The Development Authority of the North Country Board of Directors met in regular session at the State Office Building, Conference Room 100, 1st Floor, 317 Washington Street, Watertown, New York on Thursday, October 18, 2018 at 10:28 am.

**Members Present:**

<table>
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<tr>
<th>Voting</th>
<th>Non-Voting</th>
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<tr>
<td>Gary Turck, Chairman</td>
<td>Mary Doheny</td>
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<td>Fredrick Carter, Vice Chairman</td>
<td>James Hollenbeck</td>
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<td>Thomas Hefferon</td>
<td>Stephen Hunt</td>
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<td>Alfred Calligaris</td>
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<td>Alex MacKinnon</td>
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<td>Dennis Mastascusa</td>
<td><strong>Members Absent</strong></td>
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<td>Margaret Murray</td>
<td>Brian McGrath</td>
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<td>John Johnson, Jr.</td>
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**Staff Present:**

- James W. Wright, Executive Director
- Michelle Capone, Director, Regional Development Division
- Carl Farone, Comptroller
- Laurie Marr, Director of Communications and Public Affairs
- Brian Nutting, Manager, Water Quality Division
- Patricia Pastella, Manager, Materials Management Division
- Carrie Tuttle, Director, Engineering and Environmental Division
- David Wolf, Director, Technology Division
- Angela Marra, Administrative Associate
- Melissa Durant, Administrative Associate (training)

**Guests:**

Richard Engle, Authority Counsel, Mackenzie Hughes

1. Chairman Turck called the meeting to order at 10:28 AM.

2. Chairman Turck requested a roll call by A. Marra.

   - All Board Members were present except for B. McGrath. Chairman Turck confirmed there was a quorum.

3. Chairman Turck offered the Privilege of the Floor.
A MacKinnon wished to express that he was very pleased that the Authority decided to come to the Gouverneur Community Center for the recent Strategic Planning Meeting at their facility. It was a great session and Mr. Spilman was very pleased we came up.

4. Upon a motion by F. Carter, and seconded by M. Murray, the August 23, 2018 Meeting Minutes were unanimously approved.

G. Turck stated that the Board will be moving right into the resolutions, in case a board member needs to leave the meeting early.

5. Governance -

   a. Resolution No. 2018-10-111, authorizes the purchase of a Certificate of Deposit from Carthage Federal Savings and Loan in the amount of $433,477 plus accrued interest. The Chairman, Treasurer, Executive Director, Comptroller and Deputy Comptroller be named as authorized signatories on this Authority account, as well as all documents required as evidence of this Authority be executed by appropriate Authority Officers/personnel. The Accountant I and Accountant Associate will 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.

   Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-10-111, authorizing Certificate of Deposit, Regional Waterline Investments, was unanimously approved.

   b. Resolution No. 2018-10-112, adopts the Sexual Harassment Prevention Policy. The Development Authority of the North Country rescinds Sections 2, Employment Policies, B. Sexual Harassment Policy, subsections 1-3 and replaces same with a reference to the newly adopted more detailed policy. This policy shall be effective immediately upon adoption, with copies provided to all employees and training being provided to all employees within one year of this adoption.

   F. Carter asked if this resolution covers the Federal end of it too. J. Wright responded that this policy is an additional layer required by New York State that does not eliminate the obligation under federal law.

   Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-10-112, adopting Policy, Development Authority of the North Country, Sexual Harassment Prevention, was unanimously approved.

6. Engineering –

   a. Resolution No. 2018-10-113, approves the Technical Services Agreement No. 1, by and between the Authority and the Village of Heuvelton. The Executive Director is hereby authorized and directed to execute this Agreement Amendment.

   Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2018-10-113, Approving the Technical Services Agreement Amendment, Village of Heuvelton, Wastewater Treatment Plant Municipal Restructuring Project, was unanimously approved.
b. Resolution No. 2018-10-114 approves the Technical Services Agreement between the Authority and the City of Watertown for a not-to-exceed amount of $1,000. The Executive Director is authorized to execute said Amendment.

Upon a motion by A. MacKinnon, and seconded by A. Calligaris, Resolution No. 2018-10-114, Approving Technical Services Agreement, City of Watertown, Geographic Information Systems Support was unanimously approved.

