



MINUTES

BOARD OF DIRECTORS MEETING

Thursday, August 22, 2024 – 10:30 AM

Materials Management Facility

Main Conference Room

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, August 22, 2024 at 10:30 AM.

Members Present

Voting

Margaret Murray, Chairperson

Mary Doheny

Alex MacKinnon

Dennis Mastascusa

Kenneth Bibbins

Thomas Hefferon

Non-Voting

Nancy Henry

Steve Hunt

*Attended via videoconferencing.

Members Absent

Mark Hall

Eric Virkler

Brian McGrath

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

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

1. Chairperson Murray called the meeting to order at 10:34 AM.
2. Chairperson Murray requested a roll call.
 - A quorum of voting and non-voting members was established.
3. Privilege of the Floor -
4. Upon a motion by M. Doheny and seconded by K. Bibbins, the minutes from the June 27, 2024 Board Meeting were unanimously approved.
5. Chairperson's Report
 - a. Watertown City Council met on August 19th and reappointed Thomas Hefferon to another four-year term as the City of Watertown's representative for the Development Authority of the North Country, ending on September 27, 2028. Congratulations Tom.
 - b. Following today's Board Meeting, New York State Ethics Training will be conducted and lunch will be provided. We will be providing additional opportunities to attend Ethics Training if any members are not able to attend today's training.
 - c. A photographer is onsite and we request that each of you have your photo taken. We will also be taking a group photo of the Board of Directors.
 - d. Our next scheduled Board Meeting is Thursday, September 26 at 10:30 AM. This is also the Strategic Planning Session. The meeting location is to be determined and will be communicated as we get closer to the date.
6. Executive Director's Report
 - a. Congratulations to Tom on his reappointment to the Board. He is our longest active serving member of our Board having been appointed in 2002 and serving on the Board for over 22 years. We thank him for his service and look forward to working with Tom in the future.
 - b. Storms-

C. Farone stated that the weather during July and August presented the North Country with very trying times. The precipitation has caused significant damage to infrastructure, homes, and businesses that will require time, effort and funding to recover. The Authority did experience a major issue on the Army Sewer Line, but we continued to operate and provide services which is a true testament to our staff. More details will be shared during a PowerPoint Presentation later in the meeting, but C. Farone wanted to thank all staff across divisions who assisted in the repair or assisted in maintaining routine duties over our critical infrastructure. He personally acknowledged Carrie Tuttle, Brian Nutting, Christian Fout and Thomas Haynes, and their staff, for their response and resolution of this situation while keeping all staff safe.

- c. Authority Video -
C. Farone shared that Regina Rybka-Lagattuda, Director of HR, suggested the Development Authority create a video that would showcase what we do and the services we provide our municipal partners. The video would be used in the orientation of new employees and Board members, for educational programs, and would be posted to our website. The launch would be in early 2025 as part of the Authority's 40th anniversary and Laurie Marr, Director of Public Affairs and Communications, is overseeing the video creation.
- d. Adopt a Platoon –
C. Farone stated that the Authority has “adopted” a platoon of 17 soldiers, the 10th Aviation Regiment – 3rd General Support Aviation Battalion, which was deployed to the Middle East in June for 9-12 months. This effort is being coordinated by Matt Siver, Project Development Specialist at the Authority, and the current president of AUSA. We are collecting items to send them that they cannot get while deployed.
- e. Finance System Upgrade –
C. Farone stated that we have started the first stage of our Financial System Replacement Project, or ERP – Enterprise Resource Planning Project. We have retained BerryDunn as the project consultant through a competitive process to help identify the system requirements and ERP selection. The project team has held 21 meetings with Authority staff to review current work flows and ensure the correct system is selected for today as well as meet future needs.
- f. Staff Updates –
C. Farone shared the following staff achievements:
 Congratulations to:
 C. Brenon, Equipment Operator – CDL A (Materials Management) for earning his CDL – A driver's license.
 JJ Schell, GIS Analyst (Engineering) for being named a 2024 Career & Technical Education Alumni of Distinction by Jefferson-Lewis BOCES.
- g. Happy birthday to Angie Marra!

7. Finance –

- a. J. Staples presented the June financials, beginning with the Statement of Net Position which reflects the change from fiscal year '24 to Q1 of fiscal year '25, and the change between assets and total liabilities, deferred outflows and acquisition is \$186,000, or less than .1% of the balance sheet. Upon review of the Statement of Net Position, there are no significant notable changes to be reviewed.

J. Staples continued reviewing the Change in Net Position for all units. Total Operating Revenue is lower than the year-to-date budget by \$1.9 million, with the largest category being Grant Revenue which is under budget by \$1.5 million. This is mainly due to 1) Telecom not receiving any revenue from the NTIA or NBRC grants YTD and 2) the Army Water Line grant revenue associated with the \$5 million EFC grant that won't be recognized until the short-term loan is

turned into a long-term loan. The budget was corrected as of the July financials to reflect a more accurate timing of when we expect to receive the AWL \$5 million grant. Other Income is under budget by \$309,000 associated with the carbon credit revenue. We are still waiting on the Climate Action Reserve to approve the previous credits, but once received we will sell the credits and recognize any revenue.

MMF Tonnage was projected at 59,686 tons at the end of the quarter while the actual was 59,983, being slightly over budget by 297 tons.

Overall, Operating Expenses are under budget by \$110,000, mainly associated with professional fees, with \$75,000 of this due to the carbon credit expense. Depreciation and Amortization is over budget by \$138,000, mainly associated with Telecom due to the large number of capital projects being closed out and capitalized at year-end. Computer Expense is over budget due to timing of yearly software renewals and how evenly the budget is spread.

Under Non-Operating Revenue and Expense, Total Interest Income is over budget by \$385,000 year-to-date. Actual interest income year-to-date is \$732,000 and Market Adjustment is a positive \$248,000. Market Adjustments are not a realized gain or loss. As older investments mature, we are able to purchase new investments at around a 4% return rate currently. The gain on Sale of Fixed Assets is \$64,000 due to eight vehicles that were auctioned off in April. There is also a gain on Trade of Fixed Assets of \$502,000 related to an MMF compactor and a tanker trailer that were traded for new equipment.

To summarize, the change in Net Position shows a loss of \$84,000 versus a year-to-date budget gain of \$896,000, with the discrepancy mainly related to grant revenue.

Upon a motion by A. MacKinnon, and seconded by T. Hefferon, financials ending June 30, 2024, were unanimously approved.

8. Governance –

- a. Resolution No. 2024-08-55, if awarded, this would be authorizing the Executive Director or designee to negotiate and execute the grant agreement with New York State. The Executive Director or designee will take all actions necessary to implement said grant pursuant to Next Move NY Implementation Proposal submitted to Empire State Development. The Chief Financial Officer will establish a separate Operating Company within Regional Development to be named Next Move NY. This resolution approves and adopts the Fiscal Year 2025 Next Move NY Budget and line items as proposed within Appendix A attached to the resolution, to include the creation of three new positions to staff the Next Move NY initiative. If required by the grant, a bank account will be created with the Chairperson, Treasurer, Executive Director, Chief Financial Officer, and Comptroller as authorized signatories, and all documents on said bank account will be executed by the appropriate Authority Officers/personnel. The Deputy Comptroller, Accountant I and Accounting Associate will be designated authorized representative for the purpose of initiating electronic transfer of Authority funds, when authorized by Authority Officers/personnel.

and all required documents authorizing documents be executed by Authority Officers/personnel. The Chief Financial Officer is to use the Economic Development Fund to fund the cash flow needs of the Next Move NY initiative in an amount not to exceed \$600,000.

C. Farone stated that the Authority hasn't been awarded yet, but we are hopeful. He further explained that if we are fortunate in receiving this grant we would like to be able to do everything possible to get the Next Move NY off the ground. This resolution would create another operating company of the Authority and authorizes the creation of the Next Move NY of the North Country, following receipt of the grant. He further explained that the Authority would hire staff and work collaboratively with other community organizations, transitioning soldiers and their spouses to receive assistance in finding the training they would need to find employment locally. This resolution would provide cash flow for needs that we would then be reimbursed for on a quarterly basis. He further noted within the attached appendix this is a seven-month budget, with all expenses to be reimbursed by the State. Reviewing Appendix A shows all costs for a seven-month period which is all predicated upon receipt of the grant.

K. Bibbins asked if we currently have adequate work space. C. Farone replied that we would need to lease additional space, preferably downtown with higher visibility.

M. Doheny asked if these would be employees of the Authority, but remotely located. C. Farone responded yes, and we would like to have three office spaces with room for M. Capone as she will divide time between both offices.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2024-08-55, Authorizing Acceptance of Empire State Development Grant, Next Move NY, was unanimously approved.

9. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Jefferson County, SUB, HOME Consortium – 3 Years, Total Agreement Amount of \$105,000.00, 01/01/24 – 12/31/26, Jefferson County
- II. Town of Diana, TSA, Water Improvement Project Extension, Total Agreement Amount of \$70,00.00, 2/12/19 – 12/31/25, Lewis County
- III. Canton Potsdam Hospital, TSA, NBRC23NY07 Grant Administration, Total Agreement Amount \$10,000.00, 9/1/24 – 12/31/26, St. Lawrence County

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Board Contract Summary Table items numbered I through III for the month of August were unanimously approved.

10. Regional Development –

a. Loan Report –

M. Capone reported that there are a few loans at 30 days, but nothing causing concern at this time. Johnson Paper is past due at this time, and we have spoken with the North Country Economic Development Fund and will be meeting with them in the near future to discuss the loan status.

- b. Resolution No. 2024-08-56, authorizes the Executive Director or Chief Financial Officer to execute HOME contracts based upon awards made by the North Country HOME Consortium Administrative Board.

Upon a motion by D. Mastascusa and seconded by K. Bibbins, Resolution No. 2024-08-56, 2024 Home Program Year, Authorizing Contracts, was unanimously approved.

- c. Resolution No. 2024-08-57, modifies the loan term from 15 years to 30 years for the loan to North Country Rural Preservation Associates LP in the amount of \$500,000, and authorizes the Executive Director to execute any documentation required to effectuate such change.

T. Hefferon stated this sounds like a balloon payment. M. Capone agreed, however seeing it is a 30-year maturity, the loan documents don't reflect what the Board originally approved.

M. Doheny asked if this is to be paid off in year 15, but it is a 30 year term.

C. Farone replied yes, but this is a cash flow based loan to only be paid if there is cash flow, and there has not been over the last few years. It should have ballooned in year 15, but based on the loan documents it is a 30 year term.

Upon a motion by D. Mastascusa and seconded by T. Hefferon, Resolution No. 2024-08-57, Affordable Rental Housing Program, North Country Rural Preservation Associates LP, Loan Modification, was unanimously approved.

- d. Resolution No. 2024-08-58, authorizes a loan in the amount of up to \$50,000 from the Economic Development Fund to Clark House Preservation Inc. at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan, and be it 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 T. Hefferon and seconded by A. MacKinnon, Resolution No. 2024-08-58, Economic Development Fund, Clark House Preservation Inc., Loan, was unanimously approved.

- e. Resolution No. 2024-08-59, authorizes a loan in the amount of up to \$100,000 from the Economic Development Fund to Massena Arts and Theater Association Inc. at the terms and conditions outlined in the Term Sheet attached to the resolution, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan. Furthermore, be it resolved this is considered a Type II Action under State

Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by D. Mastascusa and seconded by T. Hefferon, Resolution No. 2024-08-59, Economic Development Fund, Massena Arts and Theater Association Inc., Loan, was approved. K. Bibbins abstained from the vote.

- f. Resolution No. 2024-08-60, authorizes the Executive Director to execute the Board Agreement with the New York Power Authority, and further resolves the appointment of the Executive Director as the representative to the North Country Economic Development Fund Board, as per the agreement attached to and incorporated within this resolution.

Upon a motion by D. Mastascusa and seconded by K. Bibbins, Resolution No. 2024-08-60, North Country Economic Development Fund, Board Agreement, Extension, was unanimously approved.

- g. Resolution No. 2024-08-61, ratifies the assumption of the loan of Lawler Realty LLC by Alex Morgia, or a new company to be formed, of a North Country Redevelopment Grant/Loan at the terms and conditions outlined on the Term Sheet attached to the resolution, and further recognizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan. Furthermore, the Development Authority of the North Country releases Lawler Realty LLC, Creekside Lane Apartments LLC, Lawler Commercial Properties Inc., Madison Barracks Marina Inc., and Michael Lawler from any further obligations with the grant/loan subject to Lawler Realty LLC repaying the Authority a portion of the grant per the recapture provision identified in the Grant Distribution Agreement.

Upon a motion by T. Hefferon and seconded by A. MacKinnon, Resolution No. 2024-08-61, North Country Redevelopment Loan Fund, Alex Morgia, or New Company to be Formed, Loan Assumption, was unanimously approved.

11. 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 D. Mastascusa, the Board moved into Executive Session at 11:12 AM.

Upon a motion by T. Hefferon and seconded by D. Mastascusa, the Board moved out of Executive Session at 11:36 AM.

Chairperson Murray reported no action was taken.

12. Resolution No. 2024-08-62, authorizes the continued appointment of Carl E. Farone, Jr. as the Executive Director of the Development Authority of the North Country, and be it further resolved that the Chairperson is authorized to negotiate and execute an employment contract with Carl, E. Farone, Jr. to serve as Executive Director of the Development Authority of the North Country through August 5, 2029; with said contract to supersede the current contract.

Upon a motion by T. Hefferon and seconded by D. Mastascusa, Resolution No. 2024-08-62, Authorizing Continued Appointment, Carl E. Farone Jr., Executive Director, was unanimously approved.

13. Next Board Meeting Date/Strategic Planning – September 26, 2024

14. Army Sewer Line After Action – PowerPoint Presentation

C. Farone stated that it is critical for the Board of Directors to understand when the Authority has a major emergency event, what it entails, what is expected of the staff, and what we do as a group after the emergency has been resolved. This after action report compiles details of what was done right and what could have been done better, so that in the event something like this happens again we are better prepared.

B. Nutting, Water Quality Division Supervisor, presented a timeline of events on the Army Sewer Line that ran from July 17 – July 30, following the heavy rainstorms from Hurricane Beryl. These rains caused significant overflowing between manholes 1 and 4, and were required to be reported to the DEC. Upon investigating the overflow cause, a blockage was found in the 36 inch sewer line between manholes 1 and 2 with the main portion below NYS Route 37. For 13 days staffing from many divisions at the Authority set up a bypass and worked to remove the blockage. No residents were impacted by the overflow, and there was no interruption of service to any customers, to include the towns of LeRay, Champion, Pamelaia, Rutland, the Village of Black River, and most importantly Fort Drum. It is estimated to have cost \$40,000 and taken 1000 hours of labor to remove the 15 cubic yards of debris from the sewer line and keep the back-up pumps running and monitored to prevent the overflow from happening again during the cleanup effort.

C. Tuttle continued by reviewing the root cause of this issue. While it began with the heavy rainfall, there were additional underlying factors that are within our control to address and possibly prevent similar situations in the future. This list of causes was generated, to include roughly 820 feet of PVC pipe that was abandoned in place, the annual closed-circuit televising (CCTV) not being done routinely, and the lack of functioning automated bar screen that broke in 2023. Corrective actions were presented to prevent future occurrences, such as CCTV inspections, have necessary items in stock, train staff through annual drills and the proper use of emergency machinery, implementing internal auditing of safety procedures, create a “warehouse” within NEXGEN to monitor the crane truck inventory, making improvements to our right of way access areas, and a review/update Sewer Collapse Overflow and Response Plan annually, especially since we have learned a great deal from this event to update and improve.

A. MacKinnon stated that the line of work at the Authority requires immediate action. The sewers keep flowing, the garbage keeps coming and everyone in the Tri-county area is impacted by garbage collection and water and sewer flows. It doesn't make a difference whether there is a good place to put the garbage, it keeps coming and you don't have time to form a study group or apply for a grant to replace a pipe. There is about 15 minutes to put a plan, equipment, and contractors in place, and apparently, we did that because no one was impacted by this event. That is a credit

to the planning of the Authority and all the staff here everyday to ensure we are ready to go. At Warneck Pump Station there are massive pumps in the back rooms sitting gathering dust because when they are needed, we don't have six months to source them, we have 15 minutes to be ready. A great deal may have been learned with this recent event, but staff already knew a lot and that shows in the situation being taken care of in a manner that nobody was really impacted.

C. Farone shared another update on an event at the Warneck Pump Station where no one's service was interrupted, but again showed what the water quality staff deals with on a regular basis. C. Tuttle explained that between Friday August 9th and Sunday August 11th, flows at the pump station were at 11.5 million gallons per day. In her 21 years with the Authority C. Tuttle stated she has never seen flows register this high. This resulted in some alarms at the pump station and the primary pump tripped out. Within minutes the wet well area flooded and was up the stairwell. Our staff responded quickly but the flows were so high it took the manual pumps a while to catch up before the water level began to drop. Thankfully no electrical equipment is at this level because of this risk. Once the levels were controlled, a layer of grit and rags, like what caused the previously discussed blockage, were found to be covering the floor and had to be manually cleaned.

C. Farone asked how deep the debris was. B. Nutting responded it was roughly 6 to 12 inches across the whole floor.

C. Tuttle continued by stating this was a much smaller event than the reported overflow at manhole four, but still resulted in about 5 cubic yards of rags and grit being removed, 65 hours of labor spent by emergency staff, and another 25 hours by B. Nutting and other supervisors to assist during the event. She continued with a review of root causes such as an unprecedented storm, the pump tripping out, and the bar screen not being fastened and becoming dislodged. Corrective actions were determined to be: reprogram the remote telemetry unit and adjust the control logic to eliminate the low-level flow and prevent the pump from tripping while still protecting the pumps, placing a clamp on the bar screen to prevent it becoming dislodged in the future, and ordering a replacement for the bar screen and inspecting it annually. Staff again did a great job responding to this incident and no customers or residents were impacted.

A. MacKinnon stated it is worth taking a trip to the lower levels of the pump station because it is interesting to see the heart of the operation.

K. Bibbins concurred with Mr. MacKinnon's kudos to staff, and asked what path was used for bypass pumping during the overflow event. C. Tuttle responded that they used the DOT culvert and DOT was very helpful in accommodating this because there was no other way to manage this short of crossing Route 37. K. Bibbins replied that we should add another item to the after action list and look at a more permanent solution under Route 37 that doesn't involve potentially impacting drainage that is also expected to work during this type of event. C. Tuttle agreed this is a great suggestion and asked T. Haynes to add it to the list.

M. Murray expressed appreciation on behalf of the Board to all staff for the extra work that was done to make sure everything was fixed during these two events.

15. Adjourn -

Upon a motion by A. MacKinnon and seconded by D. Mastascusa, the meeting was adjourned at 12:14 PM.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dennis Mastascusa", written in a cursive style.

Dennis Mastascusa
Board Secretary