MINUTES
BOARD OF DIRECTORS MEETING
Wednesday, March 28, 2018 – 11:00 AM
Dulles State Office Building
Conference Room 100, 1st Floor
Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session at the Dulles State Office Building, Conference Room 100, 1st Floor, Watertown, New York, on Wednesday, March 28, 2018, at 11:00 AM.

Members Present:

Voting
Gary Turck, Chairman
Fredrick Carter, Vice Chairman
Thomas Heffron
Alfred Calligaris
Margaret Murray
Alex MacKinnon
Dennis Mastascusa

Non-Voting
James Hollenbeck
Brian McGrath
Stephen Hunt

Members Absent
Mary Doheny
John B. Johnson, Jr.

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

Guests:
Richard James, Authority Counsel, Mackenzie Hughes

1. Chairman Turck called the meeting to order at 11:00 AM.

2. Chairman Turck requested a roll call by J. Yaddow.

   - All Board Members were present except for Mary Doheny and John Johnson, Jr. Chairman Turck confirmed there was a quorum.

3. Chairman Turck offered the Privilege of the Floor.
4. Upon a motion by F. Carter, and seconded by D. Mastascusa, the February 22, 2018 Meeting Minutes were unanimously approved.

5. Chairman’s Report –
   
a. The Authority Mission Statement was reviewed.

   B. McGrath stated he would make the same comment he made the previous three years in terms of the absence of “Fort Drum” in the Authority’s Mission Statement. B. McGrath stated, “go ahead and approve it again.” G. Turck asked that the minutes reflect B. McGrath’s comment.

   Upon a motion by F. Carter and seconded by D. Mastascusa, the Development Authority’s Mission Statement was unanimously approved.

   b. The Performance Measures were reviewed. J. Wright noted the MWBE initiatives would be incorporated with regulatory requirements; utilizing new technology will be incorporated with prudent and fiscal responsibilities; develop internal analytic data to provide assessment and decision-making will be added as a new performance measure. J. Wright explained the MWBE goal element has been consistently met per the state requirement with the Authority receiving successive “A” ratings.

   B. McGrath stated that removing this element is inconsistent with his concern about the lack of diversity of the Authority Board as he stated at the February Board Meeting.

   Upon a motion by F. Carter, and seconded by D. Mastascusa, the Authority’s Performance Measures and Requirements were unanimously approved.

   c. Board Evaluations and Disclosure Statements were handed out to the Board Members with the request the forms be completed and turned in.

6. Executive Director’s Report –

   a. Report Performance Measures/Achievements - Performance Measures were distributed to all the Board Members. J. Wright stated that annually the Authority adopts Performance Measurements and reports to the Board activities related to the measurements. The Authority received its second MWBE report card and scored 17 out of 21, resulting in an “A” rating. B. McGrath asked what four items weren’t scored. J. Wright responded they are state financial reports that the state requires in terms of automated reporting through the state’s financial system that the Authority is not part of. B. McGrath asked if all four were not reported. J. Wright responded yes, all four were not reported. J. Wright explained that all items in red text indicate items that were not successfully completed. A. Calligaris asked about the violations and wanted verification that these are items outside the Authority’s control. J. Wright responded that is correct. A. Calligaris asked if the Authority works with municipalities to prepare a budget. J. Wright responded the Authority offers considerations to municipalities for projects.
b. Budget Modifications – Finance Committee

J. Wright stated the Budget Modifications were reviewed by the Finance Committee prior to the Board Meeting. The Finance Committee reaffirmed all changes (additions and deletions) which are reflected in the budget resolutions sent in the read-ahead to the Board.

