Development Authority of the North Country

MINUTES
GOVERNANCE COMMITTEE
Thursday, August 23, 2018 – 9:30 AM
Materials Management Facility
Rodman, New York

Members Present
Gary Turck, Chairman
Alfred Calligaris
Fredrick Carter
Thomas Hefferon
John B. Johnson, Jr.
Margaret Murray

Staff Present
James W. Wright, Executive Director
Angela Marra, Executive Assistant

Guests Present

Committee Members Absent

Other Board Members Present

1. Chairman Turck called the meeting to order at 9:30 AM.

2. Chairman Turck requested a roll call by A. Marra. All Committee Members were present. Chairman Turck confirmed a quorum was present.

3. J. Wright announced that R. James will be taking a leave of absence from Mackenzie Hughes to help his elderly father care for his aging mother who has recently suffered a heart attack. Mr. Richard Engle will be representing Mackenzie Hughes as the Authority Counsel.

4. Upon recommendation of R. James, Authority Counsel and Pursuant to the Board Policy, and upon a motion by M. Murray, and seconded by A. Calligaris, the Governance Committee hereby resolves:

Upon completion of a thorough investigation and review, this Committee determines that statements and allegations made by an unidentified individual, who indicated that he has no complaint against the Development Authority of the North Country or any individual, are found to be wholly unsupported, lacking a factual basis and unmeritorious. Therefore, insofar as any statements and allegations of the unidentified individual may be considered a complaint or a potential complaint, they are dismissed as being without merit or substance, and this matter is closed.

Unanimously approved by the Governance Committee.

Note: The Confidential Report of Outside Counsel is not subject to public disclosure for at least three reasons:
1) Portions of the report contain legal opinions of Counsel protected from disclosure by the attorney client privilege.

2) The conclusory statements, insofar as they constitute complaints or allegations of misconduct as against an individual, have been dismissed and found to be without merit or substance by the Governance Committee –thus disclosure of the report constitutes an unwarranted invasion of personal privacy.

3) The report constitutes pre-determination, intra-agency material.

J. Johnson asked if this is the reason as supported by outside counsel. J. Wright stated that yes, this resolution suggestion has been reviewed with outside counsel.

F. Carter asked that the press cannot receive a copy of this report. J. Wright stated that this report is based on false allegations and if it were leaked to the press he could sue. Under the Open Meetings Law, the press doesn’t need a copy.

M. Murray asked if the copies that had been sent to the Governance Committee should be returned today. J. Wright responded that this is why they were each asked to bring them with them today.

A Calligaris stated that allegations can always be brought up, even if they are false.

F. Carter stated that we hear these kinds of comments about general political issues every day.

G. Turck stated that these reports are only available to the board today. If they are not in attendance, we will not be mailing or emailing them. After today, this matter is considered closed.

J. Johnson stated that the only area where action could be a problem would be the invoice. We need to ensure we process this properly.

5. Resolution No. 2018-08-91, reaffirms the execution of a Contract Addendum for electric rate calculations addressing the audit findings of the DCAA for Fiscal Years 2014, 2015, and 2016, said contract to be executed by the Executive Director of the Authority and deliver same to the City of Watertown.

J. Wright stated that this resulted in approximately $400,000 deduction for the City. The Authority will pay the outstanding amounts with the remaining amounts not to be recognized as cash but as credits.

F. Carter asked if this was covering 14, 15, and 16. J. Wright replied that yes it is. F. Carter further asked if 17 and 18 are not done. J. Wright replied yes, that this is the argument with Fort Drum and we will use this process to settle 17. J. Wright further stated that we are involved in 17, we are the middle man, and this will result in a credit balance.

T. Heffaron asked what formula we used and will we apply it to 17 as well. J. Wright responded that the formula we use will be no different than what C. Farone does each year to reconcile.
J. Johnson asked which entity is responsible to calculate the Market Rate. J. Wright responded that this mostly involves National Grid.

F. Carter asked how many years are left on the contract, seven (7) years. J. Wright responded that this is a separate contract with National Grid.

Upon a motion by J. Johnson, and seconded by F. Carter, Resolution No. 2018-08-791, Reaffirming the Execution of a Contract Addendum for Electric Rate Calculations Addressing the Audit Findings of the DCAA for Fiscal Years 2014, 2015, and 2016, was unanimously approved by the Governance Committee.

6. Resolution No. 2018-08-92, delegates the authority to execute grants to the Executive Director, and the Executive Director may delegate the Authority to the appropriate Division Managers in accordance with the authorizing grant requirements.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-08-92, Delegating Authority to Execute Grants, was unanimously approved by the Governance Committee.

7. Resolution No. 2018-08-93, approves that vehicle #382 (Water Quality - 2015 Ford F-150) be replaced with a like vehicle in an amount not to exceed $31,000 utilizing insurance proceeds of $21,709.00 and Administrative Funding of $9,291.

Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2018-0-93, Approving the Capital Budget Amendment FY 2018-19, Administrative Division, Vehicle Replacement, was unanimously approved by the Governance Committee.

8. Resolution No. 2018-08-109, affirming its confidence in the actions and decisions of the Executive Director and the respective Division Managers. The actions taken and initiated by the Executive Director and the Division Managers has been consistent with Board policy, directions and authorization.

J. Wright stated that this resolution was brought about at the suggestion of several board members to affirm confidence in the Executive Director and Division Managers.

Upon a motion by F. Carter, and seconded by J. Johnson, Resolution No. 2018-08-109, Affirming the Confidence and Support of the Executive Director and Division Managers, was unanimously approved by the Governance Committee.

9. Resolution No. 2018-08-110, authorizes the transfer of funds from contingency in the amount of $12,500 for legal fees related to retaining outside counsel.

A Calligaris asked if these are the funds for Victoria Ramundo, the outside counsel hired by the Governance Committee.
J. Johnson stated that these allegations were against the actions of the Board as well, justifying this payment.

J. Wright commented that yes this is the fee for the outside counsel hired by the committee.

Upon a motion by J. Johnson, and seconded by M. Murray, Resolution No. 2018-08-110, Transfer of Funds, Outside Counsel, was unanimously approved by the Governance Committee.

A Calligaris commented that he knows of other boards that annually approve the actions of the shareholders. A. Calligaris further suggested that we should annually approve the actions of our officers and managers. T. Hefferon concurred and commented that the Board has approved of everything the Authority has done.

10. Upon a motion made by F. Carter, and seconded M. Murry, the committee meeting was adjourned at 9:54 AM.

Respectfully submitted,

[Signature]

Gary Turck
Chairman, Governance Committee