



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, September 26, 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, September 26, 2024 at 10:30 AM.

Members Present

Voting

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

Non-Voting

Steve Hunt
Brian McGrath *

Members Absent

Nancy Henry

*Attended via videoconferencing.

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 Watson, Administrative Associate

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Tim Hunt, Lewis County Manager

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. Privilege of the Floor -

C. Farone noted that the newly appointed Lewis County Manager, Tim Hunt, is joining us today.

M. Doheny stated that the meeting will move quickly through the resolutions today because we have some Board members who will need to leave by a certain time.
4. Upon a motion by T. Hefferon and seconded by A. MacKinnon, the minutes from the August 22, 2024 Board Meeting were unanimously approved.

5. Chairperson's Report

- a. The next meeting will be October 24 at 10:30 AM at the Warneck Pump Station.
- b. The Strategic Plan will be shared at the end of today's meeting and lunch will be provided.
- c. The meeting will run out of order to accommodate Board Members with other obligations today.

6. Governance –

- a. Resolution No. 2024-09-63, approves the Travel and Miscellaneous Policy as attached and incorporated in the resolution.

Upon a motion by M. Hall and seconded by E. Virkler, Resolution No. 2024-09-63, Approving Modifications to Travel and Miscellaneous Expense Policy, was unanimously approved.

7. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Town of Rutland, TSA, Amendment No. 1 Water Rate Study Implementation, Total Agreement Amount of \$13,500.00, 10/01/24 – 4/25/25, Jefferson County
- II. Paul Smith's College, TSA, NBRC Forest Economy Program Grant Administration, Total Agreement Amount of \$20,00.00, 10/01/24 – 9/30/27, Franklin County
- III. Village of Tupper Lake, GIS, GIS Web-Based Hosting Services Agreement, Total Agreement Amount \$8,700.00, 6/1/24 – 5/31/30, Franklin County

- IV. Village of Norwood, GIS, GIS Web-Based Hosting Services Agreement, Total Agreement Amount \$4,600.00, 6/1/24 – 5/31/30, St. Lawrence County
- V. Town of Chateaugay, GIS, GIS Web-Based Hosting Services Agreement, Total Agreement Amount \$4,600.00, 6/1/24 – 12/31/29, Franklin County

Upon a motion by M. Hall, and seconded by A. MacKinnon, Board Contract Summary Table items numbered I through V for the month of September were unanimously approved.

8. Materials Management –

- a. Resolution No. 2024-09-64, amends the Materials Management Capital Budget as listed within the resolution.

Upon a motion by T. Hefferon and seconded by A. MacKinnon, Resolution No. 2024-09-64, Capital Budget Amendment, Materials Management Division, Natural Resources Management, was unanimously approved.

9. Telecommunications –

- a. Resolution No. 2024-09-65, authorizes the Executive Director to enter into a Memorandum of Understanding with Lewis County which shall include the following provisions; 1) the Development Authority of the North Country shall construct, own and operate approximately 1.6 miles of fiber optic facilities to Elijah Lake, and 2) Lewis County shall reimburse the Development Authority of the North Country for up to \$50,000 in project costs. Furthermore, upon execution of the Memorandum of Understanding, the Development Authority of the North Country does hereby authorize the Chief Financial Officer to establish a Telecommunications Division Capital Project, “Lewis County Elijah Lake Road Extension”, in the amount of \$50,000.

Upon a motion by T. Hefferon and seconded by M. Hall, Resolution No. 2024-09-65, Capital Project Authorization, Telecommunications Division, Lewis County Elijah Lake Road Extension, was approved. E. Virkler abstained from the vote.

10. Water Quality –

- a. Resolution No. 2024-09-66, amends the FY 2025 Army Sewer Line Budget as listed within the resolution.

Upon a motion by M. Hall and seconded by T. Hefferon, Resolution No. 2024-09-66, Fiscal Year 2025 Operating Budget Amendment, Army Sewer Line, was unanimously approved.

