MINUTES
BOARD OF DIRECTORS MEETING
Thursday, March 19, 2015 – 11:15 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, March 19, 2015.

Members Present:

Voting: Alfred Calligaris, Chairman
John B. Johnson, Jr.
Fredrick Carter
Margaret Murray
Richard Lucas
Gary Turck
Alex MacKinnon

Non-Voting: William Archer
William Shelly
Brian McGrath
Mary Doheny

Members Absent:
Thomas Heffron

Staff Present:
James W. Wright, Executive Director
Thomas Sauter, Deputy Executive Director
Carl Farone, Comptroller
Timothy Field, Director of Information Technology
Michelle Capone, Director of Regional Development
Laura Tousant, Deputy Comptroller
Patricia Pastella, Division Manager, Water Quality Division
Carrie Tuttle, Director of Engineering and Environmental Division
Richard LeClerc, Division Manager, Solid Waste Management Division
Jo Anne T. Yaddow, Executive Assistant
Angela Marra, Administrative Assistant

Guests:
Richard James, Authority Counsel, Mackenzie Hughes
Ted Booker, Reporter, Watertown Daily Times
1. Chairman Calligaris called the meeting to order at 11:29 AM.

2. Chairman Calligaris offered the Privilege of the Floor.

3. Upon a motion by R. Lucas, and seconded by A. MacKinnon, the Minutes of the March 19, 2015 Board Meeting, were unanimously approved.

4. Chairman’s Report –

   a. Review of Mission Statement and Performance Review—Chairman Calligaris read the Mission Statement. J. Wright stated the Mission Statement and Performance Measures were in the read-ahead packet. J. Wright stated the Board Evaluations and Disclosure Statements have been distributed and requested the forms be turned in at the end of the Board Meeting. B. McGrath stated the enabling statute included “Fort Drum” specifically, yet the current Mission Statement does not mention “Fort Drum” and asked if there was a basis for deviating from the enabling statute. J. Wright noted the Mission Statement is broader than Fort Drum and is included within the tri-county region. After much discussion, B. McGrath requested that it be noted that he objected to the omission of “Fort Drum” in the Mission Statement.

   Upon a motion by R. Lucas, and seconded by J. Johnson, the Mission Statement was approved.

5. Executive Director’s Report

   a. Mission Performance Measures – J. Wright stated the Performance Measures had been distributed. Performance Measures are an annual requirement to review documented tasks completed over the past fiscal year. Items in red are issues that have not been complied with.

   Upon a motion by G. Turck, and seconded by A. MacKinnon, the Performance Measures were unanimously approved.

   b. Fort Drum Day in Albany was on Tuesday, March 17th and was well attended. The Fort Drum Rally at Jefferson Community College is scheduled for Friday, March 20th (doors open at 4:30) and everyone is encouraged to attend.

   c. Bids for the Leachate Loadout Project came in under budget at $5,465,287. The budgeted cost was $5.7 million. Bids for the Murray Interpretative Center came in at $205,522. The budgeted cost was $250,000.

   d. Finance Committee Budget Modifications –

      • Solid Waste Interest Expense – Increased by $195,128 to cover the interest capital projects
      • Solid Waste Tip Fee – Reduce the replacement reserve commitment to $1.00 per ton
      • Solid Waste Replacement Reserve – Upon retirement of outstanding bond issues of 1995 and 1997, the debt service reserve balances will be board designated to the replacement reserve fund.
Telecommunications – Capital budget for cybersecurity was moved to operations and increased from $25K to $35K. This is to include ongoing testing of telecommunications and Authority information technology systems.

Interest Earnings – Increased to $973,344 to reflect current market projections; budget also contains a market to market adjustment to better reflect actual interest earnings.

Regional Development budget for JCC Regional Study increased from $10,000 to $15,000 to include St. Lawrence County quality of life survey.

Regional Development budget added $15,000 for legal fees related to Florelle Paper loan recovery.

Community Rental Housing Reserve – Board designated Community Rental Housing reserve of $4,000,000 is recommended to be discontinued and the funds Board designated as an Administrative Reserve.

