MINUTES
BOARD OF DIRECTORS MEETING
Thursday, June 23, 2016 – 10:00 AM
Conference Room 100, 1st Floor
Dulles State Office Building, Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session in Conference Room 100, 1st Floor, Dulles State Office Building, Watertown, New York, on Thursday, June 23, 2016, at 10:00 am.

Members Present:

Voting
Gary Turck, Chairman
John B. Johnson, Jr.
Fredrick Carter
Thomas Hefferon
Dennis Mastascusa
Margaret Murray
Alfred Calligaris

Non-Voting
Mary Doheny
James Hollenbeck
Stephen Hunt

Members Absent
Alex MacKinnon
Brian McGrath

Staff Present:
James W. Wright, Executive Director
Michelle Capone, Director of Regional Development
Patricia Pastella, Manager, Water Quality Division
Carrie Tuttle, Director of Engineering and Environmental Division
David Wolf, Director of Technology
Carl Farone, Comptroller
Jo Anne T. Yaddow, Executive Assistant
Angela Marra, Administrative Assistant

Guests:
Richard James, Authority Counsel, Mackenzie Hughes
Bettina Lipphardt, The Bonadio Group

1. Chairman Turck called the meeting to order at 10:00 am. Chairman Turck stated Bettina Lipphardt will present a review of the completed audit while awaiting M. Doheny's arrival to achieve a quorum.

2. Audit Report Findings - B. Lipphardt stated she had met with the Audit Committee on June 13th to present the Audit Report findings. B. Lipphardt gave an overview of the Audit Results:
a. Overall Assessment:

- Management and staff were very cooperative with audit requests and processes.
- Financial records and accounting staff were well prepared for audit.
- Authority is very solid financially with conservative and prudent methods for reporting and recognizing reserve requirements.

b. Audited Financial Statements:

- An Unmodified Opinion was issued on Financial Statements.
- Increase in net position for FY 2016 was $1.8M as compared to $2.6M in the prior year. Decrease in net position was largely due to a decrease in investment income with the current year market conditions.
- Total accumulated net position at March 31, 2016 was $166.6M. Of this amount $7.3M is unrestricted and undesignated to meet the Authority's ongoing obligations.
- Total assets were $217M at March 31, 2016.
- The Authority adopted two new accounting standards in 2016 related to the recorded of its proportionate share of the New York State pension plan, resulting in a recorded liability of $844k.

c. Regional Waterline Agreed Upon Procedures:

- No findings were noted.

d. Investment Compliance Report:

- Authority is in compliance with the State Comptroller's Investment Guidelines for Public Authorities.

e. Communications of Matters Related to Internal Control Over Financial Reporting:

- No material weaknesses or deficiencies in internal control were identified.

J. Johnson stated the clean audit is a tribute to the entire management and staff. J. Wright stated he appreciated the recognition. J. Wright stated this would be Bettina Liphardt's last audit and thanked her for her service. An RFP would be issued for Audit Services.

M. Doheny entered the meeting at 10:02 am

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

- All Board Members were present, with the exception of A. MacKinnon and B. McGrath.

4. Chairman Turck confirmed there was a quorum.

5. Chairman Turck offered the Privilege of the Floor.
6. Upon a motion by A. Calligaris, and seconded by F. Carter, the Minutes of the May 26, 2016 Board Meeting, were unanimously approved.

7. Executive Director’s Report –

   a. The Development Authority has received $50,000 from Senator Patty Ritchie in funding to continue to provide municipal planning programs and services related to Fort Drum development.

   b. New York State has funded the Town of Richville for the Town’s dissolution study. The Authority is providing assistance on the dissolution study.

   c. The Compass Company Consultants, LLC, the consultant hired at the time of RFP issuance for insurance services, has completed their review of policies purchased and found policies consistent with that specified in the RFP. Further, Liberty Mutual was on-site to conduct a Risk Control Assessment. The result of the Risk Control Assessment is as follows: “It is clear that the Development Authority of the North Country controls all exposures and maintains safety as a top priority throughout the organization.”

   d. Annual Report 2015-2016 – Reports were distributed and J. Wright reviewed some of the highlights.

8. Finance Report –

   a. C. Farone stated the Authority has a very strong statement of Net Position. There is a $140,000 decrease in Accounts Receivable. The SLIC receivable is still outstanding and Management is continuing to work with them. J. Wright stated New York State was approached by SLIC for direct funding and they have assured NYS they will pay. Liabilities – Unearned Income increased $4.1 million. Statement of Net Position is unchanged.

      Upon a motion by A. Calligaris, and seconded by F. Carter, the Unaudited Financial Statements for the Period Ending April 30, 2016, were unanimously approved.


      Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2016-06-68, Approving Audited Financial Statements, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2016, was unanimously approved.

   c. Resolution No. 2016-06-69 approves the Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year 2016, a PARIS requirement. The Audit Committee recommends approval.

      Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2016-06-69, Approving the Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country for the Fiscal Year 2016, was unanimously approved.
9. Governance Report –
   

   
   Upon a motion by A. Calligaris, and seconded by D. Mastascusa, Resolution No. 2016-06-70, Approving Annual Bond Sales Report for Fiscal Year Ending March 31, 2016, was unanimously approved.

b. Resolution No. 2016-06-71 approves the Travel and Miscellaneous Expense Policy revisions. The recommended changes do not modify the prior policy but allows for claims authorizations and approvals to be completed using electronic processing.

   
   Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2016-06-71, Approving Travel and Miscellaneous Expense Policy Revisions, was unanimously approved.

