



Board Resolution No. 2022-12-92
December 15, 2022

MATERIALS MANAGEMENT DIVISION
FY 2022-2023 BUDGET AMENDMENT

Whereas, the Development Authority of the North Country adopted an Operating Budget for the Materials Management Division for FYE 2023 pursuant to **Resolution No. 2022-02-10**, and

Whereas, the budget authorized expenditures of \$350,000 for Fuels and \$764,574 for Sewage Treatment (i.e., leachate treatment), and

Whereas, unforeseen increases in fuel pricing due to supply chain issues and the war in Ukraine are estimated to result in an increase in fuel expense of \$136,000 for fiscal year ending 2023, resulting in a revised budget for fuels of \$486,000, and

Whereas, delays in opening Cell 12 in Southern Expansion and continued operational focus on clean shedding uncontaminated storm water have resulted in lower volumes of leachate generation than projected, and

Whereas, internal budget modifications have reduced the Sewage Treatment budget by \$33,656 to \$730,918 to accommodate for unplanned expenses related to large equipment repairs and the purchase of sand, gravel and stone, and

Whereas, it is recommended that further reductions in Sewage Treatment expense be made to offset the projected increase in Fuel expenses.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FYE 2023 Materials Management Budget to increase Fuels Expense from \$350,000 to \$486,000 and reduce Sewage Treatment Expense from \$730,918 to \$594,918.

Motion by: D. Mastascusa
Seconded by: K. Bibbins

Bibbins - **Yes**
Doheny - **Yes**
Hall - **Absent**

Hefferon - **Yes**
Henry - **Absent**
Hollenbeck - **Present**

Hunt - **Present**
MacKinnon - **Yes**
McGrath* - **Present**

Mastascusa - **Yes**
Murray - **Yes**
Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-92 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



**Board Resolution No. 2022-12-93
December 15, 2022**

**COMMUNITY DEVELOPMENT LOAN FUND
ARMOUR ENVIRONMENTAL, INC.
LOAN**

Whereas, Armour Environmental Inc. ("Armour") is requesting \$300,000 from the Community Development Loan Fund to assist with the acquisition of real estate located at 8023 Washington Street, Harrisville, located in Lewis County, and

Whereas, Armour is purchasing the facility known as the Harrisville Transfer Station from the Development Authority, and

Whereas, Armour is planning a recycling facility at the location to include, among other services, mattress and box spring recycling, tire recycling, construction demolition recycling, and yard waste and food composting, and

Whereas, there is a significant need for those services in the three county region, and

Whereas, the project is consistent with the mission of the Authority; will benefit the Authority by diverting waste from the landfill; and the use of the funds is consistent with the guidelines for the Community Development Loan Fund, and

Whereas, the project will result in the creation of approximately 21 jobs in Lewis County over three years, and

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby approve a loan in the amount of \$300,000 to Armour Environmental Inc. from the Community Development Loan Fund at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan, and be it further

RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Motion by: A. MacKinnon
Seconded by: E. Virkler

Bibbins - **Yes**
Doheny - **Yes**
Hall - **Absent**

Hefferon – **Yes**
Henry - **Absent**
Hollenbeck – **Present**

Hunt - **Present**
MacKinnon – **Yes**
McGrath* – **Present**

Mastascusa - **Yes**
Murray - **Yes**
Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-93 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Armour Environmental, Inc.

Loan Fund: Community Development Loan Fund

Amount: \$300,000

Loan Term: 15 years

Loan Rate: $\frac{1}{2}$ Wall Street Journal Prime plus 1 set at loan closing, fixed

Loan Payment: 9 months interest only then monthly principal and interest payments to amortize loan over remaining 171 months.

Collateral: First mortgage on real estate located at 8023 Washington Street, Harrisville, NY 13648, assignment of leases and rents, lien on all assets of Armour Environmental Inc.

Guarantors: Michael Honer Jr., Geiter Done of WNY, Inc.. Geiter Done of WNY, Inc. guaranty will expire once the borrower can show 4 consecutive quarters with a debt service coverage ratio of 1.2 or higher from operations.

Conditions: Cash contribution of \$100,000

Community Development Loan Fund

BORROWER: Armour Environmental, Inc.

BUSINESS LOCATION: 321 Greene Street, Buffalo, NY 14206

PROJECT LOCATION: 8023 Washington Street, Harrisville, NY 13648

OWNERSHIP: Michael P. Honer Jr.-100%

AMOUNT: \$300,000.00

TERM: 180 months

RATE: ½ Wall Street Journal Prime plus 1% set at loan closing
(WSJ Prime 7% on 11/28/2022)

PAYMENTS: 9 months interest only, then 171 monthly principal and interest payments to fully amortize loan

COLLATERAL: First mortgage on 8023 Washington Street, Harrisville, NY; assignment of rents and leases; lien on all assets of Armour Environmental

GUARANTORS: Michael P. Honer Jr., Geiter Done of WNY, Inc. Geiter Done of WNY, Inc. guaranty will expire once the borrower can show 4 consecutive quarters with a debt service coverage ratio of 1.2 or higher from operations.

USE OF FUNDS: Acquisition of Real Estate

EMPLOYMENT: Current: 0
Years 1-3: 21 FTE

SOURCES OF FUNDS

| | |
|----------------|---------------------|
| Authority Loan | \$300,000.00 |
| Cash | <u>\$100,000.00</u> |
| Total Sources | \$400,000.00 |

USES OF FUNDS

| | |
|-------------|---------------------|
| Acquisition | \$400,000.00 |
| Total Uses | <u>\$400,000.00</u> |

PROJECT:

Armour Environmental Inc. is purchasing the facility at 8023 Washington Street, Harrisville, NY from the Development Authority for \$400,000. They have applied for public funding to hold the mortgage on the real estate. Lewis County does not have any loan funds. The Authority is looking at using its Community Development Loan Fund to hold a \$300,000 mortgage on the

Community Development Loan Fund

real estate for 15 years at a rate of ½ of the Wall Street Journal Prime Interest Rate plus 1 fixed at the loan closing. The rate as of 11/29/2022 would be 4.5%. This would provide a good return for the Authority. They are hoping to not use bank financing at this time as they will likely need it to purchase additional equipment next year.

Armour Environmental was incorporated in NYS in January 2012, however has no operating history. The company is owned by Michael P. Horner Jr. The company was never dissolved and will be used to acquire 8023 Washington Street, Harrisville. Geiter Done will have a management/operating agreement with Armour Environmental.

The plan is for Armour Environmental to provide the following services:

- Construction demolition recycling to include pulling out wood, concrete, metals and rough soils for recycling;
- Yard waste and food waste for composting;
- Mattresses and box springs recycling/shredding;
- Scrap metals-bicycles, rims, lawn mowers (drained of fluids), grills (cleaned), pipes, exercise stations, VCR/CD/DVD players with metal cases & other miscellaneous metal items that are not accepted in the recycle cart;
- Tires recycling for all size tires;
- Extra recycling-any item that you normally place in your recycle cart is accepted in this dumpster, in addition to large cardboard boxes.
- Appliances/white goods-Non-freon appliances;
- Dumpster service-10, 15, 20, 30-yard cans construction demolition delivery service.

The company plans to hire 7 employees in year one to include 1 general manager, 2 clerical, 2 operators, and 2 laborers. They plan to add an additional 14 jobs over years 2-3. They will close on this transaction in December 2022 and expect operations to begin in August 2023 when they get their permit from DEC.

In addition, the company is planning to purchase an additional +/- \$1.8 million in equipment to locate at the facility. They have submitted paperwork to ESD for a grant/incentives and will be applying to other local programs as well. They will need this equipment by August 2023. They will bring equipment from Buffalo to Harrisville for initial start-up.

This business's operations fit the mission of the Authority and will provide a much needed service in the region. While the loan would exceed 40% of the total project amount, the investment is worthwhile as the business will fill a much needed gap in our region's recycling efforts and will create jobs in Lewis County.

FINANCIALS:

Historical:Geiter Done of WNY, Inc.

| | 2020 | 2021 | 7/2022 |
|--------------|--------------------|--------------------|--------------------|
| Net Sales | \$3,467,182 | \$4,215,857 | \$2,937,381 |
| COGS | <u>\$2,838,756</u> | <u>\$3,296,824</u> | <u>\$2,360,185</u> |
| Gross Margin | \$628,426 | \$919,033 | \$577,196 |

Community Development Loan Fund

| | | | |
|-----------------------------|-------------|------------|------------|
| Expenses | | | |
| Insurance | \$387,605 | \$330,773 | \$239,367 |
| Rent Expense | \$99,000 | \$107,250 | \$57,750 |
| Utilities | \$81,265 | \$72,867 | \$34,280 |
| Licenses and Permits | \$58,421 | \$52,242 | \$24,158 |
| Professional Fees | \$33,742 | \$46,184 | \$44,385 |
| Travel | \$42,059 | \$43,689 | \$3,481 |
| Repairs & Maintenance | \$2,860 | \$6,700 | \$3,365 |
| Telephone | \$8,970 | \$7,208 | \$3,921 |
| Bank charges and other fees | \$14,874 | \$12,121 | \$8,459 |
| Office expenses | \$10,137 | \$13,172 | \$5,290 |
| Advertising | \$4,771 | \$8,474 | \$5,743 |
| Other Expense | \$2,497 | \$3,617 | \$0 |
| Dues and subscriptions | \$2,953 | \$3,992 | \$1,303 |
| NYS franchise tax | \$1,000 | \$1,000 | \$1,000 |
| Meals | \$1,483 | \$1,626 | \$1,622 |
| Management fee | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Total Operating Expenses | \$751,637 | \$710,915 | \$434,124 |
| | | | |
| Income (Loss) from Ops | (\$123,211) | \$208,118 | \$143,072 |
| | | | |
| Other Income (Expense) | \$281,461 | \$268,359 | (\$9,217) |
| | | | |
| Net Income | \$158,250 | \$476,477 | \$133,855 |
| | | | |
| Depreciation | \$496,257 | \$496,885 | \$288,751 |

- The 2020 and 2021 financials were reviewed by the Accountant. The 2022 information was internally prepared. The financials are consolidated and include Keystone Tire Recycling, LLC. Keystone is engaged in the business of tire collection operating in Pennsylvania. It has minimal impact on the financials as presented. Geiter Done and Keystone are under common control.
- Geiter Done will be the operating entity and will guaranty the loan with conditions.
- Net sales in 2020 comprised of tire collection, \$1,639,646, hauling, \$482,153, demolition, \$651,733, roll off sales, \$359,475, used tire sales, \$91,496, and other sales revenue, \$207,763. Net sales in 2021 comprised of tire collection, \$1,922,189, hauling, \$482,027, demolition, \$860,355, roll off sales, \$678,136, used tire sales, \$82,654, and other sales revenue, \$190,486. Sales in 2022 look on track to exceed sales in 2021.
- Primary COGS are direct wages, payroll taxes and benefits, disposal, depreciation, fuel, and repairs and maintenance.
- Other income in 2020 included a PPP forgiveness loan, \$285,250, and debt forgiveness income, \$106,302. Other income in 2021 included a PPP forgiveness loan, \$263,397, and debt forgiveness income, \$31,358.
- The business operates efficiently and is profitable.

Community Development Loan Fund

Armour Environmental, Inc.

| | Year One |
|-----------------------------|--------------------|
| Sales | |
| Demolition | \$100,000 |
| Other Sales | \$25,000 |
| Scrap tire Collection Sales | \$750,000 |
| Tire/Used Tire Sales | \$35,000 |
| Total Sales | \$910,000 |
| Expenses | |
| Operating Profit | (\$1,259,650) |
| | |
| Add: Depreciation | \$126,000 |
| Add: Interest | \$64,800 |
| Total Cash Available | (\$158,850) |
| | |
| DANC Debt Service | \$28,557 |
| DSC Ratio | (5.56) |

- The projections were internally prepared and do not reflect cost of goods sold. Those expenses are included with operating expenses.
- At start-up of the facility, there will not be sufficient cash from operations to repay the Authority's debt, however Geiter Done has sufficient cash flow to contribute to operations to pay the debt. Also, the guarantor has personal resources to contribute during start-up. The Borrower feels that they will be profitable by the end of year 2.
- Primary expenses in year one are in labor and benefits, \$471,920, insurance, \$165,000, and auto/fuel charges, \$225,000.