Army Waterline appropriated $25,000 from operations repair and maintenance to capital improvements and apply $55,000 of remaining Army capital reserves, reducing rates to Army and outside users.

6. Finance – Annual Budget –

a. Resolution No. 2015-03-20 approves the annual FY 2015-2016 Administrative Division Budget, Capital Projects, Administrative Allocations, and Audit Committee Budget.

Upon a motion by R. Lucas, and seconded by A. MacKinnon Resolution No. 2015-03-20, Approving Fiscal Year 2015-2016 Administrative Budget, Capital Projects, Administrative Allocations and Audit Committee Budget, was unanimously approved.

b. Resolution No. 2015-03-21 approves the annual FY 2015-2016 Engineering Division operating budget and capital projects.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2015-03-21, Approving Fiscal Year 2015-2016 Engineering Division Operating Budget and Capital Projects, was unanimously approved.


Upon a motion by R. Lucas, and seconded by A. MacKinnon, Resolution No. 2015-03-22, Approving Fiscal Year 2015-2016 Regional Development Budget, was unanimously approved.

d. Resolution No. 2015-03-23 approves the annual FY 2015-2016 Solid Waste Management Division operating budget, capital projects, reserve requirements and tipping fees.

Upon a motion by G. Turck, and seconded by A. MacKinnon, Resolution No. 2015-03-23, Approving Fiscal Year 2015-2016 Solid Waste Management Division Operating Budget, Capital Projects, Reserve Requirements, and Tipping Fees, was unanimously approved.
e. Resolution No. 2015-03-24 approves the annual FY 2015-2016 Telecommunications Division operating budget, capital projects, reserve designations and tariff.

Upon a motion by M. Murray, and seconded by A. MacKinnon, Resolution No. 2015-03-24, Approving Fiscal Year 2015-2016 Telecommunications Division Operating Budget, Capital Projects, Reserve Designations, and Tariff, was unanimously approved.

f. Resolution No. 2015-03-25 approves the annual FY 2015-2016 Water Quality Division operating budget, capital projects and user charges.

Upon a motion by R. Lucas, and seconded by G. Turck, Resolution No. 2015-03-25, Approving Fiscal Year 2015-2016 Water Quality Management Division Operating Budget, Capital Projects, and User Charges, was unanimously approved.

g. Resolution No. 2015-03-26 authorizes the Executive Director to implement a compensation plan consistent with the provisions of the personnel policies manual adopted by the Board wherein an annual adjustment pool is reflected in the budget as a percentage of anticipated base salaries for annual adjustments, reclassifications, promotions, longevity and merit performance.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2015-03-26, Authorizing Executive Director to Implement Compensation Plan, was unanimously approved.

W. Shelly exited the meeting due to other business.

h. Resolution No. 2015-03-27 authorizes the write-off of $250,000 for Florelle Tissue and directs the Executive Director to make adjustments to the Authority's financial statements to reflect the transaction. The Project Development Committee has reviewed and recommended this write-off.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2015-03-27, Authorizing the Write-Off of a Certain Loan Receivable as Bad Debt, was unanimously approved.

i. Resolution No. 2015-03-28 approves setting up accounts for income and expenses for the FY 2015-2016 North Country Economic Development Fund. Appendix A to the resolution details the line items for approval.

Upon a motion by A. MacKinnon, and seconded by R. Lucas, Resolution No. 2015-03-28, Approving Fiscal Year 2015-2016 North Country Economic Development Fund Budget, was unanimously approved.

j. Resolution No. 2015-03-29 is an annual resolution which authorizes professional services contracts throughout the Authority.

Upon a motion by G. Turck, and seconded by R. Lucas, Resolution No. 2015-03-29, Authorizing Professional Services Contracts, was unanimously approved.
7. Governance Report –

a. Resolution No. 2015-03-30 is an annual resolution that approves the Investment Policy. It was noted there were no changes.

Upon a motion by R. Lucas, and seconded by G. Turck, Resolution No. 2015-03-30, Approving Investment Policy, was unanimously approved.

b. Resolution No. 2015-03-31 is an annual resolution that approves the disposition of real property policy. It was noted there were no changes.

Upon a motion by R. Lucas, and seconded by M. Murray, Resolution No. 2015-03-31, Approving Disposition of Real Property Policy, was unanimously approved.

c. Resolution No. 2015-03-32 is an annual resolution that approves the Procurement Policy. It was noted there were no changes.

Upon a motion by G. Turck, and seconded by R. Lucas, Resolution No. 2015-03-32, Approving Procurement Policy, was unanimously approved.

d. Resolution No. 2015-03-33 approves modifications to the Personnel Policy. J. Wright stated this resolution is not required by the Authorities Budget Office but is an annual Development Authority resolution and is recommended by the Governance Committee for recommendation by the Board. Changes to the Policy are as follows:

- Human Resources Director is now the contact for equal employment opportunity violations, sexual harassment issues, and personnel records inspection/issues for employees
- The Northern Employee Assistance Service (EAP) has been renamed to “Pivot”
- All job applicants offered a position with the Authority will be required to have a pre-employment medical examination and drug screen.
- Definition of Temporary employee changed from less than 2,000 to less than 1,560 hours
- Executive Committee changed to Governance Committee
- Medical Insurance – Effective January 2016, the employee will contribute 30% of the premium cost for both individual and family coverage. The Governance Committee recommends this change; however, this will be reviewed and be re-addressed by the Governance Committee.
- Section added to include Broader Definition of Spouse (i.e., same sex couples) regarding same rights under federal law, caring for spouse; etc.
- Job position title changes in Water Quality Division

Upon a motion by G. Turck, and seconded by R. Lucas, Resolution No. 2015-03-33, Authorizing Modifications to Personnel Policy, was unanimously approved.
8. Engineering -
   
a. Resolution No. 2015-03-34 authorizes the Executive Director to enter into a Technical Services Agreement with the Town of Martinsburg for SCADA and instrumentation support for a not to exceed amount of $5,000.

   Upon a motion by R. Lucas, and seconded by G. Turck, Resolution No. 2015-03-34, Authorizing Executive Director to Enter into a Technical Services Agreement with the Town of Martinsburg for SCADA and Instrumentation Technical Support, was unanimously approved.

9. Regional Development –
   
a. Resolution No. 2015-03-35 re-authorizes a loan from the Lewis County Development Corporation (LCDC) to bridge a New York State grant for the Lyons Falls Paper Mill redevelopment project. The loan ballooned on February 1, 2015 and documentation for reimbursement has been submitted to the Empire State Development by the LCDC. The loan re-authorization in the amount of $330,000 has been recommended by the Project Development Committee. J. Wright stated this loan predates the ABO directive. B. McGrath requested it be noted he supports this loan re-authorization. The loan will be extended for an additional 12 months, or upon receipt of the grant funds, whichever occurs first.

   Upon a motion by R. Lucas, and seconded by G. Turck, Resolution No. 2015-03-35, Re-Authorizing Loan from Community Development Loan Fund to Lewis County Local Development Corporation to Bridge New York State Grant for Redevelopment of Lyons Falls Paper Mill, was unanimously approved.

b. Resolution No. 2015-03-36 authorizes a 30-day extension to a loan made to Carthage Specialty Paperboard from the Community Development Loan fund. Resolution No. 2014-06-15 approved a loan in the amount of $1,000,000 for working capital. The loan will later convert to permanent financing and the Authority’s loan will be paid down to $250,000 by proceeds received from the Jefferson County Industrial Development Agency, North Country Alliance, North Country Economic Development Fund, and the Village of Carthage. Xince the loan ballooned on March 4, 2015, Carthage Specialty Paperboard is in default of their loan to the Authority in the amount of $1,000,000. The participating lenders have agreed to the changes proposed by the Borrower’s attorney and the loan closing will occur prior to April 4, 2015 from the original closing date of March 4, 2015. The 30-day extension is recommended by the Project Development Committee.

   Upon a motion by R. Lucas, and seconded by M. Murray, Resolution No. 2015-03-36, Approving 30-Day Extension to Loan Made to Carthage Specialty Paperboard from the Community Development Loan Fund, was unanimously approved.
10. Solid Waste Management –

a. Resolution No. 2015-03-37 is the annual standardization resolution for certain equipment used by the Solid Waste Management Division.

