APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT, AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS FOR FISCAL YEAR ENDING MARCH 31, 2019

Whereas, the Development Authority of the North Country appointed the accounting firm of Bonadio and Company, LLP, CPA, to audit its financial statements, complete a Single Audit, perform Agreed Upon Procedures related to the Regional Water Line and Report on Compliance with Laws Related to Investment Guidelines of the Authority as of and for the year ended March 31, 2019, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with Generally Accepted Auditing Standards and have issued an unmodified opinion on the financial statements, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with; 1) auditing standards generally accepted in the United States of America, 2) Government Auditing Standards, and 3) Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and have issued an unmodified opinion on the Single Audit, and

Whereas, Bonadio and Company, LLP, CPA, has conducted the Agreed-Upon Procedures engagement on the Authority's Regional Water Line in accordance with attestation standards established by the American Institute of Certified Public Accountants, and reported no exceptions, and

Whereas, Bonadio and Company, LLP, CPA, has prepared an Independent Auditor's Report on Compliance with Laws and Regulations Related to Investment Guidelines for Public Authorities, and reported that with respect to the items tested, the Authority complied in all material respect with its investment policy as well as the applicable State Comptroller's Investment Guidelines for Public Authorities, and

Whereas, the Audit Committee of the Authority Board has reviewed the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments as of and for the year ending March 31, 2019 and recommends acceptance to the Board.

Now, upon the recommendation of the Audit Committee, therefore, be it

RESOLVED, that the Development Authority of the North Country does hereby accept the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments, as of and for the year ended March 31, 2019.
Motion by: A. Calligaris
Seconded by: D. Mastascusa

<table>
<thead>
<tr>
<th>Calligaris - Yes</th>
<th>Hefferon - Yes</th>
<th>Johnson - Yes</th>
<th>Mastascusa - Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carter - Yes</td>
<td>Hollenbeck - Present</td>
<td>MacKinnon - Yes</td>
<td>Murray - Yes</td>
</tr>
<tr>
<td>Doheny - Present</td>
<td>Hunt - Present</td>
<td>McGrath - Absent</td>
<td>Turck - Yes</td>
</tr>
</tbody>
</table>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-69 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

______________________________
Frederick J. Carter
Board Chairman
Board Resolution No. 2019-06-70
June 20, 2019

APPROVING THE ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS OF THE DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY FOR FISCAL YEAR 2019

Whereas, pursuant to Section 2800(9) of New York State Public Authorities Law, the Development Authority of the North Country shall prepare an Assessment of the Effectiveness of its Internal Controls structure and procedures, and

Whereas, Executive Management has prepared the attached Assessment of the Effectiveness of Internal Controls for Fiscal Year 2019 and recommends approval of such Assessment, and

Whereas, the Audit Committee has reviewed Executive Management's recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby approve the attached Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country, for the fiscal year 2019.

Motion by: D. Mastascusa
Seconded by: A. Calligaris

Calligaris - Yes  Hefferon - Yes  Johnson – Yes  Mastascusa - Yes
Carter – Yes  Hollenbeck - Present  MacKinnon – Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-70 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereeto set my hand 20th day of June, 2019.

Frederick J. Carter
Board Chairman
Assessment of the Effectiveness of Internal Controls – FY 2019

It is the policy of the Authority to prepare its financial statements in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board for proprietary funds. We accomplish this by adhering to the Development Authority’s Accounting Manual which documents and outlines a system of internal controls which is developed to reduce fraud and abuse and to produce financial statements on a consistent basis.

The Development Authority of the North Country has developed an Accounting Manual which documents the principles, policies and procedures governing the Authority’s accounting practices.

The principles, policies and procedures provide:

- A foundation for a system of internal controls
- Guidance in current financial activities
- Criteria for decisions on appropriate accounting treatment.
- Accounting staff with direction and guidance in connection with those accounting transactions, procedures, and reports that should be uniform throughout the Authority.

When consistently applied throughout the Authority, these principles and policies assure that the various financial statements issued by the Authority accurately reflect the results of the Authority’s operations.

Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced in the operations of the business. Examples of internal controls implemented at the Development Authority are as follows:

- Dual signatures are required for disbursements in excess of $15,000
- Requisitions and purchase orders must be authorized prior to encumbering Development Authority funds. Invoices received must be authorized prior to payment.
- Employee reimbursements are appropriately documented, approved by the employee’s supervisor and audited by Compliance staff prior to payment.
- Bank accounts are reconciled monthly and are reviewed and approved by the Comptroller.
- Accounting functions are divided among employees so that the work of one employee complements and acts as a check on the work of another.

The system of internal controls of the Development Authority are monitored on a continual basis by the Comptroller and audited by Compliance staff who report the results of such audits to the Executive Director.

On an annual basis, the financial statements of the Development Authority are audited by an independent CPA firm. While the auditors were not engaged to perform an audit of internal controls, the auditors did not identify any deficiencies in internal control that they considered to be a control deficiency, significant deficiency, or material weaknesses during the audit for the fiscal year ended March 31, 2019.

In summary, the present internal control structure of the Development Authority is sufficient to meet the 'internal control objectives' that pertain to the prevention and detection of fraud, errors and irregularities in the financial reporting of the Development Authority.
Board Resolution No. 2019-06-71
June 20, 2019

APPROVING ANNUAL BOND SALES REPORT
FOR FISCAL YEAR ENDING MARCH 31, 2019

Whereas, the Development Authority of the North Country operates according to Board policies and administrative guidelines as may be amended from time to time, and

Whereas, the Authority’s Bond Sale Policy requires that the Authority shall annually prepare and approve a Bond Sales Report. The Bond Sales Report shall include the results of any Bond Sales during the year, to include Underwriter’s Compensation, Net Interest Cost, and the Method of Sale.

Whereas, Executive Management has reviewed and recommends approval of the Annual Bond Sales Report for the fiscal year ending March 31, 2019, as attached, and

Whereas, the Audit Committee has reviewed Executive Management’s recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

RESOLVED, that the Development Authority of the North Country hereby approve the Annual Bond Sales Report for the fiscal year ending March 31, 2019, attached hereto and incorporated in this Resolution.

Motion by: A. Calligaris
Seconded by: D. Mastascusa

Calligaris - Yes  Hefferon - Yes  Johnson – Yes  Mastascusa - Yes
Carter – Yes  Hollenbeck - Present  MacKinnon – Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-71 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

Frederick J. Carter
Board Chairman
Development Authority of the North Country  
Annual Bond Sales Report  
Fiscal Year Ended March 31, 2019

**Issuances**

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Date Issued</th>
<th>Amount ($000)</th>
<th>Net Interest Cost</th>
<th>True Interest Cost</th>
<th>Underwriter Compensation</th>
<th>Method of Sale</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Debt Issued</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

**Outstanding Bonds as of March 31, 2019**

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Balance @ 3/31/19</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2010c SWMF Revenue Bonds</td>
<td>$ 395,000</td>
<td>2019</td>
</tr>
<tr>
<td>Series 2015 SWMF Revenue Bonds</td>
<td>$ 7,800,000</td>
<td>2040</td>
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</table>
AUTHORIZING THE SELECTION OF A SENIOR MANAGING UNDERWRITER FOR THE ISSUANCE OF UP TO $11,000,000 IN SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS

Whereas, pursuant to Resolution No. 2019-02-06, the Board of Directors of the Development Authority of the North Country authorized the Issuance and Sale of Solid Waste Management System Revenue Bonds Series 2019 in an aggregate principal amount not to exceed $11,000,000, and

Whereas, pursuant to the Development Authority of the North Country policy for the Sale and Reporting of Bonds, the Board Chairman appointed board members to serve on the Evaluation Committee for the review and recommendation of a Senior Managing Underwriter, and

Whereas, the Development Authority of the North Country has conducted a competitive search for the selection of Senior Managing Underwriter to assist in the sale of such Bonds, and

Whereas, the Evaluation Committee reviewed all proposals received in response to the Request for Proposals for a Senior Managing Underwriter in consultation with the Authority’s municipal advisor from Fiscal Advisors & Marketing, Inc.

Now, upon the recommendation of the Governance Committee, be it therefore

RESOLVED, the Development Authority of the North Country does hereby select Roosevelt & Cross as the Senior Managing Underwriter for the Issuance and Sale of Authority Solid Waste Management System Revenue Bond Series 2019 in an aggregate principal amount not to exceed $11,000,000.

Motion by: A. Calligaris
Seconded by: D. Mastascusa

Calligaris - Yes  Hefferon - Yes  Johnson – Yes  Mastascusa - Yes
Carter – Yes  Hollenbeck - Present  MacKinnon – Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-72 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

Frederick J. Carter
Board Chairman
FYE 2020 BUDGET APPROPRIATION
PETAWATT PROPERTIES LLC AND
METRO PAPER INDUSTRIES OF NY, INC.
LAWSUIT

Whereas, Petawatt Properties LLC and Metro Paper Industries of NY, Inc. have initiated litigation against the Village of Carthage, Village of West Carthage, Development Authority of the North Country, Village of Carthage Board of Trustees, and the Carthage-West Carthage Water Pollution Control Facility Management Board, and

Whereas, the Authority has insurance coverage, for Public Officers liabilities, and said insurance coverage carries a deductible limit of $50,000, and

Whereas, the Attorney's fees to date are in excess of $15,000 for the initial research and court appearance, and

Whereas, the Authority Board has been briefed by the Authority Counsel relative to the progress of the lawsuit, and

Now, upon the recommendation of the Governance Committee, therefore be it

RESOLVED, the Development Authority of the North Country Board of Directors herewith appropriate to the FYE 2019-2020 Engineering Budget for legal services $50,000 to cover legal services related to the Petawatt matter, and be it further

RESOLVED, the Authority directs that every effort be made to recover the legal costs incurred by the Authority.
Motion by: A. Calligaris  
Seconded by: D. Mastascusa

Calligaris - Yes  Hefferson - Yes  Johnson – Yes  Mastascusa - Yes  
Carter – Yes  Hollenbeck - Present  MacKinnon – Yes  Murray - Yes  
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes  

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-73 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

________________________________________
Frederick J. Carter  
Board Chairman
CERTIFICATE OF DEPOSIT
TELECOMMUNICATIONS INVESTMENTS

Whereas, the Development Authority of the North Country currently maintains a money market account with a local financial institution for the specific purpose of investing funds of the Telecommunications Division, and

Whereas, the Telecommunications Division currently has $1,944,521 invested with a local institution earning interest at an annual yield of .15%, and

Whereas, Executive Management deemed it appropriate to obtain interest rate quotes from local financial institutions to obtain a Certificate of Deposit to maximizing return on such investments, and

Whereas, Carthage Federal Savings and Loan provided the best return; offering a 12 month Certificate of Deposit at an annual interest rate yield of approximately 2.5%, and

Whereas, it is necessary to specify accounts to be created and to designate signatories for such Development Authority of the North Country accounts, and

Whereas, it is desirable to provide for electronic transfers of Development Authority of the North Country funds by appropriate Authority representatives.

Now, upon the recommendation of the Governance Committee, therefore be it

RESOLVED, that the Development Authority of the North Country purchase a Certificate of Deposit from Carthage Federal Savings and Loan in an amount of $1,944,521 plus accrued interest, and further be it

RESOLVED, that the Chairman, Treasurer, Executive Director, Comptroller, and Deputy Comptroller, be named as authorized signatories on such Authority account and that all documents required as evidence of this authority be executed by appropriate Authority Officers/personnel, and further be it

RESOLVED, that the Accountant I, and Accounting Associate be designated authorized representatives for the purposes of executing transfers of Authority funds electronically, when authorized by the designated Authority Officers/personnel, and that all documents required as evidence of such authority be executed by Authority Officers/personnel.
Motion by: D. Mastascusa
Seconded by: M. Murray

Calligaris - Yes    Hefferon - Yes    Johnson - Yes    Mastascusa - Yes
Carter - Yes    Hollenbeck - Present    MacKinnon - Yes    Murray - Yes
Doheny - Present    Hunt - Present    McGrath - Absent    Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-74 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

______________________________
Frederick J. Carter
Board Chairman
TECHNICAL SERVICES AGREEMENT AMENDMENT
TOWN OF FINE
WATERFRONT REVITALIZATION PROJECT

Whereas, pursuant to Resolution No. 2017-02-02, the Development Authority of the North Country (Authority) and the Town of Fine (Town) entered into an Agreement dated April 1, 2017 to provide Technical Services for an amount not to exceed $35,000 to provide technical support services for Waterfront Revitalization Planning and Grant Administration, and

Whereas, pursuant to Resolution No. 2018-12-128, the Authority entered into Amendment 1 dated December 20, 2018 to expand the Authority's scope of services to perform construction inspection and coordination with NYS Department of Health (NYSDOH) to address the new septic system being installed in a different location and a different configuration than initially designed and approved by NYSDOH for an additional $3,000, and

Whereas, the Town has requested the Authority provide additional services to allocate contingency funds and work with the contractor to perform a change order to the project and work with the Town and the New York State Department of State to perform budget modifications for the grant funding associated with the project, and

Whereas, the cost to provide these additional services will result in an additional $3,000, bringing the not to exceed amount of the contract to $41,000.

Now, upon the recommendation of the Facilities Committee, therefore be it

RESOLVED, that the Technical Services Agreement Amendment No. 2, by and between the Authority and the Town of Fine, is hereby approved. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.
Motion by: D. Mastascusa
Seconded by: M. Murray

Calligaris - Yes  Hefferon - Yes  Johnson – Yes  Mastascusa - Yes
Carter – Yes  Hollenbeck - Present  MacKinnon – Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-75 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

______________________________
Frederick J. Carter
Board Chairman
AMENDMENT NO. 2

TO TECHNICAL SERVICES AGREEMENT BETWEEN

TOWN OF FINE

AND

THE DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

WHEREAS, the Development Authority of the North Country (Authority) and the Town of Fine (Town) entered into an Agreement dated April 1, 2017 to provide Technical Services for the Town of Fine Waterfront Revitalization Planning & Grant Administration (Project), for an amount not to exceed $35,000, and

WHEREAS, the Town requested that the Authority provide additional services to perform full time construction inspection and coordination with NYSDOH for the Project to address the new septic system being installed in a different location and a different configuration than initially designed and approved by NYSDOH, for an additional cost of $3,000 in accordance with Amendment No. 1, and

WHEREAS, the Town has requested the Authority provide additional services to allocate contingency funds and work with the contractor to perform a change order to the project and work with the Town and the New York State Department of State to perform budget modifications for the grant funding associated with the project, and

WHEREAS, the additional scope of work will result in additional costs of $3,000, bringing the not to exceed amount to $41,000.

NOW, THEREFORE, the Authority and the Town agree to amend the amount of the original agreement to $41,000.

The return of one signed copy of this Amendment, together with the formal resolution of approval, constitutes acceptance of this Amendment and shall be written authorization for the Authority to proceed with contract services up to the amount agreed upon.

AUTHORITY

By: ____________________________
   James W. Wright

Title: Executive Director

Date: ____________________________

TOWN OF FINE

By: ____________________________
   Connie Snider

Title: Supervisor

Date: ____________________________
AGBOTIC INCORPORATED
LEASE MODIFICATION

Whereas, Resolution No. 2014-10-12 ratified a grant from the U.S. Department of Agriculture Rural Business Enterprise Grant Program ("Grant") in the amount of $99,000 to assist Agbotic Inc. to purchase equipment as a part of its operations, and

Whereas, the Development Authority has a lease with Agbotic as part of the Grant which secures the equipment that was purchased using the Grant funds, and

Whereas, Agbotic has a commitment letter from the NYS Green Bank for a $6 million loan to expand their business in the North Country and is requesting that the Authority subordinate to this amount, and

Whereas, Agbotic Inc. plans to add an additional 80 greenhouses and approximately 100 new jobs in communities across the three-county region over the next two years, and

Whereas, Agbotic and Golden Technology Management are affiliated businesses with common ownership, and

Whereas, Resolution No. 2019-05-63 approved the modification to a loan from the North Country Value-Added Agriculture Fund to Golden Technology Management, LLC subordinating to funding from the NYS Green Bank in an amount of $6 million, and

Whereas, Resolution No. 2019-05-63 approved the modification to a loan from the Development Authority of the North Country Value-Added Agriculture Fund to Golden Technology Management, LLC subordinating to funding from the NYS Green Banking an amount of $6 million, and

Whereas, Agbotic has been current on its lease payments with the Authority, and

Whereas, all other loan terms and conditions will remain the same.

Now, upon the recommendation of the Project Development Committee, therefore be it

RESOLVED, the Development Authority of the North Country does hereby approve the modification to a lease with Agbotic Incorporated subordinating to funding from the NYS Green Bank in an amount of $6 million, and authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.
Motion by: A. Calligaris  
Seconded by: M. Murray

Calligaris - Yes  Hefferon - Yes  Johnson - Yes  Mastascusa - Yes  
Carter - Yes  Hollenbeck - Present  MacKinnon - Yes  Murray - Yes  
Doheny - Present  Hunt - Present  McGrath - Absent  Turck - Yes  

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-76 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

__________________________
Frederick J. Carter  
Board Chairman
AUTHORIZING AGREEMENT
NORTH COUNTRY PROCUREMENT TECHNICAL ASSISTANCE CENTER

Whereas, pursuant to Resolution No. 2018-08-106, the Development Authority has approved funding to support the North Country Procurement Technical Assistance Center, (PTAC), and

Whereas, the Development Authority of the North Country has consistently been engaged in the mission of supporting Fort Drum and business development, and

Whereas, the North Country PTAC program is an important economic development tool to assist businesses in our region, and

Whereas, the Department of Defense, through a program administered by the Defense Logistics Agency provides matching funds to the Greater Watertown North Country Chamber of Commerce for the North Country PTAC program, and

Whereas, PTAC creates jobs and drives economic benefits in the region, providing services to 761 active clients of which 53% are located in the tri-county region, and

Whereas, they have assisted businesses in procuring 211 federal contracts totaling over $33 million being awarded to businesses in the tri-county region, and

Whereas, by working with local businesses, PTAC has increased the number of suppliers to the Department of Defense, the Authority and local municipalities creating greater competition, and quality goods and services.

Now, upon the recommendation of the Project Development Committee, therefore be it

RESOLVED, the Development Authority of the North Country agrees to enter into a contract with the North Country Procurement Technical Assistance Center and the Greater Watertown North Country Chamber of Commerce in an amount not to exceed $12,500 for the federal fiscal year 9/1/19-8/31/20 to provide economic and business development activities, and further authorizes the Director of Regional Development to execute any and all necessary contracts and agreements.
Motion by: A. Calligaris
Seconded by: D. Mastascusa

Calligaris - Yes  Hefferon - Yes  Johnson - Yes  Mastascusa - Yes
Carter – Yes  Hollenbeck - Present  MacKinnon - Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY:

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-77 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

__________________________
Frederick J. Carter
Board Chairman
COMMUNITY RENTAL HOUSING PROGRAM
REGIONAL REDEVELOPMENT HOUSING PROGRAM
NEIGHBORS OF WATERTOWN, INC.
LOAN AUTHORIZATION

Whereas, Resolution No. 2017-02-11 authorized a commitment of $152,000 comprised of $41,533 grant and $110,467 loan from the Community Rental Housing Program to Neighbors of Watertown to renovate 825 Academy Street, and

Whereas, subsequent to the loan approval a hazardous materials assessment was conducted on the property and friable asbestos was found to be in the walls which increased the project costs by an additional $40,000, and

Whereas, at its meeting on October 17, 2017, the Project Development Committee rescinded Resolution No. 2017-02-11, and

Whereas, Resolution No. 2017-12-119 approved a loan in the amount of $200,000 to Neighbors of Watertown from the Community Rental Housing Program NDC program for the renovation of 825 Academy Street, and

Whereas, the property will be marketed for sale to an income qualified homeowner with an income at or below 60% of the area median income, and

Whereas, the project requires a subsidy in order to be affordable to an individual at or below 60% area median income, and

Whereas, the City of Watertown has contributed $39,000 in CDBG funds into the project toward the environmental expenses, and

Whereas, there is a need for additional grant/loan subsidy in order to make the project affordable to an income qualified homeowner, and

Whereas, Resolution No. 2016-02-14 established the Regional Redevelopment Housing Program to allow for a grant/loan combination to renovate homes within the NDC program, and

Whereas, since 2017, several houses adjacent to 825 Academy Street have undergone substantial rehabilitation and the City has targeted CDBG housing funds to improve housing conditions in this neighborhood, and

Whereas, investments by the Authority, City and Neighbors of Watertown are making a significant impact on the quality of housing in this neighborhood.

Now, upon the recommendation of the Project Development Committee, therefore be it
RESOLVED, the Development Authority of the North Country does hereby approve a loan/grant not to exceed $100,000 ($50,000 grant/$50,000 loan) from the Community Rental Housing Program Regional Redevelopment Housing Program to Neighbors of Watertown, Inc. for the renovation of 825 Academy Street, Watertown, and authorizes the Executive Director or Authority Comptroller to execute all appropriate documents necessary to execute the loan, and be it further

RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Motion by: T. Hefferon
Seconded by: D. Mastascusa

Calligaris - Yes  Hefferon - Yes  Johnson – Yes  Mastascusa - Yes
Carter – Yes  Hollenbeck - Present  MacKinnon – Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turk - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-78 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

Frederick J. Carter
Board Chairman
TERM SHEET

Borrower: Neighbors of Watertown, Inc.

Loan Fund: Community Rental Housing Program – Regional Redevelopment Housing Program

Amount: $100,000.00 ($50,000 grant/$50,000 loan)

Loan Term: up to 180 months; the amortization begins when the Buyer assumes the loan and grant.

Loan Rate: 1%

Loan Payment: Interest to accrue and be paid upon sale of the home. Upon assumption of the loan by the Buyer, regular payments of principal and interest to fully amortize the loan over the term will begin.

Collateral: Second mortgage on real estate located at 825 Academy Street, Watertown.

Conditions: Proof of all funding sources Recapture provision on grant over 10 years if sold to non-income qualified Buyer in the future (income at or above 100% of the area median income)
COMMUNITY RENTAL HOUSING PROGRAM

BORROWER: Neighbors of Watertown, Inc.

LOCATION: Business: 112 Franklin Street, Watertown, NY 13601
          Project: 825 Academy Street, Watertown, NY 13601

AMOUNT: $100,000.00
         Regional Redevelopment Housing Program - $50,000.00
         loan/$50,000.00 Grant

TERM: up to 15 years upon assignment to homeowner

RATE: 1%

PAYMENTS: Interest to accrue and be paid upon sale of the home. Loan
           could be assumed by buyer at the above mentioned rate and
           term.

COLLATERAL: Second mortgage on real estate located at 825 Academy
            Street, Watertown, NY 13601

USE OF FUNDS: Renovate 2-family duplex

<table>
<thead>
<tr>
<th>SOURCES OF FUNDS</th>
<th>USES OF FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRHP Loan</td>
<td>Rehabilitation</td>
</tr>
<tr>
<td>$50,000</td>
<td>$206,809</td>
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<td>RRHP Grant</td>
<td>Construction Mngt</td>
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<tr>
<td>$50,000</td>
<td>$10,000</td>
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<td>ESPRI Grant</td>
<td>Closing Costs</td>
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<tr>
<td>$57,946</td>
<td>$226,946</td>
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<td>Total Sources</td>
<td></td>
</tr>
<tr>
<td>$226,946</td>
<td></td>
</tr>
</tbody>
</table>

*Resolution No. 2017-12-119 approved a loan up to $200,000 from the CRHP NDC program
for the renovation of 825 Academy Street. To date they have drawn $88,687.69. It does not
appear that they will draw more than $100,000 on this loan. This loan will be paid down with
the proceeds from the bank mortgage and ESPRI funds.

BACKGROUND:

Resolution #2016-02-14 established the Regional Redevelopment Housing Program within the
Community Rental Housing Program. The Board approved setting aside $1 million from the
CRHP to establish this grant/loan program to be utilized with the NDC program. The program
allows for a max grant per unit of $25,000 and a max loan per unit of $25,000 not to exceed
$50,000 in total grant/loan per unit. It was created to reduce blight in communities across the
region by renovating these properties. In some instances, the projects may need subsidies in
order to make the project affordable to the neighborhood or community.
COMMUNITY RENTAL HOUSING PROGRAM

PROJECT:

Neighbors of Watertown, the Development Authority, and the City of Watertown entered into a Memorandum of Understanding (NDC Program) in 2016 to work together on improving the housing stock in the City of Watertown. Per the Agreement, Neighbors acquires properties from the City and then renovates and sells them utilizing construction financing from the Authority.

The property located at 825 Academy Street, City of Watertown, is the first home to be selected for the newly created Regional Redevelopment Housing Program. It also utilizes construction financing through the NDC Program as well. The duplex will be completely renovated and ready for resale.

The property is a 2 family duplex. The first floor unit is planned as a 2 or 3 bedroom unit at approximately 1,700 square feet. The 2nd floor unit will likely be a 2 bedroom unit at approximately 1,400 square feet. An “After Rehab Value” (ARV) Appraisal was completed and the ARV for this property once renovated is $123,000.

Neighbors of Watertown has begun renovation of the property. The property will be marketed for sale to an income qualified homeowner with an income at or below 60% of the area median
income. However, the project requires a deep subsidy in order to be affordable to an individual at or below 60% of the area median income. This income level was identified as the City is utilizing Empire State Poverty Reduction Initiative funds in this project. ESPRI is an initiative to move people from poverty to self-sufficiency. This property would be a good property for an income eligible homeowner as it will provide quality housing for the individual while providing rental income to help off-set mortgage costs, taxes, and insurance. The plan is to have all work completed and the home ready for sale in the next 6-8 months.

The Project Development Committee previously reviewed this project and had approved funding through the Regional Redevelopment Housing Program. However, a hazardous materials assessment was completed and identified asbestos which increased the cost of the project. At the same time, the Authority was looking at neighboring properties to potentially acquire and rehabilitate. At its October 17, 2017 meeting, the Project Development Committee rescinded its commitment to this project.

Since 2017, the projects that the Authority were considering were sold to private individuals. 831 Academy Street is in the midst of a substantial rehabilitation by a private individual. 903 Academy Street, which is the four-unit apartment complex, was purchased by a private individual and will be renovated into 3 units. Neighbors of Watertown is working with the property owner to provide CDBG assistance for this rental rehabilitation. In addition, the City targeted CDBG funds to the Academy Street area. Neighbors of Watertown has completed 1 owner-occupied rehabilitation and has 2 rental rehabilitations in progress. They also have 1 rental rehabilitation on Boyd Street and one rental rehabilitation on Arlington Street in progress. These streets are adjacent to Academy. In total this accounts for 9 rental units.

Summary

The completion of 825 Academy Street will complement the work being conducted to improve the quality of the housing in this neighborhood. It is consistent with the goals and objectives of the Regional Redevelopment Housing Program.

The $100,000 would be a $50,000 grant and $50,000 loan. We would have a second mortgage of $100,000 on the property behind the senior lender. The grant would have a 10-year recapture provision if the property is sold to a non-income qualified buyer (one having an income at or above 100% of the area median income.) The loan would initially be made to Neighbors of Watertown with the intention that it would be assumed by the buyer and amortized over 15 years at 1%. The loan would be interest only during the time that Neighbors of Watertown owns the property. Accrued interest would be paid at the time of the sale to the ultimate buyer.

The outstanding balance of the Authority’s existing construction loan will be paid at the loan closing with the buyer.

Funding Analysis

All in costs (rehabilitation, contingency, closing costs, interim) $226,946
Proposed Sale Price (as completed value) $123,000
COMMUNITY RENTAL HOUSING PROGRAM

Project Subsidy $103,946
Per unit subsidy $51,973
*Per unit cost for abatement & abatement disposal $27,412

*It is important to keep in mind that $54,824 of cost in this project was for abatement and abatement disposal. These are sunk costs that do not add value to the property.

Collateral

825 Academy Street (After Rehab Value) $123,000
Bank Mortgage (approximate) ($57,946)
Collateral Available for DANC Loan $65,054
DANC Loan ($50,000)
LTV .77

Staff Recommendation

Staff recommends a grant/loan in the amount of $100,000 to Neighbors of Watertown funded as follows: $50,000 from CRHP Regional Redevelopment Housing Program as a grant, and $50,000 from CRHP Regional Redevelopment Housing Program as a loan. The funds will be used to renovate the duplex located at 825 Academy Street, Watertown.
NORTH COUNTRY REDEVELOPMENT LOAN FUND
GERVERA INC.
LOAN MODIFICATION

Whereas, Resolution No. 2018-12-137 approved a grant/loan in the amount of $250,000 to Gervera Inc. ("Borrower") from the North Country Redevelopment Loan Fund in order to renovate a building at 114 Court Street, Watertown, Jefferson County, and

Whereas, project costs have increased by an additional $100,000, and

Whereas, Borrower is requesting a loan from the Watertown Local Development Corporation in the amount of $100,000 in order to complete the improvements to the basement space, and

Whereas, the Watertown Local Development Corporation has requested a co-proportional first mortgage position on the real estate with the Development Authority, and

Whereas, staff has completed a collateral analysis that shows that there is a sufficient loan-to-value with the Authority sharing a co-proportional first mortgage position on the real estate, and

Whereas, all other loan terms and conditions will remain the same.

Now, upon the recommendation of the Project Development Committee, therefore be it

RESOLVED, the Development Authority of the North Country does hereby approve the loan modification for Gervera Inc. per the attached terms and conditions, and authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.
Motion by: T. Hefferon
Seconded by: A. Calligaris

Calligaris - Yes  Hefferon - Yes  Johnson - Yes  Mastascusa - Yes
Carter - Yes  Hollenbeck - Present  MacKinnon - Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-79 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

______________________________
Frederick J. Carter
Board Chairman
TERM SHEET

Borrower: Gervera Inc.

Loan Fund: North Country Redevelopment Loan Fund
[Empire State Development Funds]

Amount: $250,000 ($125,000 loan/$125,000 grant)
The grant to loan amount will always be 1:1

Loan Term: 240 months

Loan Rate: 1%

Loan Payment: Interest-only for first 6 months, then regular principal and interest payment to fully amortize the loan over the remaining term

Collateral: Co-proportional first mortgage with Watertown Local Development Corporation on real estate located at 114 Public Square, Watertown, NY 13601 Assignment of rents and leases Co-proportional first lien on all business assets of Gervera Inc.