Balance Sheet-Geiter Done

| | 2020 | 2021 | 7/2022 |
|---|--------------------|--------------------|--------------------|
| Current Assets | \$1,150,816 | \$1,495,839 | \$1,228,319 |
| Fixed Assets | \$2,690,187 | \$2,340,521 | \$2,300,685 |
| Other Assets | \$49,215 | \$49,319 | \$497,394 |
| Total Assets | \$3,890,238 | \$3,885,679 | \$4,026,398 |
| | | | |
| Current Liabilities | \$488,323 | \$294,896 | \$238,908 |
| Long-Term Liabilities | \$1,863,933 | \$1,576,694 | \$1,673,976 |
| Total Liabilities | \$2,352,256 | \$1,871,590 | \$1,912,884 |
| | | | |
| Stockholder's Equity | \$1,537,982 | \$2,014,089 | \$2,113,514 |
| Total Liabilities & Net Assets | \$3,890,238 | \$3,885,679 | \$4,026,398 |

Community Development Loan Fund

| | | | |
|----------------------|-----------|-------------|-----------|
| Working Capital | \$662,493 | \$1,200,943 | \$989,411 |
| Current Ratio | 2.36 | 5.07 | 5.14 |
| Quick Ratio | 1.41 | 2.6 | --- |
| Debt to Equity Ratio | 1.53 | .93 | .91 |

- The company's performance ratios are very good. Most of its current liabilities are in cash and accounts receivable. The debt to equity ratio is very favorable.
- The company has a line of credit with M&T Bank of an available \$350,000 line. There was no outstanding balance on the line on December 31, 2021 and 2020.
- Most of the long term debt is for equipment. There are two term loans with M&T Bank that mature in 2027 and 2029. There is a shareholder loan payable with a balance of \$77,797 on 12/31/21. There are no formal repayment terms on this loan. There is also a loan payable to Michael Horner Sr. with a balance of \$430,486 on 12/31/2021. There are no formal repayment terms on this loan.

Credit:

Michael Horner Jr. lists assets of \$2,265,000 and liabilities of \$713,000. Primary assets are in cash of \$520,000, real estate, \$1,000,000, and other assets, \$579,000. Primary liabilities are mortgages, \$713,000. Real estate includes a primary residence and two rentals all in Buffalo. He has a TransUnion score of 764. He has two derogatory comments. One was two 30 days on a closed account in 2019 and another was a 30 days in 2019 on another closed account. These accounts were paid off. He shows outstanding liabilities of \$729,736 which are his mortgages.

Collateral Analysis

| | Market Value | Discount |
|-------------------------------------|------------------|------------------|
| 8023 Washington Street, Harrisville | \$580,000 | |
| Discounted at 70% LTV | | <u>\$406,000</u> |
| Total | <u>\$580,000</u> | \$406,000 |
| DANC Loan | \$300,000 | \$300,000 |
| Total LTV | 51.7% | 73.9% |

*Appraisal completed for Development Authority of the North Country on March 4, 2022. The Authority is secured based upon the market value above.

Conditions:

- Cash contribution of \$100,000
- Personal guaranty of Michael Horner Jr. and Geiter Done of WNY, Inc. Geiter Done of WNY, Inc. guaranty will expire once the borrower can show 4 consecutive quarters with a debt service coverage ratio of 1.2 or higher from operations.
- First mortgage on real estate located at 8023 Washington Street, Harrisville.

STAFF RECOMMENDATION:

Staff recommends loan of up to \$300,000 from the Community Development Loan Fund to Armour Environmental Inc. at the terms and conditions listed above.



Board Resolution No. 2022-12-94
December 15, 2022

COMMUNITY DEVELOPMENT LOAN FUND
MLR REALTY, LLC
SUBORDINATION

Whereas, **Resolution No. 2006-08-04** approved a loan in the amount of \$250,000 to MLR Realty, LLC from the Community Development Loan Fund to accommodate a 30,000 square foot expansion to its warehouse and distribution facility in the City Center Industrial Park, Watertown, and

Whereas, **Resolution No. 2015-06-81** approved a subordination of the Authority's debt to additional borrowing of \$4,590,000 from Watertown Savings Bank and Empire State Certified Development Corporation for a 40,000 square foot addition to their facility to create an additional 30 jobs over five years, and

Whereas, MLR Realty, LLC, also known as Renzi's, is looking at the addition of a 9,000 square foot refrigerated dock with 8 unloading doors, a 4,000 square foot renovation for an equipment room, and site work for the addition of a road, tractor trailer parking area, and employee parking in order to accommodate its growth, and

Whereas, this request will move the Authority's mortgage from a co-proportional 5th mortgage position to a co-proportional 6th mortgage position on the real estate with the the Jefferson County Industrial Development Agency, and

Whereas, this approval will be contingent upon a satisfactory appraisal in the amount of \$8,569,356 to accommodate a 1:1 loan-to-value, and

Whereas, this approval will be contingent upon all other public lenders approving the same subordination request, and

Whereas, Renzi's is a major employer in Jefferson County employing 250 with the prospect of adding approximately 35 jobs by 2025 with this project, and

Whereas, all other loan terms and conditions will remain the same.

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby subordinate its loan to MLR Realty LLC in the original amount of \$250,000 to a loan from Watertown Savings Bank in an amount not to exceed \$5 million for construction to permanent financing subject to a satisfactory appraisal and all necessary approvals and authorizes the Executive Director or Chief Financial Officer to execute any necessary documentation.

Motion by: D. Mastascusa
Seconded by: A. MacKinnon

| | | | |
|----------------------|-----------------------------|---------------------------|-------------------------|
| Bibbins - Yes | Hefferon – Yes | Hunt - Present | Mastascusa - Yes |
| Doheny - Yes | Henry - Absent | MacKinnon – Yes | Murray - Yes |
| Hall - Absent | Hollenbeck – Present | McGrath* – Present | Virkler - Yes |

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-94 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



ADMINISTRATION and REGIONAL DEVELOPMENT DIVISION
Dulles State Office Building • 317 Washington Street, Suite 414 • Watertown, New York 13601 • Telephone (315) 661-3200 • TDD (800) 662-1220

WATER QUALITY DIVISION
Warneck Pump Station
23557 NYS Route 37
Watertown, New York 13601

TELECOMMUNICATIONS DIVISION
Dulles State Office Building
317 Washington Street, Suite 406
Watertown, New York 13601

MATERIALS MANAGEMENT DIVISION
Solid Waste Management Facility
23400 NYS Route 177
Rodman, New York 13682

ENGINEERING DIVISION
Warneck Pump Station
23557 NYS Route 37
Watertown, New York 13601

Telephone (315) 661-3210
Emergency Telephone (315) 786-4000

Telephone (315) 661-3200
Emergency Telephone (866) 669-3262

Telephone (315) 661-3230

Telephone (315) 661-3210

TO: Board of Directors
FROM: Michelle L. Capone
DATE: November 22, 2022
SUBJECT: MLR Realty, LLC - Subordination

In 2006, the Authority provided a \$250,000 loan to MLR Realty, LLC, aka Renzi's, for an expansion project. The loan was for 20 years and is currently at 3.5%. The rate adjusts every 5 years to the WSJ Prime Rate minus 2%. It was last adjusted 9/1/2022. The loan matures on 8/1/2027. The current principal balance is \$73,671.92 and the borrower always pays as agreed. The Authority's loan was part of a total funding package that included the Jefferson County IDA and Watertown Local Development Corporation. The company currently employs 250 and anticipated adding approximately 35 employees by 2025 with this expansion.

Watertown Savings Bank has approved a \$5,000,000 construction to permanent mortgage to MLR Realty, LLC located at 901 Rail Drive in the City of Watertown, NY 13601. In order to sustain the growth of Renzi Foodservice and increase their local workforce, the Borrower has determined that an expansion to their facility is necessary. The expansion will provide additional space for loading/unloading goods as well as to hold their staging equipment. Specifically, the addition of a 9,000 square foot refrigerated dock with 8 unloading doors, a 4,000 square foot renovation for an equipment room, and sitework for the addition of a road, tractor trailer parking, and employee parking.

As a result, Watertown Savings Bank is requesting Development Authority of the North Country subordinate to its new \$5,000,000 debt, for a total amount of \$6,925,273 to include WSB's outstanding balances on the commercial mortgages dated August 31, 2012 and April 11, 2016.

In concurrence with the Borrower's records, the balances are as follows:

1st mtg. – WSB \$ 273,198
2nd mtg. – WSB \$1,652,075
3rd mtg. – WSB* \$5,000,000
4th mtg. – SBA 504/Pursuit \$1,428,660
5th mtg. – WLDC \$ 69,409
6th mtg. – JCIDA/DANC \$ 146,014
Total: \$8,569,356



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*Contingent on approval of each agency.

Please be advised that a new appraisal has been ordered by the bank; however, the previous appraisal on file for the last expansion project indicated a market value of \$13 million. This provides a total combined LTV of 66% when including the pending \$5 million request and outstanding debt with all lenders. Therefore, it is anticipated that the new appraisal will reflect an increased value and further reduce the LTV risk.

Staff Recommendation: Staff recommends that we subordinate to Watertown Savings Bank's new \$5 million construction to permanent loan subject to a satisfactory appraisal of at least \$8,569,356 for a 1:1 loan to value.



Board Resolution No. 2022-12-95
December 15, 2022

HOUSING REVOLVING LOAN FUND
PINK PALACE PROPERTIES, LLC
LOAN #3

Whereas, **Resolution No. 2020-05-62** approved \$140,000 from the Community Rental Housing Program to Pink Palace Properties, LLC for improvements to properties located at 102 and 102.5 Keyes Avenue, Watertown, and

Whereas, **Resolution No. 2021-02-52** approved \$220,000 from the Community Rental Housing Program to Pink Palace Properties, LLC for improvements to properties located at 1347 Keyes Avenue, 409 Franklin Street, and 261 Ten Eyck Street, Watertown, and

Whereas, Pink Palace Properties, LLC ('Applicant') refinanced these properties and paid off the Authority's above-referenced loans in May 2022 before completing any improvements to 409 Franklin Street, and

Whereas, Applicant has requested a loan in the amount of up to \$90,000 from the Housing Revolving Loan Fund for improvements to 409 Franklin Street, Watertown, and

Whereas, the property has 4 units that are affordable to working class families, and

Whereas, the applicant proposes to make improvements to the units and building exteriors, and

Whereas, the project meets the intent of the Housing Revolving Loan Fund to improve the quality of the housing stock within the three-counties.

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby approve a loan in the amount of up to \$90,000 from the Housing Revolving Loan Fund to Pink Palace Properties, LLC at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan, and be it further

RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Motion by: T. Hefferon
Seconded by: E. Virkler

Bibbins - **Yes**
Doheny - **Yes**
Hall - **Absent**

Hefferon - **Yes**
Henry - **Absent**
Hollenbeck - **Present**

Hunt - **Present**
MacKinnon - **Yes**
McGrath* - **Present**

Mastascusa - **Yes**
Murray - **Yes**
Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-95 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Pink Palace Properties, LLC

Loan Fund: Housing Revolving Loan Fund

Amount: up to \$90,000

Loan Term: 240 months

Loan Rate: ½ WSJ Prime Rate Plus 1 set 5 Days Prior to Loan Closing

Loan Payment: Simple interest-only for first 12 months, then monthly principal and interest payments to amortize over remaining 228 months

Collateral: Second mortgage behind AmeriCU on real estate located at 409 Franklin Street, Watertown, NY 13601, and assignment of rents and leases

Personal Guarantees: Christopher Virgil-Stone and Joseph G. Firmin, Pink Palace Properties of Upstate NY, LLC.

Conditions:

- Applicant pays \$500 to Authority for construction inspections.
- Loan will convert to permanent financing after 12 months regardless of the outstanding balance; any unspent funds will no longer be available to the borrower at that time.
- Commitment fee of 1% of the loan amount and an application fee of \$100.

Housing Revolving Loan Fund

BORROWER: Pink Palace Properties, LLC (Georgia Corporation)
d/b/a Pink Palace Properties of Upstate NY, LLC

BUSINESS LOCATION: 1242 SW Pine Island Road, Suite 42, Unit 292, Cape Coral,
Florida 33991-2126

PROJECT LOCATION: 409 Franklin Street, Watertown-parcel #12-04.210.000

OWNERSHIP: Joseph G. Firman – 50%
Christopher Virgil-Stone – 50%

AMOUNT: up to \$90,000.00 (Disbursed as construction loan)

TERM: 240 months

RATE: ½ Wall Street Journal Prime Plus 1 set 5 days prior to
closing (WSJ Prime on 11/30/2022 is 7%)

PAYMENTS: Interest-only for first 12 months then monthly principal and
interest payments to amortize loan over remaining 228
months.

COLLATERAL: Second mortgage position behind AmeriCU loan of
\$129,000

GUARANTORS: Christopher Virgil-Stone and Joseph G. Firmin

USE OF FUNDS:

SOURCES OF FUNDS

409 Franklin Street

| | |
|----------------|---------------------|
| Authority Loan | \$ 90,000.00 |
| AmeriCU | \$129,000.00 |
| Equity | \$ 30,800.00 |
| Total Sources | <u>\$249,800.00</u> |

USES OF FUNDS

| | |
|---------------------|--------------------|
| Acquisition | \$159,800.00 |
| Improvements | \$ 87,514.00 |
| Inspection Services | \$ 500.00 |
| Closing Costs | <u>\$ 1,986.00</u> |
| Total Uses | \$249,800.00 |

AmeriCU-Closed on loan December 2, 2020
Equity-Provided at acquisition closing

Housing Revolving Loan Fund

PROJECT:

Pink Palace Properties, owned by Mr. Firman and Mr. Virgil-Stone, purchased the apartment complex located at 120 and 120.5 Keyes Avenue, Watertown in July 2020. They closed on a loan from the Community Rental Housing Program for \$140,000 on July 22, 2020 in order to make improvements to the property. In April 2021, Pink Palace Properties closed on a second loan through the Community Rental Housing Program for \$220,000 to renovate 409 Franklin Street, 261 TenEyck Street, and 134 Keyes Avenue. They drew down \$73,896.44 of the \$220,000. On May 19, 2022, they paid off both loans in full.



The applicants never completed any of the proposed work on 409 Franklin Street prior to paying off their Authority loans. They planned to but prioritized the Keyes Ave and TenEyck Street properties over this one. The quote for the work was provided by their management company, Forte Management Group. The quote is dated 12/6/2022. The total for improvements including materials and labor are \$72,514. The work to be completed includes: repair and paint fascia, repair all 4 porches, new aluminum/vinyl siding on whole building, trim

trees away from house, remove small old entryway on Franklin St., remove damaged screen door, paint electrical conduit white, tuck point basement foundation where necessary, repair/replace steps where necessary, add flue cap to chimney, replace aluminum cap around windows where necessary, add drip leg to water heater fuel line, bond/ground CSST fuel line, close open junction boxes. These improvements should improve curb appeal.

The balance of the \$15,000 will be used for improvements to the units including kitchen and bathroom improvements. This work will be done as units turn. Staff is recommending that the applicant have 12 months to complete the internal improvements. After 12 months, the Authority loan will convert to permanent financing and any improvements not completed will have to be completed using applicant cash. The Authority funds are not meant to be an open-ended line for improvements.

The property at 409 Franklin Street has 3 one-bedroom units and 1 two-bedroom unit. The tenants pay \$887 plus electric for the 1 bedroom units, and \$950 plus electric for the 2 bedroom unit.

The fair market rents in the Watertown-Fort Drum Metropolitan Statistical Area for 2023 are as follows: \$816 for efficiency, \$928 for one-bedroom, \$1,221 for two-bedroom, \$1,650 for three-bedroom, and \$1,951 for four-bedroom. These are up about 3.5% over 2022.

They have engaged Forte Management Group, LLC located in Watertown as their Property Management Company for this property. No tenants will be displaced during renovations. The renovations will be completed as turnover occurs.

Housing Revolving Loan Fund

The loan will be disbursed as a construction loan upon submission of finalized budgets and invoices. We can utilize staff to review the work completed prior to disbursing the funds. We will charge the applicant \$500 for this time.

Pink Palace Properties currently owns 8 properties in Watertown (56 units) and 2 properties in Carthage (8 units). They are looking to sell the 8 units in Carthage. They plan to continue to grow in the area, likely offloading some smaller properties while acquiring larger ones. A recent renovation was 140 High Street where they purchased a condemned 12 unit building and completed remodeled it. DSS is locating an office at the site to provide renters with social services.

FINANCIALS:

Historical

| | Year One | Year Two |
|-----------------------|----------|----------|
| Income | | |
| Rent | \$45,756 | \$47,129 |
| Total Income | \$45,756 | \$47,129 |
| Expenses | | |
| Management Fee | \$4,576 | \$4,713 |
| Accounting | \$100 | \$102 |
| Legal | \$300 | \$306 |
| Insurance | \$1,440 | \$1,469 |
| Property Taxes | \$2,421 | \$2,470 |
| Utilities | \$5,594 | \$5,706 |
| Maintenance | \$3,200 | \$3,264 |
| Total Expenses | \$17,631 | \$18,029 |
| Total NOI | \$28,125 | \$29,100 |
| New: Debt Service | | |
| AmeriCU | \$8,686 | \$8,686 |
| Development Authority | \$7,055 | \$7,055 |
| Total Debt | \$15,741 | \$15,741 |
| DSC Ratio | 1.79 | 1.85 |

-Rent income is projected to increase by 3% in year 2 over 1. Rents are below fair market rate which is favorable in this market. The tenants pay \$887 plus electric for the 1 bedroom units, and \$950 plus electric for the 2 bedroom unit.

The fair market rents in the Watertown-Fort Drum Metropolitan Statistical Area for 2023 are as follows: \$816 for efficiency, \$928 for one-bedroom, \$1,221 for two-bedroom, \$1,650 for three-bedroom, and \$1,951 for four-bedroom. These are up about 3.5% over 2022.

Housing Revolving Loan Fund

-Expenses expected to increase by 2.6% in year 2 over 1. They have been operating this property since 2020 so feel very confident about these numbers.

-Based upon current operations the project would have sufficient cash flow to repay the Authority debt.

Pink Palace Properties

| | <u>2021</u> | <u>8/30/22</u> |
|----------------------------|-------------|----------------|
| Income | | |
| 120 Keyes | \$103,067 | \$80,785 |
| 409 Franklin | \$39,449 | \$23,834 |
| 134 Keyes | \$55,597 | \$41,902 |
| 261 TenEyck | \$50,722 | \$39,959 |
| 1013-1015 Superior | \$23,447 | \$0 |
| 117 N School St., Carthage | \$15,684 | \$17,045 |
| 123 N School St., Carthage | \$19,999 | \$18,500 |
| 140 High St | \$0 | \$0 |
| 107 N. Orchard | \$0 | \$5,747 |
| Other (Laundry) | <u>\$0</u> | <u>\$3,066</u> |
| Total Income | \$307,965 | \$230,838 |

Pink Palace Properties

| | <u>12/31/2021</u> | <u>8/30/2022</u> |
|---------------------------|-------------------|------------------|
| Expenses | | |
| 120 Keyes | \$99,391 | \$41,764 |
| 409 Franklin | \$27,032 | \$10,384 |
| 134 Keyes | \$47,662 | \$15,534 |
| 261 TenEyck | \$53,765 | \$13,554 |
| 1013-1015 Superior | \$18,793 | \$0 |
| 117 N School St, Carthage | \$20,187 | \$12,648 |
| 123 N School St, Carthage | \$21,142 | \$11,334 |
| 140 High St | \$13,941 | \$10,542 |
| 107 N Orchard Street | \$0 | \$ 6,171 |
| General Expenses | <u>\$0</u> | <u>\$ 8,037</u> |
| Total Expenses | \$301,913 | \$129,968 |
| Income/(Loss) | \$6,052 | \$100,871 |

- Information from 2021 IRS Form 1065. Year to date information was internally prepared.
- As a note, the applicant bought 107 N Orchard Street in January 2022 and sold 1013 Superior Street in December 2021.
- Depreciation in 2021 totaled \$67,589.
- 409 Franklin Street netted \$12,417 income in 2021 and through August 2022 had \$29,100 income.

Housing Revolving Loan Fund

- Based on the current operations, 409 Franklin Street would have sufficient cash flow to repay the Authority loan.

Personal Credit:

Mr. Firmin lists personal assets of \$2,550,478 and liabilities of \$1,710,110. Primary assets include IRA and other retirement accounts and real estate. Liabilities include revolving credit and real estate. He is also including the value of the properties and the mortgages he owes on the rental properties as a guarantor even though the loans are through the LLC. He lists salaries and commission of \$195,000 and real estate income of \$40,000. Joseph Firmin has a TransUnion credit score of 704. He has a derogatory comment for a Macy's card that was closed by the credit grantor in 2018. The late payments were in the fall of 2018. The report shows \$841,740 in liabilities primarily in a mortgage of \$388,400 and revolving of \$453,340. The revolving credit is misleading as it includes the \$388,400 HELOC that is also listed as a mortgage. It appears that this error has resulted in his credit score going down as well. Nothing on public record.

Mr. Virgil-Stone lists personal assets of \$2,707,200 and liabilities of \$1,737,600. Primary assets are in real estate. Liabilities are in installment loans and mortgages. He is also including the value of the properties and the mortgages he owes on the rental properties as a guarantor even though the loans are through the LLC. He lists \$185,000 in income between salary and rental income. Mr. Virgil-Stone has a TransUnion credit score of 735. He has no public record and no derogatory comments. He shows total debt of \$980,229 comprised primarily of a mortgage, \$656,803, revolving credit of \$185,213, and installment credit of \$138,213.

The Logic Score for Pink Palace Properties LLC is a high risk score of 25, with a high business failure assessment. It has no days beyond terms reported, either current or historical. It has no derogatory public records, collection accounts or pending law suits. It has no trade lines established, thus the absence of days beyond terms.

Collateral Analysis

| | Full Market Value | Discount |
|--------------------------------|-------------------|------------------|
| 409 Franklin Street | \$160,000 | |
| Discounted at 70% LTV | | \$112,000 |
| Improvements | \$ 72,514 | |
| Discounted at 70% LTV | | <u>\$ 50,760</u> |
| Total | <u>\$232,514</u> | <u>\$162,760</u> |
| AmeriCU | \$129,000 | \$129,000 |
| NEW-Development Authority Loan | up to \$90,000 | \$90,000 |
| Total Debt | \$219,000 | \$219,000 |
| Total LTV | 94% | 135% |

*Appraisal for 409 Franklin Street completed by Varley Appraisal Group for AmeriCU Credit Union as of October 5, 2020.

Housing Revolving Loan Fund

With the proposed improvements, the loan-to-value is sufficient to justify lending up to \$90,000.

CONDITIONS:

- Gurantees of Joseph Firmin and Christopher Virgil-Stone, and Pink Palace Properties of Upstate NY, LLC.
- Second mortgage behind AmeriCU loan of \$129,000, assignment of leases and rents.
- Loan will convert to permanent financing after 12 months regardless of the outstanding balance, at which time any unspent commitment will no longer be available to the borrower.
- Authority staff will inspect progress payments. Applicant will pay \$500 for the services.
- Commitment fee of 1% of the loan amount and a \$100 application fee.

STAFF RECOMMENDATION:

Staff recommends a commitment of up to \$90,000 from the Housing Revolving Loan Fund with the above referenced conditions.



