MINUTES
BOARD OF DIRECTORS MEETING
Thursday, December 20, 2018 – 10:30 AM
State Office Building – Conference Room 100, 1st Floor
317 Washington Street, Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session at the State Office Building, Conference Room 100, 1st Floor, 317 Washington Street, Watertown, New York on Thursday, December 20, 2018 at 10:30 am.

Members Present:

Voting
Gary Turck, Chairman
Fredrick Carter, Vice Chairman
Thomas Hefferon
Alfred Calligaris
Alex Mackinnon
Dennis Mastascusa
Margaret Murray
John Johnson, Jr.

Non-Voting
Mary Doheny
James Hollenbeck
Stephen Hunt

Members Absent
Brian McGrath

Staff Present:
James W. Wright, Executive Director
Michelle Capone, Director, Regional Development Division
Carl Farone, Comptroller
Laurie Marr, Director of Communications and Public Affairs
Brian Nutting, Manager, Water Quality Division
Patricia Pastella, Manager, Materials Management Division
Carrie Tuttle, Director, Engineering and Environmental Division
David Wolf, Director, Technology Division
Angela Marra, Administrative Associate
Melissa Durant, Administrative Associate

Guests:
Richard Engle, Authority Counsel, Mackenzie Hughes

1. Chairman Turck called the meeting to order at 10:40 AM.

2. Chairman Turck requested a roll call by A. Marra.

   • All Board Members were present except for B. McGrath. Chairman Turck confirmed there was a quorum.

3. Chairman Turck offered the Privilege of the Floor.
4. Upon a motion by F. Carter, and seconded by D. Mastascusa, the October 18, 2018 Meeting Minutes were unanimously approved.

G. Turck stated that the Board will be moving right into the resolutions, in case a board member needs to leave the meeting early.

5. Chairman’s Report –

Reminder that next month’s meeting is January 17, 2019 and it will be the Budget Work Session.

S. Hunt may have to leave early so we are going to move right into the resolutions to conduct business while we have a quorum.

6. Governance -

a. Resolution No. 2018-12-122, authorizes and directs the Comptroller to submit the PARIS five year financial plan, and shall direct said plan be posted to the Authority’s website.

Upon a motion by J. Johnson, and seconded by D. Mastascusa, Resolution No. 2018-12-122, Authorizing Public Authorities Reporting Information System (PARIS), Five Year Budget and Financial Plan for FYE 2020 Annual Submission, was unanimously approved.

b. Resolution No. 2018-12-123, approves recommended additional criteria for employee benefits healthcare plan contained within the Personnel Policy.

This change is being made to err on the side of caution so that someone’s future benefits are not called into question because they were not a formal member of the plan.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2018-12-123, Approving Health Insurance, Authority Employee Benefits, Eligibility Criteria, was unanimously approved.

c. Resolution No. 2018-12-124, approves the replacement of vehicle #383, Water Quality – 2015 Ford F-150, with a like vehicle in an amount not to exceed $34,000 utilizing insurance proceeds of $22,363 and Administrative funding of $11,637.

The actual purchase price will now be $34,000, an increase of $2,000. The additional $2,000 will come from administrative funding. The first price quoted was for a new vehicle that would have been delivered in three to four months. The current price is for a vehicle that can be purchased quicker, and have in place in the fleet, saving the Authority time and repair costs of the damaged vehicle.

Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2018-12-124, Approving Capital Budget Amendment FY 2018-19, Administrative Division, Vehicle Replacement, was unanimously approved.
7. Engineering –

a. Resolution No. 2018-12-125, approves the Technical Services Agreement, by and between the Authority and the Village of Alexandria Bay. The Executive Director is hereby authorized and directed to execute this Agreement.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2018-12-125, Approving the Technical Services Agreement Amendment, Village of Alexandria Bay, Asset Management Plan, was unanimously approved.

b. Resolution No. 2018-12-126 approves the Technical Services Agreement for NBRC Grant Administrations by and between the Authority and the Adirondack North Country Association. The Executive Director is authorized to execute said Amendment.

Upon a motion by A. MacKinnon, and seconded by A. Calligaris, Resolution No. 2018-12-126, Approving Technical Services Agreement, 2018 Northern Border Regional Commission, Local Development District Grant Administration, was unanimously approved.

c. Resolution No. 2018-12-127, approves the Technical Services Agreement Amendment No. 2, by and between the Authority and the Village of Clayton. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2018-12-127, Approving Technical Services Agreement Amendment, Village of Clayton, New York State Department of Transportation, State Road 970L Electrical & Sewer Lateral Improvement Project, was unanimously approved.

d. Resolution No. 2018-12-128, approves the Technical Services Agreement Amendment No. 1, by and between the Authority and the Town of Fine. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-12-128, Approving Technical Services Agreement Amendment, Town of Fine, Waterfront Revitalization Project, was unanimously approved.

e. Resolution No. 2018-12-129, authorizes the Executive Director to enter into GIS hosting agreements in accordance with the terms of the contracts for the Towns of Brownville, Clayton, Colton, Fine, Lyme, and Parishville.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2018-12-129, Approving GIS Hosting Agreements, Towns of Brownville, Clayton, Colton, Fine, Lyme and Parishville, was unanimously approved.

f. Resolution No. 2018-12-130, approves the Technical Services Agreement by and between the Authority and the Village of Heuvelton. The Executive Director is hereby authorized and directed to execute said Agreement.

Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2018-12-130, Approving Technical Services Agreement, Village of Heuvelton, 100 State Street Redevelopment Project, was unanimously approved.
g. Resolution No. 2018-12-131, approves the Technical Services Agreement by and between the Authority and the Village of Tupper Lake. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2018-12-131, Approving Technical Services Agreement Amendment, Village of Tupper Lake, Water System Improvement Project, was unanimously approved.

h. Resolution No. 2018-12-132, approves the Technical Services Agreement by and between the Authority and the Village of Tupper Lake. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-12-132, Approving Technical Services Agreement, Village of Tupper Lake, Shared Services Records Management Improvement Project, was unanimously approved.

i. Resolution No. 2018-12-133, approves the Technical Services Agreement by and between the Authority and the Village of Chaumont, for a total not to exceed contract amount of $30,000. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2018-12-133, Approving Technical Services Agreement, Village of Chaumont, Municipal Dissolution Study, was unanimously approved.

j. Resolution No. 2018-12-134, approves the Technical Services Agreement by and between the Authority and Essex County. The Executive Director is hereby authorized and directed to execute said Agreement.

The Authority was recommended by the New York State Department of State to do this work for Essex County. The Authority checked with the local counties here first and found that none were participating or doing it themselves. The work itself is reasonably inexpensive to the Authority as it is all being done electronically in house.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-12-134, Approving Technical Services Agreement, Essex County, Census 2020 – GIS Services Preparation, was unanimously approved.

8. Regional Development –

a. Resolution No. 2018-12-135, authorizes the Executive Director to execute an extension with the U.S. Export Import Bank to continue participation in their Regional Export Promotion Program, and authorizes the Executive Director to execute all of the necessary documentation.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2018-12-135, Extend Agreement, Regional Export Promotion Program, United States Export Import Bank, was unanimously approved.

b. Resolution No. 2018-12-136, authorizes the Executive Director to execute a memorandum of understanding with Fort Drum Garrison for GIS Data Sharing, and to implement said agreement.
J. Wright explained that part of the Joint Land Use Study was to create a website where information is shared between the Fort Drum Garrison and the local communities so it is accessible to all parties. The Authority hosts this website and maintains the GIS data.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2018-12-136. Memorandum of Understanding, Fort Drum Garrison, GIS Data Sharing, was unanimously approved.

c. Resolution No. 2018-12-137, ratifies the grant/loan commitment in the amount of up to $250,000 ($125,000 loan/$125,000 grant) from the North Country Redevelopment Fund to Gervera, Inc. at the terms and conditions outlined within the Term Sheet, consistent with the Empire State Development program requirements and further authorizes the Executive Director to execute all documents necessary to make the loan. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

J. Wright disclosed that Ms. Gervera was his neighbor, and he has used her firm of realtors.

Upon a motion by T. Hefferon, and seconded by A. Calligaris, Resolution No. 2018-12-137, North Country Redevelopment Loan Fund, Gervera, Inc., Redevelop Building at 114 Court Street, Watertown, Ratifying Loan, was unanimously approved.

d. Resolution No. 2018-12-138, approve the loan modification for MCM Development Malone, LLC for an additional two months of interest payments only beginning with the January 1, 2018 payment and ending with the February 1, 2019 payment with the loan re-amortizing to be repaid over the remaining term, and authorizing the Executive Director to execute all necessary documentation.

J. Wright further explained that this is a development project and the loan had continued to encounter construction delays. They are seeking a further extension which the Authority would grant as interest only payments beginning in January and ending with February 2019.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2018-12-138, North Country Redevelopment Loan Fund, MCM Development Malone, LLC, Loan Modification, was unanimously approved.

e. Resolution No. 2018-12-139, authorizing the Executive Director to execute a grant in the amount of up to $40,000 through National Grid’s Strategic Outreach Program in support of the Drum County Business regional economic development marketing initiative, and to implement such grant.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-12-139, Executive Grant Agreement, National Grid Strategic Outreach Program, Drum Country Business Regional Marketing, was unanimously approved.

f. Resolution No. 2018-12-140, establishing the Economic Development Fund with existing Authority funds, segregated from state funds for authorized projects for participating counties, as defined by enabling legislation. The Community Development Loan Fund, which is funded by New York State, shall remain segregated from the Authority’s Economic Development Fund. The Development Authority reaffirms the funding authorized in Resolution No. 2018-05-66 (Lewis County) and Resolution No. 2018-05-65 (St. Lawrence County)
projects and assigns said economic development projects funding to the Economic Development Fund.

J. Wright commented that at a previous audit, it had been recommended the Authority segregate these funds. Due to this recommendation and the Authority being granted additional state money, C. Farone and M. Capone have reconciled these funds, segregated them and accrued the interest in the appropriate funds. The Community Development Loan Fund will now only fund those state purposes articulated. The Economic Development Fund will be for projects of the designated three county region.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris Resolution No. 2018-12-140, Community Development Loan Fund, Economic Development Fund, was unanimously approved.

g. Resolution No. 2018-12-141, authorizing a loan from the Community Development Loan Fund in an amount up to $100,000 to the Thompson Park Conservancy, Inc. at the terms and conditions outlined in the Term Sheet and authorizes the Executive Director or Comptroller to execute all appropriate documents necessary to make the loan. This is considered a Type II Action under the State Environmental Quality Review Act (SEQRA) and is considered an exempt activity requiring no further action.

J. Wright stated this will be the first loan out of the Community Development Loan Fund from the previous resolution.

Upon a motion by M. Murray, and seconded by D. Mastascusa, Resolution No. 2018-12-141, Community Development Loan Fund, Thompson Park Conservancy, Inc., Bridge Financing, was unanimously approved.

9. Telecommunications –

a. Resolution No. 2018-12-142, authorizes an increase to capital project 30636 for Emergency Restoration of $45,000 to bring the project total to $185,000. This appropriation is to be from the Telecommunications Reserve Fund.

Upon a motion by F. Carter, and seconded by A. Calligaris Resolution No. 2018-12-142, Emergency Restoration, Telecommunications, Capital Budget Amendment FYE 2019, was unanimously approved.

b. Resolution No. 2018-12-143, approves an increase of $104,693 to capital project 30626 to provide an additional Indefeasible Rights of Use (IRU) for the New York Power Authority. Said project total now being $1,934,428 with said additional funds being transferred from Telecommunications. Revenues.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2018-12-143, Dark Fiber IRU, Telecommunications, New York Power Authority Additional Project Scope 2, was unanimously approved.

10. Water Quality –

a. Resolution No. 2018-12-144, authorizes the Executive Director to enter into an Operations/Maintenance and Administrative Service Agreement with the Route 3 Sewer
Facilities Board of Commissioners. The Executive Director is hereby authorized to execute the required and necessary agreements.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2018-12-144, Operation/Maintenance and Administrative Service Agreement, Route 3 Sewer Facilities, Board of Commissioners, was unanimously approved.

b. Resolution No. 2018-12-145, authorizes the Executive Director to enter into an Operations and Maintenance Service Agreement with the Town of Rutland. The Executive Director is hereby authorized to execute the required and necessary agreements.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-12-145, Operations and Maintenance Service Agreement, Town of Rutland, Water District 1, was unanimously approved.

c. Resolution No. 2018-12-146, authorizes the Water Quality Division to enter into a contract with Brymak and Associates to provide wastewater services to the U.S. Customs Service. The Executive Director is authorized to enter into all necessary and appropriate contracts for the provision of said services.

Upon a motion by M. Murray, and seconded by D. Mastascusa, Resolution No. 2018-12-146, Maintenance Service Agreement, U.S. Customs Service, Brymak and Associates, was unanimously approved.

11. G. Turck requested an Executive Session to discuss a personnel matter.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, the Board moved into Executive Session at 10:59 AM.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, the Board moved out of Executive Session at 11:25 AM.

There was no action taken during this Executive Session.

12. Executive Director’s Report –

J. Wright presented a progress report PowerPoint to highlight Authority projects through the course of a year. This is also a good update opportunity as we move into January and begin the budget preparation process.

- Education and Community Outreach
  Participation with the local chamber at the Armed Forces Day Luncheon, hosting the veterans who attend and recognizing the Armed Forces here in the region.

- Local Government Conferences
  Participation annually where the Authority services can be promoted, and staff made available to local officials. A lot of time is also spent supporting the North Country Regional Economic Development Council.

- Education
  Tours are hosted at the landfill for municipalities and local officials on a regular basis. In 2018 the Authority street sweeper assisted the Hamlet of
Rodman in cleaning the town, driven by a Rodman resident. An orientation for newly elected officials is hosted. High schools and elementary schools, colleges, and businesses are hosted on a regular basis.

- Partnering with Fort Drum
  Community planning, waste diversion, Fort Drum Day participation, participation in various tours and exercises within the installation and its facility.

- Municipal Assistance
  Capital projects, dissolution studies, reconstruction projects, IT assessments, GIS services, and building and upgrading.

- Water/Wastewater Treatment Plant Operations
  Serving 21 communities throughout the three county area. Next month begin working with a municipality in Lewis County with the Town of Diana. There are current contracts to manage the four largest plants in St. Lawrence and Jefferson Counties; Clayton, Carthage, Potsdam and Malone. This requires 26 trained, certified and licensed employees. Their tasks include sampling, testing and maintaining logs required by the Department of Health. Water and sewer services are also being provided to Fort Drum and U.S. Customs.

- Housing
  An area of service for the Authority since the beginning. This year goals were exceeded with 13 homes being processed in Massena for the First Time Home Owners Program. At the same time a number of homes in Massena were rehabilitated. Part of the housing is to rehab structures already in place. This is one of the single biggest community issues, and the Authority is one of the few groups moving it forward.

- Materials Management Expansion
  Clearing of trees had to be done at a specific time of year so as not to interfere with the bat population. Heavy equipment is on site to process site work in preparation of the expansion. Offsite work has been done on Skinner Road in preparation to create new wetlands which were part of the federal permit. Material that was removed from the Skinner Road location was taken to the Materials Management Facility in Rodman to be used as cover material. 22 new gas wells were installed to help control and capture the odor as per the board authorized capital budget.

A MacKinnon asked if the flare is still being used. J Wright responded yes we still have flares in place in case there should be a problem and they are needed. A. MacKinnon further asked if the flares are used much. J. Wright replied the flares are used periodically depending what is going on at the plant and what is going on with the Authority. These are really control flares more than anything else at this point. The Authority has made a conscious investment in controlling the gas and so as a result there are many wells within an extensive collections system and the flare is no longer needed. Prior to the gas collection, the flare was permanently going. If there were to be an issue with any of the generators, the flare may be needed but they are merely a control function at this point.

- Recycling Education
  The Authority is running a new commercial. There is a new display at Thompson Park to help educate people on recycling, particularly focused on kids. Household Hazardous Waste Collections were hosted in the three counties. 1200 households participated hauling off 50,000 tons of waste. 1700 mattresses were recycled keeping them out of the landfill. A Book
Debinder is up and running having processed 35,000 books to date, keeping 106 tons of paper out of the landfill.

- Economic Development Projects
  Continuing to work with local governments, continue to package requests for funds from the state. New York State has been very generous in their economic development commitment to these projects and the Authority continues to move forward. Recent projects include an old downtown building in Massena.

- Telecommunications
  These are also economic development projects. Recently the Authority assisted by running fiber over the Thousand Island Bridge. There has also been a NYPA project connecting Utica to New Hartford to Plattsburgh, throughout the North Country at the Massena location. This pulls all of these sites together so they have a redundant control command system using fiber optics, and is a direct result of the projects the Authority did for New York State Gas and Electric when the North Country facilities were connected with fiber optics and resulted in a command and control environment there.

F. Carter asked if in going across the Thousand Islands Bridge does the Authority now go into Canada. J. Wright replied the Authority does not go into Canada as there is no international authorization. Senator Ritchie was involved in securing state money to connect the facilities out on the island for security purposes, and that is the project the Authority is working on.

- J&L Site Progress
  Progress has been made throughout the year. The view from Route 3 is much improved with the demolition of the buildings visible from that angle. More improvement is to come in the spring of 2019 as the next objective will be in trying to figure out what the Authority can do with that site to create jobs and economic benefit to the county. This is also the only industrial property within the Adirondack Park.

F. Carter stated that part of this property was partially and privately owned by the county and the IDA. J. Wright stated that the IDA has since worked it out to bring that building down. The building in question was the old rail station, and always the main eyesore.

- Employee Required Training
  The authority has 44 different types of required training for its employees. These range from Confined Space Training to CPR/First Aide. Blood born pathogens are a concern as a direct result of dealing with waste. Blackout procedures are critical. The state has also no focused on our facilities significantly because of a fatality at a Watertown plant. “Our” facilities are not just Authority owned, but also include municipal facilities in the region in general.

J. Wright concluded with stating all of this work is done by the people seated behind him. He further stated the Authority is truly an organization that the staff take pride in and is very pleased to work for.
13. Finance –

C. Farone reported the Bonadio Group will be onsite January 14th through January 17th to conduct the interim audit testing. This is the third year of a five year contract.

a. C. Farone reviewed the financial report for the period ending October 31, 2018. C. Farone stated that everything is fairly consistent with year-end audit results. Total assets increased $1.6 million while Total Liabilities increased by $476,000. Unearned income has increased by $653,000. This is funding the Authority received as prepayment on services that will be rendered over the next 20 years. In looking at Board Designated Reserves the landfill gas reserve decreased from $2 million to $955,000 because the landfill gas upsizing project was authorized to be funded from this reserve, as directed by the board.

The Actual Year to Date Change in Net Position has had a positive change of $1.2 million on Operating Revenue of $16,793,000. Customer billings were up about $551,000 over projection primarily due to increased tonnage at the Materials Management Facility. Grant revenue is down by about $600,000 due to Regional Development Loan Funds. We have received the cash, but will not actually recognize the income until we lend out the grant funding we receive from the state. Looking at Operating Expenses the Authority is below budget on the majority of items, with the exception of Community Benefits which is up by $185,000 which is directly related to the increased tonnage at Materials Management. This is the $3.34 per ton that was set up for siting the landfill.

Interest Income is year to date $530,000, which is below projections. However the $530,000 includes a negative market adjustment of $474,000 resulting in the actual cash income of the Authority a little over $1 million which is ahead of where we budgeted. Overall the change in net position of $1.2 million is a very positive result for the Authority.

Upon a motion by F. Carter, and seconded by A. Calligaris, the Unaudited Financial Statements for the Period Ending October 31, 2018, were unanimously approved.

14. Loan Report –

M. Capone reported that there is one loan that is two months past due. It is a CDLF fund loan with Steve Winkler. The Authority will be following up with him as an annual payment. He was also a slow payer last year.

The other loan we had discussed at the last meeting is with Eastern Shore Management, also Snow Ridge. An explanation has been received from them. They have borrowed money not only from the Authority, but also Lewis County and they have seller financing as well. This is a project everyone really wants to see succeed as it is a great asset to Lewis County. With the Authority they are currently two months in arrears on their smaller loan. The smaller loan is where the Authority required interest only payments, and they are nine months in arrears on the annual payment loan. It is hopeful that they will be able to pay by the end of this month. They have a meeting scheduled with their accountant. Following that meeting we anticipate receiving a repayment plan that can be brought to our next meeting for your review. M. Capone would really like to see them work through
this difficulty and improve their cash flow so that the Authority can get them into a successful position in the future, otherwise we are going to have to take a tougher stand.

All other loans are operating as agreed.

M. Murray asked about the property that Eastern Shore was going to sell, if the sale went through. M. Capone responded that it has not yet, making their repayment plan all that more important. If that sale doesn't go through, then they really need to be showing based on operating cash flow, how they are going to be able to make up these past payments, not only to the Authority but to the other lenders as well.

15. New Business –

J. Wright reported that the Lieutenant Governor is supposed to be visiting Agbotics today and touring their greenhouses. The Authority started this project, and what started out as one greenhouse is now six. Seeing that state funding is involved, she is there today looking at one of our projects.

J. Wright also reported receiving a Christmas card from the Governor. This is available in his office for all to see.

G. Turck reminded the Board of the next Board Meeting will be the budget work session on January 17, 2019.

16. Upon a motion by F. Carter, and seconded by M. Murray, the meeting was adjourned at 11:52 AM.

Respectfully submitted,

[Signature]

Thomas Hefferon
Secretary