7. Regional Development –

a. Resolution No. 2018-10-115, approves the loan modification for S&J Properties of Watertown LLC subordinating to a mortgage from Watertown Savings Bank in an amount not to exceed $130,000, and authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.

Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2018-10-115, North Country Redevelopment Loan Fund, S&J Properties of Watertown LLC, Loan Modification, was unanimously approved.

b. Resolution No. 2018-10-116, ratifying a loan in the amount of $237,000 from the Regional Tourism Transformational Community Revolving Loan Fund for Dustin and Christina Hite, or new company to be formed, at the terms and conditions on the term sheet, and further authorizes the Executive Director or Authority Comptroller to execute all documents necessary to make the loan. This is 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 F. Carter, and seconded by A. Calligaris, Resolution No. 2018-10-116, Regional Tourism Transformational Community Revolving Loan Fund, Dustin and Christina Hite (new company to be formed) for Osceola Tug Hill Cross Country Ski Center, (Lewis County), Ratifying Loan, was approved. D. Mastascusa abstained from the vote.

c. Resolution No. 2018-10-117, approves the loan modification for Marcy LP subordinating to a loan from Northern Credit Union in an amount not to exceed $539,639, and authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2018-10-117, Community Development Loan Fund, Marcy LP, Loan Modification, was unanimously approved.

8. Telecommunications –

a. Resolution No. 2018-10-118, authorizes an increase to capital project 30630 for Customer Network Construction of $250,000, an Authority appropriation total of $600,000. The Authority Comptroller is authorized to transfer these additional appropriations from the Telecommunications Reserve Fund.

A Calligaris asked if this would generate enough revenue to cover the expenses. J. Wright responded that yes, in all instances the contracts are sufficient to cover the term of service which would be for the durations as well as construction and startup costs.
Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2018-10-118, Customer Network Construction, Telecommunications, Capital Budget Amendment FYE 2019, was unanimously approved.

b. Resolution No. 2018-10-119, authorizes an increase to capital project 30629 for Wireless Tower Service of $300,000, an appropriation total of $650,000. The Authority Comptroller is authorized to transfer these additional appropriations from the Telecommunications Reserve Fund.

Upon a motion by A. MacKinnon, and seconded by F. Carter, Resolution No. 2018-08-119, Wireless Tower Service, Telecommunications. Capital Budget Amendment FYE 2019, was unanimously approved.

c. Resolution No. 2018-10-120, authorizes the approval of entering into an Indemnity Agreement with QBE Insurance Corporation, a licensed insurance company and has an “A” rating from AM Best Company. The Authority Comptroller is authorized to execute this indemnity agreement.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2018-08-120, Indemnity Agreement, New York Power Authority, QBE Insurance Corporation, was unanimously approved.

9. Water Quality –

a. Resolution No. 2018-10-121, authorizes the Executive Director to enter into an Operations and Maintenance Service Agreement with the Town of Diana.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2018-08-121, Operations and Maintenance Service Agreement, Town of Diana Water District, was unanimously approved.

10. Chairman’s Report –

The next Board meeting will be Thursday, December 20, 2018.

We will need to go into Executive Session at the end of today’s meeting regarding a personnel evaluation.

11. Executive Director’s Report –

The Authority has hosted three (3) Household Hazardous Waste and Pharmaceutical Clean Up days within the past 2 months within the three (3) counties. To give you some idea of what the program entails we have interacted with over 11,000 households and there is the price for this service. We have a minimum price we are charged by the hauler, who is a permitted household hazardous waste hauler. There is a cost for advertising in all three (3) counties. The total event cost for the five (5) events this year is $58,000. We will be applying for a 50% reimbursement from New York State. This is one of the services we provide annually for the counties. These events resulted in the collections of over 50,000 pounds of hazardous materials.
Workplace Violence Prevention Training – This is similar to the policy adopted earlier today. This is a State mandated Workplace Violence Prevention Training annual policy requiring annual training for all employees, an employee survey, and a facilities evaluation. This has just been completed by Human Resources this past week.

