

**MINUTES**  
**GOVERNANCE COMMITTEE**  
Friday, October 15, 2021 – 10:45 AM  
Zoom Video/Teleconference  
Warneck Pump Station, Conference Room  
Watertown, New York

The Development Authority of the North Country Governance Committee met in regular session at the Warneck Pump Station, Conference Room 1, 23557 NYS Rt. 37, Watertown, New York on Friday, October 15, 2021 at 10:45 am.

**Members Present**

Mary Doheny – Committee Chair  
Frederick Carter - Chairman  
Margaret Murray – Vice Chair  
Thomas Hefferon – Treasurer  
Dennis Mastascusa - Secretary  
Al Calligaris  
Steve Hunt

**Staff Present**

Carl E. Farone, Jr., Executive Director  
Jennifer Staples, Chief Financial Officer  
  
Angela Marra, Executive Assistant

**Guests Present**

**Committee Members - Absent**

**Other Board Members Present**

1. Committee Chair Doheny called the meeting to order at 10:47 AM.
2. A roll call was completed, and a quorum of the committee was established.
3. C. Farone started today's meeting, pursuant to Article 7 of New York Public Officers Law, Open Meeting Law, is being conducted in person as well as via videoconference with members of the Board in attendance via videoconferencing. A public meeting notice for the meeting informed the public that videoconferencing will be used and provided the link to the videoconference for public attendance. No public are in attendance at this time. The meeting is being recorded and will later be transcribed for posting.
4. Resolution No. 2021-10-XX, authorizes the Chairman, Treasurer, Executive Director, Chief Financial Officer, and Comptroller as signatories on the Liner Investment bank account and that all documents required as evidence of this authority be executed by the

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appropriate Authority Officers/personnel. This resolution further resolves the Deputy Comptroller, Accountant I and Accounting Associate to be designated authorized representatives for the purpose of initiating electronic transfers of Authority funds, when authorized by the designated Authority Officers/personnel, and that all documents required as evidence of such authority be executed by Authority Officers/personnel.

A. Calligaris asked if the same bank was being used and if they invested this for the Authority in CD's. C. Farone responded it is the same bank, and they do invest the monies, but returns right now are poor.

F. Carter asked where this bank is from, and why we are not using a local bank. C. Farone responded that Comerica Bank is in New York City and they are a custodian of our funds and also offer DVP, Delivery Versus Payment. They also offer services that local banks don't have. M. Doheny agreed with F. Carter in asking about using local banks. Carl stated the Authority has been using Comerica for a long time from a custodian perspective, but the Authority uses local banks, with our main local bank being Community Bank where we have 16 different accounts. J. Staples commented that the Authority also uses Carthage and Watertown Savings. F. Carter asked again if this bank (Comerica) is the only bank that can do what we need to do. C. Farone replied they are not the only bank, but there are no local banks that provide this type of service. F. Carter asked if this bank deals with overseas money. A. Calligaris stated yes, and that he used them at one time. C. Farone stated that we are unsure of their headquarters, but the bank does have a presence in New York State.

T. Hefferon commented that Rodman was spelled incorrectly. C. Farone said that the spelling would be corrected.

Upon a motion by T. Hefferon, and seconded by A. Calligaris, Resolution No. 2021-10-XX, Authorizing Establishment of Comerica Bank Account, Liner Reserve, was unanimously approved.

#### 5. 2022 Health Insurance Renewal –

C. Farone stated that the insurance renewal does not follow our fiscal year, but instead runs on a calendar year and this will be for our 2022 calendar year.

J. Staples reviewed the 2022 Health Insurance Renewal write-up. Within the review she compared the 2020 and 2021 premiums, deductibles, and employee contributions. In 2020 we utilized \$347,826 of the HRS deductible, or 44% while 48% usage was projected, resulting in a savings of \$32,000. C. Farone commented that the table shown illustrates the Authority's true cost and the employee's percent of contribution.

M. Murray asked if with the savings of \$32,000 the budget will be increased for next year. C. Farone responded that this is unspent monies from the Authority. It is not in a separate fund, and only savings and expense to the Authority.

F. Carter asked if there was a fund set up for each employee for the cost of deductibles, and how this works. C. Farone responded that is correct, and explained that the Authority has a high deductible plan with a Health Reimbursement Account, not a health savings account. This money does not belong to the employee, but to the Authority. Benefit Services Group manages the account for the Authority and pays the expenditures up to the \$14,000 or the deductible. C. Farone continued by explaining there is an embedded deductible meaning the Authority would only pay \$7,000 for one person on the family plan leaving the remaining deductible to be utilized by the rest of the family.

T. Hefferon asked if this amount resets each year. C. Farone responded yes, the deductible resets every year.

F. Carter asked if there was a carryover. C. Farone responded there is not. He further explained that the HRA is the Authority self-insuring the deductible, allowing us to lower the health insurance premium.

F. Carter stated that he wanted to make sure the committee understood the Authority is paying for everybody, and the employees are benefitting 100%. J. Staples stated that the employees are paying roughly 30%, except in the case of individual coverage and that is because of the Affordable Care Act.

M. Doheny asked if there is a minimum that has to be charged under the Affordable Care Act. J. Staples responded that this is correct, for the individual plan only, they may not be able to contribute the whole 30%.

M. Doheny asked how the increase compares to prior years. J. Staples stated that from 2019 to 2020 premiums increased 5.5%, 2020 to 2021 they increased 4.2%, and 2021 to 2022 they will increase 10.6%, which seems high but other places are handing out increases of 20 to 30%.

A. Calligaris asked if this is a Blue Cross plan and a community rated silver plan. J. Staples responded this is a community rated bronze 4 plan.

C. Farone wanted to note there are two components to look at with the increase. Over the past two years the premiums and deductibles increased, this year the premium increased and the deductible stayed the same.

J. Staples continued with the 2021 projection by reviewing January 1 through September 31 of the current year. During this timeframe the Authority only utilized 27% of the total HRA liability meaning that people are not using the benefit as much. 2021 was budgeted at 50%, but with the current figures are now projecting it to come in around 41%. BSG also agreed with this projection. If this comes in around the 41% utilization, employees will be paying around 32%, except for the individual category which will remain around 29% due to the Affordable Care Act. J. Staples moved on to plan year 2022, January 1,

2022 through December 31, 2022, where the premiums have increase 10.6% but the deductible did not increase.

F. Carter asked if this year an individual would pay \$487.19 per month, and further asked if that would be deducted. J. Staples clarified that this is the premium.

J. Staples reviewed all plans and premiums.

F. Carter asked why it appears that the individual is paying more than the family member. J. Staples explained that the Affordable Care Act sets the percentage the individual can pay each year, and that percentage actually went down from last year allowing them to contribute a little more in 2022. J. Staples continued by explaining each level from Individual to Family. T. Hefferon further commented that a bill is sent when there is a deductible due. M. Murray asked if when staff go to the doctor and they get a bill, is that submitted to Blue Cross. J. Staples explained this is submitted to BSG and they pay that bill. BSG then sends one bill to the Authority. A. Calligaris asked what they are charging for that service. J. Staples replied that this service costs the Authority roughly \$100 per month.

F. Carter asked if when staff go to the doctor, they need to pay the copay. J. Staples stated that with our plan there is no copay.

J. Staples stated that a comparison was done of 19 different plans this year. There was only one plan that came in with a cheaper plan by \$6000. That plan, MVP Bronze 5, did not compare to the plan we currently have.

T. Hefferon commented that there are healthy people in the area, and stated this plan is also community rated.

A. Calligaris asked if many people opt out. J. Staples responded that we have a \$4,000.00 stipend that is paid incrementally per pay period and it is anticipated 19 people will partake in the stipend in 2022. F. Carter asked what is meant by "stipend". C. Farone explained this is prorated money paid per pay period to employees who show proof of coverage elsewhere, such as under a spouse. F. Carter stated he has never been in favor of that.

M. Murray asked if this was to encourage staff to not carry two insurances, but instead to take the stipend and reduce enrollment fees which saves the Authority a great deal of money.

F. Carter asked if staff can join our plan at any time or once a year, meaning if one were to opt out and collect the stipend but choose to opt back in in June. C. Farone explained that the stipend is per pay period so the \$4,000 is divided by 26 and prorated throughout the year. \$4,000 is not given to staff in January. J. Staples commented that we don't get both insurance and the stipend. She further explained that there needs to be a qualifying event for them to opt back in.

F. Carter stated that it bothers him that the individuals are paying a 6% increase. J. Staples explained that the percentage of increase was lower last year, and they are still not at the 30% even with the 6% increase. M. Murray commented that this is still pretty inexpensive for an individual. A. Calligaris commented that they need the protection. J. Staples explained that all other groups are paying 30% and the individual is paying 28% with the 6% increase through the Affordable Care Act. They are not paying 30%, but only 28% of the total cost.

J. Staples explained the next two tables which show how many people are on the individual plan versus all the other plans, with no significant change in the number or mix of people from 2021 to 2022. She further explained the next table showing the mix of people participating in the different plans, which also shows the Authority cost per active employee. It is also projected that 19 people will be opting out of the insurance and taking the stipend. C. Farone stated that at this time it is recommended not to increase the stipend amount, but instead keep it at \$4,000.

J. Staples continued with retiree health coverage. The Authority contribution at retirement is the same as individual coverage which is 30%. Once a retiree reaches 65, Medicare becomes primary and the Authority becomes supplemental with the retiree contributing 30%. A family member or spouse could be covered for an additional fee. At this time the Authority only has one retiree including their spouse on health insurance. A. Calligaris commented that there was supposed to be a savings with Obamacare. M. Murray stated there are a couple things she likes about Obamacare, such as soon as your child turns 18 they are not off the plan. T. Hefferon commented that they have insurance, but they pay for it.

J. Staples stated that at this time it is the recommendation of Authority management to continue in 2022 with the Blue Cross Blue Shield bronze 4 plan, with a premium increase of 3% to 4% for everyone except the individual which would be an increase of 6%.

F. Carter asked if this goes out for an RFP to see where the checks and balances are. C. Farone responded that we have used BSG as the agent and they compare many different plans for review. This year they selected 19 plans through three carriers to be reviewed, and each carriers' pricing is the same regardless of who the agent is. C. Farone stated the Authority did put this out for an RFP in 2012, at which time we hired Benefit Services Group (BSG). BSG goes out and shops which plans are available to us. Benefit Services Group is a local company and we have integration where everyone can do everything online and they have in-house HR people and we have been extremely happy with them. A. Calligaris asked if someone else is involved in the business now. C. Farone responded that John Kamide has part ownership now, as well as a number of other people. John Kamide has been the Authority's agent since 2012.

F. Carter asked who else responded to the RFP in 2012. C. Farone replied yes, there was also a bid submitted from a firm in Syracuse and one in Rochester, but there was not anyone else local that does what BSG does. T. Hefferon commented that they were head and shoulders above everyone else. F. Carter asked again if it was 2012 the last time we

put an RFP out. C. Farone responded yes, but we do shop the insurance. He further stated that the price is the same no matter which broker it is through. A. Calligaris stated they did a good job when they switched to this. F. Carter stated that he is asking because he knows the rules and regulations and he wants to make sure we are doing it. He further stated that since it has been since 2012 maybe we should look next year to shop agents. C. Farone stated this is all about the quality of service so if there are any problems we would know who to call. M. Murray stated that when someone gives you good services there's a price that is worth paying. C. Farone stated that if the committee would like to see this bid next year that can be done. Through the broker we do get multiple comparisons every year. When we looked at this before, no one else in the area offered this type of service.

Upon a motion by A. Calligaris, and seconded by T. Hefferon, Adoption of Health Insurance Premiums, Calendar Year 2022, Effective January 1, 2022, was unanimously approved.

#### 6. EPA Audit Update –

C. Farone continued with an update. In October of 2020 the EPA came to the landfill for a site visit during which they performed a Title V air quality audit. While on site they appeared pleased with everything, however two weeks ago the Authority received a letter advising us that in calculating the non-methane organic compound (NMOC) emission rate the EPA is questioning the validity of us subtracting 74% of our construction and demolition waste from that calculation. B&L, our engineers, have been subtracting asbestos, ash, and contaminated soil from the total waste volumes. C. Farone met with B&L and there are statements to show that the degradable rate of C&D within the regulations is 74%. C. Farone wanted to bring this before the Governance Committee to let the committee know about this issue with the EPA. At this point we believe it to be something we can work through with the EPA, but to be safe we have obtained counsel, Robert Tyson, to represent the Authority. Mr. Tyson has worked with the Authority in the past and is very familiar with our work and Title V. There is a threshold for the NMOC's and if they exceed 34, then different regulations come into effect which would require additional testing. If we exceed 34 we are no longer able to sell carbon credits, which we are hoping to do in the future with the southern expansion. At this time we are doing everything in our power to make sure the NMOC emission rate level is below 34. The Authority, B&L, and Mr. Tyson all believe that we had justification within our calculations, and will just have to work through this with the EPA.

A. Calligaris asked what the EPA's position is, and if this is New York State. C. Farone responded that this is federal. He continued by stating that another firm has received a similar letter in regards to the same issue. We are well below the 34, and are hopeful that we will be able to show that. Within the EPA regulations C&D is 74% degradable and that will be our justification.

F. Carter asked if this is something to do with construction debris. C. Farone replied yes, that it is construction and demolition. F. Carter continued by stating they are really after the concrete and masonry as they are saying it is up in degradable pollution.

T. Hefferon asked if there was rebar within the concrete, because that would be degradable. C. Farone responded that in talking to B&L they are relying on the EPA regulations as shown at 74%.

C. Farone stated that status updates will be given as we progress, and we are hoping it will work out positively. Additional testing at the landfill would result in additional costs, as well as losing potential carbon credits in the future.

F. Carter commented that if we were to narrow it down, we could stop accepting it at the landfill. C. Farone asked where they would then bring the C&D, as we would have to have another location for that. A. Calligaris commented that it would need to be put someplace. There are many derelict buildings that will be taken down as new builds are built and if you cut off their location to put the waste, it goes back upstream. C. Farone stated that we have to win this now, because if we don't we will go over the 34 threshold and then it becomes permanent. When it changes from voluntarily destroying the methane to it being required, additional testing would need to be done on the site and future credits may not be available.

M. Doheny asked if there was an idea of what the increased costs would be. C. Farone responded he does not at this time, but the testing should be minimal. It is more the dollar perspective regarding the carbon credits that is our main concern at this time. We would like to see this preserved for future generations. In speaking with one of our consultants, J. Staples has found that there may be additional opportunities for the sale of carbon credits based on the existing landfill with the potential recapture of credits for additional years going forward in covering years 2021 through 2031.

T. Hefferon asked if we would be splitting these credits with the current company. C. Farone responded no, these are carbon credits and we get 100% of these. What LFGTE gets are renewable energy credits which we get 50% of.

A. Calligaris asked if this was because we are flaring. C. Farone said it is because we are destroying it. T. Hefferon added we are capturing it and turning it into electricity. C. Farone clarified it is because we are capturing it and disposing of it in some way. J. Staples commented that we could also clean the methane and sell it for RINS, which is cleaned and sent through a pipeline and you have to prove how it was reused. This option would require a pipeline, but we cannot do this at this time because we have the contract with ARIA.

M. Doheny clarified that this is an update and no action needs to be taken at this time. C. Farone confirmed this to be only an update.


T. Hefferon asked if when the methane is burned, CO2 is produced. C. Farone stated that we only burn if there is a problem.

M. Doheny commented that there has been a great deal in the news about Telecom being included in the federal bill. She would like to request an update from D. Wolf at the next Board meeting as to what the Authority is doing. She further stated that it appears lobbyists have done additional work as the Authority was in today's news. C. Farone responded that a Telecom update can be given regarding what the Authority is doing. This topic is also very pertinent as it is part of the strategic planning session in working with the counties to help in expanding their broadband. Lewis County has received \$1 million in grants, St. Lawrence County is in the process of creating a committee, and we are encouraging Jefferson County to put together a broadband committee that we can participate in because county involvement is very important to establish the need and apply for grant funding. Joe Starks, from the firm the Authority hired to do the study, called to inform us that the state has hired him to conduct a study of the entire state. We are ahead of this curve, Lewis County has already received grant money, and we would like to keep this momentum moving in the right direction. Full details on all of this will be presented at the October 28<sup>th</sup> meeting.

F. Carter asked if the Authority can apply for grants. C. Farone replied that it depends on the grant, but the Authority has applied for grants in the past. F. Carter further asked if the Authority could apply for the monies that Lewis County received. C. Farone stated that we can apply for grants through the Northern Border Regional Commission, but we have already applied for and received one with them, but the Authority can apply for various others. C. Farone continued by stating that when Senator Schumer was in Lewis County he said the infrastructure bill is coming and the Authority will be prepared because of the studies we have already done regarding the deployment of initial broadband.

7. Upon a motion by F. Carter, and seconded by T. Hefferon, the committee moved to adjourn at 11:45 AM.

Respectfully submitted,

  
Mary Reidy Doheny  
Governance Committee Chair