A. MacKinnon shared an observation that the Authority budgets are close, and there are times when unforeseen situations come up and there always seems to be available funds to offset those costs. This is important when dealing with the unpredictable scenarios such as garbage and sewage. This resolution is a good example of these funds being used to take care of an unforeseen situation where there is no choice but to fix them and no time to apply for funding.

- b. Resolution No. 2024-09-67, authorizes and directs the Executive Director to enter into the amended Sewer Service Agreements with the Town of LeRay, Town of Pamelaia, and Route 3 Sewer Board as attached to the resolution.

Upon a motion by E. Virkler and seconded by A. MacKinnon, Resolution No. 2024-09-67, Sewer Service Agreements, Army Sewer Line, Amendments, was unanimously approved.

- c. Resolution No. 2024-09-68, authorizes and directs the Executive Director to enter into the attached amended Water Service Agreements with the Towns of Champion, LeRay, and Pamelaia.

Upon a motion by M. Hall and seconded by E. Virkler, Resolution No. 2024-09-68, Water Service Agreements, Army Water Line, Amendments, was unanimously approved.

M. Hall asked if there has been any resistance from these towns to move the contracts out for a longer period. C. Tuttle responded no, and further explained that the Town of Pamelaia is doing their own capital project and are also receiving financing through EFC and they are being given the same requirements so they understand the process.

M. Doheny asked if they need it to be matching the maturity. C. Tuttle responded that the Pamelaia project is lining up with the Authority's project so this term will be long enough to cover the extension needed by us both. She further explained that future projects within the communities may result in them coming back to the Authority and asking for future amendments. C. Farone stated that our intent is to pay this debt off in 10 years, but because we are getting 0% financing, we are going to go the 30 years and Fort Drum has agreed to that. He further explained that Fort Drum is not included on this list because our contract with them extends beyond 2055.

11. Regional Development –

a. Loan Report –

M. Capone reported that DGGL Properties, the entity that took over the former 801 project in Gouverneur and the Bateman project in Lowville, has completed their project and obtained the occupancy requirements needed by the investor and has closed on their permanent financing. We did advance the total of \$1 million to them and rolled in the Bateman loans that were on our books for 30+ years and are now receiving .5% interest annually for 30 years.

Other projects to note in terms of status;

Windwater is a tourism loan that is three months past due and traditionally run past due. They are currently trying to sell the property.

Eastern Resort Management is two months past due and we will discuss in more detail in a resolution.

Under the North Country Economic Development Funds, the funds that we administer for the New York Power Authority, there are two past due loans that have been discussed with this board. One is Canexus that is two months past due and awaiting the release of funding from the Canadian Government to pay that loan down. The other is Johnson Newspaper Corporation, who did make a payment in August, however we are going to schedule a meeting to see what we can do to work with them.

All other loans are being paid as agreed.

B. McGrath asked if there is an uptick in delinquencies from the last report. M. Capone responded this is happening more and she believes this may be because the ARP money and the Payroll Protection Funds are no longer available. She also stated that some of the seasonal businesses are being sold resulting in more projects looking for debt assumptions, including an upcoming resolution.

- b. Resolution No. 2024-09-69, authorizes the Executive Director or Chief Financial Officer to execute a HOME contract with Neighbors of Watertown Inc. for \$1 million based upon the award made by the North Country HOME Consortium Administrative Board.

Upon a motion by T. Hefferon and seconded by M. Hall, Resolution No. 2024-09-69, HOME-ARP, Neighbors of Watertown, Inc., Award Modification, was unanimously approved.

- c. Resolution No. 2024-09-70, approves for Eastern Resort Management LLC interest-only payments for July 1, 2024 through December 1, 2024, with all other terms and conditions remaining the same.

M. Capone stated that the property owner contacted her a month ago to let her know they are running behind but intend to get caught up when the seasonal business starts back up. A year ago, they did have a tornado that caused significant damage to the facility and they never asked for help during that moratorium on payments and they continued to pay. They also didn't reach out during the poor winter weather last year. M. Capone further commented that when we see an uptick in these situations, we want to work with them early to help keep them from falling behind while having a workout situation. M. Capone stated it is her recommendation to give them six months of interest only, retroactive to July 1 through December 1, and then begin regular principal and interest payments again January 1.

B. McGrath asked what the interest rate is on this loan. M. Capone reviewed the attached term sheet and stated this is a 1% loan.

B. McGrath asked if they would be paying less than \$2,000 per month now. M. Capone stated that they would be paying \$100 interest, which allows them to keep the loan current and utilize the cash to open the business this winter.

B. McGrath asked if we know what funds they may have sitting in escrow from insurance proceeds for the tornado damage. M. Capone stated this is a very good question and she will ask.

M. Doheny asked if B. McGrath was requesting the resolution to be tabled at this time. B. McGrath asked if there was a way we could provisionally approve this resolution without slowing the process, subject to the confirmation of funds. He further stated if there are escrowed funds, this is important information for us to know given the size of the loan. M. Capone agreed and will contact them to ask the question.

M. Doheny asked if we have a lien in place. M. Capone responded that we do. M. Doheny clarified that B. McGrath would like the diligence question answered. B. McGrath replied that is correct and that he is fine with this resolution provided they are not sitting on this cash while we allow them to invest that cash rather than use it for their ongoing concern. M. Capone agreed while being hesitant because they never contacted her to sign off on a check.

Upon a motion by E. Virkler and seconded by T. Hefferon, Resolution No. 2024-09-70, North Country Regional Tourism Transformational Revolving Loan Fund, Eastern Resort Management LLC, Loan Modification, was unanimously approved.

- d. Resolution No. 2024-09-71, approves for Turin Highland Lodge LLC interest-only payments for October 1, 2024 through December 1, 2024, with all other terms and conditions remaining the same.

M. Doheny asked if they have a target open date. M. Capone stated that they should be able to complete the project when they receive the ESD funds by mid-October.

Upon a motion by M. Hall and seconded by T. Hefferon, Resolution No. 2024-09-71, North Country Regional Tourism Transformational Revolving Loan Fund, Turin Highland Lodge LLC, Loan Modification, was unanimously approved.

- e. Resolution No. 2024-09-72, ratifies a loan in the amount of \$110,400 from the Regional Tourism Transformational Community Revolving Loan Fund to Wells-Jareo Holding LLC 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.

M. Capone reviewed the write-up in detail.

Upon a motion by E. Virkler and seconded by T. Hefferon, Resolution No. 2024-09-72, Regional Tourism Transformational Community Revolving Loan Fund, Wells-Jareo Holdings LLC, Loan Ratification, was approved. Mr. Bibbins abstained from this vote via email on Friday, September 20, 2024, noting one of the parties benefitting from this resolution to be an acquaintance since high school.

12. Executive Session – for the purpose of:

- a. Discussion regarding the employment history of a particular person or matters leading to the appointment or employment of a particular person.

Upon a motion by T. Hefferon and seconded by M. Hall, the Board moved into Executive Session at 10:59 AM.

Upon a motion by E. Virkler and seconded by A. MacKinnon, the Board moved out of Executive Session at 11:56 AM.

Vice Chairperson Doheny reported no action was taken.

S. Hunt left the meeting at 11:58 AM

13. Executive Director's Report

- a. Next Move NY:

C. Farone reported that the Authority has been awarded \$3,974,070 to implement strategies of the Next Move NY initiative, and now the real work begins. The Authority will establish the administrative framework and implement the regional initiative to build a transitioning soldier and spousal retention workforce pipeline. We will hire a project team to establish the system that will support the education, training, credentialing and placement of transitioning soldiers and spouses.

- b. Office of Local Defense Community Cooperation (OLDCC) Grant:

C. Farone stated we have been successful in obtaining a \$174,400 grant to complete phase II engineering for the Army Waterline. This is now critical to have the preliminary engineering completed, and then staff can begin applying for grants to fund the project. He further expressed appreciation to M. Capone for writing another successful grant application for the Authority.

- c. Staff Updates –

C. Farone shared the following staff achievements:

Jeff Mosher, Water Quality Supervisor (Water Quality) earned his 2A Wastewater Operator certification, and has been promoted from supervisor trainee to supervisor.

Chris O'Connor, Equipment Operator CDL-B (Materials Management) earned his 5-Year Longevity Service Award.

Carrie Tuttle is celebrating her 22nd year with the Authority today.

14. Finance –

- a. J. Staples presented the July financials, beginning with the Statement of Net Position which reflects the change from fiscal year-end 2024 against July year-to-date. The change between assets and total liabilities, deferred outflows and net position is \$1.5 million. The largest change on the asset side is Accounts Receivable, which increased \$1.4 million from FYE 24, with the two main contributors to that increase being the Army Sewer Line and Army Waterline. This was caused by outside first quarter billings happening in July, and Fort Drum rates increasing in FY 25 which increased the billable amount to Fort Drum.

These rates increased in order to cover the loan payments for the Army Sewer Line rehabilitation project and the Army Water Line replacement project. Accounts Receivable also increased at MMF by \$590,000 due to increased tonnage being received. Under Liabilities, there is no significant change, but attention should be paid to Board-designated Landfill Gas Reserve that has been reduced year-to-date by \$905,000. We will continue to draw this reserve to zero in funding the capital project, which includes adding more gas extraction wells to Phase I of the Landfill, tying in the Southern expansion to the existing collection system, and replacing the flare. When this reserve has been drawn down to zero, the balance of the funding for this project will come out of the replacement reserve. The total for this project will be \$4.1 million.

J. Staples continued reviewing the Total Operating Revenue, which is running lower than the year-to-date budget by \$1.8 million. This is mainly in the grant revenue, which is under budget by \$1.6 million. At the end of July Telecom had received \$136,000 in revenue from the NTIA Grant. The year-to-date budget for Telecom Grant Revenue is \$817,000, which includes the NTIA and the NBRC and will continue as funds are spent. Under the Army Waterline there is a budget of \$5 million for grant revenue associated with the Army Water Line pipeline replacement project. This grant revenue will not be recognized until we turn the short-term financing from EFC into a long term loan, which is currently being worked on between the Engineering division and EFC as the Water Line replacement project nears completion. Other Income is under budget by \$395,000, which is associated with Carbon Credit Revenue. We have received approval from the Climate Action Reserve for the 2021-2022 carbon credit, and the credits will be placed in the Authority's account. We are proceeding to reach out to a variety of buyers to understand the overall interest. Once pricing is received from the interested buyers, a decision on the approved buyer will be made and revenue will then be recognized once the credits are sold.

MMF Tonnage for July year-to-date was projected at 79,582 tons and actual tonnage is 85,085, which is slightly over budget by 7%.

Overall Operating Expenses are under budget by \$239,000, mainly associated with operating and maintenance expenses and professional fees. Under Operating and Maintenance Expenses, MMF is under budget by \$120,000, mainly associated with fuel expense. The fuel budget assumed two working phases; however the landfill is only running one phase at a time resulting in a reduction of equipment fuel consumption. Professional fees under MMF are under budget by \$113,000 with \$100,000 being associated with the carbon credit expense. No additional carbon credit expenses have been paid to date, but we will start seeing expenses in September as we pay the Climate Action Reserve to release the credits for sale and we start the verification process for the 2023 carbon credits. Depreciation and Amortization is over budget by \$169,000, mainly associated with Telecom due to the large number of capital projects being closed out and capitalized at year-end, as well as how the budget is spread over the fiscal period based on assumptions of when the projects will be completed.

Under Non-Operating Revenue and Expense, Total Interest Income is over budget by \$1.1 million year-to-date. The Total Interest Income is over budget by \$769,000 year-to-date. Actual Interest Income year-to-date is \$994,000 and

Market Adjustment is a positive \$595,000. Market Adjustments are not a realized gain or loss. Gain on Sale of fixed assets of \$85,000 is mainly related to eight fleet vehicles that were auctioned off in April, and more fleet items will be up for auction soon. Gain on Trade of fixed assets was \$480,000, related to the MMF compactor and the MMF tanker trailer that have been traded in for new equipment.

To summarize, the change in Net Position shows a gain of \$529,000 versus a year-to-date budget gain of \$965,000, with the discrepancy mainly related to grant revenue which is still expected to be received in FY 25.

The financial report was offered as an update with no need for approval.

E. Virkler and T. Hunt left the meeting at 12:15 pm.

15. Strategic Planning – PowerPoint Presentation

C. Farone began the review of the Strategic Plan for 2026. He covered objectives 1 through 18, reviewing in detail their importance and relevance to move the Authority forward within the next year. Topics included Investment in Human Resources, Administrative Services and Practices, Enterprise Resource Planning (ERP) Replacement, and Enhancing IT Resiliency.

M. Doheny asked if there has been an uptick in IT attacks. S. Bohmer replied that it isn't necessarily an uptick, but constant as they are always changing, which is why we are always improving our security.

M. Hall asked if we do a lot of online banking. C. Farone explained that we use internal transfers and that wire transfers and ACH's are very limited. C. Farone stated that we go one step further and verify all address change requests. J. Staples confirmed that all changes are third party verified. She further explained that all bid awards are posted on the Authority website, making it easy for bad actors to obtain vendor information.

K. Bibbins left the meeting at 12:30 pm.

C. Farone continued by reviewing Streamlining Administrative Practices, Next Move NY, Regional Development Strategic Initiatives and Housing Stock Improvements, Engineering Support Services provided for internal and external customers, maximizing existing resources including waste diversion and capital improvements at MMF, increasing operational resiliency and \$31 million in capital project improvements in Telecom, Water Quality staff positioning to meet Municipal Demand, increasing support service efficiencies, critical Capital Improvement Projects, and the increasing of the Authority's public presence with all the elected State and Federal officials, as well as municipal leaders.

A. MacKinnon stated he has watched the Authority since its inception when St. Lawrence County only thought of it as something in Jefferson County related to Ft. Drum. Then came the debate between the landfill and an incinerator, which has worked out to be a good move. Now we are discussing the expansion of the Authority's role as people in other areas ask for us to get involved because they

see our systems are working well, such as the case with Malone. People know when the Authority gets involved it works well. Gouverneur is another place where the Authority getting involved has worked well. The water and septic throughout the county are expanding because they work well. A. MacKinnon further stated that he is willing to sit on this Board because of the Authority's track record, and when the Authority recommends something be done a certain way, that is probably the way it ought to be done and he will continue to agree with it. We are not attempting to invent something all over again, but are looking to use a tested, tried and true method that has been proven to work well. Authority proposals work because of the 22-year proven track record that makes the directors' jobs easy.

C. Farone stated there are more contracts in St. Lawrence County now than any other. A. MacKinnon commented that it has been neat to see the transition from skepticism to "Oh this works really good, let's do it." He further stated there is nothing neat about garbage, water and sewage, but they are essential and we need people who can take care of these services because if they don't work they become a very big problem. A. MacKinnon concluded by stating the Authority is an effective operation because of the people who make it all work, not because the Board sits here, and he further expressed his appreciation to the staff who does the work, the great job they are doing, and how much he enjoys being a part of this organization.

M. Hall stated that the Board should be included in the Strategic Plan, and further asked what they can do to better support the Authority. C. Farone stated that he feels this is one of our best boards with great open communication and a lot of expertise. M. Hall stated that as we strive as an organization, for the employees to do better the Board has to do better, and while he has no complaints and we function very well, he would like to look at what the Board could possibly do better because the sign of good management is always asking this question.

16. Adjourn -

Upon a motion by T. Hefferon and seconded by M. Hall, the meeting was adjourned at 1:01 PM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary