



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, June 26, 2025 – 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 26, 2025 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

Nancy Henry*
Brian McGrath*

*Attended via videoconferencing.

Members Absent

Steve Hunt

Staff Present:

Carl Farone, Executive Director
Jennifer Staples, Chief Financial Officer
Carrie Tuttle, Chief Operating Officer
Stephen Bohmer, Director of Information Technology
Michelle Capone, Director of Regional Development
Dawn Loudon, Comptroller
Brian Nutting, Director of Water Quality
Regina Rybka-Lagattuta, Director of Human Resources
Shawn Thornton, Director of Materials Management
Angela Marra, Executive Assistant
Tonya Watson, Administrative Associate

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Thomas Smith, EFPR Group
Cyril Mouaikel, RBC Wealth Management
John Nuber, RBC Wealth Management
Charlie Mouaikel, RBC Wealth Management
Mackenzie Moore, RBC Wealth Management, Summer Intern

1. Chairperson Murray called the meeting to order at 10:35 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 A. MacKinnon and seconded by E. Virkler, the minutes from the May 29, 2025 Board Meeting were unanimously approved.
5. Chairperson's Report
 - a. The next Board Meeting will be held on August 28th at 10:30 AM at the Materials Management Facility in Rodman. Following the Board Meeting, lunch will be provided and a bus will be available to provide board members a tour of the facility.
 - b. The Authority will host an Open House at the Materials Management facility on August 28th (same day as Board Meeting) from 4 to 6 pm.
6. Executive Director's Report
 - a. MMF Culvert Repair -

C. Farone shared that Authority staff within the Materials Management Division have been monitoring a culvert under the main entrance road near the LFGTE plant that has been sinking. An inspection was completed the week of May 1st, where it was determined that the crown of the culvert was collapsing and needed to be replaced. Authority records indicated the culvert was original to the site, having been installed in 1992. Because this is the main access road to the Materials Management Facility, the work needed to be completed over a weekend to avoid impacting operations. A quote was obtained just under \$50,000, however it was decided to complete the work in-house because we already had much of the needed material on hand, such as the HDPE Culvert Pipe and crushed stone. The only purchases made were the culvert end sections, welding the pipe, tamper rentals, and overtime for the crew. The Town of Rodman also let us borrow their road saw to cut the pavement. The estimated cost to complete the repair with the in-house crew was \$6,000. Saturday, June 14th, was selected as the repair date based on the forecast. A work plan to prep and pre-stage the area was put in place to complete as much of the work as possible ahead of time. A crew of five selected staff members started work at 6:00 AM and completed the repair by 3:00 PM on the 14th. The repair was successfully completed, and paving will be done in conjunction with another Authority Capital Project.
 - b. Authority Employees Volunteer at Riverfest--

C. Farone reported that several Authority employees volunteered to support this year's Riverfest on Friday, June 12th. This event is co-sponsored by the Association of the United States Army, and Authority Project Development Specialist, Matt Siver, currently serves as president of this organization. C. Tuttle, M. Capone, R. Lagattuta and C. Farone volunteered to serve Fort Drum

Soldiers and their families to help thank them for their service. S. Thornton was also onsite promoting recycling and provided recycling bins for the event.

c. US Army – 250th Anniversary –

C. Farone stated this year marks the 250th anniversary of the Army, and both the Authority and Next Move NY Initiative have placed ads in local papers showing our support.

d. Telemedicine Network–

C. Farone reported that in the June edition of NNY Health, the Authority was recognized for our partnership with the Fort Drum Regional Health Planning Organization for the creation and operation of NCTP & ACTION, two hospital networks. It was noted within the article that before this build-out most primary healthcare facilities had a maximum network speed of 56 Kbps, but now have 1 Gbps meaning that image transfers that once would have taken 40 hours now can be done in seconds. The work has additionally provided significant cost savings for the region. Since 2010, FDRHPO has coordinated more than \$20.5 million in savings.

e. Tug Hill Commission's Times –

C. Farone shared that in the June 5th edition of the Tug Hill Times, the Tug Hill Commission included a segment on their monthly staff meeting that was held at the Development Authority's Murray Educational Center. They also included a very nice tribute to former Authority Board Member and Chair, Doug Murray. This also provides some free advertising for our Murray Trail!

f. Municipal Water Customers –

In December 2023 the Authority received notice of a class action lawsuit against DuPont and 3M. Any public water system that serves more than 25 people and has detected contaminants were included in the proposed settlement class. Authority staff reviewed the data for Authority owned systems (Army Water Line and Regional Water Line). Additionally, we reached out to all municipal water customers to ensure they were aware of the class action lawsuit, and we asked if they needed help completing the required paperwork if requested. Staff completed the required registration for our Regional Water Line and four municipal customers who requested assistance. On June 5 we were notified of the settlements by Matt Holmes, CEO of the National Rural Water Association. He explained, "these settlements serve as a source of supplementary funding for public water systems, aiding them in the important task of purifying their drinking water sources from PFAS contamination." C. Tuttle stated the awarded money will go to the municipality's water funds.

K. Bibbins asked if the class action is closed, and are there any provisions for future contamination. C. Farone stated he would look into this.

g. Authority Annual Report – FYE 2025 –

The Annual Report has been finalized and emailed to all Board Members. This year marks the 40th Anniversary of the Development Authority, so the beginning of the annual report provides a brief overview of our accomplishments. Additionally, a timeline of significant Authority events over the last 40 years is

being prepared. Authority Board members, both past and present, have a great deal to be proud of for the significant impact it has had upon the North Country.

h. Staff Updates -

C. Farone shared the following staff achievements:

M. Marcum earned a Grade C Water Operator Certification.

E. McBath completed Pipeline Assessment Certification Program (PACP) providing subject matter expertise in the review of CCTV.

N. Moulton earned his 15 year longevity Service Award.

7. FYE 2024 Investment Report – RBC

J. Staples introduced the Authority's investment advisors, Cyril Mouaikel, Managing Director, and John Nuber, Associate Vice President, and Charlie Mouaikel, Financial Advisor, for RBC Wealth Management, who attended the meeting to discuss the investment report provided to the full Board regarding the investments from the previous fiscal year. Mackenzie Moore, an intern with RBC, joined the RBC representatives to observe the presentation.

C. Mouaikel began by congratulating the Authority on 40 years, and stated it has been a pleasure working with the Authority for over 25 years. He further commented that visiting the facility in Rodman was an eye opener for him and he feels it should be mandatory for everyone to see what happens there and learn about what the Authority does there. He reviewed RBC's process by explaining that on a monthly basis they review all cash balances of the Authority investment accounts and send a report to Jennifer (Staples). She analyzes this report and tells RBC what should be reinvested based upon the Authority's cash flow needs. RBC then takes that out to bid to get the best execution at the maturities that are appropriate where J. Staples would like that money to mature. They only use treasuries, government agencies, and certificates of deposit to receive the best yield. They also ensure that the Authority does not have excess amounts over \$250,000 in any one bank. They create a proposal, once approved they purchase the bonds. This has been an excellent year with investments going very well. This is based on interest rates and depends on what the Federal Reserve is doing. While RBC cannot predict what is going to happen, they advise if there are monies that can be locked in for a longer term.

J. Nuber continued with a look at the overall fiscal year. With lower interest rates over the course of the fiscal year, income is half of the return and appreciation but they are beginning to see appreciation in the bonds. This past year's interest income was almost \$2.5 million, which is a great improvement from 2022 when it was \$605,000. They are seeing returns across the accounts in the 5% range, with the wetlands mitigation at 4.82%. The Comerica account started the year at \$94.45 million and is ending at \$96.85 million, which shows a strong year with equal contributions from income and an appreciation of securities of \$2.5 million each. It has been a strong year and as long as the rates continue to be attractive there will be a strong income in the portfolio.

C. Mouaikel added that they have had a disclosure for 20 years on this report, and it is still being done manually like it was 20 years ago resulting in taking many hours

to be put together. He continued by stating that RBC has a more modern system and accurate numbers could provide better information on what is going to mature when. The portfolio is managed in a very efficient way and this year RBC has generated about \$78,000 on a \$95 million portfolio, which is equivalent to .08%.

A. MacKinnon asked if they are predicting that we are going back into what he would call a borrower's market with lower interest rates on loans and less on the savings part. C. Mouaikel responded that it is difficult to predict anything because one small incident could change the entire picture. He further stated that he was sharing what the people on the Federal Reserve are currently predicting, that they will cut 50 basis points resulting in everything going down. He explained that when you have a recession coming you want to reduce interest rates so people begin borrowing more. With portfolios that RBC has full discretion on they have ladders to remove the reinvestment risk.

Charlie Mouaikel expanded about the many variables that drive inflation beyond RBC's or America's scope of control, and referenced the unrest in the Middle East impacting the price of oil which is a major drive for inflation. All of this is why it is difficult for RBC to bring a clear guidance on exactly how interest rates will be trending. J. Nuber added AI to the mix stating that it is seen as a disinflationary force.

C. Farone stated that the key takeaway for the Development Authority Board is that the Authority's priority is first preservation of principle, followed by trying to maximize interest while keeping everything 100% secured or backed by the federal government. This results in our portfolio not growing as much as we'd like, but we also don't see those 20% hits.

E. Virkler asked how long the Authority has been using Comerica. C. Mouaikel responded that it has been 20 plus years. RBC will work with whomever the Authority decides they want to custody with.

J. Nuber further stated that the Authority holds these CDs and treasuries to maturity so the up and down of the market, meaning the portfolio gain is not the goal every time. Comerica is not built for performance reporting so when things reprice, RBC has to do a manual calculation on what they think that value will be, which leads to the numbers being reported not being as precise as they could be if reported by RBC.

RBC staff left the meeting at 11:06 AM.

8. Independent Audit – EFPR

J. Staples introduced the audit results. She stated that March 31, 2025 we ended our fiscal year, and in April the finance team worked hard to close the books and complete the work papers for the audit. On May 6th the trial balance and work papers were turned over to the EFPR Group for the audit. The audit concluded in early June and last Wednesday, Thomas Smith, a partner at the EFPR Group, met with the Audit Committee to review the audit results in detail. T. Smith attended this Board meeting to review the summary of audit conclusions with the full Board.

T. Smith continued with an overview of the audit, as well as the audit results, making today the date of issuance for the reports with everything due by the end of June. He expressed appreciation to J. Staples, D. Louden, and their team for turning everything around quickly. The work papers they provided were meticulous and very clean. New York State requires these reports to be filed within three months of year end, making this a very tight deadline.

T. Smith continued with a review of the reports being issued today. The first being the financial statements, which received a clean, or unmodified opinion. This is the highest level of assurance that EFPR can provide, which confirms that the disclosures are accurate and all transactions are fully backed up. The next audit report being issued today was on Authority investments. New York State requires that the Authority is in compliance with New York State regulations of Public Authority Law. EFPR makes sure the Authority is following these laws, and this is also being issued a clean, unmodified opinion. The third report EFPR will be issuing is the single audit report. This is processed because the Authority receives over \$750,000 of federal awards in any given year which requires a compliance audit of those funds. EFPR selected the NTIA grant to review because it was a large dollar amount, and they are happy to report this is a clean audit with no compliance issues, internal control issues, or anything to bring to the Board's attention. As part of the government auditing standards, because the Authority falls under government laws, EFPR will need to issue a report on the law of regulations and the internal controls of the Authority, both of which had no findings and they will be receiving a clean report. The last item EFPR will issue is an Agreed Upon Procedure (AUP) done on the Regional Water Line, which will also receive a clean unmodified report.

T. Smith continued from a numerical standpoint reporting an increase in the Authority's Net Position, essentially an increase in revenue exceeding expenses by \$7.3 million for the current year. As of March 31, 2025 the Authority's ending net position is \$164.3 million, showing the Authority in a very healthy financial position. Overall, T. Smith stated he did not come across any red flags or concerns that he felt needed to be brought before the Board, and this was a very smooth audit process.

A. MacKinnon commented that he's been looking at these audit reports for a long time and this is consistently good, which is kudos to a lot of people in the organization. This is also an indication that our people are doing an excellent job of managing the Authority and keeping a close watch on expenses and income. He stated he is the treasurer in name only, but he is interested in how this work has been so consistent over these years, but also tells him there are good staff and procedures in place.

C. Farone extended his appreciation to J. Staples and D. Louden for the good work and the hours that are put into the procedures to work toward a clean audit.

9. Finance –

- a. Resolution No. 2025-06-41, accepting the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments, as of and for the year ended March 31, 2025.

Upon a motion by E. Virkler and seconded by M. Hall, Resolution No. 2025-06-41, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2025, was unanimously approved.

- b. Resolution No. 2025-06-42, approving the Assessment of Effectiveness of Internal Controls of the Development Authority of the North Country, for the fiscal year 2025, as attached to the resolution.

Upon a motion by M. Hall and seconded by D. Mastascusa, Resolution No. 2025-06-42, Approving the Assessment of Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year Ending March 31, 2025, was unanimously approved.

- c. Resolution No. 2025-06-43, approving the Annual Bond Sales Report for the fiscal year ending March 31, 2025, as attached to and incorporated in this resolution.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2025-06-43, Approving Annual Bond Sales Report, Fiscal Year Ending March 31, 2025, was unanimously approved.

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 D. Mastascusa, and seconded by E. Virkler, financials ending April 30, 2025, were unanimously approved.

10. Governance –

11. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Jefferson County, TSA, Jefferson County Planning and Community Development (as needed Engineering Services), Total Agreement Amount of \$10,000.00, 7/01/25 – 3/31/26, Jefferson County

Upon a motion by M. Hall, and seconded by D. Mastascusa, Board Contract Summary Table item number I for the month of June was unanimously approved.

12. Materials Management –

- a. Resolution No. 2025-06-44, amending the FY 2026 Materials Management Facility Budget to include the revenue and expenditures associated with the sale of the 2023 carbon credits as outlined within the resolution.

Upon a motion by E. Virkler and seconded by M. Hall, Resolution No. 2025-06-44, Amending Fiscal Year 2026 Operating Budget Amendment, Materials Management Facility, Sale of Carbon Credit Offsets, was unanimously approved.

13. Regional Development –

a. Loan Report –

M. Capone reported that everything is being paid as agreed.

- b. Resolution No. 2025-06-45, authorizing the Executive Director or designee to submit a Consolidated Funding Application in an amount not to exceed \$3 million to create a North Country Housing Program to support workforce housing across the 7 counties of the North Country Regional Economic Council.

Upon a motion by D. Mastascusa and seconded by M. Hall, Resolution No. 2025-06-45, Authorizing Consolidated Funding Application, Upstate Revitalization Initiative, North Country Housing Program, was unanimously approved.

14. Next Board Meeting Date – August 28, 2025

15. Adjourn -

Upon a motion by E. Virkler and seconded by M. Hall, the meeting was adjourned at 11:22 AM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary