



MINUTES
GOVERNANCE COMMITTEE
Thursday, August 27, 2020 – 9:30 AM
State Office Building - Conference Room 100, 1st Floor
Zoom Conference Call/Teleconference
Dulles State Office Building

The Development Authority of the North Country Governance Committee met in regular session at the State Office Building, Conference Room #100, 1st Floor, 317 Washington Street, Watertown, New York on Wednesday, August 27, 2020 at 9:30 am.

Members Present

Frederick Carter - Chairman
Margaret Murray – Vice Chair
Thomas Hefferon – Treasurer
Dennis Mastascusa - Secretary
Al Calligaris
John Johnson, Jr.
Mary Doheny

Staff Present

Carl E. Farone, Jr., Executive Director
Michelle Capone, Director, Regional
Development Division
Angela Marra, Executive Assistant

Guests Present

Committee Members - Absent

Other Board Members Present

This meeting was conducted as a teleconference meeting with members of the committee in attendance via teleconferencing. The meeting was also live streamed from the State Office Building. The meeting itself, due to the Corona Virus emergency restrictions, had no public access, but was accessible through the Authority website through live streaming. This meeting is in compliance with Governor Cuomo's Executive Order.

During this meeting, because it is being done telephonically, it is asked that when you are speaking please state your name so you can be identified appropriately in the minutes.

1. Chairman Carter called the meeting to order at 9:42 AM.

M. Doheny joined the meeting at 9:43 AM.

2. Resolution No. 2020-08-90, recognizing and acknowledging James W. Wright for his committed leadership of the Development Authority and his significant contributions to the progress and wellbeing of the North Country. The Development Authority of the North Country extends its appreciation and gratitude to James W. Wright for his unwavering personal dedication and professional commitment.

C. Farone read Resolution No. 2020-08-90 aloud for the committee.

F. Carter mentioned there is something more he would like to do for J. Wright. He is going to wait and discuss his idea with the full Board, but there is something else he would like to do on behalf of J. Wright.

Upon a motion by M. Murray, and seconded by A. Calligaris, Resolution No. 2020-08-90, Recognition of Service, James W. Wright, was unanimously approved.

3. Resolution No. 2020-08-91, adopting the Retention and Disposition Schedule for New York Local Government Records, LGS-1, pursuant to Article 57-A of the Arts and Cultural Affairs Law, and containing legal minimum retention periods for local government records, for use by all officers in legally disposing of valueless records listed within.

C. Farone presented the resolution, stating this is an administrative resolution. Currently the Development Authority uses schedule MI-1 pursuant to article 57-A of New York State Law. New York State is revising their Disposition and Retention Schedules by consolidating them into one schedule, LGS-1. This new schedule went into effect August 1, 2020 and gave until the end of the calendar year to adopt in resolution form. By adopting this resolution today the Development Authority will utilize LGS-1 moving forward. The Authority will dispose of documents and retain documents pursuant to LGS-1. This will not result in any significant changes to the Authority.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2020-08-91, Adopting Records Retention and Disposition Schedule, was unanimously approved.

4. Resolution No. 2020-08-92, amending the FY 2021 Water Quality Contracts Budget reflects an increase revenue for additional contracts authorized and additional expenses to add a Water Quality Operator to support such contract.

C. Farone stated this resolution would amend the Water Quality Budget for Fiscal Year 2021. Within the Water Quality Contracts Budget the Authority provides services to the municipalities throughout Water Quality Contracts Division. To date, the Authority has added just under \$150,000 in new business within Company 44, Water Quality Contracts Division. A couple contracts were lost totaling \$73,000, resulting in a net increase of about \$70,000. As more contracts are added, more staff is required. B. Nutting has asked the Board to consider adding an additional position. Currently he is able to meet the demands of the Water Quality Contracts Division, however there are things that need to be done on the Army Sewer Line but the Authority does not have the resources. In addition, the Authority has received requests from the Thousand Islands Bridge Authority, as well as the Village of Chaumont to provide additional services. This resolution is asking for the committee's consideration of adding an additional operator. While the Development Authority would lose \$2,000 by hiring one full-time employee, it would provide the Authority with the additional capacity to serve additional municipalities through shared services. The Authority is seeing an increase in requests from municipalities now because they know they are available, can help solve complex problems, and it is easier and less expensive to retain the Authority to provide these services. When there are many contracts having an additional person

is great, however if the Authority were to lose a major contract it could potentially mean having to lay someone off. This is not a situation to be taken lightly, and has been analyzed greatly. It is still believed from a staff perspective that an additional staff member is required if the Authority wishes to continue to respond to requests from communities.

F. Carter stated that he has a gray area of concern because people want to hire the Authority, and then the Authority is going to hire more employees. The Authority is becoming an agency of employment, and will begin leasing these people out. Some of the locations asking the Authority to come on board are going to be laying off employees, and F. Carter does not want the Authority to be in that particular situation unless it is absolutely necessary. In looking at the Thousand Islands, the guy who had been doing this job retired, they are choosing to not fill the position and want the Authority to do it. There will be a cost to operating this thing and F. Carter doesn't want the Authority to be classified as a hiring agency for towns and villages. He further stated he would like to see the Authority help them and give them guidance like has been done, but he doesn't want to see Authority staff replacing people who are being laid off and not being replaced because they use the Authority to fill their labor needs. F. Carter would like to help everyone, but does not want to become a hiring hall. A. Calligaris commented that the Authority could help them become more efficient by using the funds in areas more useful to the community through an efficient use of resources.

F. Carter commented this would not change, but instead would free up use of those funds in an area they could hire someone to do something else, making the Authority more useful to the community. F. Carter stated, putting Authority people in these positions would be a lot of responsibility to the town and village. He further stated there is a lot of liability and responsibility there too.

M. Murray commented that each town needs this position, and they could hire a full time employee, but the Authority can offer it across the board. F. Carter stated that this would result in a person being laid off. C. Tuttle stated the position is usually not full time pay. She further stated that all of the contracts in Water Quality are smaller contracts that do not require a full-time operator to run those facilities. This creates part of the problem for the communities because regulations require a licensed operator and a backup operator, neither of which is a full time job leaving the communities to find other tasks for their licensed operators to do. This is hard for most of these communities because many times the DPW work may be a full time employee, but the wastewater isn't, so those trying to manage this staff can be very challenging. Another issue is the average age of these licensed operators is in their 50's meaning many of them are or very soon will be retiring. There are not a lot of young people coming into the field and getting licensed. Many communities are having a hard time even recruiting people that have the licenses to be able to do this job. C. Farone stated this is truly a shared service model where you would have one person who could go to five different plants.

D. Mastascusa asked if it is really not as easy as this person retires or takes another position, there is no pool to choose from. These municipalities don't have the technical expertise, or those people aren't out there. There just aren't enough people in utilities. C. Farone commented that there was a recent example of one place that had a full

time employee that was planning to retire. This employee worked eight months a year, but was paid for 12 months. The Authority was able to go in and execute a contract with them for a total like \$46,000 each year because we are only doing it eight months a year, four hours each day. That municipality was able to save a sizeable amount of money and then put those resources elsewhere. As previously mentioned, two certified operators are needed and this entity only had one so they weren't in compliance. The Authority can offer this to those communities.

M. Doheny asked for a sense of raw numbers, such as is the Authority 50%, 75% of local municipalities that have their own person. Is the Authority the minority or the majority in terms of providing these services?

C. Tuttle responded that in St. Lawrence County this percentage is probably higher because they are contract operating either with the Authority or other private contractors that do this work near the Massena area. She continued that there are other operators who retired from municipalities and then do this work on the side. The majority of small communities in St. Lawrence County do not have their own staff. They are using either the Authority or someone who has retired and is doing this work on the side because it isn't a full time job. In Jefferson County it is more the opposite. This can be attributed to the rural nature because St. Lawrence County is so large and they have less people to choose from who have licenses, making it hard for them to find people to do this work. Jefferson County is more densely populated. One retired operator might do three or four different plants within the county. Some municipalities also have inter-municipal agreements with other municipalities providing these services. There are many different models out there right now that are being used to make this work. C. Farone also stated that Authority Company #44, Water Quality Contracts, is roughly a \$900,000 per year business, providing services to municipalities under the exact model being discussed today.

F. Carter commented that what the Authority did is now being changed. C. Tuttle responded that there are other people now within private business that are doing this. She further stated there is only one single guy in northern St. Lawrence County doing this and he doesn't go outside his area. There are consulting firms in more populated areas, but they don't do work up north which leaves that area very limited of who is able to deliver these services. She also stated that licensing level is another issue. Smaller plants don't require a higher licensing level while the larger plants are required a higher licensing level. This increases the time it takes to be able to get somebody qualified to be able to do the work.

F. Carter commented that this is no different than a recent situation where we took a person out of Potsdam that was working for Potsdam, and hired him to do Ogdensburg. C. Tuttle stated he was not a union employee, he was salaried. F. Carter said that has nothing to do with what he is talking about. It doesn't matter if they are union or not. The Authority is headed into an area of being a hiring agency to cover certain things that the villages and towns and cities have been covering themselves. F. Carter further stated that when the Authority moved the gentleman from Potsdam to Ogdensburg it was a very grey area for him at that time too, and he questioned why somebody was being taken from a community that needs that person. Now the person at Ogdensburg is wanting to come to work in Watertown at our place [the Authority]. F. Carter stated that Ogdensburg doesn't have that person now, but you told Carl you could cover it

and it doesn't make a difference, leaving Ogdensburg without that person when they are brought into the fold here in Watertown.

M. Murray commented that we cannot dictate where somebody is going to work. If it is a better opportunity for them, we have to understand. F. Carter stated he wants to make sure the Board understand that the Authority is becoming a hiring agency for those towns and villages that already had those positions. He feels there is going to be quite a bit of flack over this because he doesn't want to be a hiring agency against a private employer either. A. Calligaris commented that he too gets very annoyed when organizations take away even office people and go to non-profits that ask for your money.

F. Carter stated he just wanted to open this up for discussion. Ultimately he is a team player and a Board player, meaning if the Board wants to go ahead with this that is fine, he doesn't have to vote in favor of it because he sees things differently based on things he has seen in his lifetime. F. Carter stated that it is a tough area when you become a hiring agency, and no matter how it is worded or phrased the Authority is becoming that. He feels it is not his fault that there are not enough qualified people out there that do these jobs.

C. Tuttle commented that when she thinks of a hiring agency it is very different than what is being proposed. A hiring agency is more a pass through taking a person and moving them from one payroll to another. C. Tuttle then asked F. Carter if in saying hiring agency he is thinking that the Authority is taking someone off one payroll and putting them on theirs, but then they go over there and do the same function they did previously. F. Carter responded that there are also accountants out there that play with numbers and make them look good, justifying not replacing that person and hiring DANC to do it.

M. Doheny asked about the lost contracts. C. Farone responded there were two, Alex Bay and Clifton Fine. Clifton Fine decommissioned the plant. Alex Bay's contract ended and they decided to go a different route. The Development Authority only goes where they are requested, and we are never requested to come to the plants that are running perfectly. If there is a complex problem they call the Authority. Working with the Authority it is much more than getting one person going in and taking the readings. They are also getting B. Nutting or C. Tuttle to oversee. The Authority provides a great deal of expertise they don't have internally, and most can't afford. M. Murray agreed stating that is also her feeling, that most cannot afford these services.

D. Mastascusa asked if Alex Bay hired operators from another municipality. C. Tuttle responded Morristown, and further commented that Morristown hired the Authority. Sometimes they go where the money is, and it isn't always with the Authority, sometimes it is with a different municipality and sometimes that different municipality ends up coming to the Authority. D. Mastascusa commented that he is aware of how much money they spend so it is hard for Morristown to compete with that. C. Tuttle responded that Alex Bay offered them a big raise and then took the two operators that Morristown had, leaving them with none. Morristown then came to the Authority and asked for a proposal to run their facilities. C. Tuttle continued that this happened very quickly because it was a last minute thing when the village dissolved, these two men left with no notice, and Morristown called us saying they didn't have any operators. It

was around a holiday and they had no other options, so the Authority went and helped them, and added that contract. F. Carter stated this is what the Authority is all about. D. Mastascusa also stated that ultimately they are saving a lot of money.

