



MINUTES

FINANCE & BUDGET COMMITTEE MEETING

Thursday, August 27, 2026 – 9:30 AM

Materials Management Facility

23400 NYS Route 177

Rodman, New York

The Development Authority of the North Country Finance & Budget Committee met in regular session at the Materials Management Facility, 23400 NYS Rt. 177, Rodman, New York, on Thursday, August 27, 2026, at 9:30 AM.

Committee Members - Present

Eric Virkler, Chair
Kenneth Bibbins
Thomas Hefferon
Brian McGrath*

Committee Members - Absent

Alex MacKinnon

Other Board Members Present

*Attended via videoconferencing

Staff Present:

Carl Farone, Executive Director
Jennifer Staples, Chief Financial Officer
Dawn Loudon, Comptroller
Stephen Bohmer, Director of Information Technology
Angela Marra, Executive Assistant

Guests:

1. Committee Chair Virkler called the meeting to order at 9:33 AM.
2. A quorum of the committee members was confirmed.
3. Broker/Investment Advisor & Custodial Services RFP Evaluation Memo

E. Virkler stated that J. Staples had sent the packet in advance, and asked her to continue with a review.

Before reviewing the evaluation memo, J. Staples offered background information regarding the Authority's current services. The Authority has been provided investment advice by RBC Wealth Management for the past 20+ years. Custodial services have been performed by Comerica, and continue to be done by them today, but not without issues that have been continually addressed with them. After inquiring with our attorney, we received an opinion that we do not need to maintain a separate and distinct investment advisor and custodian. The

only issue would be repurchased agreements, which is when one party sells securities to another party with an agreement to buy them back at a later date, which we do not do so we have the ability to combine our investment advisor and custodial services or keep them separate. With this new knowledge, and because we have had the same firms for 20 years, we felt this was a good time to do a request for proposal (RFP) for these services.

C. Farone stated that we also modified our investment policy to allow for one entity to provide both services.

J. Staples stated the RFP was shared with the Finance Committee at the beginning of April, and issued to the public on April 16th. We directly solicited our current firms, other firms in the area, and MWBE and SDVOB firms.

B. McGrath joined the meeting at 9:37 AM.

We received four proposals; Fifth Third, formerly Comerica, Nottingham Trust, which is Community Bank, RBC Wealth Management, our current investment advisor, and Morgia Wealth Management, a local Watertown firm. Upon initial review Fifth Third was deemed non-responsive based upon the omission of required documentation necessary to evaluate the proposal. Nottingham Trust was also eliminated due to the proposed fee structure and overall cost being much higher than the remaining two.

J. Staples continued with a review of RBC Wealth Management and Morgia Wealth Management. RBC provided a proposal that met all RFP requirements, had no direct fees to the Authority, their compensation would stay the same as it is today in concession-based fees, and there would be no fee for their custodian service. They would also consider a fee based on basis points of the portfolio balance, which gives the Authority two compensation options with RBC.

E. Virkler asked if the fee would change yearly based on the amount of our investment. J. Staples confirmed this is correct.

J. Staples continued with the review of Morgia Wealth Management as they provided a proposal that met all requirements except for the preferred custodial rating of AA- as requested in the RFP. However, they did provide two custodial firms that are very well known and respected and we would not have any concerns using either. Their proposal was a flat annual fee for the first two years, then increasing during the remaining three years of the contract term. If we choose to use the custodial firms they provided, there would be no fees associated with the custodial services.

E. Virkler asked if Morgia using a third-party custodian was seamless for us, and if this is what we are trying to currently move away from. J. Staples responded this would be the same reporting issues we are facing today using RBC and Comerica.

K. Bibbins asked if The Morgia Group offered any other custodial firms, other than Schwab or Fidelity, if we were considering doing something else. J. Staples responded they did not, but she spoke with them about that option and it would be a negotiation with Morgia.

K. Bibbins asked if the only reason The Morgia Group received a "5" on Compliance was due to them not meeting the AA- requirement. J. Staples confirmed this is correct.

T. Hefferon asked if both firms are bound with what they can put our investments with, or can one firm possibly give the Authority a better return on investment. J. Staples stated that the RFP asked them to provide their proposed interest rates based on one and two-year maturities using our three main investments, CDs, U.S. Treasuries, and agency notes. In turn they provided us with what they could provide for those three investment types based on the

current investment portfolio. It was about \$14,000 difference between the two, so not a real impact on our investment income either way.

T. Hefferon asked if we looked at getting into anything that would pay more. J. Staples replied that we are bound under policy. C. Farone further explained this is New York State and Authority Policy, and we are bound by New York State under the preservation of principal.

T. Hefferon asked if there was anything in between bonds vs equities.

B. McGrath asked if there were any restrictions on types of bonds.

C. Farone responded that currently everything has to be guaranteed, either by the federal government or the state of New York, that we would receive payment back.

E. Virkler asked if they are not corporate bonds. C. Farone concurred, like corporate bonds.

J. Staples explained the investments are very short because we need the money for capital projects.

C. Farone commented that we did a review of this several years ago, resulting in where we are today based on what we can and cannot do as our investments have to be guaranteed by the federal government or the state of New York.

T. Hefferon asked if "Fannie" and "Freddie" were very comparable to the CDs and investments as everyone else. J. Staples replied they might have the potential to be higher if we were investing larger amounts for a longer period of time, while ours are based upon when they need to come due.

B. McGrath asked if the Authority was unhappy with RBC, and if not, the easiest answer would be to stay with what we have, given the limited range of what can be done with the Authority's money. B. McGrath further stated that if there is a comfort with their team and their system, that would be where he would lean. J. Staples responded that we have no issues with RBC; they are responsive, on time with their information, and there are no issues with their staff.

K. Bibbins asked how RBC responded when we told them we were going back out with an RFP. J. Staples stated they seemed very happy. She further explained that when the Authority held the investment meeting last year RBC suggested also being the Authority's custodian, as they were aware of the issues we were having with Comerica. Their suggestion prompted the Authority to ask if we were able to combine these services, which at the time we were not aware we could. C. Farone commented that RBC has always treated the Authority as their most important customer. A long time ago there was an issue regarding the FDIC limit on CDs, where the Authority had two CDs that were not fully collateralized and RBC honored that mistake and said they should have caught this error, also resulting in RBC taking a \$200,000 hit to rectify the situation.

T. Hefferon commented that RBC is international while Morgia is local and owned by people in Watertown. He further asked if it is an advantage for the local economy if we buy local. C. Farone offered that RBC may not be locally owned, but this branch has local staff that live within the greater Watertown area.

C. Farone further stated the Authority has a 25-year history with RBC, they have done a good job, and the price is comparable. We anticipate the reporting will become more integrated, efficient, and fluid with this change, and based upon the history that we have he would comfortably recommend RBC.

E. Virkler asked if based on the information discussed today, could the committee move forward with a recommendation without interviewing anyone. C. Farone stated yes. J. Staples stated that she feels RBC has always treated the Authority like a very important client. They have always been responsive and she has not had any issues with them.

E. Virkler asked if there was a motion from the committee to authorize moving forward with RBC.

Upon a motion by B. McGrath, and seconded by K. Bibbins, authorizing the committee to move forward with the recommendation of RBC, was unanimously approved by the Finance and Budget Committee and recommended to the Board for approval.

Upon a motion by B. McGrath, and seconded by K. Bibbins, the meeting was adjourned at 9:57 AM.

Respectfully submitted,



Eric Virkler
Chair, Finance & Budget Committee