



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, August 25, 2022 – 10:30 AM
Warneck Pump Station
23577 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, 23577 NYS Rt 37, Watertown, New York on Thursday, August 25, 2022 at 10:30 am.

Members Present

Voting

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

Non-Voting

Nancy Henry
James Hollenbeck*
Stephen Hunt*
Brian McGrath*

*Attended via videoconferencing.

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
Kate Mangan, Director of Materials Management
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
Sonja Brown, Administrative Assistant

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Andy Gardner, Watertown Daily Times
Brad Catling and Julie Catling
Adam Atkinson, North Country Now

1. Chairperson Murray called the meeting to order at 10:30 AM.
2. Chairperson Murray requested a roll call.
 - A quorum of voting and non-voting members was established.

3. Public Hearing –

With a quorum of the Board established, Chairperson Murray called a Public Hearing to order at 10:32 AM for purpose of gathering testimony from members of the public regarding a proposed Videoconference Participation Policy that will allow Authority board members to participate in public meetings of the board through the use of videoconferencing applications. This public hearing was advertised in the Watertown Daily Times for five days beginning on August 19, 2022.

The proposed policy, posted on the Authority's website since August 18, 2022, establishes the procedures whereby board members may participate in meetings by videoconferencing from private locations, in satisfaction of Public Officers Law 103-a-2-b.

The Board will now hear testimony from members of the public regarding this proposed policy. Members of the public wishing to speak will be allowed up to five minutes each and are asked to speak clearly and directly into the microphone, stating their full name first. Chairwoman Murray stated that she will call upon members of public at this location who wish to speak first, then will call upon members of the public participating via Zoom who have indicated they wish to speak by using the "raise hand" feature in the application.

No comments were received.

The public hearing was closed at 10:38 AM.

4. Privilege of the Floor was offered.

Brad and Julie Catling from Potsdam addressed the Board regarding the Potsdam Rate Study. C. Farone stated that the Authority completed a rate study in 2016 for the Village of Potsdam, and that it was Potsdam's decision in regards to the rate structure they would implement. C. Farone stated that the Village of Potsdam had requested that the Authority provide a proposal to update the 2016 rate study. Per such request, the Authority provided a proposal to update the rate study to the Village of Potsdam but has not been retained to conduct the study.

Julie Catling asked if they should contact the Potsdam Village Board. C. Farone replied yes, the Village of Potsdam should be contacted to discuss the rate structure.

Julie Catling asked if there was a set rate. C. Tuttle responded that the Authority is not certain of Potsdam's current billing practices.

Julie Catling stated she would pursue this further with the Village of Potsdam. Julie and Brad Catling left the meeting at 10:42 AM.

5. Upon a motion by D. Mastascusa, and seconded by M. Doheny, the minutes from the June 23, 2022 Board Meeting, were approved.
6. Chairperson's Report
 - a. The Strategic Planning session will be held Thursday, September 22, 2022. At this time, the location has yet to be determined.
7. Executive Director's Report
 - a. Staff Recruitment –

C. Farone introduce K. Mangan as the new Director of Materials Management to the Board. K. Mangan further provided details about her education and experience as it pertains to materials management. C. Farone further discussed the other recent new hires, such as Travis Sprague and Aaron Falkowsky in telecommunications, Taylor Friant in Engineering, Paul Rondeau in finance, and Sonja Brown in administration.

C. Farone stated there are still five open positions, which we hope to have filled this month. The Authority is utilizing the recent wage analysis to compare and remain competitive in the local job market.
 - b. Total Compensation Statements –

C. Farone explain that a Total Compensation Statement was completed for Authority staff for the first time. Human Resources reviewed statements individually with each employee. It was important for the staff to understand the value of the benefits they are receiving and they seemed to appreciate the transparency. We will continue this report going forward.
 - c. Health Insurance Request for Proposal (RFP) –

An RFP was issued for Authority Health Insurance coverage. Three responses were received, with one being received late. MWBE providers were solicited, but none responded. Following careful review, One Digital (previously Benefit Services Group) received the award. They offer numerous options including our current Excellus Blue Cross Blue Shield.
 - d. Insurance Inspection –

Liberty Mutual insurance toured the Authority sites with B. Nutting, B. Wohnsiedler, J. Staples and L. Petrie to inspect the facilities and review safety protocols. There are no recommended improvements at this time. This process will help with the insurance renewal process.
 - e. Army Water Line – EPA Administrative Order –

Dialog is continuing with the City of Watertown. C. Farone reported speaking with the city manager last week, who reported that the two pilot projects are continuing to move forward. The City may be behind in that the equipment would be installed in September. The City of Watertown will hold a Disinfection By-Product stakeholder meeting at the Warneck Pump Station in September with the engineer in charge of the pilots present to discuss the project. The Authority will participate in that meeting. The study will need to be done by January in order to be in the position to apply for grant funding by the summer of 2023.

M. Doheny asked if with the delay, is the project still on track. C. Farone responded yes.

- f. Office of Local Defense Community Cooperation (OLDCC) Award –
C. Farone reported that M. Capone received \$179,000 in grant funding to assist with the Army Water Line project. Staff will continue to apply for grant/ loans to fund the \$9.1 million dollar project. There is no funding guarantee, but we need to begin this project in 2023.
- g. County Broadband Committees –
The Authority is continuing to move forward with Jefferson, Lewis, and St. Lawrence Counties. M. Capone and D. Wolf have been doing a great deal of work in planning and assisting the counties in determining the number of underserved/unserved. This number has already decreased from 7,000 to 4,000 unserved homes in St. Lawrence County. They will be working with the service provider in determining opportunities to build, and at what cost. This will help position the county, Authority, and community to be able to apply for the available grants next year.
- h. Fort Drum Compatibility Symposium -
This event was very successful last year in bringing together the garrison with the community planners and leaders to have a conversation about land use. We will be holding another Symposium this October.

8. Finance Report – Chief Financial Officer

J. Staples presented the financial report ending June 30, 2022.

Beginning with the Statement of Net Position, overall assets and liabilities have decreased \$1.5 million from FYE 2022. There have been no major changes. Accounts receivable has increase \$888,000 due to timing and increased invoicing at MMF of \$335,000 and Telecommunications by \$224,000. We are waiting on federal funding from USAC.

Under the Change in Net Position, operating revenue is over budget by \$63,000. The Army Water Line is over budget due to increased water usage between the Town of Pamela and Fort Drum. There was also a water main break in Pamela. Telecom is over budget by \$164,000 due to the receipt of the NBRC Grant for the Tupper Lake Broadband Project.

B. McGrath asked why loan interest income is down given that rates have gone up. J. Staples replied that this is due to lack of interest coming in for loans. M. Capone stated that this is due to timing as most of the larger housing loans will be accrued on December 31st.

Reviewing Operation Expenses, depreciation is over budget by \$325,000 mainly due to the Southern Expansion. Depreciation of the new cells was budgeted over 50 years; however, we are only allowed to depreciate over the useful life of the cell or 5 years resulting in an accelerated depreciation schedule.

Closure /Post Closure costs along with Community Benefits are over budget due to the large waste volumes being brought in to MMF. Year to date, waste volumes are over projection by 11,609 tons mainly in contaminated soil and non-beneficial use sludge.

The Recycling Transfer Station is over budget due to the budget being spread over 12 months instead of 9 months.

Non-Operating Revenue Interest Income is a negative \$281,000 while the market adjustment is a -\$473,000. The market adjustment would only be a realized loss if we were to cash in our held investments early. Actual Investment Interest Income is doing better than budgeted, and we hope the investment rates continue to rise. Overall, interest income was budgeted at \$157,000 YTD, and we are actually at \$192,000 YTD.

We incurred a net Position Loss of \$1.2 million for a difference in our budget versus actual of -\$307,000. This difference is associated with the market adjustment.

B. McGrath asked if there were no inflation increases because they are being offset by long-term contracts or positions that have not been filled. He further asked that with a CPI over 8 he would expect to see more on the expense side. J. Staples responded that regarding the staffing issues we are seeing fluctuation where the positions remain open and not filled. We are seeing an increase in other operating expenses, specifically at MMF and Water Quality, and especially regarding fuel. Internal budget modifications have been done so this may not be seen within budget versus actual because we are not over the full year budget in any one account, but instead moving funds between accounts. More budget resolutions may be seen toward the end of the year as increased cost become harder to fund within the existing budget.