Guarantors: Lori Gervera and Pasquale Gervera

Conditions:
• Watertown Local Development Corporation loan of $100,000
• Third party broker opinion or as completed appraisal with a minimum value of $225,000
NORTH COUNTRY REDEVELOPMENT LOAN FUND
GOCO VENTURES, LLC
LOAN MODIFICATION

Whereas, Resolution No. 2018-05-69 ratified funding to GOCO Ventures LLC in
the amount of $250,000 ($125,000 loan/$125,000 grant) from the North Country
Redevelopment Loan Fund, and

Whereas, the borrower is renovating the building located at 38 Water Street,
Massena, NY, and

Whereas, the project improvements have not been completed and the borrower
is behind schedule, and

Whereas, the borrower is requesting an additional 3 months of interest-only with
full payments beginning October 1, 2019, and

Whereas, the loan will re-amortize on October 1, 2019 to repay the debt over the
remaining term of the loan, and

Whereas, the borrower has been current on its payments to the Authority, and

Whereas, all other terms and conditions of the loan would remain the same, and

Now, upon the recommendation of the Project Development Committee,
therefore be it

RESOLVED, the Development Authority of the North Country does hereby
approve the loan modification for GOCO Ventures, LLC for an additional three
months of interest-only payments beginning with the July 1, 2019 payment and
ending with the September 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.
Motion by: M. Murray
Seconded by: D. Mastascusa

Calligaris - Yes  Hefferon - Yes  Johnson - Yes  Mastascusa - Yes
Carter - Yes  Hollenbeck - Present  MacKinnon - Yes  Murray - Yes
Doheny - Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-80 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

______________________________
Frederick J. Carter
Board Chairman
TERM SHEET

Borrower: GOCO Ventures, LLC

Loan Fund: North Country Redevelopment Loan Fund

Amount: up to $250,000 ($125,000 loan/$125,000 grant) (New York State Empire State Development Funding); grant to loan always 1:1

Loan Term: 240 months

Loan Rate: 1%

Loan Payment: Interest-only for first 9 months; then principal and interest to fully amortize the loan over the remaining 231 months.

Collateral: Second mortgage and assignment of rents and leases on 38 Water Street, Massena, NY 13662

Guarantors: William V. Fiacco and Susan M. Fiacco
NORTH COUNTRY REDEVELOPMENT LOAN FUND
VILLAGE OF HEUVELTON
LOAN MODIFICATION

Whereas, Resolution No. 2015-08-91 established the North Country Redevelopment Fund, and

Whereas, the Regional Loan Review Committee can make commitments for loans up to $250,000, and grants up to $250,000, for a total combined grant/loan amount of $500,000 with the Authority Board ratifying the request at its next meeting, and

Whereas, Resolution No. 2018-05-70 authorized funding in the amount of up to $75,000 ($37,500 loan/$37,500 grant) to the Village of Heuvelton to acquire a blighted duplex on State Street, demolish it, and construct a parking lot to support businesses including the newly renovated Pickens Hall on State Street, and

Whereas, the project was bid and the cost estimates came in higher than what was originally budgeted due primarily to asbestos in the building to be demolished, and

Whereas, the Regional Loan Review Committee met on June 6, 2019 to review the request from the Village of Heuvelton for additional funds to complete the project, and

Whereas, the project remains a priority of the Village to provide safe access to parking for local businesses which are located on the heavily travelled State Street, also known as NYS Highway 812, and

Whereas, the project is also located in the business district and will support the growth and development of businesses in this area, and

Whereas, the Regional Loan Committee is recommending a commitment of up to $110,000, comprised of a $55,000 loan and a $55,000 grant consistent with the program guidelines, and

Now, upon the recommendation of the Project Development Committee, therefore be it

RESOLVED, the Development Authority of the North Country does hereby ratify the grant/loan commitment in the amount of up to $110,000 ($55,000 loan/$55,000 grant) from the North Country Redevelopment Fund to the Village of Heuvelton at the terms and conditions outlined on the attached Term Sheet, consistent with the Empire State Development program requirements and further authorizes the Executive Director or Authority Comptroller to execute all documents necessary to make the loan, and be it further

RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.
Motion by: A. MacKinnon
Seconded by: A. Calligaris

Calligaris - Yes    Hefferon - Yes    Johnson - Yes    Mastascusa - Yes
Carter – Yes       Hollenbeck - Present    MacKinnon – Yes    Murray - Yes
Doheny – Present   Hunt - Present       McGrath - Absent    Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-81 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

__________________________
Frederick J. Carter
Board Chairman
TERM SHEET

Borrower: Village of Heuvelton

Loan Fund: North Country Redevelopment Fund

Amount: up to $110,000 ($55,000 loan/$55,000 grant)
(New York State Empire State Development Funding); grant to loan always 1:1

Loan Term: 20 years

Loan Rate: 1%

Loan Payment: Annual principal and interest

Collateral: Full faith and credit of Village of Heuvelton

Guarantors: None

Conditions:
-Cash equity of $6,500
-Proof of DASNY Grant and River Valley Redevelopment Agency Grant
-Acceptable MWBE utilization plan
-Loan will be disbursed as construction loan
-Completion of hazardous materials assessment prior to loan closing
-Copies of invoices and cancelled checks or bank statements
-ESD funds cannot be used to reimburse for Authority services
North Country Economic Development Fund
June 10, 2019

BORROWER: Village of Heuvelton

BUSINESS ADDRESS: 51 State Street, Heuvelton, NY 13654

OWNERSHIP: Village of Heuvelton

AMOUNT REQUESTED: up to $110,000 ($55,000, 20 years, 1%/55,000 grant)

PAYMENTS: Annual principal and interest

PRIMARY COLLATERAL: Full faith and credit of Village of Heuvelton

GUARANTORS: N/A

JOB CREATION:
Existing: 0
New-Year 1: 0
New-Year 2: 0
New-Year 3: 0
Total Jobs: 0 FTE

SOURCES:

| North Country Redevelopment Dev Fund | 110,000 |
| DASNY Grant (committed) | 50,000 |
| RVRDA Grant (committed) | 20,000 |
| Cash Equity | 20,000 |
| Total Sources | $200,000 |

USES:

| Acquisition | 40,000 |
| Engineering/HazMat Eval | 21,820 |
| Demo and Construction | 93,180 |
| Administration | 45,000 |
| Total Uses | $200,000 |

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<tr>
<th>Use of Funds</th>
<th>Total</th>
<th>DASNY</th>
<th>RVRDA</th>
<th>DANC Loan</th>
<th>DANC Grant</th>
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<tr>
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<td>$0</td>
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<tr>
<td>Engineering/HazMat Evaluation</td>
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<td>$10,000</td>
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<td>$5,910</td>
<td>$5,910</td>
<td>$0</td>
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<tr>
<td>Demo &amp; Construction</td>
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<td>$46,590</td>
<td>$46,590</td>
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<td>Administration</td>
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<td>$2,500</td>
<td>$20,000</td>
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<td>$50,000</td>
<td>$20,000</td>
<td>$55,000</td>
<td>$55,000</td>
<td>$20,000</td>
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</table>

REVISED PROJECT REQUEST:

Resolution No. 2018-05-70 approved a loan/grant of up to $75,000 to the Village of Heuvelton to acquire a blighted duplex on State Street, demolish it, and construct a parking lot to support businesses including the newly renovated Pickens Hall on State Street. Since the application was submitted for funding, the Village has engaged the Authority's Engineering Division to oversee the project. The hazardous materials assessment was completed and it was determined that there was asbestos in the building. In addition, when the project was bid, the bids came in higher than expected as the original estimates did not include proper disposal of asbestos.
Motion- North Country Economic Development Fund
Second- June 10, 2019
Approved
the hazardous materials. Therefore, the Village had a cash shortfall in their budget of $57,000.
This request is to increase the grant/loan amount to a not to exceed amount of $110,000.

PROJECT OVERVIEW:

The Village of Heuvelton is requesting $110,000 from the North Country Redevelopment Fund
in order to establish a much needed municipal parking area on State Street (NYS Highway 812)
in its downtown business area. The Village is seeking to acquire an existing duplex that is
currently in substandard condition and demolishing it. Upon demolition, the village would create
a parking area on its Main Street. The property is vacant.

During normal business hours, parking on State Street, which is New York State Highway 812,
is difficult due to limited availability, as well as dangerous due to high traffic volume. On
evenings when Pickens Opera House hosts concerts and functions, people often have to park
several blocks away from the venue, creating hardship for older or less mobile patrons.

The Village Board of Trustees feels that improving parking in its downtown area will help to
support its existing small, local businesses, as well as entice new enterprises in that area.
Additionally, removal of the current, blighted property will help to improve the overall aesthetic of
the historic downtown.

At present, ten business are operating in the downtown. The businesses include a tavern, 2
eateries, a Stewarts Shop, an insurance agency and chiropractic practice, an auto repair shop,
2 retail stores and a bank. Many of these business owners have begun to invest in renovation of
their structures.

Three additional businesses have recently changed hands and are showing signs of life. With a
sudden resurgence of interest in opening and maintaining businesses, the already stressed
parking situation is becoming even more exacerbated.

To show support for these fledgling businesses, as well as its existing enterprises, the Village
feels it is imperative that it provide potential customers with safe, convenient places to park.
Although it is difficult to quantify, increased availability of parking will help general business for
downtown locations. Ease of parking may also generate interest for those considering locating
their business in downtown Heuvelton.

The Village feels strongly that the addition of safe and convenient municipal parking would
further advance its efforts, eliminate a blighted property and further encourage prospective
businesses within the Village of Heuvelton.

FINANCIAL ANALYSIS:

<table>
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<tr>
<th>FYE May 31</th>
<th>Actual</th>
<th>Actual</th>
<th>Actual</th>
<th>Budget</th>
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<tbody>
<tr>
<td>General-Results of Operation</td>
<td>2016</td>
<td>2017</td>
<td>3/31/2018</td>
<td>2018</td>
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<tr>
<td>Revenues</td>
<td></td>
<td></td>
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<tr>
<td>Real Property Taxes</td>
<td>245,022</td>
<td>247,293</td>
<td>250,869</td>
<td>250,869</td>
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<td>Real Property Tax Liens</td>
<td>3,946</td>
<td>3,774</td>
<td>3,442</td>
<td>2,500</td>
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<td>Non Property Tax Items</td>
<td>112,896</td>
<td>113,121</td>
<td>88,261</td>
<td>105,000</td>
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</table>

Village of Heuvelton
## North Country Economic Development Fund

**June 10, 2019**

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<th>Departmental Income</th>
<th>44,925</th>
<th>44,647</th>
<th>34,438</th>
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<td>Intergovernmental charges</td>
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<td>149,647</td>
<td>145,135</td>
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<td>Use of Money and Property</td>
<td>47</td>
<td>38</td>
<td>41</td>
<td>50</td>
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<td>Licenses and Permits</td>
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<td>75</td>
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<td>Fine and Forfeitures</td>
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<td>Sale of Property and Compensation</td>
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<td>4,953</td>
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<td>Miscellaneous Local Sources</td>
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<td>2,790</td>
<td>4,951</td>
<td>4,972</td>
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<td>Interfund Revenues</td>
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<tr>
<td>State Aid</td>
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<td>38,003</td>
<td>39,902</td>
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<td>Federal Aid</td>
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<td><strong>Total Revenues</strong></td>
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<td>$604,341</td>
<td>$569,239</td>
<td>$590,875</td>
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### Expenditures

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<th>General Government Support</th>
<th>105,706</th>
<th>109,425</th>
<th>121,148</th>
<th>128,957</th>
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<td>Public Safety</td>
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<td>Health</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
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<td>Transportation</td>
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<td>187,205</td>
<td>159,344</td>
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<td>Economic Assistance and Opportunity</td>
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<td>Culture and Recreation</td>
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<td>14,372</td>
<td>11,967</td>
<td>14,436</td>
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<td>Employee Benefits</td>
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<td><strong>Total Expenditures</strong></td>
<td>$639,151</td>
<td>$547,560</td>
<td>$548,665</td>
<td>$637,875</td>
</tr>
</tbody>
</table>

**Fund Balance-End of Year**

|          | 382,587 | 439,368 | 455,052 | 408,052 |

- Audits were provided for FYE 2016 and 2017. The year-to-date information was internally prepared.

- Above reflects the General Operating Fund. The Village is in a strong financial position. It has a positive fund balance.

- As of 3/31/18 the Village had a net increase in funds from operations.

### Cash Flow Analysis

- The village has sufficient cash flow to repay the annual debt service payment of $2,078.07.

### Balance Sheet - General

<table>
<thead>
<tr>
<th>FYE May 31</th>
<th>Restated 2014</th>
<th>Actual 2015</th>
<th>Actual 3/31/2018</th>
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<tbody>
<tr>
<td>Current Assets</td>
<td>$382,644</td>
<td>$439,424</td>
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<td>Noncurrent Assets</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$382,644</td>
<td>$439,424</td>
<td>$455,052</td>
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Village of Heuvelton
North Country Economic Development Fund

June 10, 2019

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$120</td>
</tr>
<tr>
<td>Long-term Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$120</td>
</tr>
<tr>
<td>Total Equity-Fund Balance</td>
<td>$382,644</td>
<td>$439,424</td>
<td>$454,932</td>
</tr>
<tr>
<td>Total Liabilities and Equity</td>
<td>$382,644</td>
<td>$439,424</td>
<td>$455,052</td>
</tr>
</tbody>
</table>

- Balance sheet reflects General Fund only.

COLLATERAL:

1. Full Faith and Credit of Village of Heuvelton

CONTINGENCIES:

1. Proof of DASNY grant and River Valley Redevelopment Agency grant
2. Minimum $20,000 owner cash contribution
3. Acceptable MWBE Utilization Plan, or waiver
4. Loan will be disbursed as a construction loan
5. ESD funds cannot be used to reimburse the Authority for services rendered
REGIONAL TOURISM TRANSFORMATIONAL COMMUNITY
REVOLVING LOAN FUND
EASTERN RESORT MANAGEMENT, LLC
LOAN MODIFICATION

Whereas, Resolution No. 2015-06-83 approved a loan in the amount of $168,000 to Eastern Resort Management, LLC ("Borrower") from the Regional Tourism Transformational Community Revolving Loan Fund in order to acquire the Snow Ridge Ski Resort, Turin, Lewis County, and

Whereas, the Borrower has not generated sufficient cash flow based upon their initial operating projections in order to repay the debt at the current term, and

Whereas, in order to work with the Borrower to reposition the business for potential success the Authority is willing to consider a modification to the term of the loan to reduce monthly payments, and

Whereas, the proposed term of 20 years is consistent with the useful life of the asset that was financed which was the real estate, and

Whereas, the Regional Loan Review Committee met on June 6, 2019 to review this request from Eastern Resort Management LLC, and

Whereas, the loan is subject to the attached revised terms and conditions, and

Whereas, Resolution No. 2016-10-138 approved a loan in the amount of $30,600 from the Regional Tourism Transformational Community Revolving Loan Fund to Eastern Resort Management, LLC to acquire a snow groomer, and

Whereas, there will be no changes to the terms or conditions of this loan.

Now, upon the recommendation of the Project Development Committee, therefore be it

RESOLVED, the Development Authority of the North Country does hereby approve the loan modification for Eastern Resort Management, LLC per the attached terms and conditions, and authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.
Motion by: D. Mastascusa  
Seconded by: A. Calligaris

Calligaris - Yes  Hefferon - Yes  Johnson - Yes  Mastascusa - Yes  
Carter - Yes  Hollenbeck - Present  MacKinnon - Yes  Murray - Yes  
Doheny - Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-82 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

__________________________
Frederick J. Carter
Board Chairman
# TERM SHEET

<table>
<thead>
<tr>
<th><strong>Borrower:</strong></th>
<th>Eastern Resort Management, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loan Fund:</strong></td>
<td>Regional Tourism Transformational Community Revolving Loan Fund  [Empire State Development Funds]</td>
</tr>
<tr>
<td><strong>Amount:</strong></td>
<td>As of 6/1/2019 $142,063.20 which includes $797.55 of accrued interest</td>
</tr>
<tr>
<td><strong>Loan Term:</strong></td>
<td>240 months</td>
</tr>
<tr>
<td><strong>Loan Rate:</strong></td>
<td>1%</td>
</tr>
<tr>
<td><strong>Loan Payment:</strong></td>
<td>Monthly principal and interest of $653.34 starting 7/1/2019</td>
</tr>
</tbody>
</table>
| **Collateral:**     | Co-proportional second mortgage with Lewis County IDA on real estate  
|                     | Assignment of rents and leases  
|                     | Co-proportional second lien on all business assets |
| **Guarantors:**     | Cynthia Sisto |
TO: Project Development Committee

FROM: Michelle Capone
Director of Regional Development

DATE: June 4, 2019

SUBJECT: Eastern Resort Management – Loan Modification

Resolution No. 2015-06-83 approved a loan in the amount of $168,000 from the Tourism Fund to Eastern Resort Management, LLC in order to acquire the Snow Ridge Ski Resort located in Turin, NY. The loan closed on 8/30/2016 and the loan is fully dispersed. As collateral the Authority has a co-proportional second mortgage with the Lewis County IDA on the facility behind the seller. The borrower is currently 215 days past due on this loan. The term is for 10 years at 1% with monthly payments of $1560.85. The Authority had previously approved six months interest-only from May 2018-October 2018.

Resolution No. 2016-10-138 approved a loan in the amount of $30,600 from the Tourism Fund to purchase a groomer. The loan closed on 2/27/2017 and the loan is fully dispersed. As collateral, the Authority has a co-proportional first lien on the groomer with the vendor. The borrower is currently 95 days past due on this loan. The term is for 10 years at 1% with annual payments of $3230.81.

The borrower is currently past due with all of its lenders. The borrowers’ have a $640,000 note with the seller for 30 years at 6%. It owes the seller approximately $24,000. It has a loan with the Lewis County IDA in the amount of $50,000 for 5 years at 4.5%. They owe the IDA $12,000. It also owes the Authority $11,133.80 and $3230.81 respectively for its two loans.

The borrower is looking to sell land. When this transaction occurs the proceeds from the sale, about $60,000, will be applied to Mr. Horn’s loan to bring it current. Any excess funds will be applied against Mr. Horn’s loan. Mr. Horn has the first mortgage on this land.

In 2018 spring passes were down and the lift was off-line which impacted sales. In addition, a fire in the resort caused disruption to the business. They propose adding 8 new camping sites in 2019 raising the number of campsites to 25 total. They are also proposing to increase prices for the campsites slightly. These bring in about $45,000 annually.
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>609,159</td>
<td>468,588</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>559,962</td>
<td>419,463</td>
</tr>
<tr>
<td>Expenses</td>
<td>594,813</td>
<td>449,224</td>
</tr>
<tr>
<td>Other Income/(Expense)</td>
<td>695</td>
<td>42,308</td>
</tr>
<tr>
<td>Net Profit/Loss</td>
<td>(34,156)</td>
<td>12,547</td>
</tr>
<tr>
<td>+Depreciation</td>
<td>52,464</td>
<td>17,973</td>
</tr>
<tr>
<td>+Amortization</td>
<td>11,593</td>
<td>11,593</td>
</tr>
<tr>
<td>Total Cash Available</td>
<td>29,901</td>
<td>42,113</td>
</tr>
<tr>
<td>Seller</td>
<td>48,000</td>
<td>48,000</td>
</tr>
<tr>
<td>DANC #1</td>
<td>8,736</td>
<td>8,736</td>
</tr>
<tr>
<td>DANC #2</td>
<td>3,230</td>
<td>3,230</td>
</tr>
<tr>
<td>LCIDA</td>
<td>11,184</td>
<td>11,184</td>
</tr>
<tr>
<td>Total Debt Payments</td>
<td>71,150</td>
<td>71,150</td>
</tr>
<tr>
<td>DSC Ratio</td>
<td>.42</td>
<td>.59</td>
</tr>
</tbody>
</table>

Based upon the above review of the 2018 tax return, sales declined by 23% in 2018 over 2017. The reasons for the declines were previously listed.

In looking at the proforma provided in their application and comparing to actuals it appears that the borrowers exceeded projections in 2017 but fell short in 2018. The biggest difference is in Other Income. In their proforma the borrower projected over $200,000 in other income annually. This was primarily due to the Moe Down event as well as a terrain park and other events. The Moe Down event has not been held at Snow Ridge in recent years however is returning in 2019. This will bring in approximately $40,000 in net revenue to the business. Based upon the historical operations of the business, it did not cash flow without this excess revenue based upon the borrowers’ new debts. In short, we lent based upon the cash flow projections.

The seller has provided a letter dated April 10, 2019 stating that he is acceptable to continuing in his current status as a ‘patient lender’ until Snow Ridge has the financial resources to make payments on his debt. He does not intend foreclosure at this time.

The IDA has indicated that they are not considering any foreclosure action at this time either.
Staff Recommendation

In order to attempt to turn this business around, staff would like to recommend restructuring their larger loan. I would suggest accruing interest from December 2018-June 2019 in the amount of $797.55. I would then suggest terming the loan out for 20 years rather than 10 to match the useful life of the asset which is the real estate. Assuming that the first payment begins on 7/1/2019 with a maturity date of 6/1/2039 the monthly payments would be $653.34. This would save them $907.51 monthly or $10,890 annually.

The smaller loan would remain the same. They would need to bring this loan current. The amount owed is $3,230.81.
WIRELESS TOWER SERVICE
CAPITAL PROJECT INCREASE
FY 2019-2020

Whereas, the Board of Directors approved a capital project (30643) in the amount of $200,000 for Wireless Tower Service pursuant to Budget Resolution No. 2019-03-29 to allow for connections to new wireless towers to enhance 4G and prepare for 5G coverage, and

Whereas, during FYE2020 we have received an order for 22 new T-Mobile towers and 8 new ATT towers throughout the service region, and

Whereas, the estimate costs for the proposed tower connections to our network are reflected as:

<table>
<thead>
<tr>
<th>Construction Plus Equipment</th>
<th>$1,062,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>$38,000</td>
</tr>
<tr>
<td><strong>PROJECT TOTAL</strong></td>
<td><strong>$1,100,000</strong></td>
</tr>
</tbody>
</table>

Whereas, the services being added will generate sufficient revenue to care for the capital and service costs over the service term including all construction and implementation costs.

Now, upon the recommendation of the Facilities Committee, therefore be it

RESOLVED, the Development Authority of the North Country Board of Directors authorizes an increase to capital project 30643 for Wireless Tower Service of $1,100,000, and authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.
Motion by: D. Mastascusa
Seconded by: A. MacKinnon

Calligaris - Yes  Hefferon - Yes  Johnson – Yes  Mastascusa - Yes
Carter – Yes  Hollenbeck - Present  MacKinnon – Yes  Murray - Yes
Doheny – Present  Hunt - Present  McGrath - Absent  Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-83 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

______________________________
Frederick J. Carter
Board Chairman
OPERATIONS AND MAINTENANCE SERVICE AGREEMENT
TOWN OF DEKALB
WATER AND SEWER DISTRICTS

Whereas, the Development Authority of the North Country is qualified and equipped to provide contract operator services for municipal water and wastewater facilities, and

Whereas, the Town of Dekalb desires to continue a new five (5) year Operations and Maintenance Service Agreement with the Development Authority of the North Country for a total amount of $155,270, and

Now, upon the recommendation of the Facilities Committee, therefore be it

RESOLVED, the Development Authority of the North Country does hereby authorize and direct the Executive Director to enter into an Operations and Maintenance Service Agreement with the Town of Dekalb, and be it further

RESOLVED, the Executive Director is hereby authorized to execute the required and necessary agreements.

Motion by: A. Calligaris
Seconded by: D. Mastascusa

Calligaris - Yes Hefferon - Yes Johnson – Yes Mastascusa - Yes
Carter – Yes Hollenbeck - Present MacKinnon – Yes Murray - Yes
Doheny – Present Hunt - Present McGrath - Absent Turck - Yes

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2019-06-84 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 20th day of June, 2019, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand 20th day of June, 2019.

Frederick J. Carter
Board Chairman
May 1, 2019

Mr. John Frary
Supervisor, Town of Dekalb
PO Box 133
Dekalb Junction, NY 13630

RE: Development Authority of the North Country (DANC)
Operations of Town of Dekalb Sewer and Water Facilities

Dear Mr. Frary:

The Development Authority of the North Country is pleased to provide the Town of Dekalb with the proposed Operations and Maintenance Service Agreement.

Provided the Town elects to proceed with our services, the cost for the 1st year of O&M for water services would be $10,137, sewer services would be $19,109 for a total of $29,246 for the first year. This is an increase of approximately 3% from the previous contract, with a proposed increase of 3% for each consecutive year of the proposed contract.

If you have any questions, please do not hesitate to contact me at (315) 661-3227.

Very truly yours,

Brian Nutting
WQ Division Manager

BN/slf
Attachment
OPERATIONS & MAINTENANCE SERVICE AGREEMENT

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
&
TOWN OF DEKALB

This sets forth the Operation and Maintenance Service Agreement made effective July 1, 2019, by and between the Town of Dekalb ("Town"), a New York municipal corporation with offices at PO Box 133, Dekalb Junction, New York 13330 and the DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY, a New York public authority with offices at the Dulles State Office Building, 317 Washington Street, Watertown, New York 13601 ("Authority").

RECITALS

1) The Town has determined that the Authority is qualified and equipped to provide Operation and Maintenance services for the Town Facilities and desires to engage the Authority for such services. The Town is authorized to enter into this Agreement by Resolution dated , a certified copy of which is attached as Exhibit "A".

2) The Authority desires to provide Operations and Maintenance Services for the Town facilities described in this Agreement.

AGREEMENT

In the consideration of the mutual covenants herein contained, the parties agree to the following Articles:

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article I</td>
<td>Definitions</td>
</tr>
<tr>
<td>Article II</td>
<td>Employment and Scope of Services</td>
</tr>
<tr>
<td>Article III</td>
<td>Emergency Procedures and Services</td>
</tr>
<tr>
<td>Article IV</td>
<td>Terms</td>
</tr>
<tr>
<td>Article V</td>
<td>Compensation</td>
</tr>
<tr>
<td>Article VI</td>
<td>Town Responsibilities</td>
</tr>
<tr>
<td>Article VII</td>
<td>Termination</td>
</tr>
<tr>
<td>Article VIII</td>
<td>Insurance and Liability</td>
</tr>
<tr>
<td>Article IX</td>
<td>Accounts</td>
</tr>
<tr>
<td>Article X</td>
<td>Miscellaneous</td>
</tr>
</tbody>
</table>
ARTICLE I - Definitions

Section 101. Defined Terms. As used or referred to in this Agreement, unless a different meaning clearly appears from the context:

1) "Authority Officer", the Chairman, any Vice Chairman, the Secretary, the Treasurer, the Executive Director, or any authorized representative of the Development Authority of the North Country.

2) "Chief Elected Official", the Town Supervisor.

3) "Department of Health", the regulatory agency administering the legal requirements for drinking water within New York State, referred to as the "DOH".

4) "Department of Environmental Conservation", the regulatory agency administering the legal requirements for clean water programs within New York State, referred to as the "DEC".

5) "EDU", equivalent dwelling unit intended to indicate a standard based upon the average single-family residence.

6) "Emergency", an unforeseen combination of circumstances or the resulting state that calls for immediate action.

7) "Fiscal Year" for the Town means the period of twelve (12) calendar months beginning with January 1st of any year and ending with December 31st of such year, and for the Authority means the period of twelve (12) calendar months beginning with April 1st of any year ending with March 31st of the next year.

8) "Hosting Services", refers to the act of the Authority storing and providing access to spatial data via the IMA.

9) "IMA", Internet Mapping Application, the Authority's web-based GIS which serves as the platform for providing GIS hosting services.

10) "Operations and Maintenance Expenses", charges incurred for day-to-day operation of the facilities. It shall include such things as labor, materials, cost of utilities, cost of repairs to the facilities, and other day-to-day expenses associated with the normal operation of the facilities.

11) "Record Drawings", engineered drawings that have been prepared for construction and have been updated upon project completion to reflect any changes made to the original design.

12) "SCADA", Supervisory Control and Data Acquisition system employed by the Authority to remotely monitor certain facilities.

13) "Town of Dekalb", a municipal corporation with offices at PO Box 133, Dekalb Jct., New York 13630 (herein referred to as "Town of Dekalb" or "Town").

14) "Warneck Pump Station", the office location of the Development Authority of the North Country's water/wastewater services group, physically located at 23557 NYS Route 37, Watertown, New York 13601.
15) "Water Facilities", the Town-owned water facilities described in detail on Record Drawings and Operations and Maintenance Manuals and briefly described below:

**Water Distribution System**
- Liquid Chlorine Injection Pump
- System Flow Meter
- Water Storage Tank
- Approximately 31 Hydrants
- Approximately 32 System Valves
- Approximately 100 lateral customer connections
- Distribution Piping

16) "Wastewater Facilities", the Town-owned wastewater facilities described in detail on Record Drawings and Operations and Maintenance Manuals and briefly described below:

**Wastewater Treatment Plant**
- Two Concrete Solids Holding/Septic Tanks
- Two RBCs
- Two Primary Settling Clarifiers and Skimmers
- Two Sludge Return Pumps
- Two Sand Filters
- Two Backwash Pumps
- One Final Concrete Settling Tank
- One V-Notch Weir, Ultrasonic/ISCO 4210 Effluent Flow Monitor

**Wastewater Collection System**
- Approximately 75 Manholes
- Approximately 100 lateral customer connections
- Gravity Sewer Collection Piping

**ARTICLE II - Employment and Scope of Services**

Section 201. **Engagement.** The Town hereby engages the Authority to operate and maintain the Town's Facilities, employing licensed operators where required.

1) All work will be conducted in accordance with all State and Federal Laws and Regulations,

2) The Authority will take directions only from the Town designated representatives. The Town will be responsible for designating the representatives that will provide direction to the Authority. The Town will be responsible for responding to all calls from residents concerning the operation of the Town Facilities.

3) The Authority will seek approval from the Town for non- incidental expenses, unless the situation is deemed an emergency. The Authority will determine whether the situation is deemed an emergency, as defined in Section 301.

4) Scheduled services that occur on holidays observed by the Authority will be performed the next normal working day following the holiday, aside from regulatory required daily activities.
Section 202. Scope of Services. The Authority shall provide all necessary labor and equipment to perform the services as follows, and will perform work in accordance with manufacturer’s specifications to maintain warranties.

1) Operations and Maintenance Services

<table>
<thead>
<tr>
<th>Water System Services</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Daily Maintenance</strong></td>
<td>7 Days/Week</td>
</tr>
<tr>
<td>- Visual inspection of the operation of water distribution facilities; inspect and</td>
<td></td>
</tr>
<tr>
<td>examine the liquid chlorine injection pump and piping for proper operation</td>
<td></td>
</tr>
<tr>
<td>- Record daily water flow through Hermon-Dekalb meter</td>
<td></td>
</tr>
<tr>
<td>- Record chlorine usage; mix/re-fill as required</td>
<td></td>
</tr>
<tr>
<td>- Record one (1) chlorine residual test at one (1) random sample point within the</td>
<td></td>
</tr>
<tr>
<td>distribution system; or as required by the NYS Department of Health</td>
<td></td>
</tr>
<tr>
<td>- Check water storage tank operation and altitude valve</td>
<td></td>
</tr>
<tr>
<td><strong>Annual Maintenance</strong></td>
<td>1/Year</td>
</tr>
<tr>
<td>- Perform recommended manufacturer’s maintenance on chemical feed pump;</td>
<td></td>
</tr>
<tr>
<td>chemically clean injection system; rebuild pump components as required</td>
<td></td>
</tr>
<tr>
<td>- Exercise water transmission system valves</td>
<td></td>
</tr>
<tr>
<td>- Flush hydrants</td>
<td></td>
</tr>
<tr>
<td>- Exercise hydrants and main line valves</td>
<td></td>
</tr>
<tr>
<td>- Perform manufacturer’s recommended preventative maintenance on the water</td>
<td></td>
</tr>
<tr>
<td>tank altitude valve</td>
<td></td>
</tr>
<tr>
<td>- Check accuracy of system flow meter operation and calibrate as needed, (Note:</td>
<td></td>
</tr>
<tr>
<td>If vendor assistance is required to perform calibration, the Town will be</td>
<td></td>
</tr>
<tr>
<td>responsible for the cost of vendor services)</td>
<td></td>
</tr>
<tr>
<td><strong>Meter Reading and Billing</strong></td>
<td>1/Quarter</td>
</tr>
<tr>
<td>- Perform individual meter readings at all Town facilities</td>
<td></td>
</tr>
<tr>
<td><strong>Sampling/Reporting</strong></td>
<td>1/Month</td>
</tr>
<tr>
<td>- Collect and submit to the testing laboratory one (1) random distribution sample</td>
<td></td>
</tr>
<tr>
<td>for total coliform</td>
<td></td>
</tr>
<tr>
<td>- Prepare and distribute a monthly DOH Report</td>
<td>1/Month</td>
</tr>
<tr>
<td>- Collect and submit for testing other water quality analyses, required by the DOH</td>
<td>1/Year</td>
</tr>
<tr>
<td>- Prepare an Annual Water Quality Report</td>
<td>1/Year</td>
</tr>
<tr>
<td>Wastewater System Services</td>
<td>Frequency</td>
</tr>
<tr>
<td>----------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Daily Maintenance</strong></td>
<td>7 Days/Week</td>
</tr>
<tr>
<td>- Visual inspection of the operation of wastewater treatment plant; inspect and examine all mechanical, electrical equipment and piping for proper operation; complete daily logsheet documenting specific checks (to be developed by DANC)</td>
<td></td>
</tr>
<tr>
<td>- Review past 24-hours of operations to ensure that monitoring parameters have been within acceptable limits; make process adjustments to optimize performance</td>
<td></td>
</tr>
<tr>
<td>- Perform DEC required testing (flow, settleable solids, pH, temperature)</td>
<td></td>
</tr>
<tr>
<td>- General housekeeping of treatment plant</td>
<td></td>
</tr>
<tr>
<td><strong>Monthly Maintenance</strong></td>
<td>1/Quarter</td>
</tr>
<tr>
<td>- Grease/oil equipment in accordance with manufacturer's recommendations</td>
<td></td>
</tr>
<tr>
<td>- Clean and flush system components as required: clarifiers, sludge holding tank decant structures, and others components as needed</td>
<td></td>
</tr>
<tr>
<td><strong>Quarterly Maintenance</strong></td>
<td>1/Quarter</td>
</tr>
<tr>
<td>- Perform recommended manufacturer's maintenance on mechanical equipment</td>
<td></td>
</tr>
<tr>
<td><strong>Annual Maintenance</strong></td>
<td>1/Year</td>
</tr>
<tr>
<td>- Perform recommended manufacturer's maintenance on all mechanical equipment, with the exception of the back-up generator which will be maintained by the Town</td>
<td></td>
</tr>
<tr>
<td>- Perform visual inspection of all manholes in the collection system. Results of the inspection will be documented in a summary report with digital pictures of each location, recommendations for repairs along with budgetary estimates.</td>
<td></td>
</tr>
<tr>
<td>- Flush all sections of gravity collection main with build-up, entire system flushing at least once per two year interval</td>
<td></td>
</tr>
<tr>
<td>- Monitor sludge level and notify Town when hauling is required</td>
<td></td>
</tr>
<tr>
<td>- Verify proper operation of all system alarms; check and adjust setpoints as needed</td>
<td></td>
</tr>
<tr>
<td>- Check accuracy of system flow meter and calibrate as needed. (Note: if vendor assistance is required to perform calibration, the Town will be responsible for the cost of vendor services)</td>
<td></td>
</tr>
<tr>
<td>- Empty and clean clarifiers</td>
<td></td>
</tr>
<tr>
<td><strong>Sampling/Reporting</strong></td>
<td>4/Year</td>
</tr>
<tr>
<td>- Collect and submit to the testing laboratory all samples specified in the Town's State Pollution Discharge Elimination System (SPDES) permit (CBOD, UOD, Suspended Solids, Nitrogen as NH3, TKN, dissolved oxygen)</td>
<td></td>
</tr>
<tr>
<td>- Complete and submit Discharge Monitoring Reports and Wastewater Facility Operations Reports to the NYS DEC as required</td>
<td></td>
</tr>
<tr>
<td>- Prepare a monthly operations summary report for the Town. The report will include a summary of the work completed by DANC, as well as graphs and other relevant operational data</td>
<td></td>
</tr>
</tbody>
</table>
2) **Miscellaneous Services**

a) The following miscellaneous services are provided by the Authority at no additional cost to the Town:

- Transportation for Authority employees to complete the routine tasks described above.
- Incorporation of the Town's water and sewer facility equipment into the Authority's computerized maintenance management system (CMMS).
- Development of written preventative maintenance plans for the Town's equipment.
- Creation of a standard operating procedure for the Town's water and sewer equipment.
- Attendance at monthly Town Meetings, as requested.
- 24-Hour emergency call service and availability of “On-Call” Operator for Emergency service. Emergency services will be billed according to Section 302 and Section 503.

b) **Geographic Information System (GIS) Services**

The Authority agrees to provide the Town with GIS Hosting Services and access to the IMA via a password-protected account through the Internet 24 hours/day, 7 days/week, with the exception of planned interruptions for system maintenance and unplanned interruptions in service beyond the Authority's control. The Authority will endeavor to provide as much advance notice of scheduled interruptions as reasonably possible, and not less than 48 hours. In the event of unscheduled interruptions, the Authority will use its best efforts to restore services as soon as reasonably possible under all the circumstances then existing.

The Town will be responsible for obtaining and maintaining any computer equipment (hardware, software, etc.) and high-speed internet connection to access Hosting Services.

The Town agrees not to use the IMA to upload, post, submit, e-mail or transmit any content that infringes on any patent, trademark, trade secret, or copyright. In no event will the Town hold liable the Authority for any damages, loss of profits, or other losses for IMA use or misuse.

The Town understands that Hosting Services are provided “as is” with no warranty.

All Town Datasets hosted on the IMA will remain the property of the Town. Town Datasets are defined as those that the Town develops, on its own or through contract. In the event that this agreement is not renewed, the Authority will provide the Town with all Town Datasets in electronic format within 15 days.

The Authority will provide Hosting Services for Datasets other than those currently existing (referred to hereafter as "Other Datasets"). Other Datasets must be developed by the Authority (in accordance with Section 202, Additional Services), the Town, or a third party. Other Datasets not developed by the Authority must be provided by the Town in "shapefile" or "geodatabase" format.
3) **Additional Services**

Any other tasks not included in the scope of services described above, such as response to customer complaints, response to emergency situations, inspection of service connections, other technical assistance as requested, etc. all as requested of the Authority by the Town will be reimbursed as described in Section 503.

Any other GIS tasks that are not included in the scope of base services described above, such as Data Maintenance, or developing new datasets, all as requested of the Authority by the Town will be reimbursed as described in Section 503.

Any SCADA tasks that are not included in the scope of base services described above, such as replacing damaged equipment, all as requested of the Authority by the Town will be reimbursed as described in Section 503.

The Town will be responsible for the costs of all laboratory, vendor maintenance (i.e., generator service, electrical contractor services, etc.), heavy equipment rental charges, materials and supplies. The Town will be responsible for all back-up generator maintenance.

**ARTICLE III - Emergency Procedures and Services**

Section 301. Procedures. The Authority will exercise due diligence and prudent judgment in response to any emergency situation that may occur. The Authority will utilize documented Standard and Emergency Operating Procedures, prepared by the Authority, during both regular and emergency operations. The Authority will notify the Town Representative of any emergency and actions taken, as soon as practicable.

Section 302. Payment. The Authority staff will provide 24-hour coverage for alarm and emergency responses. All responses to emergencies during non-duty hours will be billed at the employee’s overtime burden compensation rate specified in Section 503, with a two-hour minimum. All equipment used for emergencies will be billed in accordance with the Current Development Authority equipment rental rates provided to the Town. Mileage from the operator’s destination at the time of call or the operator’s home base, whichever is shorter, will be reimbursed at the current Federal Mileage Rate.

**ARTICLE IV - Terms**

Section 401. Term. The term of this Agreement shall be five (5) years commencing July 1, 2019, and ending June 30, 2024 provided that the Town and/or the Authority shall have the right to terminate this agreement as specified in Section 701.

**ARTICLE V - Compensation**

Section 501. Compensation. For all services required under Section 202-1, 2, and 3 of this Agreement, the Authority shall be compensated as follows payable one-twelfth thereof monthly, and within 30 days following receipt by the Town of a proper invoice covering the month in which such service was rendered. For the Town’s accounting purposes the estimated costs for water and sewer services have been separated.
<table>
<thead>
<tr>
<th>Year</th>
<th>Period</th>
<th>Base DANC Cost</th>
<th>With Meter Reading Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7/1/19 – 6/30/20</td>
<td>Water = $10,137</td>
<td>Sewer = $19,109</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total =&gt; $29,246</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>7/1/20 – 6/30/21</td>
<td>Water = $10,441</td>
<td>Sewer = $19,682</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total =&gt; $30,123</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>7/1/21 – 6/30/22</td>
<td>Water = $10,755</td>
<td>Sewer = $20,272</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total =&gt; $31,027</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>7/1/22 – 6/30/23</td>
<td>Water = $11,077</td>
<td>Sewer = $20,880</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total =&gt; $31,957</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>7/1/23 – 6/30/24</td>
<td>Water = $11,410</td>
<td>Sewer = $21,507</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total =&gt; $32,917</td>
<td></td>
</tr>
</tbody>
</table>

Section 502. **Emergency-related equipment, labor and material.** The Town shall pay the Authority the cost of equipment rental, labor and material used and incurred by the Authority in coping with an emergency. The Town will make payment within 30 days following receipt by the Town of a proper invoice of such costs as incurred.

Section 503. **Additional Work.** The Town shall pay the Authority the cost of additional work outside the normal scope of this Agreement at the rates listed below. Rates will be reviewed and may be adjusted on an annual basis consistent with the Authority’s fiscal year to account for cost of living adjustments. Mileage to the worksite will be reimbursed at the current Federal Mileage Rate. The Town shall approve the cost of labor, equipment and material in advance, unless the situation is deemed an emergency such that immediate response is required.

<table>
<thead>
<tr>
<th>Employee Wage Rate</th>
<th>Standard</th>
<th>Overtime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Engineering</td>
<td>$128</td>
<td>NA</td>
</tr>
<tr>
<td>Water Quality Division Manager</td>
<td>$82</td>
<td>NA</td>
</tr>
<tr>
<td>Assistant Director of Engineering</td>
<td>$85</td>
<td>NA</td>
</tr>
<tr>
<td>Controls Engineer</td>
<td>$85</td>
<td>NA</td>
</tr>
<tr>
<td>Project Engineer</td>
<td>$85</td>
<td>NA</td>
</tr>
<tr>
<td>GIS Supervisor</td>
<td>$75</td>
<td>NA</td>
</tr>
<tr>
<td>GIS Specialist</td>
<td>$55</td>
<td>$69</td>
</tr>
<tr>
<td>Engineering Assistant</td>
<td>$62</td>
<td>$76</td>
</tr>
<tr>
<td>Lead Operator</td>
<td>$64</td>
<td>$82</td>
</tr>
<tr>
<td>Operator</td>
<td>$60</td>
<td>$77</td>
</tr>
<tr>
<td>Water Quality Technician</td>
<td>$52</td>
<td>$68</td>
</tr>
<tr>
<td>Admin</td>
<td>$62</td>
<td>$80</td>
</tr>
</tbody>
</table>
ARTICLE VI - Town Responsibilities

Section 601. Facilities. The Town shall make available to the Authority the facilities described in this Agreement. The Town and its authorized representatives retain all rights of access to the facilities.

Section 602. Easements and Licenses. The Town shall maintain all easements, licenses and permits that have been granted as owner of the facilities and procure all others necessary to operate and maintain such facilities.

Section 603. Purchases. The Authority will maintain an adequate inventory of equipment, chemicals, fuels, lubricants and supplies necessary to operate and maintain the facilities, and shall advise the Town of necessary replacements and additions to such inventory.

Section 604. Snow Removal. The Town will be responsible for all snow removal.

ARTICLE VII - Termination

Section 701. Termination. The Town and/or Authority may terminate this Agreement with or without cause upon 60 days prior written notice, provided however, that the Town shall pay the Authority all costs incurred by the Authority to the date of termination.

ARTICLE VIII - Insurance/Liability

Section 801. Insurance. The Town shall secure and maintain with New York State qualified insurers insurance in the amount of the following:

Comprehensive General Liability, including personal injury coverage of $1,000,000 per occurrence - $2,000,000 in the aggregate; property damage in the amount of $500,000 per occurrence and $1,000,000 in the aggregate. An umbrella policy may be used to meet coverage limits as set forth above; insurance must be issued in NYS to the Authority against loss or damage to the Authority and its facilities and against public or other liability to the extent not less than that reasonably necessary to protect the interest of the Authority. The Authority shall secure and maintain insurance satisfactory to the Town.

Section 802. Mutual Indemnification. Each party hereby releases and agrees to indemnify, defend, protect and hold harmless the other party, its respective employees, officers, directors, members, agents, workers, and agents, (collectively the “Entities”), from and against all actions, claims, costs, damages, demands, losses, penalties, liabilities, and expenses, including but not limited to reasonable attorneys' fees, and costs (collectively, “Claims”), and each party hereby assumes liability for any injury, loss, damage to, or claim by any third party against the other party for personal injury or damage to tangible property (including reasonable attorneys’ fees and costs), which arise out of or relate to any: (i) breach of any representation or warranty by the Indemnifying party contained in this Agreement; (ii) breach of any covenant or other obligation or duty by the indemnifying party under this Agreement, (iii) violation of any applicable laws, rules or regulations by the indemnifying party; (iv) property or personal injury Claims, including death caused by the intentional act of the indemnifying party; and (v) improper or illegal use of the Water Treatment Distribution System by the indemnifying party.
803. **Force Majeure.** The Authority shall use reasonable diligence to provide the services herein required, but shall not be liable to the Town for damages, breach of contract, or otherwise, for failure, suspension, diminution, or other variations of service occasioned by any cause beyond the control of the Authority. The Town will not be liable in the event of a breach beyond their control. Such causes beyond either party's control may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, riots, strikes, civil disturbance, quarantine, restrictions, or inability to obtain equipment or supplies.

**ARTICLE IX - Accounts**

Section 901. **Accounts and Audits.** All accounts, reports and other records generated by the Authority or required under this Agreement, in the performance hereof, shall be open to inspection and audit at all reasonable times by the Town. Such records shall be retained by the Authority for a minimum of seven years following the expiration or earlier termination of this Agreement or an extended agreement.

**ARTICLE X - Miscellaneous**

Section 1001. **Independence of Agreement.** The parties acknowledge that the Authority has undertaken and may undertake various projects unrelated to the operation and maintenance of the Town's Facilities. It is the intent of the parties that this Agreement, the service provided hereunder and all payments, accounts receivable and equipment resulting from or required by such operation and maintenance service shall be separate from and independent of all unrelated projects and activities of the Authority. The Town shall have no right to, or claim upon, the assets, insurance proceeds or income of the Authority other than those associated with the performance of this Agreement, in satisfaction of any claim by the Town arising hereunder. A similar restrictive clause is contained and will be provided in all service agreements made by the Authority with others.

Section 1002. **Authority Status.** The Authority is an independent contractor with the Town and this Agreement does not create and shall not be construed as creating a relationship of principal and agent, landlord and tenant, or employer and employee.

Section 1003. **Waiver.** No waiver by Town or Authority of any breach of any term, covenant or condition contained in this Agreement shall operate as a waiver of such term, covenant or condition itself or of any subsequent breach thereof.

Section 1004. **Governing Laws.** This Agreement shall be construed and enforced in accordance with the laws of the State of New York. If any provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall continue to be valid and unenforceable to the fullest extent permitted by law.

Section 1005. **Entire Agreement.** This Agreement contains the entire agreement of the parties and may be modified or amended only by the written mutual agreement of the parties.

Section 1006. **Superseded.** This Agreement supersedes former similar agreements between the parties, pertaining to the facilities described in this document. All other agreements are hereby terminated, except as to those provisions intended to survive such termination.
Section 1007. Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if sent by certified or registered mail, return receipt requested, postage prepaid.

Section 1008. Counterparts. This Agreement may be executed in one or more counterparts, both of which taken together shall constitute one and the same instrument, and which may be executed and delivered by email or other electronic means to the other party. Electronically transmitted signatures shall be deemed the originals for all purposes. The receiving party may rely on the receipt of such electronically transmitted signed copies as if the original had been received. This Agreement is effective on the Effective Date only upon successful electronic transmission of signed copies by each party to the other party.

EXHIBIT A - Resolution by Town Board to Enter into this Agreement with the Development Authority of the North Country

ALL OF THE ABOVE is established by the signatures of the authority representatives of the parties.

TOWN OF DEKALB

By: [Signature]
John Frary
Town Supervisor

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

By: [Signature]
James W. Wright
Executive Director
05/29/2019

I certify the enclosed Motion to renew the Development Authority of the North County contract for Water and Wastewater services for the Town of De Kalb.

[Signature]
Town Clerk

Date 05/29/2019
DANC Report:
-A total of 526,500 gallons of water were metered in the month of April, with an average daily flow of 17,550 gallons. A total of 5 gallons of sodium hypochlorite were used in the treatment of the water produced. Daily, weekly, and monthly inspections and maintenance were completed as scheduled. There were no addition expenses above the standard monthly contract. All daily graphs are included in the full report.
-A total of 1,462,000 gallons of wastewater were treated in the month of April, with a daily flow of 48,733 gallons. There were no SPDES permit violations. Daily, weekly, and monthly inspections and maintenance were completed as scheduled. There were no addition expenses above the standard monthly contract. All daily graphs are included in the full report.

Received notice from Brian W. Nutting, Division Manager for DANC, of the adjusted contractual labor and equipment rental rates which was effective April 1, 2019 through March 31, 2020. The rate changes do not affect your base contract amount, but only the added work performed on a time and equipment bases.

A new contract has been received by DANC for the operations of Town of De Kalb Sewer and Water Facilities. DANC will provide the Town elects a contract to proceed with our services, the cost for the 1st year of O&M for water services would be $10,137, and sewer services would be $19,109 for a total of $29,246 for the first year. This is an increase of approximately 3% from the previous contract with a proposed increase of 3% for each consecutive year of the proposed contract.

A motion was made by Rae Ann Davis and seconded by Constance Elen to accept the DANC contract as written (5yrs.). Carried 4 ayes

Assessor's Report: Robert Ball

-Eleven property transactions have taken place since January 1st of this year. During the process of reviewing these sales, I have removed 3 exemptions and mailed out notification to the new owners.
-NYS has made 2 new changes to the STAR program:
  a. Changed income limit from $500,000 to $250,000. Property owners, who have an income between the $250,000 to $500,000, are still eligible to register for the STAR Credit Check.
  b. The second change prevents property owners who have the STAR Exemption from receiving the STAR Freeze checks which come out when a local government entity stays below the 2% tax cap. In order to receive these checks, property owners will have to renounce the STAR Exemption and register for the STAR Credit Check.
-Grievance Day is scheduled for May 29th from 4pm to 8pm. As of today (5-5-19), I have 5 Grievances filed. I have been able to reach a stipulated agreement with 4 of the property owners.
-The 2019 Tentative Assessment Roll was filed with the Town Clerk on May 1st. Change of Assessment Notices were also mailed out on that day. I have received several phone calls and emails regarding the notices.
-For the 2019 Assessment Roll, the equalization rate will be 94%, this is a 5% decrease from 2018. I expect this number to continue to drop each year until a town wide reassessment project