Board Resolution No. 2022-12-96
December 15, 2022

TELECOMMUNICATIONS DIVISION
FY 2022-2023 CAPITAL BUDGET AMENDMENT
AVANGRID DARK FIBER PROJECT

Whereas, the Development Authority of the North Country authorized \$838,700 for Avangrid Dark Fiber Capital Project (30662) pursuant to **Resolution No. 2020-05-73**, and

Whereas, New York State Electric & Gas (NYSEG) owns the pole line along the required routes and has recently changed its make ready process to require the Authority, as pole attachee, to pay for all make ready work; including the work that is required to correct pre-existing conditions on NYSEG poles, and

Whereas, once the make ready work is complete and has been inspected by NYSEG, NYSEG will reimburse the Authority for funds expended to correct the pre-existing conditions; requiring the Authority to cash flow NYSEG make ready work expenditures, and

Whereas, this NYSEG requirement was not in place at the time the original project budget was established in May of 2020, therefore NYSEG make ready costs were not included in the original budget, and

Whereas, the required NYSEG make ready work will be competitively bid and is estimated to result in an increase in the project budget of \$767,150, and

Whereas, to provide capacity to meet customer demands, an additional change to the capital project is necessary to construct seven miles of overlashed fiber between Elizabethtown and Plattsburgh, resulting in an increase in the project budget of \$171,500, and

Whereas, Authority Telecom capital reserves are sufficient to cover these additional project costs, and

Whereas, the \$767,150 in NYSEG make ready costs will be paid to the Authority once the make ready work is complete and has been inspected by NYSEG, and the remaining project costs will be reimbursed to the Authority as individual segments of the project are completed.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country herewith authorize the Chief Financial Officer to increase the budget for Capital Project 30662 (Avangrid Dark Fiber) from \$838,700 to \$1,777,350.

Motion by: K. Bibbins
Seconded by: E. Virkler

| | | | |
|----------------------|-----------------------------|---------------------------|-------------------------------|
| Bibbins - Yes | Hefferon – Yes | Hunt - Present | Mastascusa - Abstained |
| Doheny - Yes | Henry - Absent | MacKinnon – Yes | Murray - Yes |
| Hall - Absent | Hollenbeck – Present | McGrath* – Present | Virkler - Yes |

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-96 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-97
December 15, 2022

TELECOMMUNICATIONS DIVISION
FY 2022-2023 CAPITAL PROJECT BUDGET AMENDMENT
FIBER PROCUREMENT

Whereas, the Development Authority of the North Country adopted a Capital Budget for the Telecommunications Division for FYE 2023 pursuant to **Resolution No. 2022-02-12**, and

Whereas, the Authority owns, operates, and maintains approximately 1,322 miles of fiber optic cable, referred to as the Open Access Telecommunication Network (OATN), and

Whereas, the Authority maintains an inventory of fiber to support new projects and to maintain the OATN, and

Whereas, a combination of factors including supply chain issues and increased demand for fiber cable due to federal and state grants has led to severe shortages of fiber cable, making it difficult to ensure sufficient cable is available to meet customer demands and maintain the OATN, and

Whereas, recent projections indicate that delivery times for new fiber procurements range from twelve to eighteen months, and

Whereas, an evaluation of the Authority's current fiber inventory and projected future needs indicates that the following additional fiber is recommended to be procured as soon as possible, and

| FIBER TYPE | Estimated Quantity (Feet) |
|----------------------|---------------------------|
| 12 Strand Loose Tube | 50,000 |
| 12 Strand Flat Drop | 10,000 |
| 96 Strand Ultra SMF | 80,000 |
| 144 Strand Cable | 40,000 |

Whereas, a project budget of \$230,000 is recommended to be authorized to proceed with the procurement of the fiber noted in the table above, and

Whereas, a competitive procurement process will be utilized to procure the fiber and consideration will be given to Minority and Women Business Enterprises (MWBE) in accordance with the Authority's procurement policies.

Whereas, Authority Telecom capital reserves are sufficient to fund the additional project costs, and

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amend the FYE 2023 Telecommunications Division Capital Budget, to establish a new capital project for Fiber Procurement with a budget of \$230,000, to be funded from Telecom Capital Reserves.

Motion by: A. MacKinnon

Seconded by: D. Mastascusa

Bibbins - **Yes**

Doheny - **Yes**

Hall - **Absent**

Hefferon - **Yes**

Henry - **Absent**

Hollenbeck - **Present**

Hunt - **Present**

MacKinnon - **Yes**

McGrath* - **Present**

Mastascusa - **Yes**

Murray - **Yes**

Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-97 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-98
December 15, 2022

TELECOMMUNICATIONS DIVISION
FY 2022-2023 BUDGET AMENDMENT
TELECOM WAGES

Whereas, the Development Authority of the North Country adopted an Operating Budget for the Telecommunications Division for Fiscal Year 2022-2023 pursuant to **Resolution No. 2022-02-12**, and

Whereas, the budget authorized expenditures of \$1,298,098 for Telecom Wages and \$444,238 for Total Fringe Benefits, and

Whereas, the budget was developed with the understanding that two long serving employees would be retiring during the fiscal year, and

Whereas, as a result of such retirements and the recruitment of replacements, additional cross training time is necessary, beyond that which was included in the budget, to ensure the continued operation of the Telecommunications Division and delivery of services to Authority customers, and

Whereas, specific changes include the following: 1) the Director of Network Management & Security postponing retirement by two months and agreeing to work on a part-time basis after retirement through March 31, 2023; 2) the Telecom Administrative Specialist agreeing to work on a part-time basis after retirement through March 31, 2023; and 3) the conversion of two part-time Outside Plant (OSP) Engineering positions to one full-time OSP Engineering position which required a seven month overlap with part-time OSP Engineer(s), and

Whereas, the proposed changes are estimated to increase Telecom Wages by \$77,000 and Total Fringe Benefits by \$11,900 for fiscal year ending 2023, and

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FY 2022-2023 Telecommunication Budget as follows:

| | <u>Current Budget</u> | <u>Amended Budget</u> |
|--------------------------|-----------------------|-----------------------|
| Telecom Wages | \$1,298,098 | \$1,375,098 |
| FICA Expense | \$ 93,149 | \$ 99,049 |
| Workers Compensation | \$ 2,567 | \$ 3,067 |
| Post Retirement Overhead | \$ 73,488 | \$ 78,988 |

Motion by: K. Bibbins
Seconded by: A. MacKinnon

| | | | |
|----------------------|-----------------------------|---------------------------|-------------------------|
| Bibbins - Yes | Hefferon – Yes | Hunt - Present | Mastascusa - Yes |
| Doheny - Yes | Henry - Absent | MacKinnon – Yes | Murray - Yes |
| Hall - Absent | Hollenbeck – Present | McGrath* – Present | Virkler - Yes |

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-98 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-99
December 15, 2022

WATER QUALITY DIVISION
ARMY SEWER LINE
FY 2022-2023 OPERATING BUDGET AMENDMENT

Whereas, the Development Authority of the North Country adopted an Operating Budget for the Army Sewer Line for FYE 2023 pursuant to **Resolution No. 2022-02-13**, and

Whereas, the current budget includes authorized expenditures of \$55,000 for Auto/Light Truck Fuel, \$17,600 for Cleaning Services, \$22,259 for Overtime Wages and \$34,492 for Pipeline Maintenance and,

Whereas, increases in fuel pricing has resulted in an estimated increase in Auto/Light Fuel expenses by \$26,000, bringing the total budget to \$81,000, and

Whereas, as the result of a competitive procurement process the cost for Cleaning Services for Authority facilities is estimated to increase by \$8,800, bringing the total budget to \$26,400, and

Whereas, staff vacancies have resulted in additional Overtime Wages paid to complete required work to support the Army Sewer Line resulting in an estimated increase in Overtime Wages of \$13,000, bringing the total budget to \$35,259, and

Whereas, as a result of repeat equipment failures of the Authority's Closed Circuit Televising (CCTV) system used to inspect the Army Sewer Line, as well as difficulty hiring, and retaining qualified personnel to complete these inspections, the Authority was unable to complete the inspection of the Army Sewer Line in-house as planned, and

Whereas, CCTV inspections of the sewer line are a critical component of any sewer maintenance program to ensure that pipeline and manholes are maintained in good working condition, and

Whereas, an in-house CCTV inspection of a small section of pipeline on the Calcium-end of the Authority's Kanik Nature Trail, performed prior to the equipment breakdowns, indicated visible damage putting the system at risk for a potential pipeline failure, and

Whereas, the Army Sewer Line is the only sewer system for Fort Drum, the Towns of Champion, LeRay, and Rutland, and the Village of Black River, and

Whereas, as a result of a competitive procurement process four bids were received for CCTV inspection services and the lowest responsive and responsible bid was \$86,308. With the addition of project contingency and projected pipeline maintenance expenses anticipated through the end of the fiscal year, the total budget for Pipeline maintenance will be increased by \$100,000, bringing the total budget to \$134,492, and

Whereas, the additional Army Sewer Line expenses of \$147,800 will be offset by Customer Billings.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FY 2022-2023 Army Sewer Line Budget as follows:

| | <u>Current Budget</u> | <u>Amended Budget</u> |
|------------------------------|-----------------------|-----------------------|
| Customer Billings | \$ 3,115,915 | \$ 3,263,715 |
| Auto/Light Truck Fuel | \$ 55,000 | \$ 81,000 |
| Cleaning Services | \$ 17,600 | \$ 26,400 |
| Overtime Wages | \$ 22,259 | \$ 35,259 |
| Pipeline Maintenance | \$ 34,492 | \$ 134,492 |

Motion by: E. Virkler

Seconded by: A. MacKinnon

Bibbins - **Yes**

Doheny - **Yes**

Hall - **Absent**

Hefferon - **Yes**

Henry - **Absent**

Hollenbeck - **Present**

Hunt - **Present**

MacKinnon - **Yes**

McGrath* - **Present**

Mastascusa - **Yes**

Murray - **Yes**

Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-99 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-100
December 15, 2022

WATER QUALITY DIVISION
REGIONAL WATER LINE
FY 2022-2023 OPERATING BUDGET AMENDMENT

Whereas, the Development Authority of the North Country adopted an Operating Budget for the Regional Water Line for FYE 2023 pursuant to **Resolution No. 2022-02-13**, and

Whereas, the budget authorized expenditures of \$90,415 for the purchase of approximately 50,000 kgallons of water, and

Whereas, it is estimated that additional water needs of the Regional Water Line customers, and an increase in the cost per kgallon from the Village of Cape Vincent, will increase the budget for Water Purchases from \$90,415 to \$122,800, and

Whereas, increases in the cost of electricity and propane has resulted in an estimated increase in Utility expenses by \$8,500, from \$23,000 to \$31,500, and

Whereas, the additional expenses for Water Purchases and Utilities will be paid from Regional Waterline Reserves; as customer rates will not be adjusted until April 1, 2023.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FY 2022-2023 Regional Water Line Budget as follows:

| | <u>Current Budget</u> | <u>Amended Budget</u> |
|----------------|-----------------------|-----------------------|
| Water Purchase | \$ 90,415 | \$ 122,800 |
| Utilities | \$ 23,000 | \$ 31,500 |

BE IT FURTHER RESOLVED, that such additional expenditures be funded from Regional Waterline Reserves.

Motion by: D. Mastascusa
Seconded by: K. Bibbins

Bibbins - **Yes**
Doheny - **Yes**
Hall - **Absent**

Hefferon – **Yes**
Henry - **Absent**
Hollenbeck – **Present**

Hunt - **Present**
MacKinnon – **Yes**
McGrath* – **Present**

Mastascusa - **Yes**
Murray - **Yes**
Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-100 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-101
December 15, 2022

WATER QUALITY DIVISION
WATER QUALITY CONTRACTS
FY 2022-2023 OPERATING BUDGET AMENDMENT

Whereas, the Development Authority of the North Country adopted an Operating Budget for the Water Quality Contracts Division for FYE 2023 pursuant to **Resolution No. 2022-02-13**, and

Whereas, the current budget includes authorized expenditures of \$798,477 for Water Quality Wages, \$32,280 for Overtime Wages, and \$146,667 for Health Insurance, and

Whereas, staff vacancies have resulted in a reduction in Water Quality Wages paid resulting in an estimated decrease in Water Quality Wages of \$30,000, reducing the total budget to \$768,477, and

Whereas, staff vacancies have resulted in a reduction in Health Insurance Expense resulting in an estimated decrease in Health Insurance Expense of \$15,000, reducing the total budget to \$131,667, and

Whereas, staff vacancies have resulted in additional Overtime Wages paid to complete required work to support our municipal customers resulting in an estimated increase in Overtime Wages of \$67,720, bringing the total budget to \$100,000, and

Whereas, the additional Water Quality Contract expenses of \$22,720 will be offset by additional Customer Billings.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FY 2022-2023 Water Quality Contracts Budget as follows:

| | <u>Current Budget</u> | <u>Amended Budget</u> |
|---------------------|-----------------------|-----------------------|
| Customer Billings | \$ 1,585,342 | \$ 1,608,062 |
| Water Quality Wages | \$ 798,477 | \$ 768,477 |
| Health Insurance | \$ 146,667 | \$ 131,667 |
| Overtime Wages | \$ 32,280 | \$ 100,000 |

Motion by: D. Mastascusa
Seconded by: A. MacKinnon

Bibbins - **Yes**
Doheny - **Yes**
Hall - **Absent**

Hefferon - **Yes**
Henry - **Absent**
Hollenbeck - **Present**

Hunt - **Present**
MacKinnon - **Yes**
McGrath* - **Present**

Mastascusa - **Yes**
Murray - **Yes**
Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-101 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



**Board Resolution No. 2022-12-102
December 15, 2022**

**PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM (PARIS)
FIVE YEAR BUDGET AND FINANCIAL PLAN FOR FYE 2024
ANNUAL SUBMISSION**

Whereas, the Public Authorities Accountability Act requires Authorities to submit and publish a five year budget projection and financial plan, and

Whereas, the five year projection shall reflect the Authorities known, anticipated, and projected finances and incorporates its annual five year capital improvement plan, and

Whereas, the five year budget and financial plan is to be posted in PARIS no later than 90 days prior to the start of the fiscal year, and

Now, upon the recommendation of the Governance Committee, therefore be it

RESOLVED, the Development Authority of the North Country herewith authorizes and directs the Chief Financial Officer to submit the PARIS five year budget and financial plan for FYE 2024 as attached hereto and shall direct said plan to be posted to the Authority’s website.

Motion by: K. Bibbins

Seconded by: D. Mastascusa

| | | | |
|----------------------|-----------------------------|---------------------------|-------------------------|
| Bibbins - Yes | Hefferon – Yes | Hunt - Present | Mastascusa - Yes |
| Doheny - Yes | Henry - Absent | MacKinnon – Yes | Murray - Yes |
| Hall - Absent | Hollenbeck – Present | McGrath* – Present | Virkler - Yes |

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-102 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson

Budget Report for Development Authority of the North Country

Fiscal Year Ending: 03/31/2024

Run Date: 12/08/2022
 Status: UNSUBMITTED
 Certified Date: N/A

Budget & Financial Plan

Budgeted Revenues, Expenditures, And Changes in Current Net Assets.

| | Last Year (Actual) 2022 | Current Year (Estimated) 2023 | Next Year (Adopted) 2024 | Proposed 2025 | Proposed 2026 | Proposed 2027 |
|--|-------------------------------|-------------------------------------|--------------------------------|------------------------|------------------------|------------------------|
| REVENUE & FINANCIAL SOURCES | | | | | | |
| Operating Revenues | | | | | | |
| Charges For Services | \$22,765,524.00 | \$23,679,095.00 | \$24,048,255.00 | \$24,978,056.00 | \$24,757,659.00 | \$25,210,187.00 |
| Rental And Financing Income | \$516,853.00 | \$493,000.00 | \$493,000.00 | \$493,000.00 | \$493,000.00 | \$493,000.00 |
| Other Operating Revenues | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Non-Operating Revenues | | | | | | |
| Investment Earnings | (\$953,095.00) | \$627,851.00 | \$1,634,651.00 | \$1,634,651.00 | \$1,634,651.00 | \$1,634,651.00 |
| State Subsidies/Grants | \$1,459,851.00 | \$633,631.00 | \$7,413,333.00 | \$213,333.00 | \$163,333.00 | \$8,130,000.00 |
| Federal Subsidies/Grants | \$1,007,470.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Municipal Subsidies/Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Authority Subsidies | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Other Nonoperating Revenues | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Proceeds From The Issuance Of Debt | \$0.00 | \$167,727.00 | \$10,552,843.00 | \$0.00 | \$0.00 | \$2,000,000.00 |
| Total revenues and financing sources | \$24,796,603.00 | \$25,601,304.00 | \$44,142,082.00 | \$27,319,040.00 | \$27,048,643.00 | \$37,467,838.00 |
| EXPENDITURES | | | | | | |
| Operating Expenditures | | | | | | |
| Salaries And Wages | \$8,752,279.00 | \$9,867,330.00 | \$10,215,247.00 | \$10,521,704.00 | \$10,837,355.00 | \$11,162,476.00 |
| Other Employee Benefits | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Professional Services Contracts | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Supplies And Materials | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Other Operating Expenses | \$10,385,037.00 | \$12,097,224.00 | \$12,076,682.00 | \$12,436,867.00 | \$12,471,485.00 | \$12,639,282.00 |
| Non-Operating Expenditures | | | | | | |
| Payment Of Principal On Bonds And Financing Arrangements | \$633,322.00 | \$1,001,006.00 | \$691,476.00 | \$696,109.00 | \$723,813.00 | \$751,626.00 |
| Interest And Other Financing Charges | \$640,746.00 | \$778,101.00 | \$654,965.00 | \$630,586.00 | \$603,989.00 | \$575,909.00 |
| Subsidies To Other Public Authorities | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Capital Asset Outlay | \$6,084,479.00 | \$7,220,730.00 | \$22,165,397.00 | \$5,993,718.00 | \$12,937,853.00 | \$12,977,372.00 |
| Grants And Donations | \$296,215.00 | \$16,000.00 | \$50,000.00 | \$50,000.00 | \$50,000.00 | \$50,000.00 |
| Other Nonoperating Expenses | \$1,143,491.00 | \$403,000.00 | \$133,333.00 | \$133,333.00 | \$133,333.00 | \$100,000.00 |
| Total expenses | \$27,935,569.00 | \$31,383,391.00 | \$45,987,100.00 | \$30,462,317.00 | \$37,757,828.00 | \$38,256,665.00 |
| Capital Contributions | \$2,560,263.00 | \$4,636,668.00 | \$1,785,600.00 | \$3,700,000.00 | \$11,137,000.00 | \$1,732,000.00 |
| Excess (Deficiency) Of Revenues And Capital Contributions Over Expenses | (\$578,703.00) | (\$1,145,419.00) | (\$59,418.00) | \$556,723.00 | \$427,815.00 | \$943,173.00 |

Budget Report for Development Authority of the North Country

Fiscal Year Ending: 03/31/2024

Run Date: 12/08/2022
Status: UNSUBMITTED
Certified Date:N/A

The authority's budget, as presented to the Board of Directors, is posted on the following website:

Additional Comments

Consolidated (All Companies)

| | FYE 2022 ACTUAL | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|----------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | | |
| Customer Billings | \$ 22,765,524 | \$ 23,679,094 | \$ 24,048,255 | \$ 24,978,056 | \$ 24,757,659 | \$ 25,210,187 |
| Deferred Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Income | \$ (953,095) | \$ 627,851 | \$ 1,634,651 | \$ 1,634,651 | \$ 1,634,651 | \$ 1,634,651 |
| Loan Interest Income | \$ 516,853 | \$ 493,000 | \$ 493,000 | \$ 493,000 | \$ 493,000 | \$ 493,000 |
| Grant Income | \$ 2,467,321 | \$ 633,631 | \$ 7,413,333 | \$ 213,333 | \$ 163,333 | \$ 8,130,000 |
| Proceeds for the Issuance of Debt | \$ - | \$ 167,727 | \$ 10,552,843 | \$ - | \$ - | \$ 2,000,000 |
| Total Revenue | \$ 24,796,603 | \$ 25,601,303 | \$ 44,142,082 | \$ 27,319,040 | \$ 27,048,643 | \$ 37,467,838 |
| OPERATING EXPENSES | | | | | | |
| Personnel | \$ 8,752,279 | \$ 9,867,330 | \$ 10,215,247 | \$ 10,521,704 | \$ 10,837,355 | \$ 11,162,476 |
| Operations & Maintenance | \$ 8,195,624 | \$ 9,779,641 | \$ 9,919,329 | \$ 10,146,427 | \$ 10,378,928 | \$ 10,616,967 |
| Host Community Benefits | \$ 929,267 | \$ 1,021,198 | \$ 1,074,232 | \$ 1,115,758 | \$ 1,145,760 | \$ 944,924 |
| Administration | \$ 1,047,964 | \$ 3,561,786 | \$ 3,633,022 | \$ 3,705,682 | \$ 3,779,796 | \$ 3,855,392 |
| Contingency | \$ - | \$ 56,306 | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 |
| Bad Debt | \$ 212,183 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Admin Offset | \$ - | \$ (2,321,707) | \$ (2,609,900) | \$ (2,591,000) | \$ (2,893,000) | \$ (2,838,000) |
| Total Operating Expenses | \$ 19,137,316 | \$ 21,964,554 | \$ 22,291,930 | \$ 22,958,571 | \$ 23,308,840 | \$ 23,801,759 |
| NON OPERATING EXP | | | | | | |
| Principal Payments | \$ 633,322 | \$ 1,001,006 | \$ 691,476 | \$ 696,109 | \$ 723,813 | \$ 751,626 |
| Interest Expense | \$ 640,746 | \$ 778,101 | \$ 654,965 | \$ 630,586 | \$ 603,989 | \$ 575,909 |
| Bond Trustee Fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Donations | \$ 296,215 | \$ 16,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Other Non-Operating Expenses | \$ 1,143,491 | \$ 403,000 | \$ 133,333 | \$ 133,333 | \$ 133,333 | \$ 100,000 |
| Capital Asset Outlay | \$ 6,084,479 | \$ 7,220,730 | \$ 22,165,397 | \$ 5,993,718 | \$ 12,937,853 | \$ 12,977,372 |
| Total Expenditures | \$ 27,935,569 | \$ 31,383,391 | \$ 45,987,100 | \$ 30,462,317 | \$ 37,757,828 | \$ 38,256,665 |
| Capital Contributions | \$ 2,560,263 | \$ 4,636,668 | \$ 1,785,600 | \$ 3,700,000 | \$ 11,137,000 | \$ 1,732,000 |
| Excess | \$ (578,703) | \$ (1,145,419) | \$ (59,418) | \$ 556,723 | \$ 427,815 | \$ 943,173 |

Administration

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 191,700 | \$ 191,700 | \$ 191,700 | \$ 191,700 | \$ 191,700 |
| Deferred Income | | | | | |
| Interest Income | \$ 79,219 | \$ 159,219 | \$ 159,219 | \$ 159,219 | \$ 159,219 |
| Loan Interest Income | | | | | |
| Grant Income | \$ 5,000 | \$ - | \$ - | \$ - | \$ - |
| Proceeds for the Issuance of Debt | | | | | |
| Total Revenue | \$ 275,919 | \$ 350,919 | \$ 350,919 | \$ 350,919 | \$ 350,919 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 1,778,715 | \$ 1,832,076 | \$ 1,887,039 | \$ 1,943,650 | \$ 2,001,959 |
| Operations & Maintenance | \$ 357,145 | \$ 364,287 | \$ 371,573 | \$ 379,005 | \$ 386,585 |
| Host Community Benefits | \$ - | | | | |
| Administration | \$ 275,388 | \$ 280,896 | \$ 286,514 | \$ 292,244 | \$ 298,089 |
| Contingency | \$ 20,621 | | | | |
| Bad Debt | \$ - | | | | |
| Admin Offset | \$ (2,321,707) | \$ (2,609,900) | \$ (2,591,000) | \$ (2,893,000) | \$ (2,838,000) |
| Total Operating Expenses | \$ 110,162 | \$ (132,640) | \$ (45,874) | \$ (278,101) | \$ (151,367) |
| NON OPERATING EXP | | | | | |
| Principal Payments | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Interest Expense | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bond Trustee Fees | | | | | |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | | | | | |
| Capital Asset Outlay | \$ 389,995 | \$ 323,954 | \$ 198,718 | \$ 428,853 | \$ 300,372 |
| Total Expenditures | \$ 550,157 | \$ 241,314 | \$ 202,844 | \$ 200,752 | \$ 199,005 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ (274,238) | \$ 109,605 | \$ 148,075 | \$ 150,167 | \$ 151,914 |

Solid Waste

| | PROJECTED FYE 2023 | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 8,705,849 | \$ 8,612,249 | \$ 9,062,249 | \$ 9,287,249 | \$ 9,467,249 |
| Deferred Income | | | | | |
| Interest Income | \$ 317,616 | \$ 1,164,750 | \$ 1,164,750 | \$ 1,164,750 | \$ 1,164,750 |
| Loan Interest Income | \$ - | | | | |
| Grant Income | \$ 74,108 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| Proceeds for the Issuance of Debt | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ 9,097,573 | \$ 9,806,999 | \$ 10,256,999 | \$ 10,481,999 | \$ 10,661,999 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 2,708,733 | \$ 2,614,765 | \$ 2,693,208 | \$ 2,774,004 | \$ 2,857,225 |
| Operations & Maintenance | \$ 3,948,402 | \$ 3,943,590 | \$ 4,022,462 | \$ 4,102,911 | \$ 4,184,969 |
| Host Community Benefits | \$ 872,964 | \$ 890,423 | \$ 908,232 | \$ 926,396 | \$ 944,924 |
| Administration | \$ 1,347,039 | \$ 1,373,980 | \$ 1,401,459 | \$ 1,429,489 | \$ 1,458,078 |
| Contingency | \$ 10,685 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 |
| Bad Debt | \$ - | | | | |
| Admin Offset | \$ - | | | | |
| Total Operating Expenses | \$ 8,887,823 | \$ 8,857,758 | \$ 9,060,361 | \$ 9,267,800 | \$ 9,480,196 |
| NON OPERATING EXP | | | | | |
| Principal Payments | \$ 535,000 | \$ 560,000 | \$ 575,000 | \$ 600,000 | \$ 625,000 |
| Interest Expense | \$ 623,994 | \$ 603,663 | \$ 582,200 | \$ 558,369 | \$ 533,169 |
| Bond Trustee Fees | | \$ - | \$ - | \$ - | \$ - |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | \$ 53,000 | | | | |
| Capital Asset Outlay | \$ 4,636,668 | \$ 1,785,600 | \$ 3,700,000 | \$ 11,137,000 | \$ 1,732,000 |
| Total Expenditures | \$ 14,736,485 | \$ 11,807,021 | \$ 13,917,561 | \$ 21,563,169 | \$ 12,370,365 |
| Capital Contributions | \$ 4,636,668 | \$ 1,785,600 | \$ 3,700,000 | \$ 11,137,000 | \$ 1,732,000 |
| Excess | \$ (1,002,244) | \$ (214,422) | \$ 39,438 | \$ 55,830 | \$ 23,634 |

Telecommunications

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 6,459,236 | \$ 6,620,717 | \$ 6,786,235 | \$ 6,955,891 | \$ 7,129,788 |
| Deferred Income | \$ - | | | | |
| Interest Income | \$ 59,716 | \$ 119,432 | \$ 119,432 | \$ 119,432 | \$ 119,432 |
| Loan Interest Income | \$ - | | | | |
| Grant Income | \$ - | \$ - | | | |
| Proceeds for the Issuance of Debt | \$ - | | | | |
| Total Revenue | \$ 6,518,952 | \$ 6,740,149 | \$ 6,905,667 | \$ 7,075,323 | \$ 7,249,220 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 1,784,419 | \$ 1,957,952 | \$ 2,016,690 | \$ 2,077,191 | \$ 2,139,507 |
| Operations & Maintenance | \$ 2,281,951 | \$ 2,327,590 | \$ 2,374,142 | \$ 2,421,625 | \$ 2,470,057 |
| Host Community Benefits | \$ - | | | | |
| Administration | \$ 880,843 | \$ 898,460 | \$ 916,429 | \$ 934,758 | \$ 953,453 |
| Contingency | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Bad Debt | \$ - | | | | |
| Admin Offset | \$ - | | | | |
| Total Operating Expenses | \$ 4,972,213 | \$ 5,209,001 | \$ 5,332,261 | \$ 5,458,573 | \$ 5,588,016 |
| NON OPERATING EXP | | | | | |
| Principal Payments | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Expense | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bond Trustee Fees | | | | | |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | | | | | |
| Capital Asset Outlay | \$ 1,339,908 | \$ 1,400,000 | \$ 1,095,000 | \$ 1,225,000 | \$ 945,000 |
| Total Expenditures | \$ 6,312,121 | \$ 6,609,001 | \$ 6,427,261 | \$ 6,683,573 | \$ 6,533,016 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ 206,831 | \$ 131,147 | \$ 478,406 | \$ 391,750 | \$ 716,203 |

Army Sewer Line

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 3,119,525 | \$ 3,321,909 | \$ 3,513,266 | \$ 3,100,065 | \$ 3,189,377 |
| Deferred Income | \$ - | | | | |
| Interest Income | \$ 15,700 | \$ 31,400 | \$ 31,400 | \$ 31,400 | \$ 31,400 |
| Loan Interest Income | \$ - | | | | |
| Grant Income | \$ - | \$ 7,200,000 | | | |
| Proceeds for the Issuance of Debt | \$ - | \$ 1,800,000 | \$ - | | |
| Total Revenue | \$ 3,135,225 | \$ 12,353,309 | \$ 3,544,666 | \$ 3,131,465 | \$ 3,220,777 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 632,044 | \$ 680,977 | \$ 701,406 | \$ 722,448 | \$ 744,122 |
| Operations & Maintenance | \$ 1,780,701 | \$ 1,834,122 | \$ 1,889,146 | \$ 1,945,820 | \$ 2,004,195 |
| Host Community Benefits | \$ - | | | | |
| Administration | \$ 436,480 | \$ 445,210 | \$ 454,114 | \$ 463,196 | \$ 472,460 |
| Contingency | \$ - | | | | |
| Bad Debt | \$ - | | | | |
| Admin Offset | \$ - | | | | |
| Total Operating Expenses | \$ 2,849,225 | \$ 2,960,309 | \$ 3,044,666 | \$ 3,131,465 | \$ 3,220,777 |
| NON OPERATING EXP | | | | | |
| Principal Payments | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Expense | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bond Trustee Fees | | | | | |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | | | | | |
| Capital Asset Outlay | \$ 366,500 | \$ 9,393,000 | \$ 500,000 | \$ - | \$ - |
| Total Expenditures | \$ 3,215,725 | \$ 12,353,309 | \$ 3,544,666 | \$ 3,131,465 | \$ 3,220,777 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ (80,500) | \$ - | \$ (0) | \$ (0) | \$ 0 |

Army Water Line

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 2,276,905 | \$ 2,266,472 | \$ 2,307,269 | \$ 1,859,546 | \$ 1,913,343 |
| Deferred Income | | | | | |
| Interest Income | \$ 8,500 | \$ 12,750 | \$ 12,750 | \$ 12,750 | \$ 12,750 |
| Loan Interest Income | | | | | |
| Grant Income | \$ 179,430 | | | | \$ 8,000,000 |
| Proceeds for the Issuance of Debt | \$ 167,727 | \$ 8,752,843 | | | \$ 2,000,000 |
| Total Revenue | \$ 2,632,562 | \$ 11,032,065 | \$ 2,320,019 | \$ 1,872,296 | \$ 11,926,093 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 619,268 | \$ 670,543 | \$ 690,659 | \$ 711,379 | \$ 732,720 |
| Operations & Maintenance | \$ 845,413 | \$ 870,775 | \$ 896,899 | \$ 923,806 | \$ 951,520 |
| Host Community Benefits | \$ - | | | | |
| Administration | \$ 223,435 | \$ 227,904 | \$ 232,462 | \$ 237,111 | \$ 241,853 |
| Contingency | \$ - | | | | |
| Bad Debt | \$ - | | | | |
| Admin Offset | \$ - | | | | |
| Total Operating Expenses | \$ 1,688,116 | \$ 1,769,222 | \$ 1,820,019 | \$ 1,872,295 | \$ 1,926,093 |
| NON OPERATING EXP | | | | | |
| Principal Payments | \$ 337,290 | \$ - | \$ - | \$ - | \$ - |
| Interest Expense | \$ 100,000 | \$ - | \$ - | \$ - | \$ - |
| Bond Trustee Fees | | | | | |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | | | | | |
| Capital Asset Outlay | \$ 487,658 | \$ 9,262,843 | \$ 500,000 | \$ - | \$ 10,000,000 |
| Total Expenditures | \$ 2,613,063 | \$ 11,032,065 | \$ 2,320,019 | \$ 1,872,295 | \$ 11,926,093 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ 19,499 | \$ - | \$ (0) | \$ 0 | \$ 0 |

Regional Water Line

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 366,227 | \$ 375,155 | \$ 368,930 | \$ 523,133 | \$ 383,541 |
| Deferred Income | | | | | |
| Interest Income | \$ 1,400 | \$ 1,400 | \$ 1,400 | \$ 1,400 | \$ 1,400 |
| Loan Interest Income | | | | | |
| Grant Income | | | | | |
| Proceeds for the Issuance of Debt | \$ - | | | | |
| Total Revenue | \$ 367,627 | \$ 376,555 | \$ 370,330 | \$ 524,533 | \$ 384,941 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 48,344 | \$ 51,974 | \$ 53,533 | \$ 55,139 | \$ 56,793 |
| Operations & Maintenance | \$ 161,388 | \$ 166,230 | \$ 171,217 | \$ 176,353 | \$ 181,644 |
| Host Community Benefits | | | | | |
| Administration | \$ 25,072 | \$ 25,573 | \$ 26,085 | \$ 26,607 | \$ 27,139 |
| Contingency | | | | | |
| Bad Debt | | | | | |
| Admin Offset | | | | | |
| Total Operating Expenses | \$ 234,804 | \$ 243,777 | \$ 250,835 | \$ 258,099 | \$ 265,576 |
| NON OPERATING EXP | | | | | |
| Principal Payments | \$ 78,716 | \$ 81,476 | \$ 71,109 | \$ 73,813 | \$ 76,626 |
| Interest Expense | \$ 54,107 | \$ 51,302 | \$ 48,386 | \$ 45,620 | \$ 42,740 |
| Bond Trustee Fees | | | | | |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | | | | | |
| Capital Asset Outlay | \$ - | \$ - | \$ - | \$ 147,000 | \$ - |
| Total Expenditures | \$ 367,627 | \$ 376,555 | \$ 370,330 | \$ 524,533 | \$ 384,941 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ (0) | \$ - | \$ - | \$ - | \$ - |

Water Sewer Contracts

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 1,585,342 | \$ 1,664,609 | \$ 1,731,193.46 | \$ 1,800,441.20 | \$ 1,872,458.85 |
| Deferred Income | | | | | |
| Interest Income | | | | | |
| Loan Interest Income | | | | | |
| Grant Income | | | | | |
| Proceeds for the Issuance of Debt | \$ - | | | | |
| Total Revenue | \$ 1,585,342 | \$ 1,664,609 | \$ 1,731,193 | \$ 1,800,441 | \$ 1,872,459 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 1,295,771 | \$ 1,366,796 | \$ 1,407,800 | \$ 1,450,034 | \$ 1,493,535 |
| Operations & Maintenance | \$ 203,238 | \$ 207,303 | \$ 211,449 | \$ 215,678 | \$ 219,992 |
| Host Community Benefits | | | \$ - | \$ - | \$ - |
| Administration | \$ 85,546 | \$ 87,257 | \$ 89,002 | \$ 90,782 | \$ 92,598 |
| Contingency | | | | | |
| Bad Debt | | | | | |
| Admin Offset | | | | | |
| Total Operating Expenses | \$ 1,584,555 | \$ 1,661,356 | \$ 1,708,251 | \$ 1,756,494 | \$ 1,806,125 |
| NON OPERATING EXP | | | | | |
| Principal Payments | | | | | |
| Interest Expense | | | | | |
| Bond Trustee Fees | | | | | |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | | | | | |
| Capital Asset Outlay | | | | | |
| Total Expenditures | \$ 1,584,555 | \$ 1,661,356 | \$ 1,708,251 | \$ 1,756,494 | \$ 1,806,125 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ 787 | \$ 3,254 | \$ 22,942 | \$ 43,947 | \$ 66,334 |

Regional Development

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 269,820 | \$ 269,820 | \$ 269,820.00 | \$ 269,820.00 | \$ 269,820.00 |
| Deferred Income | | | | | |
| Interest Income | \$ 145,700 | \$ 145,700 | \$ 145,700 | \$ 145,700 | \$ 145,700 |
| Loan Interest Income | \$ 493,000 | \$ 493,000 | \$ 493,000 | \$ 493,000 | \$ 493,000 |
| Grant Income | \$ 375,093 | \$ 183,333 | \$ 183,333 | \$ 133,333 | \$ 100,000 |
| Proceeds for the Issuance of Debt | | | | | |
| Total Revenue | \$ 1,283,613 | \$ 1,091,853 | \$ 1,091,853 | \$ 1,041,853 | \$ 1,008,520 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 475,252 | \$ 489,510 | \$ 504,195 | \$ 519,321 | \$ 534,900 |
| Operations & Maintenance | \$ 138,187 | \$ 140,951 | \$ 143,770 | \$ 146,645 | \$ 149,578 |
| Host Community Benefits | \$ 148,234 | \$ 183,809 | \$ 207,526 | \$ 219,364 | \$ - |
| Administration | \$ 178,645 | \$ 182,218 | \$ 185,862.26 | \$ 189,579.50 | \$ 193,371.09 |
| Contingency | \$ - | | | | |
| Bad Debt | \$ - | | | | |
| Admin Offset | \$ - | | | | |
| Total Operating Expenses | \$ 940,318 | \$ 996,487 | \$ 1,041,353 | \$ 1,074,909 | \$ 877,849 |
| NON OPERATING EXP | | | | | |
| Principal Payments | | | | | |
| Interest Expense | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bond Trustee Fees | | | | | |
| Grants & Donations | \$ 16,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Other Non-Operating Expenses | \$ 350,000 | \$ 133,333 | \$ 133,333 | \$ 133,333 | \$ 100,000 |
| Capital Asset Outlay | | | | | |
| Total Expenditures | \$ 1,306,318 | \$ 1,179,820 | \$ 1,224,686 | \$ 1,258,242 | \$ 1,027,849 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ (22,705) | \$ (87,967) | \$ (132,833) | \$ (216,389) | \$ (19,329) |

Engineering

| | FYE 2023 PROJECTED | Proposed Budget FYE 2024 | Proposed Budget FYE 2025 | Proposed Budget FYE 2026 | Proposed Budget FYE 2027 |
|----------------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| REVENUE: | | | | | |
| Customer Billings | \$ 704,490 | \$ 725,625 | \$ 747,393 | \$ 769,815 | \$ 792,910 |
| Deferred Income | | | | | |
| Interest Income | | | | | |
| Loan Interest Income | | | | | |
| Grant Income | | | | | |
| Proceeds for the Issuance of Deb | \$ - | | | | |
| Total Revenue | \$ 704,490 | \$ 725,625 | \$ 747,393 | \$ 769,815 | \$ 792,910 |
| OPERATING EXPENSES | | | | | |
| Personnel | \$ 524,784 | \$ 550,655 | \$ 567,174 | \$ 584,189 | \$ 601,715 |
| Operations & Maintenance | \$ 63,216 | \$ 64,480 | \$ 65,770 | \$ 67,085 | \$ 68,427 |
| Host Community Benefits | \$ - | | \$ - | \$ - | \$ - |
| Administration | \$ 109,338 | \$ 111,525 | \$ 113,755 | \$ 116,030 | \$ 118,351 |
| Contingency | \$ - | | | | |
| Bad Debt | \$ - | | | | |
| Admin Offset | \$ - | | | | |
| Total Operating Expenses | \$ 697,338 | \$ 726,660 | \$ 746,699 | \$ 767,305 | \$ 788,493 |
| NON OPERATING EXP | | | | | |
| Principal Payments | | | | | |
| Interest Expense | | | | | |
| Bond Trustee Fees | | | | | |
| Grants & Donations | | | | | |
| Other Non-Operating Expenses | | | | | |
| Capital Asset Outlay | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 697,338 | \$ 726,660 | \$ 746,699 | \$ 767,305 | \$ 788,493 |
| Capital Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Excess | \$ 7,152 | \$ (1,035) | \$ 694 | \$ 2,510 | \$ 4,417 |



Board Resolution No. 2022-12-103
December 15, 2022

ADMINISTRATIVE DIVISION
FY 2022-2023 CAPITAL BUDGET AMENDMENT
FLEET VEHICLES

Whereas, the Development Authority of the North Country adopted a Fiscal Year 2022-2023 Administrative Budget pursuant to **Resolution No. 2022-02-08**, and

Whereas, the Resolution authorized a \$209,876 capital project for the replacement of five fleet vehicles and one additional fleet vehicle, and

Whereas, as a result of the Recycling Transfer Station closing the Authority will not replace one of the vehicles, and

Whereas, the replacement of four replacement fleet vehicles and one additional fleet vehicle is necessary for daily operation and emergency maintenance activities, and

Whereas, due to the lack of available new and/or newer used fleet vehicles on the market, prices of fleet vehicles have increased on average by 34%, and

Now, upon the recommendation of the Governance Committee, therefore be it

RESOLVED, that the Development Authority of the North Country herewith authorizes the Chief Financial Officer to increase the budget for Capital Project 10-033 (Fleet Vehicles FY23) from \$209,876 to \$227,876 for the purchase of 5 fleet vehicles.

Motion by: D. Mastascusa

Seconded by: A. MacKinnon

Bibbins - **Yes**

Doheny - **Yes**

Hall - **Absent**

Hefferon - **Yes**

Henry - **Absent**

Hollenbeck - **Present**

Hunt - **Present**

MacKinnon - **Yes**

McGrath* - **Present**

Mastascusa - **Yes**

Murray - **Yes**

Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-103 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-104
December 15, 2022

WATER QUALITY DIVISION
ARMY SEWER LINE
FY 2022-2023 CAPITAL PROJECT BUDGET AMENDMENT
SEWER PIPELINE REHABILITATION

Whereas, the Development Authority of the North Country adopted a Capital Budget for the Army Sewer Line for FYE 2023 pursuant to **Resolution No. 2022-02-13**, and

Whereas, the Authority owns, operates, and maintains approximately 67,000 linear feet of sewer mainline, referred to as the Army Sewer Line (ASL), and

Whereas, the ASL was constructed in the mid-1980s and is the only sewer system for Fort Drum, the Towns of Champion, LeRay, and Rutland, and the Village of Black River, and

Whereas, the ASL pipeline is comprised of 36" Pre-Stressed Concrete Cylinder Pipe (PCCP) gravity main, 24" PCCP gravity main, 24" Polyvinyl Chloride (PVC) gravity main, 24" PVC force main and 20" PVC force main, and

Whereas, a recently completed inspection of the Army Sewer Line, utilizing Closed Circuit Televising (CCTV) equipment, indicates that significant internal damage has occurred to an approximately 17,160 linear foot section of 36" gravity sewer pipeline, putting the system at risk for failure, and

Whereas, a failure of the ASL would have significant financial and environmental impacts for the Authority's customers, including Fort Drum, and those property owners along the ASL, and

Whereas, to minimize the risk of failure a capital project is recommended to be established to repair approximately 17,160 linear feet of the 36" PCCP gravity main located between Manhole 1A, located at the Warneck Pump Station, and Manhole 41, located at the Calcium-end of the Kanik Nature Trail (see attached map), and

Whereas, the Authority has previous experience with pipeline rehabilitation on the ASL as a similar project was completed in 2008 that repaired approximately 6,000 feet of sewer pipeline upstream of the Calcium-end of the Kanik Nature Trail, and

Whereas, a preliminary project budget of \$200,000 is recommended to proceed with engineering and prepare the project to be bid and completed in FYE24, and

Whereas, the project budget will be updated once design progresses and estimated construction costs determined, and

Whereas, the costs of this project will be paid for by customers of the ASL.

Now, upon the recommendation of the Governance Committee, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amend the FYE 2023 Army Sewer Line Capital Budget, to establish a new project for Sewer Pipeline Rehabilitation with a budget of \$200,000 to commence engineering and prepare bid documents.

Motion by: A. MacKinnon

Seconded by: D. Mastascusa

Bibbins - **Yes**

Doheny - **Yes**

Hall - **Absent**

Hefferon - **Yes**

Henry - **Absent**

Hollenbeck - **Present**

Hunt - **Present**

MacKinnon - **Yes**

McGrath* - **Present**

Mastascusa - **Yes**

Murray - **Yes**

Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-104 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-105
December 15, 2022

**AUTHORIZING EXECUTIVE DIRECTOR
TO IMPLEMENT EMPLOYEE RETENTION INCENTIVE**

Whereas, the Authority Budget for the fiscal year ending 2023 was adopted reflecting appropriations for compensation and benefits, and

Whereas, according to the US Bureau of Labor Statistics, the annual inflation rate for the United States was 7.7% for the 12 months ending October 2022 and 7% for calendar year 2021. As a result, the Authority workforce is facing more expensive prices for fuel, goods and services, while simultaneously facing the temptation of leaving the public sector for a higher paying opportunity in the private sector, and

Whereas, one important factor driving inflation is the tight labor market. According to the New York State Department of Labor, the unemployment rate as of October 2022 in Jefferson, Lewis and St. Lawrence County was 2.7%, 2.3% and 2.8%, respectively. This low unemployment rate is creating a "buyers' market" for workers, and

Whereas, the Authority has an excellent team of employees who work hard to serve our customers every day, and

Whereas, the Authority would like to ensure that our staff and their families are able to keep up with cost-of-living increases, and at the very least, maintain their quality of life during times of economic uncertainty, and

Whereas, it is the recommendation of Executive Management that the attached Retention Incentive Proposal be implemented during the calendar year 2022. Such cost will be funded within the existing budget for FYE 2023 for total salaries due to staff vacancies.

Now, therefore be it

RESOLVED, the Development Authority herewith authorizes the Executive Director to implement the attached Retention Incentive Proposal.

Motion by: E. Virkler
Seconded by: M. Doheny

| | | | |
|----------------------|-----------------------------|---------------------------|-------------------------|
| Bibbins - Yes | Hefferon – Yes | Hunt - Present | Mastascusa - Yes |
| Doheny - Yes | Henry - Absent | MacKinnon – Yes | Murray - Yes |
| Hall - Absent | Hollenbeck – Present | McGrath* – Present | Virkler - Yes |

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-105 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson

Retention Incentive Proposal

Program Summary: The Authority would provide a one-time retention incentive payment to current employees.

Program Eligibility: With few exceptions, all staff currently employed by the Authority are eligible for the retention incentive payment. Employees who began the year with the Authority but who are no longer employed are ineligible. Employees who have been employed with the Authority since January 1, 2022 are eligible for the full payment, employees hired after such date will receive a prorated incentive payment. As an example, an employee who was hired on February 1, 2022 would receive 91.6% (11month/12months) of the 3% incentive payment or 2.75%.

The following employees are ineligible for the program:

- Part Time Employees; and,
- Employees with individual employment contracts (Executive Director);

Payment Amount: The one-time retention incentive payment will be equivalent to 3% of an employee's anticipated annual earnings, excluding additional hours and overtime.

The chart below explains how the payments will be calculated for salaried and hourly staff.

| Employment Category | Retention Payment Calculation |
|---------------------|--|
| Salaried | 3% of total annual salary for position |
| Full-Time Hourly | 3% of hourly rate for position multiplied by 2,080 |

Program Cost: The cost of the above identified proposal is approximately \$170,000. Such cost will be funded within the existing budget for total salaries due to staff vacancies.

The Authority reserves the discretionary right to determine all issues that may arise in the implementation of this proposal including decisions regarding employee eligibility, payment amounts, withholdings from payments, and the timing of payments. The Authority may amend or cancel this program at any time in its discretion.



Board Resolution No. 2022-12-106

December 15, 2022

**RECOGNITION OF SERVICE
JAMES W. WRIGHT**

Whereas, James W. Wright joined the Development Authority of the North Country as Executive Director in April, 2009 and served until May 15, 2020, and

Whereas, under Jim's direction and vision the Authority became a cohesive organization whose divisions work together to serve the needs of municipalities, businesses, and Fort Drum, and

Whereas, during Jim's tenure the Authority successfully strengthened and expanded the services it offers to municipalities, businesses, and Fort Drum, and

Whereas, significant capital improvements designed to better serve the residents of the North Country were made to the Materials Management Facility, the Telecommunications Network, and water and sewer infrastructure under Jim's leadership, and

Whereas, in recognition of James W. Wright's service to the Authority, the Authority has decided it appropriate to designate the conference room located at the Warneck Pump Station.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country's conference room located at the Warneck Pump Station shall be designated the "James W. Wright Conference Room" and said conference room shall be signed accordingly.

Motion by: T. Hefferon

Seconded by: A. MacKinnon

Bibbins - **Yes**

Doheny - **Yes**

Hall - **Absent**

Hefferon - **Yes**

Henry - **Absent**

Hollenbeck - **Present**

Hunt - **Present**

MacKinnon - **Yes**

McGrath* - **Present**

Mastascusa - **Yes**

Murray - **Yes**

Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-106 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-107
December 15, 2022

WATER QUALITY DIVISION
FY2022-2023 CAPITAL BUDGET AMENDMENT
ARMY WATER LINE PIPELINE REPLACEMENT PROJECT

Whereas, the Development Authority of the North Country adopted a Fiscal Year 2022-2023 Army Water Line (AWL) Budget pursuant to **Resolution No. 2022-02-13**, and

Whereas, the Resolution authorized a \$9,100,000 capital project to replace 12,872 feet of pipeline on Patterson Road and to assess 2,275 feet of pipeline on NYS Highway 3 (Capital Project 42041), and

Whereas, as a result of a competitive procurement process the Authority retained Environmental Design & Research, Landscape, Architecture, Engineering & Environmental Services, D.P.C. (EDR) to provide professional engineering services related to the design and bidding of such project for a total cost of \$303,500, and

Whereas, the project scope includes the construction of a temporary bypass system to allow for uninterrupted water supply to Fort Drum and the municipalities that receive water from the AWL; while the existing pipeline is removed and the new pipeline is installed in the same trench, and

Whereas, project construction was bid in accordance with Authority procurement policies and one (1) bid was received for one contract, and

Whereas, a survey of the three (3) potential bidders that attended the pre-bid meeting and did not bid indicated that they did not respond as a result of the scope of work associated with the temporary bypass, and

Whereas, the single bidder was determined to be responsive and responsible, with a total bid of \$10,968,000 inclusive of alternative bid items, increasing the total project costs to \$13,000,000; including a 10% construction contingency, and

Whereas, the Authority's consulting engineer, EDR, and internal engineering staff have reviewed the bid with the single bidder and determined the increased project cost is due to a combination of factors including a lack of available contractors to complete the needed work, supply chain issues and market uncertainty associated with the COVID 19 pandemic, and a difference in the engineer's estimated labor hours associated with the removal and replacement of the existing pipeline, and

Whereas, the Authority's consulting engineer and internal engineering staff do not believe rebidding the project would result in a reduced project cost and could result in receiving no bids.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country herewith authorizes the Chief Financial Officer to increase the budget for Capital Project 42041 (AWL Pipeline Replacement Phase 1) from \$9,100,000 to \$13,000,000.

Motion by: T. Hefferon

Seconded by: D. Mastascusa

Bibbins - **Yes**

Doheny - **Yes**

Hall - **Absent**

Hefferon - **Yes**

Henry - **Absent**

Hollenbeck - **Present**

Hunt - **Present**

MacKinnon - **Yes**

McGrath* - **Present**

Mastascusa - **Yes**

Murray - **Yes**

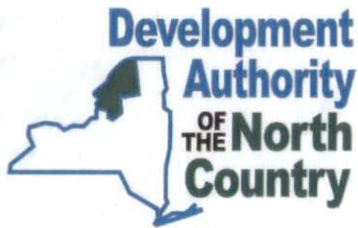
Virkler - **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-107 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-12-108
December 15, 2022

**RECONSTRUCTION FINANCING
FORT DRUM WATER LINE
ISSUANCE AND SALE OF AUTHORITY BONDS, NOTE(S) OR OTHER OBLIGATIONS**

Whereas, the Development Authority of the North Country (the "Authority") constructed and has operated, since 1990, a water line and related facilities between Fort Drum and the City of Watertown Water Treatment Plant and it is necessary and desirable to replace approximately 13,000 feet of ductile iron pipe with high density polyethylene pipe (the "Project"), and

Whereas, pursuant to Title 29 of the Public Authorities Law (the "Act"), the Development Authority is authorized and deems it necessary to finance the cost of such Project, and

Whereas, pursuant to Board **Resolution No. 2022-05-40**, adopted on May 26, 2022 (the "Prior Resolution"), the Authority authorized the issuance bonds or notes of the Authority (the "Obligations") to finance costs of the Project in the aggregate principal amount not to exceed \$10,000,000, and

Whereas, the cost of the Project is expected to exceed original estimates, so the Authority now desires to authorize the issuance of Obligations of the Authority in an aggregate principal amount not to exceed \$14,000,000, superseding and replacing the authorization granted under the Prior Resolution, and

Whereas, pursuant to resolution number 2022-05-39 the Development Authority has heretofore complied with the New York State Environmental Quality Review Act (SEQRA) with respect to this Project and determined it to be a Type II action, requiring no further action.

Now, therefore be it

RESOLVED, by the Development Authority of the North Country as follows:

Section 1.

The Authority hereby finds and determines that:

- a) By virtue of the Act, the Authority has been vested with all the powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act, and

- b) The Project constitutes one of the Authority's corporate purposes under the Act, for which Obligations of the Authority may be issued.
- c) It is desirable and in the public interest for the Authority to issue its Obligations in an aggregate original principal amount not to exceed \$14,000,000 to pay costs of the Project.

Section 2.

The Authority is hereby authorized to undertake the Project and to issue and execute, sell and deliver the Obligations having a maturity not to exceed thirty years to finance costs thereof, in an original aggregate amount not to exceed \$14,000,000, pursuant to the Act, provided that:

- a) The Obligations shall be issued solely for the purpose of financing costs of the Project, and paying costs associated with the issuance of the Obligations.
- b) The Obligations and the interest on them are not and shall never be a debt of the State of New York, the Counties of Jefferson, Lewis or St. Lawrence, New York or of the City of Watertown, New York and neither the State of New York, the Counties of Jefferson, Lewis or St. Lawrence, New York nor the City of Watertown, New York shall be liable thereon.
- c) The Obligations, together with interest payable on them, shall be general obligations of the Authority payable out of any moneys, assets or revenues of the Authority, or special obligations payable solely out of revenues and other moneys derived from operation of the Project, as determined by an Authorized Representative.
- d) Notwithstanding any other provision of this Resolution, with respect to any Obligations which may be issued as tax-exempt obligations under the Code, the Authority covenants that it will make no use of the proceeds of such obligations or of any other funds which, if that use had been reasonably expected on the date of the issue of such Obligations, would cause the Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 as amended (the "Code").

Section 3.

The Authorized Representatives of the Authority (as defined in Section 5 hereof) are each authorized, in the name and on behalf of the Authority, to negotiate, execute, deliver and/or approve the following and any other documents necessary to issue the Obligations (collectively, the "Financing Documents"):

a) The bonds, notes or other Obligations, including, without limitation, the authority to determine and carry out the following:

1. the sale of the Obligations at public or private sale;
2. the principal amount of Obligations to be issued, not to exceed \$14,000,000 in the aggregate original principal amount;
3. the issuance of the Obligations, or a portion thereof, as tax-exempt obligations under the Code or as taxable obligations;
4. the date or dates, maturity date or dates and principal amount of each maturity of the Obligations;
5. the interest rate or rates of the Obligations, the date or dates from which interest on the Obligations shall accrue and the first interest payment date or dates therefor;
6. the denomination or denominations of and the manner of naming, numbering and lettering the Obligations;
7. the paying agent or paying agents for the Obligations, the place or places of payment of the principal, redemption price of and interest on the Obligations;
8. the redemption price or redemption prices, if any, and the redemption terms, if any, for the Obligations;
9. the provisions for the sale or exchange of the Obligations and for the delivery thereof;
10. the issuance of the Obligations as general obligations of the Authority payable out of any moneys, assets or revenues of the Authority, or special obligations payable solely out of revenues and other moneys derived from operation of the Project, as determined by an Authorized Representative
11. any other provisions deemed advisable by an Authorized Representative of the Authority, not in conflict with the provisions hereof.

b) All such further instruments, agreements, certificates, evidence of indebtedness, powers of attorney and other documents as are necessary or appropriate to complete the acquisition, construction, renovation, operation and equipping of the Project and the issuance of Obligations.

Section 4.

The Authorized Representatives of the Authority (as defined in Section 5 hereof) are further authorized to sell all or a portion of the obligation to the New York State Environmental Facilities Corporation ("EFC") in the form prescribed in one of more loan agreements or similar agreements (the "Loan Agreements") between the Authority and EFC; to execute and deliver on behalf of the Authority one or more Loan Agreements, Project Financing Agreements, and Letters of Intent with EFC and to accept the definitive terms of one or more Loan Agreements from EFC by executing and delivering one or more Terms Certificates; and to execute such other documents, and take such other actions as are necessary or appropriate to obtain a loan or loans from EFC for all or a portion of the costs of the Project, and performing the Authority's obligations under its bonds delivered to EFC, the Project Financing Agreements and the Loan Agreements.

Section 5.

The Chairperson, Vice Chairperson and Executive Director of the Authority are each hereby designated Authorized Representatives of the Authority and the Chairperson may in a writing designate additional Authorized Representatives. Each of the Authorized Representatives are hereby each authorized and directed to do or cause to be done all such other acts and things, to make all payments required pursuant to the Financing Documents, and to execute all such documents, certificates and instruments, including without limitation, the creation of new banking accounts and the pledge of any accounts, whether new or existing, as in his or her judgment may be necessary or advisable in order to carry out the Financing Documents and the transactions contemplated thereby or desirable or proper to effectuate the purposes of this Resolution and to cause compliance by the Authority with all of the terms, covenants and provisions of the Financing Documents binding upon the Authority. None of the officers, employees or agents of the Authority, however, shall have any personal liability under the Obligations or the Financing Documents.

Section 6.

Notwithstanding any other provision of this Resolution, the person executing the Financing Documents on behalf of the Authority is hereby authorized to agree to such changes, insertions, omissions and modifications of the Financing Documents as he or she may approve. The execution of the Financing Documents by any such person shall be deemed to be complete and with full approval of any such changes, insertions, omissions and modifications by the members of Authority.

Section 7.

This Resolution shall constitute a declaration of the Authority's "official intent" to reimburse expenditures for the Project with proceeds of the Obligations as required by Treasury Regulation Section 1.150-2, it being intended to use available funds of the Authority pending issuance of such Obligations.

Section 8.

This Resolution shall take effect immediately and the Obligations are hereby ordered to be issued in accordance with this Resolution. A copy of this Resolution, together with its attachments, shall be placed on file in the office of the Authority where the same shall be available for public inspection during business hours.

Section 9

The Authority has previously determined that this Project is considered a Type II Action under the State Environmental Quality Review (SEQRA) and requires no further action under SEQRA.

Section 10

This Resolution supersedes and replaces, in its entirety, Board Resolution No. 2022-05-40 adopted May 26, 2022, which authorized the issuance of Obligations not to exceed \$10,000,000 to finance costs of the Project.

Motion by: T. Hefferon

Seconded by: A. MacKinnon

| | | | |
|----------------------|-----------------------------|---------------------------|-------------------------|
| Bibbins - Yes | Hefferon - Yes | Hunt - Present | Mastascusa - Yes |
| Doheny - Yes | Henry - Absent | MacKinnon - Yes | Murray - Yes |
| Hall - Absent | Hollenbeck - Present | McGrath* - Present | Virkler - Yes |

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-12-108 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 15th day of December, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 15th day of December, 2022.

Margaret L. Murray
Board Chairperson