F. Carter stated that the Authority has been running Carthage and West Carthage since the 90's. Then there was Clayton and the rest, and everything has been running fine. Now this is getting into another situation, and there's a gray cloud with it, and we'll just have to watch it develop.

C. Farone commented that part of our 10 year Strategic Plan is to do more of these and go out and help municipalities when approached.

F. Carter reminded everyone that we are up in the other counties outside the three county region helping those people. We're in Malone and other little towns, and he indicated he is 100% for that.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2020-08-92, Amending Water Quality Budget for Fiscal Year Ending 2021, was unanimously approved.

5. Engineering Contracts:

C. Farone briefly introduced a PowerPoint Presentation given by C. Tuttle by explaining that the Authority goes where it is asked. He further stated that currently the Authority have Management Services Contracts in Ogdensburg. C. Tuttle and her staff provide management services and there are staff that operate the water and sewer infrastructure on the Ogdensburg payroll. The Authority is only providing the management oversight. The Ogdensburg City Manager contacted C. Farone and C. Tuttle to request the Authority provide them a proposal to provide Management Services as well as the staffing for their sewer and water plants, resulting in a bit of a different model.

F. Carter wanted to state for the record that he knows nothing about this, and has not been talked to about it by anybody. He did not want people to think he knew something of this project when he didn't.

C. Tuttle started by reading the request she received from the new City Manager of Ogdensburg, Steve Jellie. He has met with counsel to discuss, and this was the letter that was sent to the Authority requesting services.

Thank you for all the service and support that the Development Authority of the North Country (DANC) provides to the City of Ogdensburg. Our partnership with DANC became a necessity in prior years because of the robust capability and expertise your team brings to the mission each and every, and our continued success is reliant upon continuing this partnership.

At this time we have an opportunity in the City of Ogdensburg to consider expanding our partnership with DANC due to key employee retirements and vacancies in other areas of our DPW. I would like to formally request DANC consider providing with City of

Ogdensburg a proposal to continue the current management and operational services and assume responsibility for all operational activities currently accomplished by our city staff in the areas of water treatment and waste water treatment.

I will make myself and my staff available to you to work on this very important service should DANC agree to provide us a proposal.

Thank you for your time and consideration and I look forward to hearing from you soon.

C. Tuttle continued with a presentation to review the services the Authority currently provides to Ogdensburg, and make sure this is clear that this request is different. She explained that in the City of Ogdensburg the Authority currently has several contracts. The contract to be discussed today is the Management Services Contract. This contract would provide a four+ year degree engineer that would be essentially managing regulatory compliance, providing complex regulatory reporting and oversight, doing permanent updates, overseeing municipal staff that work directly for the municipality. This contract would reside in Engineering as opposed to the smaller contracts that reside with Water Quality under company 44. The operators of the smaller contracts under Water Quality where the operators are not engineers, they may not have a degree, and they typically have lower license levels. The Water Quality Supervisors that work under Engineering are engineers with four year degrees, higher licensing levels, and are supervising personnel that work at the municipalities. The Authority currently has several Water Quality Management Service Contracts with the Village of Clayton, Carthage and West Carthage, the Village of Malone, and the City of Ogdensburg. In the Village of Clayton there is a water and wastewater management service contract, and we supervise three village employees that are dual certified. In Carthage and West Carthage we have a wastewater treatment plant that is jointly owned and operated with a Water Quality Supervisor that oversees four village staff. With the Village of Malone, which is only wastewater similar to Carthage, there are two staff that we oversee that work directly for the village. And the City of Ogdensburg, where they had four operators in the wastewater side that worked for the Water Quality Supervisor the Authority had there. There are some Water Quality Management Services for their water treatment plant. The City has four water treatment plant operators. They have a chief operator who has a license they need on the water side, but they are lacking one on the wastewater side. This is the difference between managed Water Quality Management Services and the Operational Services provided by B. Nutting's group.

C. Tuttle continued to explain that with the current request from the City of Ogdensburg, they are asking the Authority to add Operations to the already existing Management Services Contract. Currently the Authority is overseeing their operations. However the operators themselves, although they report to us, are not DANC employees but rather city employees. As was mentioned in the email from the city, they have pending retirements and people leaving vacancies which are going to create a problem for their licensing at their water treatment plant. They also have a cost issue that they are trying to solve. These reasons are why they are coming to the Authority to explore this option. If we were to proceed with this, it would require adding five new Water Quality Operator positions to the budget. One part time licensed 1A Water Operator would also be needed to give the time needed to get our staff licensed. One of the requirements of the DEC and Department of Health is you have to have a certain amount of contact time managing a plant before you can get your license levels, which is why we would need that one year to have that

other supervisor. We would likely be bringing in someone who is retired to serve that function, who has worked for us previously and has a license level on a part-time basis so we could get our other staff licensed. As C. Farone has mentioned, the Authority goes where they are asked to go, and when we get these requests we go back and look at does this fit in with our mission? Does this fit in with our Strategic Plan in alignment with our goals? This request specifically lines up exactly with the strategic initiative. In referencing our Strategic Implementation Plan Update, Strategic Initiative Number 1 is expanding the development of physical infrastructure. Goal number 2 states the Development Authority will explore the expansion of existing sewer and water infrastructures to examine opportunities to own/operate water sources and sewer treatment facilities and to create regional systems modeled after existing systems, such as the Route 3 Sewer Line. The goal of these activities is to ensure the public health and environmental standards are being met in a cost-effective manner for municipalities and customers served in the region. Within the Strategic Plan are one – five year goals, under which goal number one states the Development Authority will seek opportunities to assist new municipal customers with sewer and water services and to enhance service levels and reduce costs through improved processes. Number two reads that the Authority will explore the feasibility of, and opportunities to pilot, one or more water source plants and sewage treatment plants to demonstrate capabilities and gain experience in operation of these services. This means looking at larger water and wastewater treatment plants like the City of Ogdensburg or the City of Watertown's plants. These are large source facilities that could be good for sharing services like how the City of Watertown is with the Army Water-Sewer Line and the Route 3 Sewer Board.

C. Tuttle reviewed a visual slide during the PowerPoint showing the locations of the different contracts. She further pointed out that within 10 miles of the City of Ogdensburg wastewater treatment plant there are also Water Quality Operation Contracts with Lisbon, Heuvelton, and Morristown, noting DeKalb is not far away either. Ogdensburg is actually a centralized hub along the St. Lawrence River and at the center of St. Lawrence County. C. Tuttle stated that the Authority goes where they are asked to go, and this submission would be in response to a request from a local partner. The Authority has been working with the City of Ogdensburg for over 15 years on various projects. That relationship has evolved into them asking the Authority to provide these Management Services when their operator retired and they had no one else on staff at that license level. Being happy with the quality of work provided, they are asking the Authority for additional services. Ogdensburg was once a big manufacturing town with many jobs. That manufacturing base is gone meaning they have lost tax revenue, and properties have become delinquent resulting in that tax base being lost as well. They have not decreased taxes, and Ogdensburg has the highest tax rate in St. Lawrence County. Their current course is not financially sustainable with the costs for delivery of basic public services continuing to increase, forcing people to move outside the city or businesses to relocate. Taxes will continue to increase with fewer to share the costs, meaning the pie gets smaller and this is being looked at now as the city tries to find creative ways to be sustainable and make sure they are going to be able to continue. C. Tuttle further commented that there is a big difference between the way the Authority would deliver services and the way the services are delivered by the municipality, and this is part of the reason that the Authority can do them more efficiently. One example would be with the City of Ogdensburg they run the water and wastewater treatment separately, each employee is only licensed in their one area, with each area requires its own supervisor. This results in many inefficiencies. The Authority dual certified operators, meaning they are able to rotate which reduces overtime.

The Authority also uses SCADA technology to reduce the number of call-ins. SCADA Technology allows the Authority to use computers to remotely monitor, control and operate facilities. Many municipalities do not have this. Some are even relying on a light outside their pump station that goes on if there is a problem and alerts a neighbor to call in. Without knowing what the problem is someone has to drive to that unit and determine the fix, resulting in a four hour minimum call even if the fix only took 10 minutes. Regulatory management is another cost savings. The Authority has a deep bench of engineers, grant writers, people with expertise in these areas so many things can be taken care of for the community as opposed to a single operator only being able to provide a single service.

C. Tuttle discussed recruiting as most of these positions are civil service. One of the last recruitments she was a part of was at Carthage. They ended up backfilling a position with an untrained person who came in as a trainee and was in their mid-50's because they were next on the civil service list. Up to \$5,000 now has to be spent training a mid or late career hire. Once they are put through school and are licensed they will soon retire and the process will begin again. Employees aren't able to be retained for a long period of time, resulting in recurring training costs and increased costs for municipalities. We saw the same situation in Malone with their chief operator position when their employee with the license retired and they couldn't fill the position. The DEC finally told them they had been given ample time, and if it wasn't filled by a specified time they would be fined. The Mayor called C. Tuttle and asked if the Authority could have a contract in place within a week otherwise they would be paying upwards of \$20,000 in fines to the DEC. The benefit that these situations bring is that they align with the Authority Strategic Plan and are an opportunity for future expansion. Water Quality Management and Operations are expected to increase. They have been increasing as operators retire and regulatory requirements increase, resulting in more municipalities coming to the Authority and asking for us to support these contracts.

In order for the Authority to continue to support these contracts there is a need to have staff licensed at the right level or we cannot respond. There are not many large complex plants. Currently, the only 4A sewer plant in St. Lawrence County, which is the highest level sewer license, is the City of Ogdensburg. The only 4A sewer plant in Jefferson County is the City of Watertown. Working in either of these two locations are the only two that offer the opportunity the Authority has to license personnel. If they have an engineering degree, it takes two years working in these plants before they can even sit for the exam. If they do not have an engineering degree, it can be up to 10 years of contact time before they can sit for the exam. These exams are very difficult and many people cannot pass them, so just because you have the time in does not mean you will be able to get through the testing requirements.

C. Tuttle brought up another piece to all of this, which was mentioned in the Strategic Plan, regional economic development. She discussed the Route 3 Sewer Board that was a project where five municipalities signed an inter-municipal agreement in the late 90's. They had a vision to build a wastewater treatment plant to service their community, instead of each building their own, to partner with the Authority and the City of Watertown to build a sewer corridor that would provide sewer service along Route 3 from the City of Watertown out to Great Bend and allow for additional expansion and development. With its proximity to Fort Drum, it was a great location. The current situation around the City of Ogdensburg also provides this opportunity. There are large facilities that are being underutilized and have excess capacity due to the manufacturing base that is no longer

there. This opportunity could be capitalized upon by selling those services and creating a regional infrastructure that could support the surrounding municipalities and bring offsetting revenue into the city. There is already one project moving forward to connect the Village of Heuvelton with the City of Ogdensburg. Heuvelton is already paying to build a pipeline and decommission their wastewater treatment plant and deliver their wastewater to Ogdensburg, creating an eight mile long corridor along route 812 which provides an opportunity similar to that along Route 3. The challenge will be the management of this in more of a regional manner. Route 3 had the foresight to create a board and contract with the Authority, meaning the Authority does all the administrative work.

C. Tuttle also pointed out how important it is to have the ability to train and license staff. This was a critical issue brought up during the Budget Workshop as there are not enough operators and there are not enough people with licenses. What sets the Authority apart from the municipalities is that the Authority is not trying to hire people who already have their licenses. These people are not being found locally, and are too costly to recruit from the larger cities where they are also making more money than we can pay in the North Country. The Authority has found more success in hiring engineers that are already working in the water and wastewater industry. They already have the technical degrees, aptitude, background, interest, and drive needed to pass the tests. The Authority can train them. We have been doing this model for a few years and it has been very successful.