Upon a motion by E. Virkler, and seconded by M. Doheny, Financials ending April 30, 2022, was unanimously approved.

9. Governance

a. Resolution No. 2022-08-63, Authorization of Videoconference Participation Policy, Authority Board Members

C. Farone reviewed the policy in detail.

S. Hunt asked if this was being required by law or by policy. C. Farone replied this is specifically required by the law.

B. McGrath asked about members choosing to participate from a private location and choosing to disclose this location to the public, which then becomes a public location and this policy does not apply. C. Farone replied yes, if the location of a Board Member is disclosed, the Board Member's location is considered open to the public.

M. Murray clarified by asking if a Board member indicates during quorum calls that they can participate in person but then is not able to attend, they can still participate but are not counted as a member of the quorum. C. Farone and M. Doheny both

commented that you could participate in the meeting but would not count as a member of the quorum.

S. Hunt asked if the term open to the public meant a physical location actually open to the public. M. Murray commented that A. MacKinnon participating in his vehicle today would be able to participate but not as a member of the quorum.

C. Farone stated that for today's meeting we are still under the governor's executive order due to COVID so this is not currently applicable.

J. Granzow clarified that when participating via teleconference you should be identifiable. S. Hunt asked about instances even at physical Board meetings where a member may have to excuse themselves. He continued in asking about the term "at all times" specified in the policy and if this means there is no allowance for turning the camera off and excusing yourself as long as there is not a vote at that moment. J. Granzow stated this would operate like an in person Board meeting, and further stated the full intention is that remote participation should be equivalent to in person.

B. McGrath asked if his location were listed publicly are there any applicable limitations, such as security approval. C. Farone replied yes. B. McGrath continued in asking if there is a reasonable maximum number of attendees. J. Granzow responded that nothing in the statute addresses that specifically, she stated that as with any other meeting space there is room capacity.

T. Hefferon asked if Board members needed to be in the continental United States. B. McGrath asked if members of the public would be able to join the meetings via Zoom from their own location. C. Farone stated yes, that is the intent and we will continue to post the Zoom address in meeting notice.

M. Hall asked if the public would be able to participate via Zoom even if all Board members were attending in person. C. Farone replied yes, this would help us to be more transparent to the public allowing for more participation. B. McGrath commented that the Zoom link should continue to be standard practice in the event someone is not able to attend in person they could still participate and vote.

S. Hunt asked about the public access to a private location, are there requirements for that private location such as speakers versus headphones and private monitors. J. Granzow stated that the members of the public need to be able to participate in the same way they could in a public location regarding hearing, seeing, and speaking.

M. Doheny asked if there is an end date for the Executive Order. C. Farone stated the Executive Order is set to expire on September 14th, but it has been renewed by the governor on a monthly basis.

L. Marr commented that the policy we are voting on today is due to a change being made in the 2022 adopted state budget, which modified the public officer's law to authorize public bodies to conduct meetings using video conferencing, and that this change will be permanent through July 2024.

B. McGrath stated this policy looks well drafted and thought out. S. Hunt agreed and further stated that it is expanding the opportunity for public participation.

Upon a motion by D. Mastascusa, and seconded by M. Hall, Resolution No. 2022-08-63, Adopting the Videoconference Participation Policy and ensuring that such policy is posted on the Authority website, was unanimously approved.

9. Engineering –

- a. Resolution No. 2022-08-64, approves the technical services agreement by and between the Authority and the Lake Champlain – Lake George Regional Planning Board, and authorizes the Executive Director to execute said agreement.

Upon a motion by M. Hall, and seconded by D. Mastascusa, Resolution No. 2022-08-64, Technical Services Agreement, Lake Champlain Lake George Regional Planning Board, GIS Hosting Services, was unanimously approved.

- b. Resolution No. 2022-08-65, approves the technical services agreement by and between the Authority and the Village of Malone, and authorizes the Executive Director to execute said agreement.

Upon a motion by M. Hall, and seconded by D. Mastascusa, Resolution No. 2022-08-65, Technical Assistance Services Agreement, Village of Malone, Water System Improvements Project, 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. St. Lawrence County, Technical Service Agreement, Centralized Biosolids Composting Facility Feasibility Study, Total Agreement Amount \$30,000, 7/7/22 – 12/31/22, St. Lawrence County
- II. Village of Potsdam, Technical Services Agreement, Water/Sewer Rate Analysis Review, Total Agreement Amount of \$17,700, 7/19/22 – 1/9/23, St. Lawrence County
- III. Town of LeRay, Technical Services Agreement, Operation & Maintenance Service Agreement, Total Agreement Amount of \$664,436.00, 10/01/22 – 9/30/2028, Jefferson County
- IV. Town of Louisville, Technical Services Agreement, Amendment 1 to Technical Services Agreement for Water System, Total Agreement Amount of \$18,000, 8/23/22 – 8/22/27, St. Lawrence County

Upon a motion by E. Virkler, and seconded by M. Doheny, the contracts included on the Technical Services Summary Table for the month of August were unanimously approved.

M. Hall asked if the bio solids were in any way beneficial to farms. C. Tuttle responded yes, that the study is looking at creating class A bio solids which could be a fertilizer material that could be used for farms and replace existing fertilizer. The study will also review the quantity of bio solids produced, if there would be a charge to sell that material to farms, and how that would be handled. There has been concern recently about the difficulty to obtain fertilizer and this could potentially be a local option. Another benefit would be keeping this material out of the landfill and extending its useful life.

11. Telecommunications –

- a. Resolution No. 2022-08-66, authorizes the increase of the Budget for Off Network Circuit Leases (GL5720) from \$674,564 to \$842,564, and authorizes the Executive Director to extend the term of the Fiber IRU with Windstream for a period of twelve months at a monthly cost of \$24,000.

Upon a motion by D. Mastascusa, and seconded by M. Hall, Resolution No. 2022-08-66, FY 2022-2023 Operating Budget Amendment, Telecommunications Division, Offnet Circuit Lease, was unanimously approved.

12. Regional Development -

- a. Loan Report –

M. Capone reported that North Country Rural Preservation is five months past due. Typically, this loan runs late because they need to wait for USDA approval in order to release the funds for payment. They do not have sufficient cash flow to make the payment due to rent that has not been paid due to COVID related issues. M. Capone stated that she spoke with the CFO at Conifer and they want to still make the principal and interest payment. This is not a cash flow based loan, but a regular amortized loan. M. Capone offered them an interest only payment and they feel confident that they will have sufficient cash flow by the end of October to make that payment. M. Capone will follow-up with them in the middle of October and the offer to consider interest only will still be made available. M. Capone would bring this to the Project Development Committee and the Board.

M. Doheny asked what is driving the cash flow issues. M. Capone replied that it is roughly due to \$24,000 in rent they did not receive due to issues with foreclosures and evictions. M. Capone stated that she did ask if they had applied for funding, to which they replied yes. M. Capone further explained that the projects do not have great cash flow to begin with, the USDA allows for these payments, and they are in a priority position in terms of all payables. M. Capone is confident they will make this payment in October.

Meadowbrook Terrace is 55 days past, and typically has run between 30 and 60 days past due in the past. M. Capone stated she is not overly concerned and has

been in contact with them, although we have not yet received the payment they were to send to us. This loan will come due December 1, 2022, with a balance of \$17,000. There are three other lenders involved for a total outstanding debt of \$68,000. M. Capone feels this loan will be paid off.

Drelick Maple Syrup was provided with an interest only payment last year. He is past due again this year and M. Capone does not want to continue offering them interest only payments. He had provided a \$2,500 payment leaving the balance of his payment at \$2,998, and we are confident that he will send that payment in.

M. Capone stated that otherwise everything in the portfolio is being paid as agreed.

M. Capone responded to a request from B. McGrath at the last Board meeting to review the portfolio to see if there were any impacts with the interest rates and the economy in general, and how it is affecting our portfolio. Nothing seems to be standing out at this time. Those items that were reported in today's loan report are consistently slow payers and we are in touch with all of our borrowers. There is nothing standing out requiring a response at this point in time. M. Capone continued by stating that the last recession in 2008-09 affected us differently than in other parts of the country so we may have to wait and see how this looks. Interest rates are fixed and favorable to many borrowers. We have also seen many payoffs indicating those who were concerned about rising bank rates have consolidated their debt and refinanced prior to the markets increasing. M. Capone stated that she will continue to monitor this and will report at the October meeting regarding a review of the project descriptions for all of the loan funds. This may entail the Project Development committee meeting to review all of them in order to make any recommendations at the Board meeting in October. B. McGrath thanked M. Capone for the review and further stated that it is encouraging to hear the portfolio is in good shape. He further asked that if there are any loans that appear to need modification, he would think that is something the Authority would be open to and that is where we could incorporate some interest rate adjustments and loan modifications.

