



MINUTES
GOVERNANCE COMMITTEE
Thursday, February 25, 2021 – 8:30 AM
Zoom Conference Call/Teleconference
Dulles State Office Building

The Development Authority of the North Country Governance Committee met in regular session via Zoom Video/Teleconference Call, Watertown, New York on Thursday, February 25, 2021 at 8:30 am.

Members Present

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

Staff Present

Carl E. Farone, Jr., Executive Director
Carrie Tuttle, Chief Operating Officer
Angela Marra, Executive Assistant

Guests Present

Committee Members - Absent

Other Board Members Present

1. Chairman Carter called the meeting to order at 8:32 AM.

C. Farone stated that today's meeting, due to the Coronavirus emergency restriction and in compliance with Governor Cuomo's executive order, is being conducted in person and with teleconferencing available. This meeting has no in-person public access but is accessible through the Authority's live stream. During the meeting, because it is being done telephonically, it is asked that when speaking please state your name so you may be identified appropriately.

2. Resolution No. 2021-02-34, approves the unchanged Disposition of Real Property as attached to the resolution.

Upon a motion by T. Hefferon, and seconded by A. Calligaris, Resolution No. 2021-02-34, Approving the Disposition of Real Property Policy, was unanimously recommended to the Board for approval.

3. Resolution No. 2021-02-35, approves the Investment Policy as amended and attached to the resolution.

Upon a motion by M. Murray, and seconded by A. Calligaris, Resolution No. 2021-02-35, Approving the Investment Policy, was unanimously recommended to the Board for approval.

4. Resolution No. 2021-02-36, approves the unchanged Procurement Policy as attached to the resolution.

Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2021-02-36, Approving the Procurement Policy, was unanimously recommended to the Board for approval.

5. Resolution No. 2021-02-37, approves the Leachate Treatment Agreement by and between the Authority and the City of Watertown, and authorizing the Executive Director to execute said agreement for a period of 20 years.

C. Farone stated the city has wanted to renegotiate the original contract. Ash and grit were received at the materials management facility at no cost, but the city has changed their process and eliminated ash and grit. The renegotiation starting point was a request from the city to increase the Authority's leachate disposal fee from the current rate of 1.6 cents per gallon to 6 cents per gallon, which is what all other vendors are paying the city. From the Authority's perspective, the city lost the consideration for ash and grit but they are still hauling sludge to the materials management facility. The city is hoping to use the sludge for profit in the future as land spreading, but they are currently paying the Authority for its disposal. Following a meeting between the Authority and the city, an agreement was reached at 3 cents per gallon of leachate for a new 20 year agreement and the city will accept all leachate generated from the materials management facility. Ultimately this results in the Authority paying the city an additional \$275,000 each year for leachate disposal.

The Authority did compare this to a reverse osmosis that would allow us to process leachate onsite. Based on evaluations done at this time, the city agreement is more advantageous.

Effective April 1, 2021, the leachate rate will increase from 1.64 cents to 3.015 cents per gallon. The new agreement has been negotiated to allow for a 1% increase each year rather than follow the consumer price index (CPI) which can range from 1.25% to 2.5%. This agreement will remain in effect until 2041. Based on the 1% increase each year over 20 years, the Authority will be paying 3.6 cents per gallon resulting in an annual fee of \$728,000 per year in year 2041, which is still comparable with a reverse osmosis system. Authority legal counsel has reviewed the agreement and believes it is the best interest of the Authority.

Upon a motion by F. Carter, and seconded by T. Hefferon, Resolution No. 2021-02-37, Authorizing the Leachate Treatment Agreement, City of Watertown, was unanimously recommended to the Board for approval.

F. Carter commented this negotiation was a good job.

6. Resolution No. 2021-02-38, authorizes the Executive director to approve compensation adjustment, effective for the fiscal year 2021-2022 commencing April 4, 2021 within the budgetary authorizations and consistent with Authority personnel policies authorized by the Board.

A 4% increase is included in the FY 2022 budget, this does not mean that staff are receiving a full 4% increase. A full wage analysis, including job descriptions to ensure all are working within their job descriptions to ensure all are being paid fairly. The same rate scale that was used last year will be applied as follows; \$0 to \$60,000 would have an increase of 3.5%, 60 to 100,000 would be a 3% increase, and over \$100,000 would be a 2.5% increase. The wage pool of 4% includes not only compensation, but also longevity. As per the Authority personnel policy, the compensation plan provides a \$500 bonus to people with five years of service. This is also awarded at 10, 15, 20, and 25 years, so at 25 years of service they would receive a \$2,500 longevity award. For hourly employees there is a grade and step chart using a hire, training, and job rate for pay increases. The cost of health insurance has increased but total benefit cost have increased by only .04%. This is a small increase compared to previous years, due in part to many staff moving into Tier 6, and all Tier 1 employees have retired resulting in a savings for the Development Authority.

F. Carter asks if the bonuses given to staff are added to their base, or is it a one-time bonus. C. Farone responded that this is a longevity service award, and is not included in the base as it is a onetime payment.

F. Carter commented that he would like to set aside the 4% pool until we are able to revisit the wages and benefits. He further stated he doesn't have a problem giving people raises. He realizes many people now want a job and a benefit structure. He would like to look at the health insurance issue closely as we move forward because it seems to keep pyramiding.

Upon a motion by F. Carter, and seconded by T. Hefferon, Resolution No. 2021-02-38, Authorizing the Executive Director to Implement Compensation Plan, was unanimously recommended to the Board for approval.

T. Hefferon asked who is to do the study. C. Farone responded we are looking to hire HR One. R. Lagattuta, the new Director of HR, is reaching out to various consultants. The Development Authority needs to review job descriptions and ensure the information is accurate. C. Tuttle has taken the lead with managers to ensure the details are correct.

A. Calligaris stated it is very important to include a board member in this process. T. Hefferon suggested F. Carter as he has been a non-voting and voting member, and has labor involvement.

7. Additional Updates:

- SCADA Breach – Recently a SCADA breach was reported in Florida. SCADA is utilized readily in the operation of our business. This incident encouraged us to take a proactive approach by looking at our SCADA system to review the protocols in place to ensure we are covered by appropriate protocols and authentication levels to protect the Authority and our customers in the event of an attempted

breach. After reviewing FBI regulations, it was determined that the Development Authority is in very good shape. A few things will be implemented that are above and beyond what is recommended, such as dividing the SCADA into a spate subnet within the Authority network. At this time, we are very confident that the Authority is in a solid position from a SCADA and IT perspective.

- Water Breaks in Northern New York – Going through winter, there seem to be a lot of water breaks in Northern New York. C. Tuttle confirmed when it's freezing and the temperature begins to rise, the heating causes breaks. The Authority is readily available to help with resources and manpower in the various municipalities to resolve these issued quickly.
- Nancy Henry – Authority Board Appointee – F. Carter informed the Governance Committee that Ms. Nancy Henry has been appointed to the Board of Directors by the Speaker of the Assembly. Ms. Henry is a retired school teacher, and current business owner in the City of Watertown.
- Nominating Committee – F. Carter has appointed the nominating committee for the upcoming election of officers. The committee consists of T. Hefferon as chair, A. MacKinnon, D. Mastascusa, and M. Doheny. The committee will report back to the Board at the March 25th meeting.
- Dry Hill Residents – F. Carter asked if the Authority is able to assist Dry Hill residents whose water supply may be in jeopardy. C. Farone commented that he called S. Hunt. S. Hunt followed up at the state level and offered our assistance. The Authority could operate this system if the manpower did not exist during the shutdown. We are currently waiting to hear back from the state.
- Recycling Transfer Station (RTS) – C. Farone informed the committee that he has been working with F. Carter, T. Hefferon and A. MacKinnon regarding the direction of the RTS. C. Farone briefly reviewed that the facility is taking recyclables from St. Lawrence County. The City of Watertown brought two successful loads over the past week, and the Authority continues to work with city in hopes of them going single stream. It was brought up during budget discussions to see if it would make sense to convert the facility, or another location, to a material recovery facility (MRF). Three responses have been received from the submitted RFP, one each from B&L, SCS Engineers, and EDR. SCS is the recommended choice, even as the most expensive at \$48,000, because they have the most experience with these facilities. Phase one of the two step process would consist of the SCS engineers coming in to evaluate the tonnages available to us from Jefferson, Lewis, and St. Lawrence Counties. If after completing phase one it appears he Authority could justify operating the MRF for less cost than we are currently paying we move ahead with phase two. SCS commented that they had reviewed this option 12-15 years ago and it didn't appear to make sense to them then, which leads us to believe they will give an honest assessment now too. From an Authority perspective it would be a good to do the analysis to see what the numbers look like, then we will be able to have an educated conversation with our partners in recommending a solution going forward. The funding for this will come directly from the capital appropriation for the RTS. There will not be another appropriation for this project.

F. Carter commented that he also feels this company will be upfront and honest with the Authority and feels this should be moved ahead.

Upon a motion by F. Carter, and seconded by M. Murray, recommending to retain SCS Engineers to conduct a two phase feasibility assessment regarding the creation of a Materials Recovery Facility within the Authority, was unanimously recommended to the Board for approval.

J. Johnson stated there will need to be a motion for the whole Board, this is not an action of the Governance Committee. This is a substantial change in directions and warrants a full Board discussion as it wasn't on the agenda for this committee meeting. J. Johnson further stated he is not critical of the proposal, he in fact thinks it is a good idea, but from a public perception this was not on the agenda and we have to adhere to the rules.

F. Carter agreed, and stated the topic will be added to the March 25th Board Meeting.

8. Upon a motion by F. Carter, and seconded by M. Murray, the committee moved to adjourn at 9:11 AM.

Respectfully submitted,



Frederick Carter
Chairman, Governance Committee