



## MINUTES

### BOARD OF DIRECTORS MEETING

Thursday, February 28, 2019 – 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, 1<sup>st</sup> Floor, 317 Washington Street, Watertown, New York on Thursday, February 28, 2019 at 10:30 am.

#### **Members Present:**

##### Voting

Fredrick Carter, Vice Chairman  
Thomas Hefferon  
Alfred Calligaris  
Alex MacKinnon  
Dennis Mastascusa  
Margaret Murray

##### Non-Voting

Mary Doheny  
James Hollenbeck  
Stephen Hunt

##### **Members Absent**

Brian McGrath  
Gary Turck, Chairman  
John Johnson, Jr.

#### **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  
Jennifer Staples, Director of Information Services  
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. Vice Chairman Carter called the meeting to order at 10:29 AM.
2. Vice Chairman Carter requested a roll call by A. Marra.
  - All Board Members were present except for B. McGrath, G. Turck and J. Johnson, Jr. Vice Chairman Carter confirmed there was a quorum.
3. Vice Chairman Carter offered the Privilege of the Floor.
4. Upon a motion by A. Calligaris, and seconded by A. MacKinnon, the December 20, 2018 Meeting Minutes were unanimously approved.

5. Chairman's Report – as presented by Vice Chairman Carter

Chairman Turck has appointed the nomination committee, consisting of:

John Johnson

Alex MacKinnon

Dennis Mastascusa

To ensure a quorum for next month, we would like to move the meeting from March 21<sup>st</sup> to March 28<sup>th</sup>.

Following this Board meeting, the Finance Committee will convene to receive the annual budget. All Board members are invited to attend if they wish.

6. Executive Director's Report –

a. Thank you's –

Greater Watertown Chamber of Commerce – we were one of their sponsors, along with Jefferson County Economic Development, for this year's Economic Review.

Ogdensburg Bridge and Port Authority acknowledged our efforts on their behalf to support the essential air services bid for Skywest that was awarded to them by the U.S. Department of Transportation. This gives them, and the North Country, access to western airports by way of Chicago.

b. Landfill –

J. Wright presented an overhead view of the landfill depicting a good picture of where we are right now along with roads that will be constructed over the course of this construction season. Shaded areas represented what has been cleared, red areas represented where trees are currently being removed in preparation of completing the footprint for the expansion. Construction will continue thru 2020 and all the needed cells should be constructed by then. The main activity this year will be completing the earthwork and then the liner, as well as the collection systems.

c. Recreation Trails Brochure –

Another value added benefit from the Authority are our recreational hiking trails. The Authority has consistently developed trails; the Kanik Trail, Glazier Trail, and Murray Trail. We have never received negative feedback about these trails, other than a request to make them longer. These brochures will be used to publicize benefits of the Authority's investment in those properties.

d. Telecom Provider – voluntary reorganization bankruptcy –

J. Wright wanted to inform the board that we have been notified of a telecom provider entering into voluntary reorganization bankruptcy. The Authority will be monitoring this to limit our exposure. Fortunately we brought them current a couple months ago. The company is a major provider to the State of New York and many others. They had over expanded very quickly, and are now restructuring their debt. Dave and the

Telecom division were on top of the situation, and positioned us, which is the best you can do in these situations.

e. Vacation –

J. Wright announced he would be leaving for vacation for a week, following this meeting. C. Farone will be acting in his absence.

7. Finance – Comptroller's Report –

a. C. Farone reviewed the financial report for the period ending January 31, 2019. C. Farone stated that for the first ten months of the year, total assets have increased from \$217million to \$224 million, or a \$6.5 million increase in assets. Total Liabilities increased about \$3.8 million in the same period of time. The Authority continues to use reserves as instructed by the Board of Directors, both restricted as well as the Board-designated reserves. In looking at the assets, one item that draws attention is Accounts Receivable. There has been a \$2 million increase as a result of a sizable billing of \$1.7 million to Avangrid, which has been paid in full in February. Unearned Income increased from \$3.5 million to \$7.3 million as a result of telecom signing a long-term 20 year agreement to be paid up front.

The Change in Net Position for the first ten months is \$2.7 million, with an Operating Revenue of just over \$23 million. Customer billings were up about \$465,000, primarily due to increased volume at the Materials Management Facility over what we had funded last year. Grant revenue is down by about \$1 million. This is contingent upon when our Regional Development Staff closes on loans. The state has given us money. We have received the funds. The revenue is not recognized until the loans are actually made and we close on the loans. Looking at Operating Expenses, we are under budget on the majority of the line items. Host Community Benefit expense is over budget by \$161,000, which is the payment to Rodman for our host community benefits.

Interest Income is above projection. This is including a positive \$300,000 in market adjustment, resulting in the actual cash flow being about \$1.4 million, which is still ahead of projections. We are currently earning 2% on our investments at this point, as opposed to the last eight to ten years which has been holding closer to 1% on the majority of our investments.

8. Loan Report – M. Capone –

M. Capone reported that overall the portfolio looked very good.

Eastern Resort Management, also Snow Ridge, did make a payment in January to bring their one loan that was past due to within three months. The other loan is 11 months. M. Capone suggested bringing a resolution before the Board at the next meeting to modify their loan. Hopefully with this modification, they can start making regular payments.

Steven Winkler, a recipient of the Value Added Ag Program, is four months past due. M. Capone has heard from him, he is supposed to be sending his check. M. Capone will keep the Board updated. Hopefully this payment will be received prior to the next meeting.

North Wood Inn is two months past due. They have been contacted. This is a North Country Economic Development Loan client.

All other loans are being paid as agreed.

9. Governance -

a. Resolution No. 2019-02-01, approves the Investment Policy.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2019-02-01, Approving Investment Policy, was unanimously approved.

b. Resolution No.2019-02-02, approves the Procurement Policy.

Upon a motion by T. Hefferon, and seconded by A. Calligaris, Resolution No. 2019-02-02, Approving the Procurement Policy, was unanimously approved.

c. Resolution No. 2019-02-03, approves the Disposition of Real Property Policy.

Upon a motion by M. Murray, and seconded by A. Calligaris, Resolution No. 2019-02-03, Approving the Disposition of Real Property Policy, was unanimously approved.

J. Wright stated that the above three resolutions, as policies, are listed on the Authority's website with all the Authority's policies, readily attainable.

d. Resolution No. 2019-02-04, authorizes a single stream recycling initiative of \$10 per ton of recyclables to municipalities for the FYE 2020, said municipalities in the three county region including counties, towns, villages, and cities, and additional \$5 per ton, \$15 per ton upon a 5% increase in single stream volume within the fiscal year. The Authority agrees to participate in the shared cost of transporting of single stream recyclables to processing facilities, provided the municipality has implemented a clear bag program for the collection of MSW, with said funds to come from appropriations within the Materials Management Operating Budget for FYE 2020.

J. Wright stated that this resolution reflects the history of the three counties since the Authority got into the recycling business, helping to coordinate them. There have been improvements. Lewis County is the smallest group by population, but has done extremely well and continues to see a steady increase in their recycling. Jefferson County has had a slight decline. St. Lawrence County is fairly flat. Each county currently has unique aspects to their system. If the Authority could get them all reconciled and on the same page, you may see better performance, especially in the two big counties. The Authority offered incentives have obviously had an impact on single stream recycling. The results speak to the Authority's goal of trying to improve this system. Right now this incentive is only available to counties; this resolution will make it available to counties, towns, villages and cities in anticipation of having a single stream transfer station that some of these municipalities may wish to access. It is our intent to initially open the transfer station to counties and then municipalities and then haulers. It will never be open to residential.

Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2019-02-04, Approving the Single Stream Recycling, Municipal Incentives, Operating Budget, was unanimously approved.

e. Resolution No 2019-02-05, authorizing the establishment of a capital project, #20177, for the establishment of regional recycling transfer station. The Authority appropriates the

sum of \$500,000 to said capital project, #20177, and the comptroller is herewith directed to transfer the balance from the Carbon Credit Reserve to the Capital Reserve. The appropriation shall be transferred from the Capital Reserve as a Capital Expense. The Authority authorizes the Executive Director to make a purchase offer for acquisition of property subject to the concurrence of the Government Committee.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2019-02-05, Approving the Regional Recycling Transfer Station, Materials Management, Capital Budget FYE 2019, was unanimously approved.

f. Resolution No. 2019-02-06, Authorizing the Issuance and Sale of the Authority's Solid Waste Management System Revenue Bonds Series 2019 in an Aggregate Principal Amount not to exceed \$11,000,000 and the Execution of Related Documents, has vested the Authority with all the powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted under the Act.

The Authority is hereby authorized to issue and execute, sell and deliver the Series 2019 Bonds in one or more series and /or bond anticipation notes in an aggregate principal amount not to exceed \$11,000,000 pursuant to the Act.

The Authorized Representatives of the Authority are each authorized, in the name and on behalf of the Authority, to negotiate, execute, deliver and/or approve the following and any other documents necessary to issue the Series 2019 Bonds and /or bond anticipation notes.

The Authorized Representatives of the Authority are further authorized to sell all or a portion of the Series 2019 Bonds in one of more loan agreements between the Authority and EFC; to execute and deliver on behalf of the Authority one or more Loan Agreements, Project Financing Agreements, and Letter of Intent with EFC and to accept the definitive terms of one or more Loan Agreements from EFC by executing and delivering one or more Terms Certificates; and to execute such other documents, and take such other actions as are necessary or appropriate to obtain a loan or loans from EFC for all or a portion of the costs of the Project Expansion and for the refunding of the Prior Bonds, and performing the Authority's obligations under its bond delivered to EFC, the Project Financing Agreements and the Loan Agreements.

The Authorized Representatives of the Authority are further authorized to apply to the EFC for a direct loan in such amount as they deem advisable to be used solely for the purpose of financing the cost of the Project Expansion and to negotiate and execute on behalf of the Authority such loan agreements, notes and such other documents and take such other actions as are necessary or appropriate to obtain a loan from EFC for all or a portion of the costs of the Project Expansion.

The Chairman, Vice Chairman and Executive Director of the Authority are each hereby designated Authorized Representatives of the Authority and the Chairman may in writing designate additional Authorized Representatives. Each of the Authorized Representatives are hereby each authorized and directed to do or cause to be done all such other acts and things, to make all payments requires pursuant to the Financing Documents, and to execute all such documents, certificates and instruments, including without limitation, the creation of new banking accounts and the pledge of any accounts, whether new or existing, as in his or her judgment may be necessary or advisable in order to carry out the Financing Documents and the transactions contemplated thereby or desirable or proper to effectuate the purposes of this Resolution and to cause compliance but the Authority with all the terms, covenants and provisions of the Financing Documents binding upon the Authority. None of the officers, employees or agents of the Authority, however, shall have any personal liability under the Series 2019 Bonds any bond anticipation notes or the Financing Documents.

Notwithstanding any other provision of this Resolutions, the person executing the Financing Documents on behalf of the Authority is hereby authorized to agree to such

changes, insertions, omissions and modifications of the Financing Documents as he or she may approve. The execution of the Financing Documents by any such person shall be deemed to be complete and with full approval of any such changes, insertions, omissions and modifications by the members of the Authority.

The Resolution shall constitute a declaration of the Authority's "official intent" to reimburse expenditures for the Project Expansion with proceeds of the Series 2019 Bonds and/or bond anticipation notes as required by Treasury Regulation Section 1.150-2. Prior to the issuance of the Series 2019 Bonds and/or bond anticipation notes it is the intent of the Authority to pay expenditures for the Project Expansion from funds in SWMF Capital Reserve Fund. Other than as specified in this resolution, no monies are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside with respect to the permanent funding of the portion of the Project Expansion funded by the Series 2019 Bonds.

The Resolution shall take effect immediately and the Series 2019 Bonds and/or bond anticipation notes are hereby ordered to be issued in accordance with this Resolution. A copy of this Resolution, together with its attachments, shall be placed on file in the office of the Authority where the same shall be available for public inspection during business hours.

Upon a motion by A. Calligaris, and seconded by T. Hefferon, Resolution No. 2019-02-06, Authorizing the Issuance and Sale of the Authority's Solid Waste Management System Revenue Bonds Series 2019 in an Aggregate Principal Amount Not to Exceed \$11,000,000 and the Execution of Related Documents, was unanimously approved.

#### 10. Engineering –

a. Resolution No. 2019-02-07 approves the SCADA Services Agreement by and between the Authority and the Town of Brownville, for a total not to exceed contract amount of \$7,500.

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, Resolution No. 2019-02-07, Approving SCADA Services Agreement, Town of Brownville, THM Equipment SCADA Integration, was unanimously approved.

b. Resolution No. 2019-02-08, approves the Technical Services Agreement Amendment No. 2, by and between the Authority and the Village of Carthage. The Executive Director is authorized and directed to execute said Agreement Amendment.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2019-02-08, Approving Technical Services Agreement Amendment, Village of Carthage, Water Pollution Control Facility, was unanimously approved.

c. Resolution No. 2019-02-09, approves the Technical Services Agreement Amendment No. 5, 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 D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-02-09, Approving Technical Services Agreement Amendment, Town of Fine, Water System Improvement Project, was unanimously approved.

J. Wright stated that this was a good example of resolutions that show when you get started working on technical services agreements, they continue to expand. When looking at the history beginning in 2012, they were small contracts that continued to build upon one another. This is basically the Authority business model.

d. Resolution No. 2019-02-10, approves the Technical Services Agreement Amendment No. 1, by and between the Authority and the Village of Malone. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2019-02-10, Approving Technical Services Agreement Amendment, Project Management Agreement, Village of Malone, Public Works Facility, was unanimously approved.

e. Resolution No. 2019-02-11, approves the Technical Services Agreement Amendment No. 1, between the Authority and the St. Lawrence County Industrial Development Agency. This resolution further authorizes the Executive Director to execute this Agreement.

Upon a motion by D. Matstascusa, and seconded by A. Calligaris, Resolution No. 2019-02-11, Approving Technical Services Agreement Amendment, St. Lawrence County Industrial Development Agency, Phase 2- Technical Services Agreement for Engineering and Redevelopment Planning, was unanimously approved.

f. Resolution No. 2019-02-12, approves the Technical Services Agreement by and between the Authority and the Town of Alexandria, for a total not to exceed contract amount of \$11,500. The Executive Director is hereby authorized and directed to execute said Agreement.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-02-12, Approving Technical Services Agreement, Town of Alexandria, Asset Management Plant, was unanimously approved.

g. Resolution No. 2019-02-13, approves the Technical Services Agreement by and between the Authority and the Town of Diana, for a total not to exceed contract amount of \$5,500. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2019-02-13, Approving Technical Services Agreement, Town of Diana, Water System Assessment Project, was unanimously approved.

h. Resolution No. 2019-02-14, approves the Technical Services Agreement by and between the Authority and the Village of Clayton, for a total not to exceed contract amount of \$50,000. 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. 2019-02-14, Approving Technical Services Agreement, Village of Clayton, Wastewater System Improvement Project, was unanimously approved.

i. Resolution No. 2019-02-15, approves the Operator of Record and Water Quality Management Services Agreement between the Authority and the Villages of Carthage and West Carthage. 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. 2019-02-15, Water Quality Management Services Agreement, Villages of Carthage and West Carthage, Water Pollution Control Facility, was unanimously approved.

j. Resolution No. 2019-02-16, 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 said Agreement.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2019-02-16, Approving Technical Services Agreement, Village of Alexandria Bay, Church Street Water System Improvement, was unanimously approved.

#### 11. Regional Development –

a. Resolution No. 2019-02-17, authorizes the Comptroller to increase the FYE 2019 Regional Development budget for Co. 11 NYS Grant Revenue by \$200,000 and increase Co. 11 Grant Expense by \$200,000 pursuant to Resolution No. 2018-02-13.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2019-02-17, Amend Budget, Regional Development, NYS Grown & Certified Agriculture Producer Grant, was unanimously approved.

b. Resolution No. 2019-02-18, approves the loan modification for Long View Lodge, LLC for an additional four months of interest only payments beginning with the January 1, 2019 payment and ending with the April 1, 2019 payment with the loan re-amortizing to be repaid over the remaining term, and authorizes the Executive Director to execute all necessary documentation.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2019-02-18, Regional Tourism Transformational Community Revolving Loan Fund, Long View Lodge, LLC, Loan Modification, was unanimously approved.

c. Resolution No. 2019-02-19, approves a construction loan in an amount not to exceed \$100,000 to the Thousand Islands Habitat for Humanity for the Affordable Rental Housing Program at the terms and conditions outlined within the Term Sheet, 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 Act (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2019-02-19, Affordable Rental Housing Program, Thousand Islands Habitat for Humanity, Loan, was unanimously approved.

#### 12. Telecommunications –

a. Resolution No. 2019-02-20, authorizes a telecommunications economic development commitment of \$100,000 from capital fund #30568 for the Jefferson Community College to purchase the technology equipment for the college's technology enhancement. The Executive Director is hereby authorized to enter into the appropriate telecommunications agreements between the college and the Authority.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2019-02-20, Telecommunications Technology Initiative, Educational Economic Development, Jefferson Community College, was unanimously approved.

b. Resolution No. 2019-02-21, authorizes the increase to capital project #30630 for Customer Network Construction of \$100,000, an Authority appropriation total of \$700,000. The Comptroller is further authorized to transfer said additional appropriations from the Telecommunications Reserve Fund.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-02-21, Customer Network Construction, Telecommunications, Capital Budget Amendment, was unanimously approved.

### 13. Water Quality –

a. Resolution No. 2019-02-22, approves the Technical Services Agreement between the Authority and the Town of Pamela. The Executive Director is hereby authorized to execute the required and necessary agreements.

Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2019-02-22, Technical Services Agreement, Town of Pamela, Underground Utilities Location Services Agreement, was unanimously approved.

### Additional Resolution:

a. Resolution No. 2019-02-23, approves the loan modification for Marcy LP subordinating to a loan from Northern Credit Union in an amount not to exceed \$550,000, and authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.

Upon a motion by A. Calligaris, and seconded by T. Hefferon, Resolution No. 2019-2-23, Community Development Loan Fund, Marcy LP, Loan Modification, was unanimously approved by the Project Development Committee.

14.F. Cater requested an Executive Session to discuss a Personnel Matters and Real Estate Matters.

Upon a motion by A. MacKinnon, and seconded by T. Hefferon, the Board moved into Executive Session at 11:02 AM.

Upon a motion by T. Hefferon, and seconded by M. Murray, the Board moved out of Executive Session at 11:09 AM.

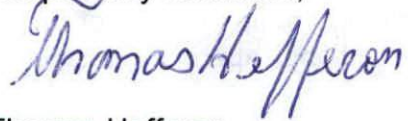
There was no action taken during this Executive Session.

### 15. New Business –

F. Carter reminded the Board of the next Board Meeting will be the Annual Meeting, taking place on March 28, 2019.

16. Upon a motion by A. Calligaris, and seconded by T. Hefferon, the meeting was adjourned at 11:11 AM.

Respectfully submitted,



Thomas Hefferon  
Secretary