief Financial Officer to increase the budget for Capital Project 20156 (MMF Main Pump Station Upgrades) from \$500,000 to \$595,000.

Upon a motion by A. MacKinnon, and seconded by M. Hall, Resolution No. 2022-06-55, Materials Managements Division, FY2022-2023 Capital Budget Amendment, Main Pump Station Upgrade Project, was unanimously approved.

- b. Resolution No. 2022-06-56, determines that the Monitoring Well Decommissioning project is a Type II Action, and will not have a significant adverse impact on the environment, therefore no Environmental Impact Statement needs to be prepared and no further action with regard to the SEQRA is required.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-06-56, Materials Managements Facility, Monitoring Well Decommissioning Project, State Environmental Quality Review Act Determination, was unanimously approved.

- c. Resolution No. 2022-06-57, authorizes the Chief Financial Officer to increase the budget for Capital Project 20197, MMF Leachate Truck Tractor FYE23) from \$140,000 to \$170,000.

C. Tuttle stated that there will be a salvage value associated with this truck, but we do not know when we are actually getting the new piece of equipment. Our best guess is that we will receive \$30,000. We will have to sell it after the fact so we

need to increase the capital budget and any revenue we get from the sale will go back into the operating budget.

C. Farone stated that the \$140,000 is based on actual quotes the Authority received, however even the state contract reads that they cannot guarantee the price.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2022-06-57, Materials Management Division, FY2022-2023 Capital Budget Amendment, Leachate Truck Tractor Equipment Replacement, was unanimously approved.

12. Water Quality –

a. Resolution No. 2022-06-58, authorizes the Director of Regional Development to submit an application for a grant for up to 100% of the total eligible project costs not covered by other federal or state grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation; and further authorizes the Director of Regional Development to execute the grant agreement with the Office of Local Defense Community Cooperation, if funded, and implement the grant.

C. Tuttle explained that because our project is located in an area having a population below 100,000, allows us to request a waiver to the 30% match. We will be applying for 100% of the total eligible program costs.

Upon a motion by M. Hall, and seconded by D. Mastascusa, Resolution No. 2022-05-58, Phase I Army Water Line Pipeline Replacement Project, Office of Local Defense Community Cooperation, Defense Community Infrastructure Pilot Program, was unanimously approved.

13. Regional Development -

a. Loan Report –

M. Capone reported that Project Development Committee met the other day and approved a modification to the Thompson Park Conservancy loan allowing them to pay interest only from April 1 – June 1, with regular payments beginning July 1. The conservancy explained they were having cash flow issue as at the beginning of the quarter due to attendance being low because of winter weather.

M. Capone reported that a memo outlining our relationship with Barclay Damon and our collections efforts with the MCM loan was provided to B. McGrath as per his request at the last meeting. Going forward we will be using the Wladis Law Firm for any future collection efforts.

b. Resolution No. 2022-06-59, authorizing the Executive Director or Chief Financial Officer to execute contracts based upon awards made by the North Country HOME Consortium Administrative Board.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2022-06-59, 2022 Home Program Year, Authorizing Contracts, was unanimously approved.

- c. Resolution No. 2022-06-60, ratifying a loan in the amount of \$100,000 from the Regional Tourism Transformational Revolving Loan Fund to James Andrew Milne, or new corporation to be formed, at the terms and conditions outlines on 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. It is further resolved that this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-06-60, Regional Tourism Transformational Community Revolving Loan Fund, James Andrew Milne, or New Corporation to be Formed, Loan Modification, was unanimously approved.

- d. Resolution No. 2022-06-61, approving a loan for up to \$280,000 to the Cranberry Lake Mountaineers Snowmobile Club, Inc. 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. It is further resolved that this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by M. Hall, and seconded by A. MacKinnon, Resolution No. 2022-06-61, Community Development Loan Fund, Cranberry Lake Mountaineers Snowmobile Club, Inc. Loan, was approved.

- e. Resolution No. 2022-06-62, consenting that the Digital Film Projector Conversion Fund Grant #Y647 is complete and authorizes the Executive Director to return \$144,179 to Empire State Development. It is further resolved that the Director of Regional Development is authorized to request from Empire State Development that \$344,179 be reallocated to the North Country Transformational Community Tourism Fund (Grant #Y648) to be administered per the terms and conditions of the fund previously set forth with Empire State Development. The resolution was amended to state 'up to \$144,179' would be returned to Empire State Development.

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, Resolution No. 2022-06-62, Grant Agreement, North Country Digital Film Projector Conversion Fund, Empire State Development, the amended resolution was unanimously approved.

B. McGrath asked if after hearing the report done by C. Mouaikel from RBC, is there anything the Authority should be doing to mitigate potential risk within our loan portfolio. M. Capone responded that at this time, all of our borrowers are paying as agreed, but this is a good exercise. M. Capone stated she would do an analysis between now and our August meeting, and she would present an analysis at the August Board meeting.

B. McGrath apologized for not being able to attend the meeting in person, and expressed his gratitude to J. Wright and F. Carter for their service to the Authority.

14. Power Point Presentation – Solar Feasibility Project Update –

C. Tuttle presented a solar feasibility project update to explain the process up to this point. Three locations were reviewed in detail; going over historical electrical usage, available space, a site efficiency analysis, construction and life cycle costs, and an application that was sent to National Grid to determine if the capacity existed to justify the cost to connect. The Materials Management facility was determined as the preferred site; however due to the additional costs to remain on National Grid's list, the project payback timeline, low power usage, lack of capacity with National Grid, not being able to determine costs, and the funding applications not being pursuable due to uncertain costs, Authority staff is recommending the project be put on hold and re-evaluated with the FYE24 budget.

J. Hollenbeck asked what the footprint would be. C. Tuttle responded that it would be 10 to 20 acres with a 750 kw array, but still based on the interconnect availability. J. Hollenbeck stated that 750 kw would be about 20 acres.

M. Hall stated that most solar projects are going in where they can easily access the grid. C. Tuttle agreed and further stated that is the first step in the process. The next step would be National Grid actually looking at their system and determining what capital costs they would need to upgrade from the point of connection to the transmission system. National Grid could also come back and say they have capacity, but the transmission station needs to be upgraded. The cost to upgrade a transmission station could be \$100,000 and then we would be responsible for a percentage of those costs. The Authority did not get to that point of determining how those costs would be shared because the capacity did not exist.

C. Farone stated that there is too much in flux at this time and we hope this will look more promising in FYE24.

15. Next Board Meeting Date – August 25, 2022, location is to be determined.

C. Farone stated that per New York State law, we would be hosting a public hearing and presenting a resolution to utilize videoconferencing for Board Meetings without including public attendance at each remote videoconferencing locations.

16. Upon a motion by A. MacKinnon, and seconded by M. Hall, the meeting was adjourned at 11:56 AM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary