



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, June 27, 2024 – 10:30 AM
Warneck Pump Station
James W. Wright Conference Room
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, June 27, 2024 at 10:30 AM.

Members Present

Voting

Mary Doheny *
Alex MacKinnon
Dennis Mastascusa
Kenneth Bibbins
Mark Hall
Thomas Hefferon
Eric Virkler

Non-Voting

Steve Hunt
Brian McGrath*

*Attended via videoconferencing.

Members Absent

Margaret Murray, Chairperson
Nancy Henry

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
Thomas Haynes, Director of Engineering
Jacqueline LeClair, Assistant Director of Telecommunications
Laurie Marr, Director of Communications and Public Affairs
Brian Nutting, Director of Water Quality
Regina Rybka-Lagattuta, Director of Human Resources
Shawn Thornton, Director of Materials Management
David Wolf, Director of Telecommunications
Angela Marra, Executive Assistant
Tonya Cumoletti, Administrative Associate

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Thomas Smith, EFPR Group
Cyril Mouaikel, RBC Wealth Management
John Nuber, RBC Wealth Management

1. Treasurer McKinnon called the meeting to order at 10:30 AM.
2. Treasurer McKinnon requested a roll call.
 - A quorum of voting and non-voting members was established.
3. Privilege of the Floor -
4. Upon a motion by D. Mastascusa and seconded by M. Hall, the minutes from the May 23, 2024 Board Meeting were unanimously approved.
5. Chairperson's Report
 - a. The next Board Meeting will be held on August 22nd at 10:30 AM at the Materials Management Facility in Rodman, please note the change of venue.
 - b. The New York State Commission on Ethics & Lobbying in Government requires Ethics training for board members every two years. Staff will be scheduling Ethics training with Board Members during the months of August and/or September.

B. McGrath stated that it had been previously mentioned about a group photo at the August Board meeting, and it is his intention to attend the August 22nd meeting in person.

6. Executive Director's Report

- a. US Army War College -

C. Farone shared that he had the privilege of attending the US Army War College National Security Seminar from June 2 – 6. This seminar introduced guests, like himself, to leaders in the US Armed Forces, and in turn permitted US Army War College students a better understanding of community needs. Each day started with a presentation from experts in national security for the 160 participants. They then broke into smaller groups which allowed for blunt, open, honest conversations about the main presentation. C. Farone stated this was a fascinating experience that strengthened his resolve and support for all members of the armed services with the main takeaway being to support our troops any way we can.
- b. Authority Employees Volunteer at Riverfest–

C. Farone reported that several Authority employees volunteered to support this year's Riverfest on Friday, June 7th. This event provides Fort Drum soldiers and their families an opportunity to visit Alexandria Bay and relax for the day. This event was co-sponsored by the Association of the United States Army (AUSA), with the Authority's Project Development Specialist (Matt Siver) currently serving as president of this organization.
- c. City of Watertown – Disinfection Byproducts Project–

C. Farone reported that he and Brian Nutting attended a Disinfection Byproducts Stakeholder meeting on June 12th to discuss the status of the City

of Watertown's Disinfection Byproducts project. The consulting engineer reported that the project is at 30% design and the city is applying for a \$17 million DCIP grant. During the meeting Authority staff brought up that the city's disinfection byproducts have been within the requirements for the last two years, but this is cyclical being in and out of compliance over the last 15 years. It was also mentioned that the city is compliant, but the outside users are not. This is a regional network issue and we need to ensure that the city council understands all users on the city system need water that meets EPA standards.

d. Jefferson County Broadband–

C. Farone stated that he, Carrie Tuttle, and Dave Wolf attended Jefferson County's Finance & Rules Committee meeting on June 25th to provide an update on our efforts to close the digital divide in Jefferson County. The legislators appeared pleased with the progress made to date. Substantial progress has been made, but our network won't be built out until 2026.

M. Hall commented that this is impressive. C. Farone replied that we are very excited and everyone seems pleased with the results so far. Jefferson County is setting aside \$1 million in ARPA funding to put toward the last mile connectivity.

e. Staff Updates -

C. Farone shared the following staff achievements:

- T. Goodrich, T. Hunter, S. Fowler, B. Scott, and J. Mosher passed their wastewater lab class taken at SUNY Morrisville, as a step toward their IIA Wastewater Operator certification.
- B. Ward earned his 3A Wastewater Operator License.
- N. Thomas graduated from Jefferson Leadership Institute (JLI).
- E. Ackley and S. Brown earned their Notary Public designation.
- D. Shue earned his 5 Year Longevity Award with the Authority.

Board updates –

- A. Mackinnon was recently recognized for his clock making capabilities.
 - B. McGrath has been selected for Crane's New York Business 2024 notable LGBTQIA leaders for a second year in a row.
 - M. Hall was recently recognized by the Adirondack Almanac as a longtime volunteer and community leader who leads by example.
- Congratulations to all!

A. MacKinnon shared a story about a group of his cows getting onto Fort Drum's impact area and their assistance in getting them back where they belong and Fort Drum being a great neighbor over the years.

7. FYE 2024 Investment Report – RBC

J. Staples introduced the Authority's investment advisors, Cyril Mouaikel, Managing Director, and John Nuber, Associate Vice President, of RBC Wealth Management, who attended the meeting to provide an investment report to the full Board regarding the investments from the previous fiscal year.

C. Mouaikel stated it has been a pleasure working with the Authority for over 25 years. Through constant meetings with C. Farone and J. Staples, they review

strategy and monthly communication regarding cash flow to ensure everything that can be is invested. After seeing the last 15 years with no interest rates, rates are much higher now and everything reinvested is at a much higher rate, earning the Authority more in interest. Unfortunately, the Authority has many amazing projects going on, leaving little cash to be invested. The economy has been great and there is no anticipated rush for the Federal Reserve to cut rates. It is anticipated that rates will eventually go down and this is why RBC works closely with J. Staples every month on maturities.

J. Nuber continued by reviewing the numbers stating that last year's report was about \$1 million in income, and this year there is about \$1.9 million showing a significant change in the interest rate markets. This year the Authority has moved from \$91.5 million to \$95 million just through the end of March. He expressed a little frustration with Comerica and the inconsistent data they are providing. Investments can only be produced with the data they have, and investments could be improved with a custodian who provides quality data. Currently with Comerica, the evaluations they are providing are not market evaluations. Last year the Authority was earning 2% from the Bank of America investment, and this year is at about 5% showing a great return on investment. With the better interest rates throughout the full year this year we are seeing \$150,000 to \$200,000 each month in income. J. Nuber does not anticipate the interest rates going below 2 again, but recommends a longer investment when it becomes possible following completion of the current projects going on at the Authority.

C. Mouaikel commented on the custody and reporting, stating they do not custody any assets for the Authority as they are only the investment manager. RBC is able to custody the assets, but it is in the Authority policy to have a separate custodian and money manager. The possibility may arise where this can be done for free as RBC's reporting tools are amazing. RBC can work with any custodian the Authority chooses, but it is very important to have good reporting data for them to use rather than them spending many hours and still not be able to tell you these are 100% the correct numbers. Additionally, the fees this year were the lowest they have been in 25 years in terms of percentage of assets, mainly because they have not reinvested as much. Ultimately the Authority is getting amazing execution for everything at a very low cost, and the team at RBC is very proud of this.

C. Mouaikel concluded by stating that the Authority portfolio is in great shape.

C. Mouaikel and J. Nuber left the meeting at 10:56 AM.

C. Farone noted that regarding the custodian, he would like to recommend that the Authority work with the Budget and Finance Committee to issue an RFP for custodial services to potentially replace Comerica with another custodian to house our investments. There have been a few issues over the past year and it seems to be a good time to do a formal RFP and evaluate other options.

K. Bibbins asked if RBC has suggested anyone specific. C. Farone replied that RBC would suggest we go with them, but we do have other local options.

B. McGrath asked the reason that we have the custodial account separate from RBC. C. Farone replied that years ago during a state comptroller audit, the Authority

was required to have an investment advisor that was separate and distinct from the custodian, but we don't have any actual regulations noting this. This would be something for the finance committee to review and ensure we are looking at correctly.

8. Independent Audit – EFPR

J. Staples introduced the audit report. She stated that March 31 marked the end of the Authority's fiscal year, and in April the finance team worked to close the year and complete the audit work papers. On May 6 the audit work papers and final trial balance were submitted to the EFPR Group for auditing. The audit concluded in early June and on June 20, Thomas Smith, a partner at the EFPR Group, met with the Audit Committee to review the audit results in detail.

T. Smith continued with offering a high-level review of the audit results on a one-page summary. He stated that this was EFPR's first year as the Authority's auditor and it went very smooth, which he feels speaks to J. Staples and her team. They were able to get the auditors a great deal of clean information very quickly making it easy to go through. He then moved on to review the Board Summary of the Audit and its financial statements, which were reviewed with the Audit Committee last week. All will be issued a "clean unmodified opinion" following today's meeting, meaning that the financial statements are fairly stated, there are no disclosures, and the reports had no misstatements. EFPR also completed the single audit, which is the required compliance audit for federal awards of over \$750,000. There is also an agreed upon procedures report, which is not as detailed as an audit, but was done for the Regional Water Lines, which reviewed operating costs, and investments, and that will be issued a clean unmodified opinion, meaning management and finance are doing an excellent job. The Authority does fall under the Governmental Accounting Standards Board (GASB) so a review must be documented of the internal controls, laws, and regulations. EFPR found nothing within this to be reported resulting in a clean unmodified report.

T. Smith continued his report from a numerical standpoint, reporting the Authority's revenue increased by \$2.4 million, mainly due to increased interest on investments. Expenses increased by \$2.1 million because the Authority, like all others across the state, have to pick up a portion of the New York State pension system which needs to be listed on our financial statements. If not for having to include this in the Authority report, this was a very consistent year. He continued by stating that total net position coming in at \$156 million at year end 2024, the Authority is in a well-managed healthy financial position that the Authority should be proud of.

M. Hall asked if the change in the pension is new. T. Smith replied that this started in 2015 and is in the tenth year for the Authority. He explained that some of the for-profit companies did not have these pension systems on the books so they weren't as profitable as they might appear. Government accounting standards follow for-profit accounting standards, but tend to be a couple years behind. He also stated it is unfortunate because they make every entity in the country comparable, even though they are technically not.

9. Finance –

- a. Resolution No. 2024-06-47, accepting the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments, as of and for the year ended March 31, 2024.

Upon a motion by E. Virkler and seconded by K. Bibbins, Resolution No. 2024-06-47, Accepting Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2024, was unanimously approved.

- b. Resolution No. 2024-06-48, approving the Assessment of Effectiveness of Internal Controls of the Development Authority of the North Country, for the fiscal year 2024, as attached to the resolution.

Upon a motion by D. Mastascusa and seconded by K. Bibbins, Resolution No. 2024-06-48, Approving the Assessment of Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year 2024, was unanimously approved.

- c. Resolution No. 2024-06-49, approving the Annual Bond Sales Report for the fiscal year ending March 31, 2024, as attached to and incorporated in this resolution.

Upon a motion by M. Hall and seconded by E. Virkler, Resolution No. 2024-06-49, Approving Annual Bond Sales Report of Fiscal Year Ending March 31, 2024, was unanimously approved.

T. Smith left the meeting at 11:10 AM.

J. Staples presented the April financials, noting it was only one month of information with no significant change or activity that needed to be reported and were provided only for the Board's review.

Upon a motion by K. Bibbins, and seconded by M. Hall, financials ending April 30, 2024, were unanimously approved.

10. Governance –

11. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Town of DeKalb, SSA, WWTP Improvement Project SCADA Amendment 1, Total Agreement Amount of \$120,000.00, 6/01/24 – 12/31/25, St. Lawrence County
- II. Town of DeKalb, O&M, Operations and Maintenance Service Agreement, Total Agreement Amount of \$279,861.00, 7/1/24 – 12/31/29. St. Lawrence County
- III. Town of Fine, O&M, Town of Fine Water System Operation and Maintenance, GIS and SCADA Support, Total Agreement Amount \$55,500.00, 7/1/24 – 12/31/29, St. Lawrence County

- IV. Village of Alexandria Bay, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/29, Jefferson County
- V. Village of Antwerp, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/29, Jefferson County
- VI. Village of Canton, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$8,700.00, 6/1/24 – 5/31/29, St. Lawrence County
- VII. Village of Cape Vincent, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/29, Jefferson County
- VIII. Village of Chaumont, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/29, Jefferson County
- IX. Village of Glen Park, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/29, Jefferson County
- X. Village of Lyons Falls, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/29, Lewis County
- XI. Village of Port Leyden, GIS, GIS Web-Based Hosting Services Agreement (renewed 5 year contract for services), Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/29, Lewis County

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Board Contract Summary Table items numbered I through IX for the month of June was approved. M. Hall abstained from this vote.

b. Lewis County Contracts –

- XII. Lewis County, TSA, Former Lyons Falls School Redevelopment Amendment, Total Agreement Amount of \$20,000.00, 6/01/24 – 12/31/25, Lewis County

Upon a motion by M. Hall, and seconded by K. Bibbins, Board Contract Summary Table item numbered II for the month of June was approved. E. Virkler abstained from this vote.

K. Bibbins asked what the services during this construction consisted of. C. Tuttle responded project management.

12. Materials Management –

- a. Resolution No. 2024-06-50, authorizing the Executive Director to engage in necessary professional services and pay required fees in order to register and sell carbon credit offsets associated with the landfill extension. Furthermore, it resolves that the Chief Financial Officer will report the retail of such sales annually to the Authority Board of Directors once sales commence.

A. MacKinnon asked who would be interested in buying these credits, or will we never know. C. Farone responded that he believes we will know who, and that in the past these have been purchased by entities who produce pollution, such as large manufacturing facilities, and are trying to offset that. T. Hefferon added that there are brokers specifically for these deals.