C. Tuttle concluded her presentation asking where we can go from here. This is something different that the Authority has never done before, however it is not the first time it has been requested. In past conversations with many chief elected officials it has never come to this point where the community really needed to make these changes and asking if the Authority was willing to bring this to a Board meeting as a critical need that one of our partner communities needed to have addressed. Ultimately this is the Board's decision, if the Authority is going to respond to the request and provide a formal proposal. C. Tuttle explained she does have pricing and a plan, and the Authority can support this.

A. Calligaris asked if there are any other bidders. C. Tuttle responded that the city has not put the RFP out for these services, and she's not sure if they will do that. The Authority contracts for services are considered inter-municipal agreements so under OGS Procurement Requirements it is not required for them to competitive bid this project as it is a shared services agreement between two governmental agencies. A. Calligaris followed up with if they are looking at cost they may put it out for bid.

D. Mastascusa asked if this would be a decision of the city council or is this just something that the City Manager is reaching out with. C. Tuttle responded that the City Manager has talked with the council, and they have asked for a proposal. The next step would be, if the Authority proceeds, to draft a formal proposal which would be what would be done for any community. The City Manager would then present the proposal to the Council, and the Council will decide whether or not they plan to act upon it. C. Tuttle further stated that this proposal does appear to have significant cost savings for the city. D. Mastascusa asked what the Authority's risk would be. F. Carter stated that much of the cost savings would come from labor, health insurance, and retirement. If the proposal was accepted this would affect about 10 employees. F. Carter further commented that there are other places they can put those employees. F. Carter also stated that if he were a licensed water treatment plant person he would not go out and cut brush or do blacktop. He continued

that he doesn't have a problem with C. Tuttle putting together the proposal, but one of the things that A. Calligaris just brought up is a great point, why doesn't the City put out an RFP. He said he also asked C. Farone what we are going to do with the eight or ten people whose jobs will be eliminated. If the Authority is going to hire people, do we automatically make offers to these people to come work for the Authority? He further stated that the Authority has the healthcare and retirement systems so they would continue for these people. He wasn't sure of their cost of labor, but would say they each probably make between \$50,000 and \$60,000 a year. It is F. Carter's feeling that the city has a lot of problems and he expressed concern that they could cancel the contract with the Authority. He stated we could go through all of the expense to put this together and hire new employees, and if City of Ogdensburg cancels the contract we would have to let them all go. F. Carter said that when speaking with C. Farone three weeks ago he asked if there was any way the Authority could help the city manage the water and sewer plant, rather than eliminate employees. F. Carter believes the city should do an RFP to see if there are private companies that would want to do this for the city. He feels this would also give the Authority some exposure to others out there that would want to put something together. C. Tuttle stated there is no one in the region that is providing those services. She further stated this doesn't mean that someone like the Camden Group wouldn't come here and do that, but there isn't a firm here that does it now. F. Carter commented that the only way to know this is if the city puts out an RFP.

D. Mastascusa stated that if the city hired a private company, people would lose their jobs anyway.

A. Calligaris commented that the Authority would probably hire some of those people. C. Farone responded yes. A. Calligaris further stated that hopefully the people retiring would make up the difference between how many are hired and what they have. C. Tuttle stated they have pending retirements right now causing at least one and possibly more employees to leave next month. She further stated they have current vacancies that they have not filled meaning they are already down staff and will continue to be short staffed causing them to need to make some decisions rather quickly or they will be at a point where they don't have enough people to operate these facilities. They don't want to currently hire because they have vacancies in other departments, so no one would lose a job with the city. Right now this is a good opportunity because of where they are at with these vacancies.

A. Calligaris stated that it would seem to him that from the municipality's standpoint, the Authority provides a great service. He continued that the problem is they are losing their tax base while their costs are staying the same so they have to somehow reduce their costs or stop them from increasing. F. Carter commented that getting rid of people is the only way. A. Calligaris said not really in this case, maybe doing things more efficiently.

F. Carter stated that the other part the Authority needs to be careful of is training and licensing these people, and then they leave because they can go now and make bigger money. M. Murray stated that it doesn't matter what it is there will always be that chance because you can't guarantee they are going to stay. C. Tuttle commented that one of the benefits the Authority provides for people that want to be challenged and do interesting work. This diverse opportunity wouldn't be available elsewhere because a plant operator will do the same thing every day for the next 30 years. She further explained that the Authority operations staff gets to work in many different plants, doing many different things.

She feels that this is what sets us apart and helps in hiring and maintaining those type of people. This is also what allows the Authority to be able to provide a better service than many of the municipalities. She further stated that this is why some of these people are leaving where they are and coming to work at the Authority. These are the people we want to keep.

F. Carter asked C. Tuttle if there is an idea of what it will cost the Authority to put the proposal together. C. Tuttle responded that there would be no cost to put the proposal together, just her time.

F. Carter reiterated that he is not against putting a proposal together and see what they do with it. He would also like C. Farone to talk to the City and see if they won't put an RFP out there to see if there are other people interested in that. He feels that private companies in the Camden, Syracuse, or Utica area may travel the distance due to the size of the contract, and he doesn't want to take things away from private industry. F. Carter expressed that the Telecommunications department has been kept in a very neutral position and has continued to grow. He would like to continue doing what has been done for the villages, towns, and cities. F. Carter cares very much about the 812 corridor and does not want to see anything happen to this area.

M. Doheny asked how the relationship will work when they talk about responsibility of operational activities, if there is a failure at the plant who is responsible. C. Tuttle replied that through standard contract language within all Water Quality Contracts, the Authority's liability is limited. This indemnifies the Authority and the City for acts of God and other things. This contract would hold the same language that is in the existing management services contracts and operation contracts because we would be providing both of these services.

M. Doheny asked if there is required ongoing maintenance. She further asked if the city starts to fail to do that and the equipment is at risk are the contracts still valid. C. Tuttle responded that this is very important because it is one of the key things that the Authority does that is different than many single operators, is documenting in monthly reports that would go to the city council or the town or village boards that identify all of these issues. She further stated we would put it all in writing so they are notified when there are issues. If a board were to come back and they were not aware of a pump failure, there is documentation showing how long they have been told of it needing to be replaced. C. Tuttle stated this usually only happens one time.

C. Tuttle commented that the Authority has been doing Management Contracts since the 1990's, and they have never had a municipality cancel a Management Service Contract, they have only added them. F. Carter then commented that they could, and they could do it by phone. C. Tuttle stated that there is a written termination clause in the contract and it is usually 90 days. F. Carter continued by saying that the Authority needs to look into insurance and make certain there is enough to cover Ogdensburg, because if the Authority takes it over and something goes wrong they will sue. C. Tuttle stated that this could happen now since the Authority is running the facility and directing the operators. They are city employees, but they work for the Authority supervisor and we are directing their day-to-day operations. F. Carter then asked if this is what the Authority is already doing, why we would want it to change other than wanting to reduce their labor cost. C. Tuttle

responded that it would improve inefficiencies. D. Mastascusa stated that this [reduced labor costs] may be the city's motivation.

D. Mastascusa stated that the Authority is charged with this and needs to make a proposal to them. He asked how we can encourage them to go to the private market because we wouldn't be growing like this if the private market was there to provide affordable answers. C. Tuttle agreed by stating that it goes back to the population density, which is a problem we're solving everywhere from building broadband to remote areas or providing wastewater operations to remote treatment plants, there isn't the population density for the larger private companies to be able to meet this need. This is the gap the Authority is filling and this is why much of our work is in St. Lawrence County because it is very remote.

Upon a motion by A. Calligaris, and seconded by M. Murray, approval to provide the City of Ogdensburg with a requested proposal for complete operations to the existing management services contract, was unanimously approved.

6. Upon a motion by A. Calligaris, and seconded by M. Murray, the committee moved in to Executive Session at 10:48 AM.

7. Upon a motion by M. Murray, and seconded by D. Mastascusa, the committee moved out of Executive Session at 11:06 AM

There was no action taken during Executive Session.

8. Upon a motion by M. Murray, and seconded by A. Calligaris, the committee moved to adjourn at 11:37 AM.

Respectfully submitted,


Frederick Carter
Chairman, Governance Committee