Health & Safety Inspections are currently being performed in our municipal facilities as well as our own facilities. In the case of municipal facilities, while they are not ours we have employees in those facilities. Under the New York State PESH (Public Employees Safety and Health) the Authority is responsible for these inspections. To address this, the Authority annually does a health and safety inspection of our own facilities at Engineering and Water Quality, as well as at each municipality, with completed copies provided to the municipalities with recommendations for action. This not only meets our obligation under PESH, but also gives an assessment to the municipality with recommendations of things they need to be doing to stay current.

Cyber Attack – The Authority encountered another cyber-attack just recently, similar to the one we had a few months ago. The results of the software upgrades that were made at that time offset and beat the most recent attack. This is becoming an ongoing part of our operations and requires constant monitoring and investing in system upgrades.

Project Engineer – Engineering has been successful in retaining a new hire, who will begin on October 29th. He is a local individual out of Gouverneur. We are looking forward to having a full staff. You will notice under engineering’s finances, revenues are down, but so are expenses. Without the engineers, you cannot generate the revenue.

DCAA has completed their audit. They have submitted their report to the Army, but the Authority has yet to receive a copy. The Authority will go through the reconciliation with the City of Watertown, similar to what was done last year with adjustment credits based on the market rate.

Governance Committee has authorized by resolution in 2017, approving changes to the Authority Health Insurance Renewals. The changes have been adopted and the Authority will move forward and start our process with the employees. The contributions will remain at the goal of 30% as was recommended by the Board. Detailed copies of the analysis can be provided upon request.

12. Finance – Comptrollers Report

The 2020 budget season is creeping up on us. This will be provided to the Board with a first look in January, with the preliminary being reviewed in February, and then full board approval in March.

a. C. Farone reviewed the financial report for the period ending August 31, 2018. C. Farone noted things are consistent with the audit figures from the prior fiscal year. Total assets increased $1.5 million while Total Liabilities increased by $500,000. The Actual Year to Date Change in Net Position has increased by about $1,000,000 for the last five months, and the Total Operating Revenue at about $12 million. Everything from a balance sheet perspective is positive with no surprises. These results show the Authority is doing better than projected from this perspective. As far as the Operating Revenue, we are over year to date projections as a result of the Materials Management tonnage,
and the Army buying more water than was projected. Operating Expenses are in line. Interest Income is about $565,000, which includes a change in market adjustment of -$143,000. The cash income for the Development Authority with interest is $780,000, which is above what was originally budgeted. Overall we have a positive change in net position at just over $1 million and ahead of projections.

Upon a motion by A. Calligaris, and seconded by M. Murray, the Unaudited Financial Statements for the Period Ending August 30, 2018, were unanimously approved.

13. Loan Report – M. Capone

Eastern Resort Management is the only loan in our entire portfolio that is past due at this time. It is past due by four (4) months. Their other loan was modified to interest only for six (6) months, and they did make their payments. The other loan is past due and we are working with them and other lenders on it at this time.

All other loans in the portfolio under housing and business programs are within 30 days.

All loans are reported on the Authority website. The status of these loans is not shown on the website.

14. New Business –

G. Turck reminded the Board of the next Board Meeting date, December 20, 2018.

F. Carter asked a question of Telecommunications, wondering how much business the Authority does with Spectrum. D. Wolf responded that we do very little. We build our own network and have generated revenue through fiber swaps with Spectrum. Spectrum generally looks for private services. We do buy services from Spectrum, citing Cazenovia Equipment as an example who has sites in Lafayette. We cannot get to that area so we use Spectrum to get there. However, we do not do a great deal of this.

G. Turck requested an Executive Session to discuss a personnel evaluation. Upon a motion by F. Carter, and seconded by A. MacKinnon, the Board moved into Executive Session at 10:56 AM.

Upon a motion by F. Carter, and seconded by A. Calligaris, the Board moved out of Executive Session at 11:26 AM.

There was no action taken during this Executive Session.

14. Upon a motion by J. Johnson, and seconded by M. Murray, the meeting was adjourned at 11:27 PM.

Respectfully submitted,

Thomas Hefferson
Secretary