Upon a motion by R. Lucas, and seconded by A. MacKinnon, Resolution No. 2015-03-37, Standardizing Upon Certain Equipment for Use in Relation to the Solid Waste Management Division, was unanimously approved.

b. Resolution No. 2015-03-38 standardizes an equipment manufacturer for a compactor for the Solid Waste Management Facility. Chairman Calligaris appointed a special committee on heavy equipment consisting of Board Members R. Lucas, F. Carter, and W. Shelly, all with extensive experience in heavy equipment, who met with SWMF managers, operators, and mechanics to review operations and maintenance records documenting annual savings in fuel consumption, downtime/repairs, factors to employees in operations, expenses and the added safety to warrant standardizing on the purchase and operations of a Caterpillar Compactor Model 836K. Operations and maintenance records will be maintained for annual review and determination of the continued standardization.

Upon a motion by F. Carter, and seconded by R. Lucas, Resolution No. 2015-03-38, Standardizing Upon a Certain Equipment Manufacturer for the Provision of a Solid Waste Compactor, was unanimously approved.

c. Resolution No. 2015-03-39 is a standardization resolution of an equipment manufacturer for an articulated hauler. The special committee on heavy equipment also discussed standardization of an articulated hauler, primarily due to safety issues. Given elevations at the landfill, wind has a detrimental effect on raised hauler boxes; waste conditions are uneven and soft ground causing unbalance and tipping; in freezing weather, boxes sometimes cannot be dumped as the material freezes in place. An option of an after-market add-on ejector which could void the manufacturer’s warranty and raise issues of liability was rejected by all in attendance. The committee recommended standardizing on a Caterpillar Model 730C Articulated Hauler.

Upon a motion by R. Lucas, and seconded by A. MacKinnon, Resolution No. 2015-03-39, Standardizing Upon a Certain Equipment Manufacturer for the Provision of an Articulated Hauler, was unanimously approved.

11. Telecommunications –

a. Resolution No. 2015-03-40 is an annual Telecommunications standardization of equipment resolution.

Upon a motion by R. Lucas, and seconded by M. Murray, Resolution No. 2015-03-40, Standardizing Upon Certain Equipment for Use in Relation to the Open Access Telecommunications Network, was unanimously approved.
b. Resolution No. 2015-03-41 authorizes an annual resolution for a $500,000 line of credit for the Telecommunications Division.

Upon a motion by R. Lucas, and seconded by A. MacKinnon, Resolution No. 2015-03-41, Authorizing Continuation of a $500,000 Line of Credit for the Telecommunications Division, was unanimously approved.

c. Resolution No. 2015-03-42 authorizes a bid for the ACTION telemedicine network proposal and contract amendment.

Upon a motion by G. Turck, and seconded by R. Lucas, Resolution No. 2015-03-42, ACTION Telemedicine Network Proposal and Contract Amendment Authorization, was unanimously approved.

12. Water Quality Management –

a. Resolution No. 2015-03-43 is the annual Water Quality standardization of equipment resolution.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2015-03-43, Standardizing Upon Certain Equipment for Use in Relation to the Water Quality Management Division, was unanimously approved.

13. New Business –

a. Report of the Nominating Committee – J. Johnson, Nominating Committee Chair, proposed the following Board Members as new officers for the coming fiscal year:

- Chairman – G. Turck
- Vice Chairman – F. Carter
- Treasurer – M. Murray
- Secretary – T. Hefferon

Upon a motion by J. Johnson, and seconded by R. Lucas, New Officers: Gary Turck – Chairman; Fredrick Carter – Vice Chairman; Margaret Murray – Treasurer; Thomas Hefferon – Secretary, were unanimously approved.

b. Adoption of Meeting Schedule - Upon a motion by R. Lucas, and seconded by A. MacKinnon, the calendar of meeting dates for FYE 2016, was unanimously approved.


14. Chairman Calligaris adjourned the meeting at 12:39 AM.

Respectfully submitted,

[Signature]

Fredrick J. Carter
Secretary