- b. Resolution No. 2022-08-67, authorizing the Executive Director or Chief Financial Officer to fund Co. 55 Community Rental Housing Program account 5970 consulting at \$15,000 to update the Watertown / Fort Drum Multi-Family Housing Market Study and Senior Housing Market Study.

C. Farone added that with the potential of an additional 3000 troops at Fort Drum, this study would be an attempt to be proactive and know what the housing looks like before this information is needed.

M. Doheny asked what information this report would deliver. M. Capone responded this would review all units in a 30-mile radius and report on capture rate, occupancy rates, demographics, and how many more units might be needed or if there is a surplus.

M. Doheny asked if this would be any qualitative side to it, such as the quality of units. M. Capone replied yes but not in detail. The age of the units will be discussed and in the past, it has been found that roughly 2/3 of the housing stock was built prior to 1949. Because of this, we attempt to do a combination of new construction and rehabilitation projects. Some projects that we assisted with in

1992 are now 30 years old as well and are beginning to need significant improvements as well.

E. Virkler asked what the timing is for completion of this study. M. Capone responded that the firm, NewMark, have done a great deal of the housing studies in the North Country and could complete this by the middle of October.

Upon a motion by E. Virkler, and seconded by M. Doheny, Resolution No. 2022-08-67, FY 2022-2023 Operating Budget Amendment, Watertown/Fort Drum Multi-Family Housing Market, Market Study, was unanimously approved.

- c. Resolution No. 2022-08-68, authorizing the Executive Director or Chief Financial Officer to execute the amended North County HOME Consortium Subrecipient Agreement to provide administrative services for the HOME American Rescue Plan Program in an amount not to exceed \$175,000.

Upon a motion by D. Mastascusa, and seconded by M. Hall, Resolution No. 2022-08-68, Amended Subrecipient Agreement, HOME American Rescue Plan Funding, was unanimously approved.

- d. Resolution No. 2022-08-69, subordinating the \$750,000 loan to the Potsdam Sandstone Senior Citizens Club Inc., from the Affordable Rental Housing Program to a Community Bank loan of up to \$618,500 subject to the property market value pf at least \$1,423,523 being confirmed by the updated appraisal, and authorizes the Executive Director or Chief Financial Officer to execute all required documentation.

B. McGrath asked if the Authority would be giving up anything with this change. M. Capone responded that we would still be behind Community Bank, but would move to a third position rather than second because there is still a mortgage ahead of us which does not come off the books until the first loan is paid off. C. Farone stated that from a dollar perspective we are still in the same position.

Upon a motion by M. Hall, and seconded by E. Virkler, Resolution No. 2022-08-69, Affordable Rental Housing Program, Potsdam Sandstone Senior Citizens Club Inc., Subordination, was unanimously approved.

13. Executive Session – to discuss the proposed sale of real property

Upon a motion by M. Hall, and seconded by D. Mastascusa, the committee moved into Executive Session at 11:57 AM.

Upon a motion by D. Mastascusa, and seconded by M. Hall, the committee moved out of Executive Session at 12:31 PM.

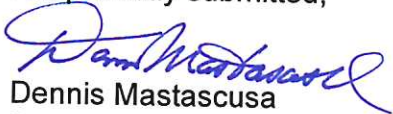
No action was taken during Executive Session.

- a. Resolution No. 2022-08-70, authorizing the Executive Director to enter into an agreement to sell the Harrisville Site to Geiter Done of WNY Inc. for \$400,000, and to execute any documents or take any actions reasonably necessary to effectuate the sale of the property.

Upon a motion by D. Mastascusa, and seconded by M. Doheny, Resolution No. 2022-08-70, Authorizing Sale of Real Property, 8023 Washington Street Harrisville New York, was unanimously approved.

14. Next Board Meeting Date – September 22, 2022, Strategic Planning Session, location is to be determined.
15. Upon a motion by D. Mastascusa, and seconded by E. Virkler, the meeting was adjourned at 12:37 PM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary