MINUTES
BOARD OF DIRECTORS MEETING
Thursday, August 23, 2018 – 10:30 AM
Materials Management Facility
Conference Room
Rodman, New York

The Development Authority of the North Country Board of Directors met in regular session at the Materials Management Facility, Conference Room, Rodman, New York, on Thursday, August 23, 2018, at 10:36 AM.

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

Non-Voting
Mary Doheny
James Hollenbeck
Stephen Hunt

Members Absent
Brian McGrath

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
Angela Marra, Administrative Associate
Melissa Durant, Administrative Associate (training)

Guests:
Richard Engle, Authority Counsel, Mackenzie Hughes
Victoria A. Ramundo, Outside Counsel
Virginia Robbins, BSK Counsel

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

2. Chairman Turck requested a roll call by A. Marra.
   - All Board Members were present except for Brian McGrath. 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 A. Calligaris, the June 21, 2018 Meeting Minutes were unanimously approved.

5. Chairman’s Report –

G. Turck requested an Executive Session to discuss a particular employee and Confidential Legal Report being presented by Victoria A. Ramundo. G. Turck also stated that he felt due to the nature of the report that J. Wright be allowed to stay during the Executive Session. Upon a motion by F. Carter, and seconded by M. Murray, the Board moved into Executive Session at 10:37 AM.

The Board of Directors moved back into Regular Session at 11:36 AM.

There was no action taken during this Executive Session.

6. Executive Director’s Report –

a. FDRHPO Diabetic Program – This involves 30+ physicians and specialists where they actually do a scan of the retina. This scan is then electronically transmitted to Bausch & Lomb where they do an analysis and can pick up indicators of diabetes. Being that statistically as a region we lead the state in diagnoses, this is a real breakthrough that is made possible because of the Authority Telecom Broadband System.

b. Landfill Expansion Bid – We accepted bids, resulting in the award being granted to the Westin Group who was the lowest bidder at $6,855,000. Other bids ran as high as $10.2 million. This is the first contract, and after we pass a resolution later today and formally file the deed, we will commence this. It is general construction, talking about preparation for two future cells involving 13 acres, a perimeter berm constructed around this area of the landfill, an access road, construction of two concrete structures, and storm water management. This is the first major contract for this year. Next year there will be a second contract. This is being paid out of capital funds that have been appropriated in this year’s budget.

c. Environmental Facilities Corp. (EFC) – C. Farone has been authorized to begin preparation of an application for the Environmental Facilities Corporation to submit for the landfill funding next year. We previously filed for ancillary support when we did the previous buildings and leachate tanks. This request was denied at that time because it did not protect water quality, and the EFC funding is based on water quality. The upcoming year’s construction will involve liner construction and protect the ground water, there is a much greater likelihood of it being approved. This funding was approved for the original landfill construction.

d. DCAA Audit Findings – The 2017 exit interview has been shared with J. Wright and C. Farone. This is the same issue that was settled today with the City of Watertown and the United States Army. The Army has indicated to us that they will address this finding in the same manner that they addressed the years 2014, 2015, and 2016. We are not anticipating any problems at this time. The only other finding was relative to how the Authority made calculations for absences as to how it relates to the Regional Water Line. This was as an advisory they made in the previous audit. The Authority has accepted their advice and have implemented the new system. They followed this up by coming around the following year and writing this up. It appears to be in the $25,000 to $30,000 range, not as cash but as an interpretation of absences.
e. National Presentation – JLUS – Hartley Schweitzer, the Authority’s Community Planner under Michelle in Regional Development, was in St. Louis last week making a presentation to the National Defense Community Conference. The Council asked to hear from the Authority specifically, at the request of the Department of Defense, in terms of describing our joint land use process and the project which is being currently implemented. The reason for this request of the Authority was because of the unique aspects of Home Rule in New York State and how it is difficult to do business here. This was a very successful presentation and a good experience for Hartley, and speaks directly to our expertise that we are acquiring on staff.

f. GIS – Lewis County – The Authority had a contract funded through New York State to implement GIS within five (5) municipalities, at no cost for the first year. They have all decided to renew that service, as well as enter into five (5) year contracts, resulting in a significant footprint within Lewis County. At the Materials Management Open House last week, the Jefferson County Chairman was having an extended conversation with our GIS people about exploring this option.

g. Engineering and Engineering Firms – This list is showing the municipalities the Authority has contracts with, the engineering firms the municipalities have contracts with, and the respective value of those contracts. The totals listed show the Authority is generating $9.8 million worth of activity for a cost of $400,000 to the municipalities, which is roughly at 4% of cost. This listing of engineers also shows that there is a number of different independent engineers being hired. We work with the municipality on generating the RFP, but in the end the municipality makes the decision. As A. Calligaris has stated on numerous occasions, the Authority generates business in terms of engineering. C. Tuttle has also pointed out that the Authority’s engineering is only a broad term that we use but is actually technical assistance, contract management, and project oversight; all requiring engineering expertise but that is what we bring to the municipalities on a shared service basis. This is really no different than the City engineer advising the City council, except that the City is big enough to afford it.

7. Governance -

a. 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 reported that the U.S. Army accepted the compromise, advanced by the Authority after a long debate and deliberation. The cost to the City of Watertown was reduced from $724,000 to $329,000. As a result we will be giving credits to the Army and we will be applying the additional retainer to bills that the City has pending. This payment was authorized several weeks ago with the concurrence of the Governance Committee.

Upon a motion by D. Mastascusa, and seconded by M. Murray, 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.
b. 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.

With the electronic change to this system, the State is now requesting that the grant preparer also be the signatory.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2018-08-92, Delegating Authority to Execute Grants, was unanimously approved.

c. 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.

J. Wright further commented that the Authority vehicle was rear-ended by a young driver on their cell phone. The Authority vehicle was totaled. The Authority staff has recovered and is back to work at this time.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2018-08-93, Approving the Capital Budget Amendment FY 2018-19, Administrative Division, Vehicle Replacement, was unanimously approved.

8. Engineering —

a. Resolution No. 2018-08-94, approves the SCADA Services Agreement Amendment No. 1, by and between the Authority and the Town of Fine, bringing the not to exceed amount of the contract to $50,000.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2018-08-94, Approving the SCADA Services Agreement Amendment, Town of Fine, Water System Improvement Project, was unanimously approved.

b. Resolution No. 2018-08-95 approves SCADA Services Agreement, by and between the Authority and the Town of LeRay, is hereby approved, for a total not to exceed contract amount of $15,000.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2018-08-95, Approving SCADA Services Agreement - Town of LeRay -- Water District 4 Pressure Control Valve Reconfiguration, was unanimously approved.

c. Resolution No. 2018-08-96, approves the Technical Services Agreement by and between the Authority and the Village of Harrisville, for a total not to exceed contract amount of $4,000.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2018-08-96, Approving Technical Services Agreement – Village of Harrisville – Municipal Dissolution Implementation, was unanimously approved.

d. Resolution No. 2018-08-97 approves the Technical Services Agreement between the Authority and the Town of Morristown, for a total not to exceed contract amount of $25,000.
Upon a motion by F. Carter, and seconded by A. MacKinnon, Resolution No. 2018-08-97, Approving Technical Services Agreement – Town of Morristown – Municipal Dissolution Implementation, was unanimously approved.

9. Materials Management –

a. Resolution No. 2018-08-98, adopting the Deed Restriction and authorizing the Executive Director to execute this on the board’s behalf. The Executive Director shall arrange for the recording of the Deed Restriction in the records of the Jefferson County Clerk’s office. Prior to the Authority conducting any work authorized by the Permit, the Executive Director shall submit to the USACE a copy of the recorded Deed Restriction and a certified copy of this Resolutions.

Ms. Virginia Robbins from Bond Schoeneck & King Attorneys (BS&K) further explained that in February of 2017 the U.S. Army Corps of Engineers issued a wetland permit to the Authority so that in the course of construction of the expansion, the Authority could disturb approximately 12 acres of wetlands and about 21,000 linear feet of stream. In exchange for that as mitigation the Army Corps of Engineers required that the Authority place a deed restriction on approximately 435 acres of its land out of the 1500 acres, to preserve in perpetuity as wetlands and streams located on that acreage. The Authority may not commence work permitted under the permit until that deed restriction is recorded. Other compensatory work that is being done is onsite and offsite wetland mitigation, work on other buffer areas and other stream areas. Before the Board today is a resolution that authorizes the Executive Director to execute the deed restrictions and arrange for reporting, through BS&K. Prior to commencing any of the work, a certified copy of the resolution will be provided to the Army Corp of Engineers.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-08-98, Deed Restriction Requirements, U.S. Army Corps of Engineers, Permit No 1989-98111, was unanimously approved.

10. Regional Development –

a. Resolution No. 2018-08-99, approves the loan modification for 51-53 Market Street, L.P. to extend the interest for an additional 148 months at 1% at the monthly payment amount of $708.33 to begin with July 1, 2018 payment.

Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2018-08-99, Community Development Loan Fund: 51-53 Market Street, L.P., Loan Modification, was unanimously approved.

b. Resolution No. 2018-08-100, ratify the grant/loan commitment in the amount of up to $500,000 ($250,000 loan/$250,000 grant) from the North Country Redevelopment Fund to 624 Camp Avenue LLC at the terms and conditions outlined on the attached Term Sheet, consistent with the Empire State Development program requirements. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2018-08-100, North Country Redevelopment Loan Fund, 624 Camp Avenue LLC, Ratifying Loan and Grant, was unanimously approved.
c. Resolution No. 2018-08-101, approves the loan modification for AYDM Associates, LLC for six months of interest-only payments beginning with the August 1, 2018 payment and ending with the January 1, 2019 payment with the loan re-amortizing to be repaid over the remaining term.

D Mastascusa asked if when we receive these kind of requests, are we privy to the strategy that the LLC has for remaining solvent. M. Capone responded yes, they are actively looking to sell the property. J. Wright further commented that this was originally built for only one third of their original proposed plan because the Authority wouldn't provide further financing. This was a project the IDA brought to the Authority because we were building other big projects in the town of Watertown. Even in the beginning, the Authority wasn't confident of its potential.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2018-08-101, Housing Loan Revolving Fund, AYDM Associates, LLC, Loan Modification, was unanimously approved.

d. Resolution No. 2018-08-102 approves the loan modification for MCM Development Malone, LLC for an additional three months of interest-only payments beginning with the October 1, 2018 payment and ending with the December 1, 2018 payment with the loan re-amortizing to be repaid over the remaining term, and authorizes the Executive Director to execute all necessary documentation.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2018-08-102, North Country Redevelopment Loan Fund, MCM Development Malone, LLC, Loan Modification, was unanimously approved.

e. Resolution No. 2018-08-103 ratifies the grant/loan commitment in the amount of up to $400,000 ($200,000 loan/$200,000 grant) from the North Country Redevelopment Fund to North American Forest Group, Inc. at the terms and conditions outlined on the attached Term Sheet, consistent with the Empire State Development program requirements. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

J Johnson asked if this was a huge warehouse. M. Capone responded it is the one before you get to Ogdensburg on the river.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-08-103, North Country Redevelopment Loan Fund, North American Forest Group Inc., Acquire and Redevelop Building at 263 Acco Drive, Ogdensburg, Ratifying Loan, was unanimously approved.

f. Resolution No. 2018-08-104 authorizes the Executive Director to enter into a Technical Services Agreement with the Town of Wilna to provide Grant Administration and Project Oversight for its NYS Office of Parks Recreation and Historic Preservation grant.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2018-08-104, Technical Services Agreement, Town of Wilna, Grant Administration, was unanimously approved.

'g. Resolution No. 2018-08-105, subordinates its UCC filing to a loan made by M&T Bank in an amount not to exceed $750,000, and authorizes the Executive Director to execute all necessary documentation.
Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2018-08-105, Community Development Loan Fund, Meadowbrook Terrace Inc., Loan Subordination, was unanimously approved.

h. Resolution No. 2018-08-106, authorizes an additional $2500 to the contract with the North Country PTAC, not to exceed $12,500, and further authorizes the Director of Regional Development to execute any and all necessary contracts and agreements.

J. Wright disclosed that he is a member of the Watertown Chamber of Commerce Board of Directors.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-08-106, Procurement Technical Assistance Center (PTAC), Funding Contractual Agreement, was unanimously approved.

11. Water Quality –

a. Resolution No. 2018-08-107, authorizes the Executive Director to enter into an Operations and Maintenance Service Agreement with the Town of Champion.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2018-08-107, Operations and Maintenance Service Agreement, Town of Champion Sewer District #2, was unanimously approved.

b. Resolution No. 2018-08-108, authorizes the Executive Director to enter into a Technical Services Agreement with the Village of Carthage to provide loan underwriting services.

Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2018-08-108, Technical Services Agreement, Village of Carthage, Loan Underwriting, was unanimously approved.

c. 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.

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

d. 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.

Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2018-08-110, Transfer of Funds, Outside Counsel, was unanimously approved.

J. Wright left the meeting at 12:04 PM.
12. Finance – Comptrollers Report

a. C. Farone reviewed the financial report for the period ending July 31, 2018. C. Farone noted things seem consistent with the audit figures from March 31, 2018. Total assets increased $1.4 million while Total Liabilities increased by $829,000. The Actual Year to Date Change in Net Position is $592,000 for the last four months, and the Total Operating Revenue at about $9,743,000, and Operating Expenses are at $6,000,000. These results show the Authority is doing better than projected from this perspective. As far as the Operating Revenue, we are up a bit by $400,000 as a result of the Materials Management tonnage, and the Army buying more water than was projected. Operating Expenses are in line aside from Community Benefits and Grant Expenses. Interest Income is about 50% of where it was projected at $242,000, but has already been offset by a $300,000 market adjustment.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, the Unaudited Financial Statements for the Period Ending July 31, 2018, were unanimously approved.

13. Loan Report – M. Capone

Eastern Resort Management is the only loan to report on, identified earlier as Snow Ridge. They are past due on their two (2) loans. The annual payment, they made a payment of $1,000 against that in good faith. The other is 114 days past due, and as was discussed during the Project Development Committee meeting, doing retroactive interest only for six (6) months. The rest of the portfolio is current and being paid as agreed.

With the two (2) loans made today from the North Country Regional Development Fund, all funds are committed. The Authority had received a grant of $5,000,000 from the State, all of those funds have been committed. Repayments will have to come in prior to any further funds being distributed as additional grant loan funds.

14. New Business –

Next Meeting – September 26, 2018 – Strategic Planning – Gouverneur Community Center

14. Upon a motion by F. Carter, and seconded by M. Murray, the meeting was adjourned at 12:09 PM.

Respectfully submitted,

Thomas Hefferon
Secretary