B. McGrath requested a printed set of the Budget Modifications. J. Wright requested copies be made for all Board Members. B. McGrath asked for a detailed explanation of the columns and notations. B. McGrath asked what the basis was for the reductions within the divisions. J. Wright explained they were based on meetings and further discussions with managers. B. McGrath asked for explanation of a waste audit. J. Wright explained the trucks are unloaded and the contents are inventoried. B. McGrath expressed confusion regarding the format, layout, and computation totals of the projected material and much discussion ensued. B. McGrath asked about the $900,000 for administrative office space and what the expense classification of the administrative expense is. J. Wright responded it is a capital appropriation to explore new office facilities coming from the Administrative reserve and the Building Committee is reviewing options relative to office space. B. McGrath asked if the $900,000 is to pursue the space or is it the anticipated cost to procure it. J. Wright responded it is to pursue the space and is the beginning of the project.

7. Finance – Comptroller’s Report –

a. C. Farone reviewed financials ending 1/31/18 and stated they are consistent with the beginning of the year. The Total Assets have decreased by $735,000 and Total Liabilities have decreased by $605,000. C. Farone also noted that two loans to Carthage Specialty Paperboard, LLC have been reviewed by staff and deemed uncollectible. The two loans are a loan from the Community Development Loan Fund in the amount of $245,149.93 and a loan from the North Country Economic Development Loan Fund in the amount of $219,937.60. Further, an Accounts Receivable balance of approximately $1,500 to Carthage Specialty Paper for solid waste disposal is deemed uncollectible and written off.

A. Calligaris asked if the collectible would be followed up on: C. Farone stated yes, it would.

Carl Farone reviewed the total Net Position of the authority of $168,563,191. Mr. Farone noted that the total Net Position includes the following elements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in Capital Assets</td>
<td>$56,162,473</td>
</tr>
<tr>
<td>Restricted</td>
<td>$56,685,432</td>
</tr>
<tr>
<td>Board Designated</td>
<td>$48,159,863</td>
</tr>
<tr>
<td>Undesignated</td>
<td>$ 7,555,423</td>
</tr>
<tr>
<td></td>
<td>$168,563,191</td>
</tr>
</tbody>
</table>

Mr. McGrath questioned totals, indicating the math was incorrect. After further review, he noted that the figures appeared correct. B. McGrath stated he would like to review accounts with Carl.

Upon a motion by M. Murray, and seconded by A. MacKinnon, the Unaudited Financial Statements for the Period Ending January 31, 2018, were unanimously approved.
8. Annual Budget-


   B. McGrath asked if the 2017 actuals came in below budget. He noted similar trends and questioned why we continue to budget in the same way. C. Farone explained some of the accounts are funded minimally such as the Board Member expense account since it is an unknown expense. B. McGrath asked if the Authority actually spends much less, than why keep the funds at a higher number. C. Farone stated each area is reviewed and a decision is made at that time. B. McGrath asked for a detail of the accounts. Chairman Turck suggested Mr. McGrath call Carl directly for an explanation and further review.

   Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2018-03-19, Approving Fiscal Year 2018-2019 Administrative Budget, Capital Projects, Administrative Allocations and Audit Committee Budget, was unanimously approved.

   b. Resolution No. 2018-03-20 approves the annual Engineering Division Operating Budget, Capital Projects, and Reserve Designation.

   Upon a motion by D. Mastascusa, and seconded by F. Carter, Resolution No. 2018-03-20, Approving Fiscal Year 2018-2019 Engineering Division Operating Budget, Capital Projects and Reserve Designation, was unanimously approved.


   Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2018-03-21, Approving Fiscal Year 2018-2019 Materials Management Division Operating Budget, Capital Projects, Reserve Requirements, and Tipping Fees, was unanimously approved.

   d. Resolution No. 2018-03-22 approves the Regional Development Budget.

   Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2018-03-22, Approving Fiscal Year 2018-2019 Regional Development Budget, was unanimously approved.

   e. Resolution No. 2018-03-23 approves the Technology Division Operating Budget, Capital Projects, Reserve Designations, and Tariff.

   Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2018-03-23, Approving Fiscal Year 2018-2019 Technology Division Operating Budget, Capital Projects, Reserve Designations, and Tariff, was unanimously approved.

   Upon a motion by M. Murray, and seconded by D. Mastascusa, Resolution No. 2018-03-24, Approving Fiscal Year 2018-2019 Water Quality Management Division Operating Budget, Capital Projects and User Charges, was unanimously approved.

g. Resolution No. 2019-03-25 authorizes the Executive Director to approve compensation adjustments.

   Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2018-03-25, Authorizing Executive Director to Implement Compensation Plan, was unanimously approved.

h. Resolution No. 2018-03-26 approves the North Country Economic Development Fund Budget.

   Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-03-26, Approving Fiscal Year 2018-2019 North Country Economic Development Fund Budget, was unanimously approved.

i. Resolution No. 2018-03-27 authorizes the Professional Services Contracts for the Authority.

   Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-03-27, Authorizing Professional Services Contracts, was unanimously approved.

B. McGrath asked why there are so many law firms listed. J. Wright responded each law firm has their own specialty.

j. Resolution No. 2018-03-28 authorizes the standardization of computer software programs throughout the Authority.

   Upon a motion by F. Carter, and seconded by A. MacKinnon, Resolution No. 2018-03-28, Authorizing Standardized Computer Software Programs, was unanimously approved.

k. Resolution No. 2018-03-29 authorizes the continuation of the $500,000 line of credit from the Telecommunications repair and upgrade reserve for the purpose of financing Telecommunications projects on an as-needed basis. The Executive Director will report usage of the line of credit to the Facilities Committee in a timely manner.

   Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2018-03-29, Authorizing Continuation of a $500,000 Line of Credit for the Technology Division, was unanimously approved.

l. Resolution No. 2018-03-30 authorizes the write-off of the Carthage Specialty Paperboard, Inc. accounts receivables in the amount of $1,489.11.
Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-03-30, Authorizing the Write-Off of Certain Accounts Receivable as Bad Debts, was unanimously approved.

9: Governance Report –

a. Resolution No. 2018-03-31 approves the Investment Policy. It is an annual Resolution and there are no changes.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2018-03-31, Approving Investment Policy, was unanimously approved.

b. Resolution No. 2018-03-32 approves modifications to the Personnel Policy. It is an annual Resolution and the changes are contained in: Organization Chart; Appendix A (Standard Work Day); and Appendix C (Non-Exempt Pay Chart).

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2018-03-32, Approving Modifications to Personnel Policy, was unanimously approved.

c. Resolution No. 2018-03-33 approves the Procurement Policy. It is an annual resolution and is unchanged.

Upon a motion by F. Carter, seconded by D. Mastascusa, Resolution No. 2018-03-33, Approving Procurement Policy, was unanimously approved.

d. Resolution No. 2018-03-34 approves the Disposition of Real Property. It is an annual Resolution and there are no changes.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2018-03-34, Approving Disposition of Real Property, was unanimously approved.

e. Resolution No. 2018-03-35 approves the amended Electronic Signature Policy and includes the addition of digital signatures, updates references, defines electronic versus digital signatures, and revises Exhibits A and B.

Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2018-03-35, Policy – Approving Electronic Signature, was unanimously approved.

f. Resolution No. 2018-03-36 accepts and adopts the Strategic Plan for 2018-2028. The municipal partners will receive a copy of the Plan and it will be posted to the Authority’s website.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2018-03-36, Strategic Plan – Development Authority of the North Country – 2018-2028, was unanimously approved.
g. Resolution No. 2018-03-37 standardizes purchases of certain classes of equipment for use in the Materials Management Division as necessary for construction or operational activities.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2018-03-37, Standardizing Upon Certain Equipment for Use in Relation to the Materials Management Division, was unanimously approved.

h. Resolution No. 2018-03-38 standardizes purchases of certain classes of information technology and telecommunications equipment for use in the OATN as necessary for construction or operational activities.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2018-03-38, Standardizing Upon Certain Equipment for Use in Relation to the Open Access Telecommunications Network, was unanimously approved.

i. Resolution No. 2018-03-39 standardizes the purchase of certain classes of equipment for use in the Water Quality Management Division as necessary for construction or operational activities.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2018-03-39, Standardizing Upon Certain Equipment for Use in Relation to the Water Quality Management Division, was unanimously approved.

10. Engineering –

a. Resolution No. 2018-03-40 authorizes a Technical Services Agreement with the Town of Norfolk for a total not to exceed contract amount of $9,200.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-03-40, Technical Services Agreement – Town of Norfolk – Wastewater Treatment Plant Oxidation Ditch 2 – Control Panel Evaluation, was unanimously approved.

b. Resolution No. 2018-03-41 amends a Technical Services Agreement with the Village of Gouverneur for a Regional Municipal Hydroelectric Feasibility Study for an additional scope of work for a cost of $5,000, bringing the total not to exceed contract amount to $15,000.

Upon a motion by D. Mastascusa, and seconded by F. Carter, Resolution No. 2018-03-41, Technical Services Agreement Amendment – Village of Gouverneur – Regional Municipal Hydroelectric Feasibility Study, was unanimously approved.

c. Resolution No. 2018-03-42 authorizes a SCADA Services Agreement to install an RTU Control Panel at the Canal Street Sewer Pump Station in the Village of Port Leyden for a total not to exceed contract amount of $9,000.

Upon a motion by D. Mastascusa, and seconded by F. Carter, Resolution No. 2018-03-42, SCADA Services Agreement – Village of Port Leyden – Canal Street Pump Station Upgrades, was unanimously approved.
d. Resolution No. 2018-03-43 approves a Technical Services Agreement with the Village of Potsdam for the Crosstown Canal Project for a not to exceed contract total of $10,000.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-03-43, Technical Services Agreement – Village of Potsdam – Crosstown Canal Project Phase II, was unanimously approved.

e. Resolution No. 2018-03-44 approves a Technical Services Agreement with the Village of Malone for the Mill Street Improvement Project for the not to exceed contract total of $15,000.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2018-03-44, Technical Services Agreement – Village of Malone – Mill Street Improvement Project, was unanimously approved.

11. Regional Development –

a. Resolution No. 2018-03-45 reauthorizes a loan in the amount of $34,000 from the Regional Tourism Transformational Community Revolving Loan Fund to the Faust Motel, LLC for a term of 240 months at 1% interest rate. The address for the collateral was corrected.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2018-03-45, Regional Tourism Transformational Community – Revolving Loan Fund – The Faust Motel, LLC – Reauthorize Loan, was unanimously approved.

b. Resolution No. 2018-03-46 authorizes the write-off of Carthage Specialty Paperboard, Inc. in the amount of $245,149.93 from the Authority’s Community Development Loan Fund and a write-off of $219,937.60 from the North Country Economic Development Loan Fund. The Executive Director is authorized to make adjustments to the Authority’s financial statements.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-03-46, Authorizing the Write-Off of Certain Loan Receivables as Bad Debt, was unanimously approved.

A: Calligaris asked if Carthage Specialty Paper is closing. J. Wright stated that it isn’t clear and undecided. B. McGrath asked if the Authority was a low priority in the lien position. J. Wright stated correct. B. McGrath reiterated that he had a problem with lending them money then and he has a problem with it now and this further confirms it. J. Wright stated it was disclosed it was high risk and 80 people remained employed for five years. Further remarks were made by B. McGrath regarding his displeasure with approving the original loan.
c. Resolution No. 2018-03-47 approves a loan in an amount not to exceed $200,000 to the Thousands Islands Habitat for Humanity from the Community Rental Housing Program for a term of 36 months at 0% interest rate. The Authority’s Project Development Committee is authorized to approve the disbursement of funds from the loan to Habitat for Humanity for specific projects.

Upon a motion by M. Murray, and seconded by D. Mastascusa, Resolution No. 2018-03-47, Community Rental Housing Program – Thousand Islands Habitat for Humanity – Loan, was unanimously approved.

d. Resolution No. 2018-03-48 approves a construction loan line of credit in an amount not to $150,000 to the Thousands Islands Habitat for Humanity from the Affordable Rental Housing Program for a term of 36 months at a 0% loan rate. The Authority’s Project Development Committee is authorized to approve the disbursement of funds for specific projects.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2018-03-48, Affordable Rental Housing Program – Thousand Islands Habitat for Humanity – Loan, was unanimously approved.

e. Resolution No. 2018-03-49 authorizes the Regional Development Director to submit an application to the U.S. Department of Economic Adjustment for funding to implement recommendations set forth in the Joint Land Use Study.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-03-49, Application for Funds – Office of Economic Adjustment – Joint Land Use Implementation Funding, was unanimously approved.

f. Resolution No. 2018-03-50 authorizes the use of an additional $300,000 from the Community Development Loan Fund bringing the total funding to an amount not to exceed $1,300,000 to bridge North Country Redevelopment Funds until proceeds are received from Empire State Development.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2018-03-50, Community Development Loan Fund – Bridge Loan for North Country Redevelopment Funds – Proceeds from Empire State Development Grant, was unanimously approved.

g. Resolution No. 2018-03-51 ratifies a loan in the amount of $60,000 from the Regional Tourism Transformational Community Revolving Loan Fund to Long Lake Hotel Corporation for a term of 10 years at an interest rate of 1%.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-03-51, Regional Tourism Transformational Community – Revolving Loan Fund – Long Lake Hotel Corporation – Loan, was unanimously approved.

h. Resolution No. 2018-03-52 approves a loan from the Regional Tourism Transformational Community Revolving Loan Fund to Woods Inn 1894, LLC in the amount of $250,000 for a term of 20 years at 1% interest.
Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2018-03-52, Regional Tourism Transformational Community – Revolving Loan Fund – Woods Inn 1894, LLC – Loan, was unanimously approved.

12. Water Quality –

a. Resolution No. 2018-03-53 is a Technical Services Agreement with the Town of Pamela to provide underground utilities location services for municipal water and wastewater facilities and is a continuation of these services on a time and material basis.

Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2018-03-53, Technical Services Agreement – Town of Pamela – Underground Utilities Location Services Agreement, was unanimously approved.

b. Resolution No. 2018-03-54 is an Operations and Maintenance Service Agreement with the Town of Wilna Water District 2 for providing contract operator services for municipal water facilities. The Agreement is a continuance for an additional five years for a total amount of $102,192.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2018-03-54, Operations and Maintenance Service Agreement – Town of Wilna Water District 2, was unanimously approved.

c. Resolution No. 2018-03-55 is a resolution added after the agenda was sent out. J. Wright explained the resolution authorizes utilization of budget funds to incentivize the respective counties for single stream recycling and the Authority will share in the costs. The preliminary budget called for $10/ton and if they exceeded an increase of 5% within the fiscal year, an additional $5 or $15 will be provided. The Authority agrees to participate in the shared cost of transportation of single stream recyclables to processing facilities with funds coming from Materials Management Operating Budget appropriations.

B. McGrath asked if this will resolve Lewis County’s concerns regarding fees being charged on the recyclables. J. Wright responded yes.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2018-03-55, Single Stream Recycling – County Incentives – Operating Budget, was unanimously approved.

13. New Business –

a. Report of the Nominating Committee – A. MacKinnon, Chairman of the Nominating Committee reported that the Committee nominated Gary Turck (Chairman); Fredrick Carter (Vice Chairman); Margaret Murray (Treasurer); Thomas Hefferon (Secretary).

Upon a motion by A. Calligaris, and seconded by T. Hefferon, the Board unanimously passed the slate of Board nominations for the fiscal year ending 2019.
b. Adoption of the Meeting Schedule – Upon a motion by A. MacKinnon, and seconded by M. Murray, the Meeting Schedule for FYE 2019, was unanimously approved.

14. Next Meeting – May 17, 2018

15. Upon a motion by F. Carter, and seconded by D. Mastascusa, the meeting was adjourned at 12:18 AM.

Respectfully submitted,

[Signature]

Thomas Heffron
Secretary