MINUTES
BOARD OF DIRECTORS MEETING
Thursday, March 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, 1st Floor, 317 Washington Street, Watertown, New York on Thursday, March 28, 2019 at 10:30 am.

Members Present:
Voting
Gary Turck, Chairman
Fredrick Carter, Vice Chairman
Thomas Hefferon
Alfred Calligaris
Alex MacKinnon
Dennis Mastascusa
Margaret Murray

Non-Voting
Mary Doheny
James Hollenbeck
Stephen Hunt

Members Absent
Alfred Calligaris
John Johnson, Jr.
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
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 Engel, Authority Counsel, Mackenzie Hughes

1. Chairman Turck called the meeting to order at 10:36 AM.

2. Chairman Turck requested a roll call by A. Marra.
   - All Board Members were present except for B. McGrath, A. Calligaris and J. Johnson, Jr. Chairman Turck confirmed there was a quorum.

3. Chairman Turck offered the Privilege of the Floor.
This privilege was accepted by A. MacKinnon who wished to report to the Board that the administrator with several staff attended the St. Lawrence County Board of Legislators Finance Committee meeting Monday night. They made a report on the general activities of the Development Authority, which was well done and well received. A. MacKinnon felt the committee appreciated the opportunity to ask questions.

4. Upon a motion by F. Carter, and seconded by D. Mastascusa, the February 28, 2019 Meeting Minutes were unanimously approved.

5. Finance – Comptroller’s Report –

C. Farone reported that the auditors will be on site the first week of May to complete the audit field work. This will give the staff one month to prepare. The auditors then return in June with the financial statements ready for your approval, meeting the public authority responsibilities to achieve the PARIS reporting requirements.

C. Farone reviewed the statement of net position financial report for the period ending February 28, 2019. C. Farone stated that total assets have increased by about $6.2 million. Total Liabilities increased by about $3.5 million in the same period of time. The Authority continues to use restricted and board designated reserves as instructed by the Board of Directors. There has been some movement in the Community Development Loan Fund from 2018 when it was at $11 million, to now where it is at $6.7 million. This is because of the resolution that was passed a few months back splitting out the community development fund between the state funds and the authority funds with the creation of the Authority Economic Development Fund. As designated by the Board there is a new line item for the Authority Economic Development Loan Fund going from $0 to $5.6 million. Under liabilities, unearned income has increased from $3.5 million to $7 million as a direct result of telecom receiving prepayments from customers.

The Change in Net Position for the first eleven months, ending February 28th, customer billings were up about $422,000, due to increased tonnages at the Materials Management Facility. This is 100% due to contaminated soil. These types of special projects are hard to budget for. Under Operating Expenses, you can see the majority of line items are well under budget. Closure and Post Closure Care and Community Benefits are both over budget, directly attributable to the number of tons coming into the Solid Waste Management Facility. As waste volumes increase, the Authority pays Rodman increased community benefits.

Looking at Non-Operating Revenue the Interest Income is ahead of schedule by almost half of a million dollars. $240,000 of the $1.8 million is interest income from a positive change in mark to market. This additional $240,000 is not cash. The actual cash income is $1.6 million, which is ahead of schedule of the $1.379 budget.

Upon a motion by F. Carter, and seconded by M. Murray, the Unaudited Financial Statements for the Period Ending February 28, 2018, were unanimously approved.


M. Capone reported on a few problems.

Steve Winkler has a value added Ag loan with the Authority, which is six months past due. He was previously sent a demand notice. Mr. Winkler responded stating that he
was going to send the funds. This did not happen. A second demand letter with the
deadline of April 5, 2019 was sent. If a response is not received, the loan will be called.
If there is a way to work this out with him, the Authority would like to do so, however a
good response has not been received.

Eastern Resort Management has been discussed on several occasions, and currently
remains past due. Originally we had hoped to bring something new to today’s meeting
to refinance this loan. After speaking with the other lenders, a better option at this time
would be to sit down with the borrower, who has seller financing and a loan with the
Lewis County IDA, and ourselves to have a talk about how this can be made more
feasible, otherwise there is a serious concern of foreclosure. Before considering this
for restructuring, there should be a more detailed plan.

LKR Enterprises and their North Country Economic Development fund loan is 54 days
past due. An effort to contact them has been made.

All other loans are being paid as agreed.

F. Carter asked if we were first on these loans. M. Capone responded the Authority is
first on the Winkler loan. With Eastern Resort Management loan, no on the real estate,
yes on a piece of equipment. It is viewed in their best interest to work this situation out.
They are a great asset to Lewis County.

7. G. Turck requested an Executive Session to discuss Real Estate and Personnel matters.

Upon a motion by F. Carter, and seconded by A. MacKinnon, the committee moved into Executive
Session at 10:46 AM.

Upon a motion by F. Carter, and seconded by A. MacKinnon, the committee moved out of Executive
Session at 11:30 AM.

Returning from Executive Session, action was taken.

T. Hefferon would like to recommend there be a motion to extend the employment term
and contract of the Executive Director, James W. Wright, through April 30, 2021. T.
Hefferon further recommends the chairman, on behalf of the Authority, be authorized to
enter into an employment contract at the current annual salary, and as necessary a
prepaid annual performance stipend consistent with, and up to, 2.5% of the Executive
Director’s current salary.

Upon a motion by F. Carter, and seconded by A. MacKinnon, the employment term and
contract of the Executive Director, James W. Wright, through April 30, 2021, was unanimously
approved.

F. Carter requested a roll call vote of the voting members for this particular issue.

Gary Turck - yes
Margaret Murray – yes
Fredrick Carter – yes
Dennis Mastascusa – yes
Tom Hefferon – yes
Alex MacKinnon - yes
8. Chairman's Report –

a. Review and adopt the Authority Mission Statement

J. Wright stated that it is required annually by the Authority Budget Office for the Authority review its mission statement and ascertain that it remains appropriate, and then adopt the Mission Statement.

Upon a motion by F. Carter, and seconded by M. Murray, the Mission Statement for April 1, 2019 – March 31, 2020, were unanimously approved.

b. Review and adopt Performance Measures

J. Wright commented that a review of the Performance Measures is also required annually by the Authority Budget Office. The listing shows the Performance Measures that were currently utilized this past year, and are subject to adoption or modification.

Upon a motion by M. Murray, and seconded by Dennis Mastascusa, the Performance Measures for April 1, 2019 – March 31, 2020, were unanimously approved.

c. Chairman Turck announced that this will be his last meeting as chairman. He wanted to say thank you, and extend his appreciation for the Board’s support and commitment to the Authority.

9. Executive Director’s Report –

a. Report on performance measures and achievements

J. Wright stated that the Authority is annually required to report to the Board the successes. We have-and will continue to include our failures relative to the performance measures. On the current handout, in bold will be listed the performance measure adopted by the Board a year ago. J. Wright stated that he would point out a couple that are critical to the operation.

Under the New York State DEC Audit, the Authority reported there were no instances of regulatory non-compliance. With regard to the Authority owned facilities, such as the Army Waterline, Army Sewer Line, and Regional Waterline there were no violations. The Authority received its third Minority and Women Owned Business MWBE report card, and again based on the evaluation by Empire State Development the Authority scored a 25 out of 26 for the score of an A+. The last significant item would be the implementation of the state requirement relative to the Sexual Harassment policy and training for all employees. J. Wright mentioned one of the items at the bottom in red, the Defense Audit Agency and how the Authority has now changed their financials to reflect how the administrative costs were being accounted for.

Under the terms of water pollution control facilities, J. Wright reported that these are plants that other municipalities own, and the Authority operates or manages for them. These facilities had a total of 63 violations. Each one of these communities is under some type of consent order dealing with upgrades to their plants. Being at various stages of these upgrades, they are therefore incurring violations. These are not Authority owned facilities.
Federal, State and local safety requirements have always been an objective of the Authority, and 345 out of 347 compliance items were able to be completed by the Authority this year. Part of the reason this was achieved is because the Authority maintains a board certified safety professional, resulting in internal safety compliance being made a high priority. The single biggest change this year was changing out the chlorine system so that there is no longer active chlorine gas at the Warneck Pump Station. This change alone greatly reduces the potential danger, not only to Authority workers but also the area residents. There has been an increase in reportable incidents for accidents. Two vehicle accidents that caused this increase were caused by non-Authority staff. In both instances, the two Authority staff were injured and did lose time.

The Authority Technology Division aggressively negotiates their agreements. A recent negotiation with Northland Networks as part of a NYPA project, saved the Authority about $875,000 in construction costs. Another technology project with Frontier Communications saved about $300,000 by over lashing an existing line as opposed to replacing.

Under Transparency and Accountability, the Authority continues to refine and update its websites by adding additional information such as the loan portfolio and performance measures. The Finance division will complete the PARIS Report, which will be posted following this meeting. The Authority continues to work closely with the public, which is demonstrated by the Engineering division attending 85 municipal board meetings, as well as the Water Quality division attending many of these meetings.

In terms of encouraging environmental stewardship, this is always a part of the Authority’s goal. 111 out of 112 environmental regulatory compliance tasks have been completed. The Authority also completed an increase in electronic recycling and are now working with the library system to recycle books.

Finally, in reviewing the Regional Initiative section, this is the largest section the Authority reports on reflecting all the endeavors with local governments and communities moving forward. Recent agreements have been signed with the Lewis County IDA, the North Country Regional Economic Development Council, the Lewis County Education Center, the 1000 Islands Bridge Authority, and expanding the New York Grown and Certified Grant.

J. Wright further commented that he would like to recognize the managers, who have done all this work and are taking the initiative on behalf of the Authority to continue making progress.

b. Budget Modifications – Finance Committee

J. Wright reported on the changes that were made subsequent to the last presentation of the budget last month. The majority of the changes occurred in the capital budget area. The operating budget was also reviewed and paired backed on actual expenditures year-to-date. In total there were about $1.2 million in reductions from the report that was previously presented. These changes were reviewed again in the Finance and Budget meeting that took place this morning, and will be adopted within the resolutions being presented to the board today.

10. Resolutions – Finance and Budget -

Upon a motion by M. Murray, and seconded by D. Mastascusa, Resolution No. 2019-03-24, Approving Fiscal Year 2019-2020 Administrative Budget, Capital Projects, Administrative Allocations and Audit Committee Budget, was unanimously approved.

b. Resolution No. 2019-03-25, approves the Fiscal Year 2019-2020 Engineering Division Operating Budget, Capital Projects and Reserve Designation. Please note this resolution was misidentified by the Executive Director as No. 2019-03-26 during the meeting.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2019-03-25, Approving Fiscal Year 2019-2020 Engineering Division Operating Budget, Capital Projects and Reserve Designation, was unanimously approved.

c. Resolution No. 2019-03-26, approves the Fiscal Year 2019-2020 Materials Management Division Operating Budget, Capital Projects, Reserve Requirements, and Tipping Fees. Please note this resolution was misidentified by the Executive Director as No. 2019-03-27 during the meeting.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2019-03-26, Approving Fiscal Year 2019-2020 Materials Management Division Operating Budget, Capital Projects, Reserve Requirements, and Tipping Fees, was unanimously approved.


Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2019-03-27, Approving the Fiscal Year 2019-2020 Regional Development Budget, was unanimously approved.


Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-03-28, Approving the Fiscal Year 2019-2020 North Country Economic Development Fund Budget, was unanimously approved.


Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2019-03-29, Approves the Fiscal Year 2019-2020 Technology Division Operating Budget, Capital Projects, Reserve Designations, and Tariff, was unanimously approved.


Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2019-03-30, Approves the Fiscal Year 2019-2020 Water Quality Management Division Operating Budget, Capital Projects and User Charges, was unanimously approved.
11. Resolutions – Governance -

a. Resolution No. 2019-03-31, authorizing the Executive Director to approve compensation adjustments.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2019-03-31, Authorizing the Executive Director to Implement Compensation Plan, was unanimously approved.


Upon a motion by D. Mastascusa, and seconded by F. Carter, Resolution No. 2019-03-32, Approving Modifications to Personnel Policy, was unanimously approved.

12. Resolutions – Finance -

a. Resolution No. 2019-03-33, authorizes the Professional Services Contracts for the Authority.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2019-03-33, authorizing Professional Services Contracts, was unanimously approved.

b. Resolution No. 2019-03-34, authorizes the standardization of computer software programs for the Authority.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2019-03-34, Authorizing Standardized Computer Software Programs, was unanimously approved.

c. Resolution No. 2019-03-35, authorizes the continuation of the $500,000 line of credit from the Telecommunications repair and upgrade reserve for the purpose of financing Telecommunications projects on an as-needed basis. The Executive Director will report usage of the line of credit to the Facilities Committee in a timely manner.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2019-03-35, Authorizing Continuation of a $500,000 Line of Credit for the Technology Division, was unanimously approved.

d. Resolution No. 2019-03-36, authorizes the write-off of Feher Rubbish Removal accounts receivables in the amount of $12,112.35.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-03-36, Authorizing the Write-Off of Certain Accounts receivable as Bad Debts, was unanimously approved.

e. Resolution No. 2019-03-37, authorizes an increase to the capital project 42036 Main Line Valve Replacement in an amount consistent with the expenditures to date, the bid prices and a contingency subject to the approval of the Executive Director and the Water Quality Manager. Furthermore the difference between the total capital project costs and the total appropriations to date shall be applied utilizing additional funding from the Army Water Line Reserve, and is funded in a manner acceptable to Fort Drum Garrison and the Authority Comptroller.
Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2019-03-37, Authorizing Mainline Valve Replacement, Army Water Line, Capital Budget Amendment, was unanimously approved.

13. Resolutions – Facilities –

a. Resolution No. 2019-03-38, standardizes the purchase of certain classes of equipment for use in the Materials Management Division as necessary for construction or operational activities.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2019-03-38, Standardizing Upon Certain Equipment for Use in Relation to the Materials Management Division, was unanimously approved.

b. Resolution No. 2019-03-39, standardizes the purchase of certain classes of information technology and telecommunications equipment for use in the OATN as necessary for construction and operational activities.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2019-03-39, Standardizing Upon Certain Equipment for Use in Relation to the Open Access Telecommunications Network, was unanimously approved.

c. Resolution No. 2019-03-40, standardizes the purchase of certain classes of equipment for use in the Water Quality Management Division as necessary for construction or operational activities.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2019-03-40, Standardizing Upon Certain Equipment for Use in Relation to the Water Quality Management Division, was unanimously approved.

d. Resolution No. 2019-03-41, approves the Technical Services Agreement between the Authority and the Town of DeKalb, for a total not to exceed contract amount of $5,000. Furthermore, this resolution authorizes the Executive Director to execute said agreement.

Upon a motion by M. Murray, and seconded by A. MacKinnon, Resolution No. 2019-03-41, Authorizing Technical Services Agreement, Town of Dekalb, was unanimously approved.

14. Resolutions - Project Development –

a. Resolution No. 2019-03-42, authorizes a loan from the Economic Development Fund in an amount up to $125,000 to the Jefferson County Historical Society. This further 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 (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2019-3-42, Economic Development Fund, Jefferson County Historical Society, Bridge Financing, was unanimously approved.
b. Resolution No. 2019-03-43, authorizes the Executive Director to enter into a Technical Services Agreement with the Village of Massena to complete a housing grant application to New York State in an amount not to exceed $4,000.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2019-03-43, Authorizing Technical Services Agreement, Village of Massena, was unanimously approved.

c. Resolution No. 2019-03-44, authorizes the Executive Director to enter into a Technical Services Agreement with the Village of Tupper Lake to complete a housing grant application to New York State in an amount not to exceed $4,000.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2019-03-44, Authorizing Technical Services Agreement, Village of Tupper Lake, was unanimously approved.

Additional Resolution:

a. Resolution No. 2019-03-45, approves the Technical Services Agreement between the Authority and the Village of Alexandria Bay for a total not to exceed amount of $5,500. Furthermore, this resolution authorizes the Executive Director to execute said agreement.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2019-03-45, Authorizing Technical Services Agreement, Village of Alexandria Bay Water System Improvement Project, was unanimously approved.

F. Carter asked what they are doing up in Tupper Lake with the development of the ski jump and all that stuff, do we know anything? J. Wright responded that it all hinges on the work of the Development Authority. The Authority is working with the village and town to consolidate their water and sewer districts to develop the infrastructure that needs to be in place. This infrastructure is critical to the governor and the Adirondack Council’s commitment to move forward on this project. The developers still seem to be putting the cash they need to invest into the project, however there isn’t much information or a schedule being made public. Once the village and the town wrap up their portion of work this year in getting the infrastructure to where the developer could connect into it, then it will be on the developers.

15. New Business –

a. Nominating Committee Report

A MacKinnon reported that the nominating committee, consisting of John Johnson, Dennis Mastascusa and himself, would like to place a nomination for Chairman – Fred Carter, Vice Chair – Peg Murray, Treasurer – Tom Hefferon and Secretary – Dennis Mastascusa.

b. Election of Officers

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, the nomination of officers for the Authority Board Officers, April 1, 2019 – March 31, 2019, was unanimously approved.
c. Adoption of Meeting Schedule  
d. Board Evaluation

16. Next meeting – May 16, 2019

17. Upon a motion by F. Carter, and seconded by D. Mastascusa, the meeting was adjourned at 12:03 PM.

Respectfully submitted,

[Signature]

Thomas Hefferon  
Secretary