10. Engineering Report –
   
a. Resolution No. 2016-06-72 authorizes a Technical Services Agreement for the Village of Gouverneur to assist with funding applications and to oversee the completion of a feasibility study pertaining to the improvements needed to upgrade and expand the Village’s municipal power generation. The total cost of the Agreement is not to exceed $10,000. A. MacKinnon spearheaded this idea and will result in CFA funding.

   
   Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2016-06-72, Technical Services Agreement for Village of Gouverneur Regional Municipal Hydroelectric Feasibility Study, was unanimously approved.

b. Resolution No. 2016-06-73 amends the SCADA Services Agreement for the Carthage Water Pollution Control Facility Capital Improvement Project for an additional cost of $16,000, bringing the not to exceed total to $66,000. The scope of original services has changed due to the removal of the remote monitoring of the Long Falls Pump Station and Carthage/Metro Metering Station from the General Contractor responsibilities. The Authority will perform this work in order to reduce costs for the Villages by simplifying the integration of control equipment.

   
   Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2016-06-73, Amendment No. 1 to SCADA Services Agreement for Carthage Water Pollution Control Facility Capital Improvement Project, was unanimously approved.

11. Regional Development –
   
a. Resolution No. 2016-06-74 ratifies a loan/grant issued through the North Country Redevelopment Loan Fund for the Lewis County Development Corporation. Empire State Development funds will be applied against capital project costs. The Development Authority ratifies the grant/loan commitment in the amount of $500,000 ($250,000 loan/$250,000 grant) from the North Country Redevelopment Fund to Lewis County Development Corporation for a term of 20 years at 1%. J. Wright noted terms and conditions should reflect “principal and interest.”
Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2016-06-74, Ratifying Loan Issued Through North Country Redevelopment Loan Fund for Lewis County Development Corporation, was unanimously approved.

b. Resolution No. 2016-06-75 ratifies a loan/grant issued through the North Country Redevelopment Loan Fund for Lawler Realty LLC in the amount of $500,000 ($250,000 loan/$250,000 grant) for a term of 15 years at 1%. Payments are interest only during construction, with principal and interest over the remaining term of the loan. J. Wright noted that he is on the YMCA Board but did not participate in any of the committees related to this project.

Upon a motion by A. Calligaris, and seconded by M. Murray, Resolution No. 2016-06-75, Ratifying Loan Issued Through North Country Redevelopment Loan Fund for Lawler Realty LLC, was unanimously approved.

e. Resolution No. 2016-06-76 authorizes submittal of applications through the New York State Consolidated Funding Application (Round 6). The application deadline is July 29 and is subject to the Executive Director’s approval. Should the Development Authority be awarded funding through an application through the CFA process, the contract is subject to the approval of the Authority Board.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2016-06-76, Authorizing Applications to be Submitted Through the New York State Consolidated Funding Application Round Six, was unanimously approved.

f. Resolution No. 2016-06-77 approves changes to the organizational structure of Cambray Court Apartments LP since David Swawite, member and Managing General Partner of Cambray Courts, is retiring and transferring his membership interest to Beacon Communities.

Upon a motion by A. Calligaris, and seconded by F. Carter, Resolution No. 2016-06-77, Approving Changes to the Organizational Structure of Cambray Court Apartments LP, was unanimously approved.

g. Resolution No. 2016-06-78 authorizes the Executive Director to enter into an agreement with Franklin County Industrial Development Agency for Loan Underwriting Services.

Upon a motion by F. Carter, and seconded by T. Hefferon, Resolution No. 2016-06-78, Authorizing Executive Director to Enter into an Agreement with the Franklin County Industrial Development Agency for Loan Underwriting Services, was unanimously approved.

h. Resolution No. 2016-06-79 ratifies participation in the Export Import Bank of the United States Regional Export Promotion Program. The Authority submitted an application to remain a partner with the Export Import Bank to market their programs across the region and was accepted into the program. The resolution reflects a name change to “United States Regional Export Promotion Program.”
Upon a motion by F. Carter, and seconded by A. Calligraris, Resolution No. 2016-06-79, Ratifying Participation in the Export-Import Bank of the United States Regional Export Promotion Program, was unanimously approved.

i. Resolution No. 2016-06-80 authorizes a loan from the Housing Revolving Loan Fund to 351 East Orvis LP in an amount not to exceed $220,000, for a term of 240 months at a 3.5% interest rate.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2016-06-80, Authorizing Loan from Housing Revolving Loan Fund to 351 East Orvis LP, was unanimously approved.

j. Resolution No. 2016-06-81 authorizes a Technical Services Agreement with the Village of Tupper Lake for the preparation of a New York State Affordable Housing Corporation application, related services of administration, and project delivery of the grant.

Upon a motion by M. Murray, and seconded by R. Hefferon, Resolution No. 2016-06-81, Authorizing Technical Services Agreement with the Village of Tupper Lake for the Preparation of a New York State Affordable Housing Corporation Application and Administration and Project Delivery of Grant, was unanimously approved.

12. Executive Session –

Upon a motion by F. Carter, and seconded by A. Calligraris, the Board of Directors went into Executive Session to discuss “…employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person…”

Upon a motion by M. Murray, and seconded by J. Hollenbeck, the Board of Directors came out of Executive Session.

Chairman Turck stated no action was taken during Executive Session.

13. New Business – None


15. S. Hunt stated the Consolidated Funding Application process is open and the North Country Regional Council is competing for grant funding for the region. Private businesses are encouraged to apply.

16. Upon a motion by F. Carter, and seconded by J. Johnson, the meeting adjourned at 11:00 am.

Respectfully submitted,

Thomas Hefferon
Secretary