B. McGrath asked about the 10% management fee and the per carbon offset of \$.22, and is that what equals \$300,000. C. Farone responded that we have conservatively estimated a 10% fee (\$175,000) and the \$.22 activation fee (\$100,000), and we also need to hire a consulting engineer (\$30,000) to help put all the paperwork together, make sure our meters are correct, and verify the information we have supplied to a verifier. We then have to pay a verifier (\$15,000) to verify what is submitted to Climate Action Reserve (CAR), and all of that adds up to \$300,000. There are many players each getting a piece of this pie, but ultimately the Authority will receive the lion share of revenue.

Upon a motion by M. Hall and seconded by K. Bibbins, Resolution No. 2024-06-50, Authorizing the Sale of Carbon Credits, Material Management Facility, was unanimously approved.

13. Regional Development –

- a. Loan Report –

M. Capone reported that the loan portfolio is looking well. One property, DGGL Properties, will be reviewed in an upcoming resolution as they are past due and will make their interest current when the loan converts to permanent financing. Otherwise, all loans are being paid as agreed and anyone previously reported as past due has made their payments and caught up.

- b. Resolution No. 2024-06-51, modifies the condition of a loan to DGGL Properties LLC to remove the condition to pay down the Conifer Bateman Associates debt by \$100,000 with all other terms and conditions remaining the same. Furthermore, the Development Authority of the North Country does hereby authorize DGGL Properties LLC to assume the outstanding principal and accrued interest of the Conifer Bateman Associates debt upon conversion to permanent financing, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documents.

Upon a motion by T. Hefferon and seconded by E. Virkler, Resolution No. 2024-06-51, Affordable Rental Housing Program, DGGL Properties, LLC, Loan Modification, was unanimously approved.

- c. Resolution No. 2024-06-52, extends the term of the Jefferson County Historical Society loan for an additional six months subject to the Term Sheet attached to the resolution.

Upon a motion by D. Mastascusa and seconded by T. Hefferon, Resolution No. 2024-06-52, Economic Development Fund, Jefferson County Historical Society, Loan Extension, was unanimously approved.

- d. Resolution No. 2024-06-53, consents to WNC Inc. withdrawing from Carthage Apartments LLC to be replaced by a DiMarco family entity to be formed, and subject to NYS Housing Trust Fund's similar consent.

Upon a motion by T. Hefferon and seconded by M. Hall, Resolution No. 2024-06-53, Consent to Release Investor Member, Carthage Apartments LLC, was unanimously approved.

- e. Resolution No. 2024-06-54, authorizes a loan in the amount of up to \$400,000 from the Economic Development Loan Fund to Clayton Improvement Association LTD at the terms and conditions outlined 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. Furthermore, 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 D. Mastascusa, Resolution No. 2024-06-54, Economic Development Fund, Jefferson County Historical Society, Loan Extension, was unanimously approved.

S. Hunt asked if the Restore Grant is not being reflected in the project because we are not considering it as far as the scope of work for this. M. Capone responded yes, this project has the ability to do partial disbursements from New York Main Street and NBRC. They have about a \$1 million gap and could take on \$300,000 in project debt, but are submitting applications to the Small Building Program and several other programs to fill the final gap. S. Hunt further stated this is a great project as it is an anchor building in LaFargeville. M. Capone also stated that it does have current tenants with the post office and a hair stylist, but would also add housing to LaFargeville.

A. MacKinnon stated this was the end of today's official business.

14. Strategic Planning FY24 – Progress Update: June 2024

As per a previous request made by Board Member M. Hall, C. Farone provided an update on objectives 1 -11 of the annually issued Authority Strategic Plan to report to the Board what has been accomplished in 2024. C. Farone also stated this report would be emailed to the Board following today's meeting.

M. Hall shared his appreciation for this update, and stated that this really shows the success of the Authority and hopes there is value in reviewing this. C. Farone expressed that he feels there is a lot of value, and thinks it will help from a staff perspective to better develop quantifiable and reportable goals in the future.

A. MacKinnon stated that he felt it was a great idea to review this as the Board spends a lot of time developing the plan and it was good to see the results.

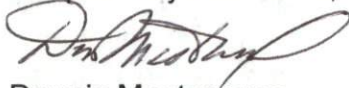
15. Next Board Meeting Date – August 22, 2024

M. Hall shared that Patrick Kelly, the CEO of St. Lawrence County IDA, was awarded the New York State Economic Developer of the year by the New York State Economic Development Council.

16. Adjourn -

Upon a motion by K. Bibbins and seconded by M. Hall, the meeting was adjourned at 11:56 AM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary