

## **MEETING NOTICE**

**Thursday, May 26, 2022  
Dulles State Office Building  
317 Washington Street,  
Watertown, New York**

**Zoom Videoconference &  
Conference Room #1, 11<sup>th</sup> Floor**

**Board of Directors – 10:30 AM**

Pursuant to Open Meetings Law, members of the public have the right to attend the Meeting telephonically via Zoom by dialing into the following access line, or view the proceedings using the following link:

**Dial In Number: 1-646-876-9923 Meeting ID: 842 4969 6944 Passcode: 904060**

**<https://us02web.zoom.us/j/84249696944?pwd=HznbhU6jpGShPeZJjSgLy20JsCS6Vm.1>**

**The Public May View and Listen to the Meeting  
Live Stream at [www.danc.org](http://www.danc.org).**



**AGENDA**  
**BOARD OF DIRECTORS MEETING**  
**Thursday, May 26, 2022 – 10:30 AM**  
**Dulles State Office Building**  
**11<sup>th</sup> Floor, Conference Room #1 and Zoom Videoconference**  
**Watertown, New York**

1. Call to Order
2. Call the Roll
3. Privilege of the Floor
4. Approve the Minutes of March 24, 2022 Board Meeting
5. Chairperson's Report
6. Executive Director's Report
7. Finance Report – Chief Financial Officer
  - a. Year End 2022 Financial Report
  - b. Approving Financials for the month ending March 31, 2022
8. Governance
  - a. Resolution No. 2022-05-36, Approving Modifications to Pesticide Use Policy
9. Technical Services Summary Report
  - a. Non-Lewis County Contracts –
    - I. Town of Morristown, Technical Services Agreement, Local Waterfront Revitalization Program Update, Total Agreement Amount of \$15,000, 5/10/22 – 11/30/22, St. Lawrence County
    - II. Village of Clayton, Technical Services Agreement, Department of Public Works Asset Management Program Plan, Total Agreement Amount of \$7,500, 4/25/22 – 8/25/22, Jefferson
    - III. Town of Edwards, Technical Services Agreement, Water System Assessment, Total Agreement Amount of \$5,500, 5/12/22 – 11/30/2022, St. Lawrence County

- IV. Village of Tupper Lake, Technical Services Agreement, Additional Water Meter Services, Total Agreement Amount of \$64,000, 6/1/22 – 7/31/2024, Franklin County
- V. Town of DeKalb, SCADA Services Agreement, DeKalb SCADA Services for WWTP Improvement Project, Total Agreement Amount of \$88,000, 6/1/22 – 12/31/2023, St. Lawrence County
- VI. Town of Diana, SCADA Services Agreement, Diana SCADA Services for Water System Improvements Project, Total Agreement Amount of \$54,000, 4/1/22 – 12/31/23, Lewis County
- VII. Village of Lowville, GIS Hosting Agreement, Village of Lowville GIS Hosting Agreement, Total Agreement Amount of \$8,300, 6/1/22 – 5/31/27, Lewis County
- VIII. Village of Turin, GIS Hosting Agreement, Village of Turin GIS Hosting Agreement, Total Agreement Amount of \$4,400, 6/1/22 – 5/31/27, Lewis County
- IX. Town of Wilna, Operation & Maintenance Agreement, Town of Wilna O&M Wastewater Facilities, Total Agreement Amount \$48,262, 5/27/22 – 5/31/27, Jefferson County
- X. NYPA, Memorandum of Understanding, NYPA/DANC Pilot – Broadband Deployment, Total Agreement Amount \$49,000, 2/1/22 – 1/31/23, St. Lawrence/Lewis Counties

## 10. Engineering

- a. Resolution No. 2022-05-37, Technical Services Agreement Amendment, Village of Tupper Lake, Water System Improvement Project

## 11. Water Quality

- a. Resolution No. 2022-05-38, Water Service Agreement, Village of Dexter, Regional Water Line
- b. Resolution No. 2022-05-39, Army Waterline Pipeline Replacement Project Improvements, SEQRA Type II Action, No Significant Impact on the Environment
- c. Resolution No. 2022-05-40, Reconstruction Financing, Fort Drum Water Line, Issuance and Sale of Authority Bonds, Note(s) or Other Obligations
- d. Resolution No. 2022-05-41, Phase I Army Water Line Pipeline Replacement Project, Office of Local Defense Community Cooperation, Defense Community Infrastructure Pilot Program

## 12. Telecommunications

- a. PowerPoint Presentation – Rural Broadband Deployment

- b. Resolution No. 2022-05-42, Capital Project, Telecommunications, New York Power Authority Fiber to the Premise

13. Regional Development

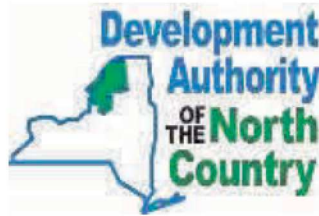
- a. Loan Report
- b. Resolution No. 2022-05-43, North Country Redevelopment Loan Fund, BRB Café, LLC, Ratifying Loan and Grant
- c. Resolution No. 2022-05-44, North Country Redevelopment Loan Fund, 259 JB Wise Partners, LLC, Ratifying Loan and Grant
- d. Resolution No. 2022-05-45, North Country Redevelopment Loan Fund, River Creek, LLC, Ratifying Loan and Grant
- e. Resolution No. 2022-05-46, Economic Development Fund, Potsdam Consumer Cooperative, Inc. Bridge Financing Loan
- f. Resolution No. 2022-05-47, Affordable Rental Housing Program, Cambray Housing Corporation, Loan #1 Modification
- g. Resolution No. 2022-05-48, Affordable Rental Housing Program, Cambray Housing Corporation, Loan #3
- h. Resolution No. 2022-05-49, Annual Report, Creek Wood Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors
- i. Resolution No. 2022-05-50, Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors
- j. Resolution No. 2022-05-51, Consent and Resolutions, Creek Wood Housing Development Fund Company, Inc., Creek Wood II Housing Development Fund Company, Inc., Creekwood I, LLC, Creekwood II, LLC, Summit Wood Homes, LLC

14. Executive Session – to discuss the employment history of a particular person

15. PowerPoint Presentation – Solar Feasibility Project Update

16. Next Board Meeting Date – June 23, 2022 at MMF

17. Adjourn



**MINUTES**  
**BOARD OF DIRECTORS MEETING**  
Thursday, March 24, 2022 – 10:00 AM  
Warneck Pump Station  
23557 NYS Rt. 37, Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session in person and via Zoom Videoconference at the Warneck Pump Station, 23557 NYS Rt. 37, Watertown, New York on Thursday, March 24, 2022 at 10:00 am.

**Members Present**

Voting

Margaret Murray, Vice Chairperson  
Dennis Mastascusa  
Mary Doheny  
Mark Hall  
Thomas Hefferon  
Alex MacKinnon  
Eric Virkler

Non-Voting

Nancy Henry  
Stephen Hunt  
James Hollenbeck  
Brian McGrath

**Members Absent**

**Staff Present:**

Carl Farone, Executive Director  
Jennifer Staples, Chief Financial Officer  
Carrie Tuttle, Chief Operating Officer  
Stephen Bohmer, Director of Information Technology  
Dawn Caccavo, Comptroller  
Michelle Capone, Director of Regional Development  
Kevin Feuka, Director of Engineering  
Laurie Marr, Director of Communications and Public Affairs  
Brian Nutting, Director of Water Quality  
Patricia Pastella, Director of Materials Management  
David Wolf, Director of Telecommunications  
Regina Rybka-Lagattuta, Director of Human Resources  
Angela Marra, Executive Assistant  
Katie Maitland, Administrative Assistant

**Guests:**

Jennifer Granzow, Counsel, Wladis Law Firm

1. Vice Chairperson Murray called the meeting to order at 10:01 AM.
2. Vice Chairperson Murray requested a roll call.
  - A quorum of voting and non-voting members was established.

3. Privilege of the Floor was offered
4. Upon a motion by M. Hall, and seconded by D. Mastascusa, the minutes from the February 24, 2022 Board Meeting, were approved.
5. Chairperson's Report
  - a. Resolution No. 2022-03-21, recognizing the life, service, commitment and contributions of Alfred E. Calligaris upon his untimely death and extending the sympathies of the Authority Board Members to the Calligaris Family – his wife and children, acknowledging their loss and honoring his life was read aloud in its entirety by C. Farone.

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, Resolution No. 2022-02-20, Memorializing Alfred E. Calligaris, Development Authority Board Member and Former Chairman, was unanimously approved.

A moment of silence in honor of Mr. Calligaris was observed by the Board and all meeting attendees.

C. Farone followed the resolution with a brief statement he had written as we were all devastated by the loss of A. Calligaris. This was a tragic loss for his family, his friends, and anyone who had the pleasure of knowing him. He is a husband, father, successful business man, but he always found time to be involved in organizations like ours and we are very fortunate to have someone of Al's caliber on our Board. He was an extremely professional and successful person, and I was fortunate to have Al as a mentor. His experience on the Board over the last 14 years certainly made the Development Authority a much better organization.

C. Farone stated he is going to miss Al's leadership and input on critical issues, their similar accounting views, and more importantly his friendship. He was a great man and a friend to all of us, and that should be noted for the record.

6. Executive Director's Report
  - a. Performance Measurements Report – FYE 2022 –

C. Farone explained that the Board adopts the Performance Measurements annually. A list is compiled at the end of the year to provide to the state showing how well the Authority met these Performance Measurements. It is important for the Board to review this list as well. C. Farone continued by saying those items in black are positive, while those in red are negative. He reviewed the list beginning with the highlighted items under meet or exceed federal, state, and local regulatory requirements such as; the Authority owned Army water line, Army sewer line, and regional water line operated with no violations, an A+ rating on the Minority and Women Owned Business Enterprise report card, sexual harassment prevention training was completed for all employees as required, human resources coordinated a third-party vendor to conduct all required onsite alcohol and drug screenings for our CDL drivers, and human resources ensured all Board members and required employees completed their

JCOPE filings and financial disclosures. C. Farone continued by mentioning negative items listed including; not meeting the SDVOB goal of 4%.

M. Hall asked if these are self-inflicted performance measures, or if they were set for the Authority. C. Farone responded that New York State suggests these goals for us.

C. Farone continued with the following negative items listed; the MWBE goal is 30% and the Authority is currently at 24.75%, water pollution control facilities serving the villages of Carthage, West Carthage, Clayton, and Malone, and the City of Ogdensburg had seven violations, down from 20 last year. A notice of violation was received pertaining to the Army water line as a result of disinfection byproduct contaminates.

B. McGrath asked if we have comparable numbers for the prior year, or are these new violations that did not previously occur. C. Farone responded that these items had previously occurred. C. Tuttle explained how these items are dealt with and tracked through a rigorous process used when logging any violation. An incident tracking log is completed anytime there is a violation. This is an environmental incident report or EIR which is also given to C. Farone. This is documented by staff who determine what the issue is, why it happened, and what we are going to do differently to ensure it doesn't happen again. For some of these, the solution lies within a capital project or permit modification that may take months or years to implement. We continue to log those violations which may result in an environmental incident report that has been open for a long period of time because the corrective action cannot be completed quickly. This is all managed by driving at the root cause, and if it is found to be a procedural or a training issue we then look across the other facilities to see if changes need to be made there as well. B. McGrath thanked C. Tuttle for the explanation and stated he had wanted to know if there were trends we were discovering, and further stated that her response answered his question completely and it sounds like a great system is in place.

C. Farone continued reviewing the next category of meet or exceed federal, state and local safety requirement highlights. Despite COVID we have been able to continue operations while implementing proper safety measures for staff. The Authority had a reportable incident rate of zero for the calendar year 2020, which is a decrease from 6.5 in 2019.

B. McGrath asked if this was a reflection of remote work, or just better controls. C. Farone responded that remote work is part of it, but also better controls. C. Tuttle added that there is a similar procedure for safety incidents as is used for environmental incidents. There is a process where the near miss is investigated and then we try to fix these situations. This information is then looked at across all facilities. The Safety Committee meets every month to review the near miss and accident reports, and have noticed that working remote has had a positive impact on these instances. Vehicle accidents are a big risk for the Authority because we have so many employees on the road. Driver safety training is done frequently but this is still a high risk due to the number of staff on the road for many hours each day. C. Farone stated that one of the important keys C. Tuttle touched on is if something is identified at one facility, it is communicated throughout the entire Authority and integrated

into the operations. This is part of the COO bringing all the operating divisions together to identify and fix issues.

C. Farone continued the performance measurements by sharing that the Authority hosted an emergency response drill with the South Jefferson Rescue Squad and other local emergency response volunteers. This was the first time a drill like this had been done at the Authority and it was a success. The Authority also coordinated and implemented the safety training program for Authority and municipal partners that included 32 sessions and 511 attendees. All required Authority personnel attended the training to meet OSHA safety requirements. The one negative was that CPR training and respirator fit training were not able to be completed due to delays resulting from COVID.

C. Farone reviewed the highlights of the next Performance Measurement, manage the Authority's assets in a prudent and fiscally responsible manner. Based on Board direction, the Telecommunications business plan has been completed. An integrity assessment was completed on the Army water line which showed there is needed work to be done. Landfill operations have been able to reduce leachate production by 45%. A study has been completed to evaluate the feasibility of establishing a Materials Recovery Facility at the Harrisville site. IT has implemented several security measures to protect the Authority's digital information.

The next item is operate transparently and with accountability to partners and general public. C. Farone reviewed the highlights stating that M. Capone and her team created a query tool on the Fort Drum Compatibility website to help better identify encroachment issues, L. Marr issued 11 Authority press releases, and 84 media stories, the Authority website was updated, M. Capone and her staff held a symposium at Fort Drum to allow for discussion between Fort Drum Garrison staff and community leaders that was well attended despite COVID, annual partner letters summarizing Authority services were sent to our three county partners and the City of Watertown, and a newsletter was sent to Rodman residents to help keep residents updated on landfill activities.

Encourage environmental stewardship and advance as a more sustainable organization highlights include; completing 929 environmental compliance items for calendar year 2021, completing a study on solar at our facilities that concluded the solar array may be feasible at the Materials Management Facility, replacing lights at Warneck Pump Station with LEDs for an annual savings of \$6,955, and purchasing 23.45% of the Authority's power from renewable sources.

The Authority provided regional initiatives and partnerships that provide value added services to communities by; partnering with Jefferson, Lewis and St. Lawrence County to conduct a broadband survey, launching Drum Country NY regional marketing initiative as a partnership between economic development organization of Jefferson, Lewis, and St. Lawrence Counties, the Authority and National Grid to focus on attracting and retaining workers and businesses to the North Country, Telecommunications working with the Olympic Regional Development Authority to design the communications network that will support the World University Games in 2023, Telecommunications being awarded contracts to continue providing services to 82 telemedicine sites throughout the



region, Regional Development staff participating in the planning committee for the NYS Costal Lakeshore Economy and Resiliency initiative, Telecommunications upgrading their network, and Regional Development providing grant administration and program delivery services for housing programs in the Town of Gouverneur, and Villages of Massena, Tupper Lake, and St. Lawrence County.

Lastly, the Authority developed internal analytic data to improve assessment and decision-making through Information Technology programming the water/wastewater software to properly record and track information for Carthage/West Carthage moving from using paper in the field to iPads and having real-time information making the system more efficient and less apt for error.

J. Hollenbeck asked if PESH ever comes for an inspection of employees. C. Tuttle responded that they have, and this year the Authority brought them in. They have a consulting division that provides assistance to municipalities. The Authority proactively reached out to them because we have a plant that we are now operating that had a diatomaceous earth filtering system that required different training on our part. They came in and did this training for us, free of charge, and helped us to set up the program. We then updated our health and safety manual to incorporate the new requirements. The Authority has a good relationship with them. Years back there were two fatalities at facilities. PESH stepped up their site visits following those events by visiting almost every wastewater treatment plant that we contract operate. During COVID they were not really doing inspections. We will have to see what the next year brings. J. Hollenbeck further stated that they have started coming around some of the highway departments. C. Tuttle commented that they show up for inspections unannounced.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, accepting Performance Measurements Report – FYE 2022, was unanimously approved.

b. Mission Statement and Performance Measures – FYE 2023 –

C. Farone stated that it is an annual requirement that the mission statement and performance measurements be reviewed with the Board of Directors. C. Farone read the mission statement aloud and stated that both are presented unchanged.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Accepting the Mission Statement and Performance Measures FYE 2023, was unanimously approved.

c. COVID Update -

C. Farone reported positive news. The Authority had seen an uptick two months ago and then it turned itself around. As of the last Board meeting mask requirements were no longer in place. Cases have been down and things are running very smoothly. We are hopeful that the spring and summer will be more of the same as we would like to start thinking about how to get staff back together later in the year and build back the morale that is lost when you don't see each other for such a long time.

B. McGrath asked if peripherally related to COVID, do we need to start looking into adjusting or preparing for adjustments on compensation for various staff in part to the rise in inflation over the last two years as an effect of COVID. C. Farone responded that it definitely is, and staff raises are currently in process. Some staff have come back stating inflation is at 7.24% and we are only getting a raise of "X" amount. Management is going to need to assess this and may bring it back to the Board for additional funding. The Authority is also creating a total compensation statement for each Authority employee that shows wages and benefits to show staff the other things they get working for the Authority. J. Hollenbeck stated that inflation is now at 7.9%, to which C. Farone agreed.

d. Annual Forms –

C. Farone stated that each year the Executive Director Evaluation, Confidential Evaluation of Board Performance, and the Ethics Policy – Disclosure of Outside Interests are to be completed by each Board member. We will send these forms to each Board member asking that they be completed honestly and submitted back to us by April 30<sup>th</sup>. We will work with the chairperson to consolidate all information, and the chairperson will report the results back to the Board.

B. McGrath asked about recent emails regarding a data security leak related to our disclosures, and if there was an update as to what we need to do. C. Farone replied that the email the Board received was the last information we had received, and it appeared that the system would be brought back up and be operational. There was an extension to this but J. Staples confirmed that we do not believe it will affect anyone on our Board. She further added that it is not believed that anyone's personal information had been breached, however if they find that it was, they will reach out to those individuals. This was the old system that was used prior to 2017 that was breached, not the current system. C. Farone stated that Board members should receive information on or about April 15<sup>th</sup> as far as the requirement to file with May 5<sup>th</sup> being the requirement deadline. B. McGrath asked if this was just the update for the previous year with the new system, because he had used both the old and new. C. Farone confirmed that is correct.

7. Finance Report – Chief Financial Officer

J. Staples reviewed the January 31, 2022 financial information. On the statement of net position from fiscal year ending 2021 to January 2022 there is a decrease overall in assets and liabilities of \$3.5 million. Under account receivables there was an increase of \$951,000 from fiscal year end 2021 due to timing of payments, increase in tonnage at MMF, and the continuation of Westelcom not paying their full monthly invoice. They are making good faith payments each month while looking for refinancing options. We will be meeting with the president of Westelcom on April 4<sup>th</sup> to review this situation and determine a good way forward. Loan receivables decreased by \$3 million as a result of two loans being paid in November of 2021. Investments decreased by \$11.8 million due to funds being moving to the restricted assets line in order to put additional funds in the closure and liner reserves. Under liabilities the liner reserve increased from \$7 million to \$10.2 million, and the closure prefunding was added as a new line on the statement of net position restricted liabilities. Capital reserve decreased by \$8 million as funds were moved to closure

prefunding. All of these moves were made to realign funds with the reserves related to the southern expansion as was discussed and approved at the August Board meeting under resolution number 2021-08-106.

Within the Change in Net Position, operating revenue customer billing is over by \$655,000. MMF customer billing is over by \$452,000 due to more tons coming in than were projected. Telecommunication customer billing is over by \$379,000 due to dark fiber. This is due to wireless customers needing to sign new contracts which will reduce revenue but have not done so as of yet, so we are still billing under the old contract pricing. Under operating expenses, most expenses are under budget. Community benefits is an exception being slightly over budget year to date because more tons were brought in than were projected, resulting in us paying more community benefits to the Town of Rodman. Materials and supplies are over budget year to date, not for the full year, because of the gravel and stone needs at the landfill. Interest income is showing a negative year to date. This does not mean we are earning a negative interest on our investments. The reason we are seeing this is because it is a negative adjustment to the market. We used to invest all of our money in CDs and prior to June the CD investment rates were around 1%. They started to drop to .08% and we began to look around for additional options and found Federal Home Loan investments and Treasury investments to be higher and began to purchase these to combat the lower interest rates on CDs. We were then required to make an adjustment in market value of these investments and that is what is being reflected in the negative interest income. This is only an accounting entry and the loss would not be recognized unless we cashed the investments in early.

The January year to date change in net position is a positive \$87,000, versus a budgeted loss of \$2.7 million.

Upon a motion by E. Virkler, and seconded by M. Hall, Financials ending January 31, 2022, was unanimously approved.

#### 8. Governance –

- b. Resolution No. 2022-03-22, authorizing the write-off of the above identified receivables and further directs the Chief Financial Officer to make adjustments to the Authority's financial statements to reflect this transaction.

C. Farone explained that just because the Authority is writing this off as uncollectable does not mean that we are still not trying to collect. After the auditors have reviewed it, and a certain amount of time has passed and they still have not paid, it is deemed uncollectible. We will pursue legal action, however it is required to physically write this off. If we are paid then this will be recognized as revenue.

M. Capone added that Barclay Damon is the attorney in the process of serving them. Once that occurs we proceed as planned.

A. MacKinnon asked the location of the building. M. Capone replied that she does not have the exact address, but it is a mixed use building in downtown Malone to include commercial space with some residential above and a restaurant. They are also past due with the North Country Alliance who is also proceeding with litigation.

A. MacKinnon asked if this business was still operational. M. Capone replied that it is still operational, but does not have cash flow. Several attempts were made to work out a plan with them, but it never came to fruition. A. MacKinnon asked when this was attempted. M. Capone stated this was in 2021, and they have gone almost a year without making payments.

J. Hollenbeck asked if one year was the criteria. M. Capone replied no, legal action was begun almost 5 months ago. She further explained that based upon the collection policy a letter is sent at 30 days notifying them they are past due. This is followed up at 60 days with a reminder, and asking what their plan may be. At 90 days we issue a notice of default letter that requests payment be made by a specific date or we will move forward with legal action. A final notice would then be sent stating everything is due calling the whole note. We did this step in December because we have to protect the public's money, but we also attempt to work out a scenario with them as much as possible.

M. Hall asked if this could be COVID related seeing that it is a restaurant business. M. Capone replied that it is in part COVID related because they tried to open the business in the middle of COVID. Malone also benefits from Canadian business that comes across the border. However, neither of these excuse the fact that they wouldn't work with us.

M. Hall asked if we knew the amount of the original loan and how much they had paid back. M. Capone stated it was \$500,000, \$250,000 loan and \$250,000 grant. We will only be writing off the loan, but the grant is part of the litigation.

B. McGrath asked what the Authority's lien position is, and do we have personal guarantees from principles of the LLC. M. Capone responded yes, we have a first mortgage on the property. We did approve subordinating, however we are in a co-proportional position with the Franklin County Economic Development Organization and we do have personal guarantees. Part of the current issue is that they changed their addresses. While the attorney's office feels comfortable serving them with the address they have now, they cannot do anything with the property. Once we serve them, judgements will be filed against them.

B. McGrath asked why if this was sent to the Barclay firm five months ago are they just serving the complaint now. He further stated that as a lawyer this is an undue delay and asked what the reason for this is. M. Capone replied that we sent the last notice to the borrowers in December requesting a response by January. We are uncertain why it has taken so long, but we can question them for clarification as to why.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-03-22, Authorizing the Write-Off of a Certain Loan Receivables as Bad Debts, was unanimously approved.

- c. Resolution No. 2022-03-23, authorizes the write-off of the above identified receivable and further directs the Chief Financial Officer to make adjustments to the Authority's financial statements to reflect this transaction.

C, Farone explained that this is a clinic that was receiving 65% subsidy from USAC. USAC became informed that the clinic would be closing, however they didn't close

and the Authority continued to provide services only to find out USAC wouldn't fund them. The clinic paid their 35% per the agreement, but there is nowhere that ties the clinic to pay the additional 65%. This leaves the Authority with that 65% as uncollectible.

A. MacKinnon asked what USAC is. C. Farone responded it is the Universal Service Administrative Company. Of the hospital network the hospitals pay 35% and USAC, being federally subsidized pays 65%. However because they were closing the facility USAC said the funding is no longer available. A. MacKinnon asked if the facility was still operating and generating money. C. Farone replied yes, they are still operating but we have no recourse to go to the facility for the 65%. It is not part of the current contract that if USAC does not pay, the customer is responsible for it. Going forward, this will be included in our service orders.

A. MacKinnon asked if the clinic notified USAC they would be closing, and then did not close so now they are not getting the subsidy from USAC. C. Farone stated this is correct, they were paying their 35% as per the agreement. A. MacKinnon asked if that money was part of their cash flow or an initial fund to get them started. C. Farone replied no, they pay every month directly to the Authority. A. MacKinnon further inquired if this is still in existence and they are not getting the subsidy but generating their own cash flow. J. Staples commented that this contract with USAC ended in June of 2019 and this clinic is no longer a customer receiving our monthly services. A. MacKinnon stated that it seems that the cash flow is there, they have just decided to not pay. J. Staples stated they were not required to pay, and we are unsure if this facility is still open. D. Wolf confirmed that we are unsure if they are still open as we stopped providing service to them some time ago. C. Farone stated that this situation is unfortunate, but will be corrected moving forward.

Upon a motion by M. Hall, and seconded by A. MacKinnon, Resolution No. 2022-03-23, Authorizing the Write-Off of Certain Accounts Receivable as Bad Debts, was unanimously approved.

- d. Resolution No. 2022-03-24, approves the Personnel Policy as attached to and incorporated in the resolution.

C. Farone explained that this policy was reviewed by R. Lagattuta, Director of Human Resources, and J. Staples, Chief Financial Officer, to determine if there were any applicable federal and state regulations that should be included. Once completed the policy was sent to our legal counsel for their review. C. Farone continued by reviewing the number of additions, modifications, and deletions cited on the resolution and highlighted within the policy itself.

B. McGrath recommended using a different acronym for short term disability. C. Farone agreed and said we can take care of that.

M. Hall asked how these changes to the policy are distributed to the employees. C. Farone replied that we have a system where each employee will receive a copy of the policy with highlighted sections indicating what was changed. They will sign off once they have reviewed the policy, and as always the managers will be available to explain the changes.

Upon a motion by D. Mastascusa, and seconded by E. Virkler, Resolution No. 2022-03-24, Approving Modifications to Personnel Policy, was unanimously approved.

- e. Resolution No. 2022-03-25, authorizes the Authority's Executive Director to enter into an agreement with St. Lawrence-Lewis BOCES to lease office space suitable to the Authority's needs and said office will be housed in St. Lawrence-Lewis BOCES facilities located in Canton, New York.

C. Farone further explained that this has been discussed during the budget review process. Through discussions we found out that the St. Lawrence – Lewis BOCES has a very nice location with an available wing in one of their buildings. There are individual offices available with adequate parking and an affordable price. There are also several conference rooms that we would be able to utilize.

A. MacKinnon commented that these are spacious offices and a better choice for the type of things we are doing. He further stated that it is a very nice building with all kinds of amenities and plenty of parking right in the middle of things.

C. Farone stated that our current lease ends in June, and we would like to have a contract signed with BOCES to begin in May.

Upon a motion by A. MacKinnon, and seconded by M. Hall, Resolution No. 2022-03-25, Authorizing Office Space Lease, St. Lawrence County, Development Authority of the North Country, was unanimously approved.

#### 9. Finance –

- a. Resolution No. 2022-03-26, authorizes professional services contracts as per listed in the resolution.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-03-26, Authorizing Professional Services Contracts, was unanimously approved.

- b. Resolution No. 2022-03-27, authorizes the standardization of computer software programs as per listed in the resolution.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Resolution No. 2022-03-27, Authorizing Standardized Computer Software Programs, was unanimously approved.

- c. Resolution No. 2022-03-28, authorizes the standardization for purchases of certain classes of equipment for use in the Materials Management Division as necessary for construction or operational activities will obtain economic and efficiency benefits, and is therefore in the best interests of the Authority. Be it further determined this resolution shall take effect immediately.

C. Farone explained that this does not mean that items will not go out to bid, but that we will specify a certain model or brand when the items do go out for bid. The large compactor is a Caterpillar. This brand was given an extensive evaluation and by standardizing all replacement parts, supplies, staff training, repair, and cost of ownership become streamlined by standardization.

Upon a motion by M. Hall, and seconded by D. Mastascusa, Resolution No. 2022-03-28, Standardizing Upon Certain Equipment for Use in Relation to the Material Management Division, was unanimously approved.

- d. Resolution No. 2022-03-29, authorizes the standardization for purchases of certain classes of equipment for use in the Open Access Telecommunications Network as necessary for construction or operational activities will obtain economic and efficiency benefits, and therefore in the best interest of the Authority. Be it further determined this resolution shall take effect immediately.

Upon a motion by D. Mastascusa, and seconded by M. Hall, Resolution No. 2022-03-29, Standardizing Upon Certain Equipment for Use in Relation to the Open Access Telecommunications Network, was unanimously approved.

- e. Resolution No. 2022-03-30, authorizes the standardization for purchases of certain classes of equipment for use in the Water Quality Management Division as necessary for construction or operational activities will obtain economic and efficiency benefits, and therefore in the best interests of the Authority. Be it further determined this resolution shall take effect immediately.

Upon a motion by D. Mastascusa, and seconded by M. Hall, Resolution No. 2022-03-30, Standardizing Upon Certain Equipment for Use in Relation to the Water Quality Management Division, was unanimously approved.

#### 10. Technical Services Summary Report –

C. Tuttle reviewed the listed contracts individually, and the table was approved with two motions. These items are within our service area, and under \$100,000 annually.

- a. Jefferson / St. Lawrence County / Municipalities of Lewis County -
  - I. Village of Potsdam, Technical Services Agreement, Underwriting – DRI Rebuild Downtown Potsdam Fund, Total Agreement Amount of \$20,000, 03/01/22 – 12/31/24, St. Lawrence County
  - II. Town of Clifton, Operation & Maintenance Agreement, Town of Clifton – Newton Falls Wastewater Services, Total Agreement Amount of \$115,851, 4/1/22 – 3/31/2027, St. Lawrence County
  - III. Village of Sackets Harbor, SCADA Services Agreement, Sackets Harbor SCADA Computer Upgrade SSA, Total Agreement Amount of \$20,000, 4/1/22 – 12/31/2022, Jefferson County
  - IV. Town of Parishville, SCADA Services Agreement, Parishville Water Plant Control Panel SCADA Services, Total Agreement Amount of \$46,195, 4/1/22 – 12/31/2022, St. Lawrence County
  - V. Town of Louisville, Technical Services Agreement, Water Systems Improvements Amendment 2, Total Agreement Amount of \$34,500, 3/1/22 – 3/31/2023, St. Lawrence County
  - VI. Village of Heuvelton, Technical Services Agreement, Water Improvements Amendment 4, Total Agreement Amount of \$82,000, 4/1/22 – 12/31/22, St. Lawrence County

- VII. Village of Heuvelton, Technical Services Agreement, Wastewater Treatment Plant Municipal Restructuring Amendment 3, Total Agreement Amount of \$105,000, 4/1/22 – 12/31/23, St. Lawrence County

Upon a motion by M. Hall, and seconded by D. Mastascusa, Board Contract Summary Table items numbered I through VII for the month of March, was unanimously approved.

11. Engineering –

- a. Resolution No. 2022-03-31, approves the technical services agreement by and between the Authority and the Town of Tupper Lake, and further authorizes and directs the Executive Director to execute said agreement.

Upon a motion by D. Mastascusa, and seconded by E. Virkler, Resolution No. 2022-03-31, Technical Services Agreement, Town of Tupper Lake, GIS Services for Regional GIS Data Development Project, was approved. M. Hall abstained due to his employer being one of the 25 municipalities.

12. Water Quality –

- b. Resolution No. 2022-03-32, amends the operating budget of the Army Sewer Line to increase the budget for sewer purchases from \$1,234,029 to \$1,419,711. This resolution further amends the operating budget of the Army Sewer Line to increase the budget for utilities from \$54,980 to \$64,980. Lastly, the resolution amends the operating budget of the Army Sewer Line to increase customer billings from \$2,779,184 to \$2,974,866.

C. Tuttle explained that it is also important to note that our contract with the Army covers our costs meaning if there is an increase in our expenses that will be made whole.

Upon a motion by M. Hall, and seconded by A. MacKinnon, Resolution No. 2022-03-32, FY 2022 Army Sewer Line Operating Budget, Amendment, was unanimously approved.

13. Regional Development -

- a. Loan Report –

M. Capone stated that there is nothing new to report on the loan portfolio. There were two loans that were over 30 days past due, but as of today both are current. M. Capone had already reported on MCM Development of Malone in Resolution No. 2022-03-22. All other loans are being paid as agreed.

- b. Resolution No. 2022-03-33, approves the loan modification for Lewis County Development Corporation for an additional seven months beginning March 1, 2022 and ending October 1, 2022, and authorizes the Director of Regional Development to execute all necessary documentation.



Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-03-33, Community Development Loan Fund, Lewis County Development Corporation, Loan Modification, was approved. E. Virkler abstained as a LCDC Board Member.

- c. Resolution No. 2022-03-34, approves a loan of up to \$800,000 to S&J Properties of Watertown, LLC with \$425,000 from the Community Rental Housing Program and \$375,000 from the Watertown Local Development Corporation subject to the terms and conditions in the term sheet attached to the resolution, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary. It is further resolved that the Development Authority of the North Country does hereby subordinate its existing debt to an additional \$525,000 in debt to Watertown Savings Bank for construction financing. This is also resolved to be a Type II Unlisted Action taken under the State Environmental Quality Review (SEQRA).

B. McGrath asked about this \$100,000 that has come up through a miscommunications, and should we anticipate increased construction costs given the inflation before the project is completed. He further asked if this amount is going to be enough, or are we going to get another resolution at the next Board meeting seeking an additional modification of the loan terms to add more money. M. Capone responded that it is our full intent that this is it. She further stated that she feels very confident with the numbers that the contractor has provided, and we are working diligently between the bank, ourselves, and the Watertown Local Development Corporation to keep these costs in line.

B. McGrath asked if additional underwriting analysis was done on the additional \$100,000. M. Capone responded yes, the write-up attached to the resolution incorporated the additional lending. The cash flow analysis and loan-to-value were based on the updated information and we are at a 90% loan to value after the bank mortgage.

Upon a motion by M. Hall, and seconded by D. Mastascusa, Resolution No. 2022-03-34, Community Rental Housing Program, S&J Properties of Watertown LLC, Loan Modification, was unanimously approved.

- d. Resolution No. 2022-03-35, affirms the loan approval process for the North Country Regional Tourism Community Transformational Revolving Loan Fund authorizing the respective Loan Review Committee to commit loans up to \$250,000 on behalf of the Board to be ratified by the Governance Committee and reported to the Board at the next Board Meeting, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documents to close the loan. It is further resolved to affirm the loan approval process for the North Country Value Added Agriculture Revolving Loan Fund authorizing the respective Loan Review Committee to commit loans of up to \$250,000 on behalf of the Board to be ratified by the Governance Committee and reported to the Board at the next Board meeting, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documents to close on the loan. Lastly, it is further resolved to affirm the loan approval process for the North Country Redevelopment Fund authorizing the respective Loan Review Committee to commit loans/grants of up to \$500,000 in total on behalf of the Board to be ratified by the Governance Committee and reported to the Board at the next Board Meeting, and authorizes

the Executive Director or Chief Financial Officer to execute all necessary documents to close on the loan.

M. Capone explained that this resolution came from a recommendation from one of our regional committees. These loan committees were determined by Empire State Development on terms of the type of representation required on each committee such as; regional representation, Development Authority representation, and Empire State Development representation. M. Capone further stated that there is \$900,000 left to lend from the Tourism Fund and over that amount in terms of projects of interest. The ability to make these loans will be predicated in the future upon repayments to determine how much we have available. The redevelopment fund has some of money available because some projects fell through.

T. Hefferon asked if the money isn't actually the bank's money. M. Capone responded that it is our money as we were the grant recipient, however it is not operating funds.

T. Hefferon stated that it is hard for us to operate if we have to wait a couple months because we cannot commit and disperse the funds without the full Board.

S. Hunt commented that we are receiving a number of these requests and we are rushed in our review of the application in order to bring them to the Board, otherwise they would be waiting two months. It would be helpful if there was a committee established that could expedite the approval process or at least make it more flexible so we could make these loans.

A. MacKinnon asked what would happen if the committee approved the funds and the loan proceeded and then two months later the Board rejects it, unless we amend the Board policy to allow for Governance Committee approval. He further asked if this resolution would give this committee particular authority to speak for the Board. M. Capone stated yes, that is what this resolution is stating.

T. Hefferon commented that he doesn't recall the Board ever deeply examining one of these loans.

B. McGrath commented that he appreciates the concern and the attempt at finding a solution for this problem. He further stated that the only modification he would add to the resolution would be that when it goes to ratification by the Governance Committee, the notice be provided to the full Board of that Governance Committee meeting to provide the full Board with the opportunity to attend that meeting to express any concerns.

A. MacKinnon stated his concern about setting a trend where next month something else will be done by the Governance Committee as opposed to the full Board. He further stated this is a difficult road because you do not want the Governance Committee running the entire organization because that would be against our enabling legislation.

M. Capone responded that authority was given to the committees to commit funds already, and it is odd then that the Board needs to ratify this. There could be a time the committee committed the funds and the Board says no and we would have

to go back to the borrower and tell them no. This is allowing for more oversight because we would be taking it to the Governance Committee and they are ratifying it.

T. Hefferon commented that the other issue is that sometimes the committee would like to take an extra week to review the application more seriously, but we are rushed to be ready for the next Board meeting or wait and wreck the project.

C. Farone stated that he liked B. McGrath's suggestion of sending the meeting notice to the full Board. S. Hunt agreed that this makes sense. M. Capone stated that this resolution will have an additional resolve which will state that the Development Authority does hereby affirm the loan approval process and a notice will be given to the full Board for the Governance meeting.

A. MacKinnon asked who votes then. T. Hefferon asked M. Capone to list the members of the tourism committee. M. Capone stated the committee members are T. Hefferon, S. Hunt, and Alexandria Roalsvig from the eastern side of the state, and Corey Fram from the TI Tourism Council. She further stated the redevelopment fund members and the Ag committee members.

A. MacKinnon stated that he wants it to be clear so that everyone understood. This is a deviation from his standard operating procedures when it comes to boards like this.

M. Hall stated that he supports what we are trying to do, but also asks if the Authority can legally advocate this. T. Hefferon responded that the Governance Committee can operate on their own. C. Farone stated that the Governance Committee can act on behalf of the Board between Board meetings if required to do so. He further commented that this could be a solution as opposed to getting the full Board together each month. It can be requested that the Governance Committee review them because they have that ability to act on behalf of the full Board. We do not want to do this all the time. In looking at previous resolutions, the committee has the ability to commit these funds to the borrower by resolution but the funds are not actually committed until it is brought before the full Board which slows the process. M. Capone added that this resulted in being able to tell the borrower that the funds are committed, but not yet approved and a commitment letter cannot be provided yet.

M. Hall asked if this would flow within the ESD funds that have been provided to the Authority. M. Capone stated that this is already their established process, and that our approval process is our own and approved internally.

S. Hunt clarified the committee that is organized is reviewing it from a regional priority perspective and the Authority is providing the formal underwriting process. This is in alignment with the goals that the region is trying to meet as far as tourism projects. He further stated these would come to the full Board at the Authority in the past, but that the timeframe is making it difficult for us to review these so we are looking for a better solution.

D. Mastascusa asked if when it comes to the Authority, is everything in play such as applications and appraisals. M. Capone stated we usually don't have the appraisals. She stated that the write-ups for the resolutions are done for a

minimum to cover the loans by at least one-to-one. If the appraisal doesn't come in we go back to the borrower to discuss sufficient collateral and then either reduce the loan amount or they produce more equity. The committee reviews these applications before a resolution is created, and not all applications are approved. These committees are difficult to get through. The applications may not fit the transformational project for the region, or may be too much of a risk, at which time they are stopped at the committee level. Only once the committee makes a recommendation can the resolution be issued with a date included stating that the committee recommends them for approval. If an application is received a week or two before the Board meeting deadline this limits the time for the committee's review before the Board meeting.

D. Mastascusa asked if there were still contingencies even after the Governance Committee gives approval. M. Capone responded yes, all of our loans have contingencies. C. Farone stated there is no change in the process other than during off Board meeting months the Governance Committee would review these loans. M. Capone added that if there is a Board meeting scheduled or there is not rush we would use the current process.

B. McGrath asked to clarify that the resolution has been amended to include the notice of the Governance Committee meetings on these considerations. M. Capone agreed, the resolution will be amended to have the resolve that the notice will go to the full Board for the Governance meeting.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2022-03-35, North Country Value Added Agriculture Loan Fund, North Country Redevelopment Fund, North Country Tourism Community Transformational Loan Fund, Affirm Loan Approval Process, was unanimously approved.

14. Executive Session – to discuss the sale or purchase of real property.

Upon a motion by M. Hall, and seconded by E. Virkler, the Board moved into Executive Session at 11:58 AM.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, the Board moved out of Executive Session at 12:36 PM.

C. Farone reported that no action was taken during the Executive Session.

15. Report of the Nominating Committee –

A. MacKinnon presented as the chair of the nominating committee, consisting of A. MacKinnon, T. Hefferon, D. Mastascusa, and J. Hollenbeck.

The committee nominated the following officers for Fiscal Year Ending 2023:

Chair – Margaret L. Murray  
Vice Chair – Thomas H. Hefferon  
Secretary – Dennis M. Mastascusa  
Treasurer – Alex A. MacKinnon

Upon a motion by T. Hefferon, and seconded by M. Hall, approving the nomination of officers for the Fiscal Year 2022-2023 was unanimously approved.

A. Mackinnon stated that it is important that each of the partners are represented within the Board officers. This keeps the partners involved, and keeps one area from monopolizing Authority efforts.

16. Authority Board Meeting Dates – FYE 2023

C. Farone presented the Board Meeting dates and stated that these dates typically occur on the fourth Thursday of the month. An exception was made in December to avoid conflicts around the holidays. Following this schedule, the next Board meeting would be May 20, 2022. An email will be sent to all Board members and Authority managers with the meeting date schedule attached.

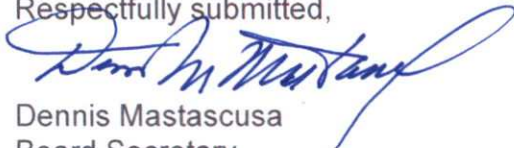
S. Hunt asked if the meeting used to be on the third Thursday as he has conflicts on the fourth Thursday and it is always difficult for him to attend. A. MacKinnon confirmed that they used to be held on the third Thursday. C. Farone asked if the third Thursday worked better. M. Hall commented that he would have a conflict on that day.

S. Hunt asked if we could try to find a better day for the group. C. Farone stated the Board members would be polled to find out which day works best.

M. Hall asked about the possibility of potentially attending virtually in the future. C. Farone responded that is something the Board decided they would revisit once the pandemic was over to determine how to move forward. From a legal perspective, J. Granzow has confirmed that we could continue that practice.

17. Upon a motion by D. Mastascusa, and seconded by E. Virkler, the meeting was adjourned at 12:41 PM.

Respectfully submitted,



Dennis Mastascusa  
Board Secretary



**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**YEAR END 2022 FINANCIAL REPORT**

**INCOME FROM OPERATIONS**

	FYE 2022 BUDGET		FYE 2022 ACTUAL		DIFFERENCE EXCESS(SHORTFALL)	PERCENT VARIANCE
<b><u>OPERATING REVENUE</u></b>						
<b>CUSTOMER BILLINGS</b>						
MATERIALS MANAGEMENT	\$ 9,178,850	\$	9,504,512	\$	325,662	4%
TELECOMMUNICATIONS	\$ 6,255,686	\$	6,170,721	\$	(84,965)	-1%
ARMY SEWER LINE	\$ 2,974,866	\$	3,260,726	\$	285,860	10%
ARMY WATER LINE	\$ 2,081,756	\$	1,849,745	\$	(232,011)	-11%
REGIONAL WATER LINE	\$ 391,537	\$	373,633	\$	(17,904)	-5%
WATER QUALITY CONTRACTS	\$ 942,078	\$	932,588	\$	(9,490)	-1%
ENGINEERING	\$ 1,228,271	\$	1,086,412	\$	(141,859)	-12%
REGIONAL DEVELOPMENT	\$ 134,876	\$	115,074	\$	(19,802)	-15%
<b>TOTAL CUSTOMER BILLINGS</b>	<b>\$ 23,187,920</b>	<b>\$</b>	<b>23,293,410</b>	<b>\$</b>	<b>105,491</b>	<b>0%</b>
<b>GRANT REVENUE</b>	<b>\$ 2,363,111</b>	<b>\$</b>	<b>2,467,321</b>	<b>\$</b>	<b>104,210</b>	<b>4%</b>
<b>LOAN INTEREST INCOME</b>	<b>\$ 564,000</b>	<b>\$</b>	<b>516,853</b>	<b>\$</b>	<b>(47,147)</b>	<b>-8%</b>
<b>OTHER INCOME</b>	<b>\$ 773,083</b>	<b>\$</b>	<b>832,976</b>	<b>\$</b>	<b>59,893</b>	<b>8%</b>
<b>TOTAL OPERATING INCOME</b>	<b>\$ 26,888,114</b>	<b>\$</b>	<b>27,110,560</b>	<b>\$</b>	<b>222,447</b>	<b>1%</b>
<b>OPERATING EXPENSES (Less Depreciation)</b>						
<b>DEPRECIATION EXPENSE</b>	<b>\$ 21,975,036</b>	<b>\$</b>	<b>19,433,531</b>	<b>\$</b>	<b>(2,541,504)</b>	<b>-12%</b>
<b>TOTAL OPERATING INCOME</b>	<b>\$ (3,475,722)</b>	<b>\$</b>	<b>(1,219,327)</b>	<b>\$</b>	<b>2,256,396</b>	<b>-65%</b>

**INTEREST INCOME**

	FYE 2022 BUDGET		FYE 2022 ACTUAL		DIFFERENCE EXCESS(SHORTFALL)	PERCENT VARIANCE
<b>INTEREST INCOME</b>	\$ 898,401	\$	543,782	\$	(354,619)	-39%
<b>MARK TO MARKET ADJUSTMENT</b>	\$ -	\$	(1,496,877)	\$	(1,496,877)	0%
<b>NET INTEREST EARNINGS</b>	<b>\$ 898,401</b>	<b>\$</b>	<b>(953,095)</b>	<b>\$</b>	<b>(1,851,496)</b>	<b>-206%</b>

**PENSION/VDC EXPENSE**

	FYE 2022 BUDGET		FYE 2022 ACTUAL		DIFFERENCE EXCESS(SAVINGS)	PERCENT VARIANCE
<b>PENSION EXPENSE TO NYS</b>	\$ 947,875	\$	905,858	\$	(42,018)	-4%
<b>GASB 68 REQUIREMENT</b>	\$ -	\$	(419,320)	\$	(419,320)	0%
<b>EXPENSE TO VDC</b>	\$ -	\$	18,400	\$	18,400	0%
<b>TOTAL PENSION/VDC EXPENSE</b>	<b>\$ 947,875</b>	<b>\$</b>	<b>504,938</b>	<b>\$</b>	<b>(442,938)</b>	<b>-47%</b>

**MATERIALS MANAGEMENT**

**WASTE VOLUMES: PROJECTION VS ACTUAL**  
**APRIL 1, 2021 - MARCH 31, 2022**

	PROJECTED TONNAGE		ACTUAL TONNAGE		DIFFERENCE EXCESS(SHORTFALL)	PERCENT VARIANCE
MUNICIPAL SOLID WASTE	145,500		149,818		4,318	3%
CONSTRUCTION & DEMOLITION	32,400		27,056		(5,344)	-16%
NON-BEN SLUDGE	9,450		9,777		327	3%
BENEFICIAL SLUDGE	4,300		5,192		892	21%
SEWAGE SLUDGE	3,075		3,957		882	29%
INDUSTRIAL WASTE	8,200		9,227		1,027	13%
CONTAMINATED SOIL	12,100		15,252		3,152	26%
ASBESTOS	1,220		5,257		4,037	331%
ASH	0.00		0.00		-	-
<b>TOTALS</b>	<b>216,245</b>		<b>225,536</b>		<b>9,291</b>	<b>4%</b>

	FYE 2022 BUDGET		FYE 2022 ACTUAL		DIFFERENCE EXCESS(SHORTFALL)	PERCENT VARIANCE
<b>HOST COMMUNITY BENEFITS</b>	\$ 763,172	\$	795,856	\$	32,684	4%

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the Twelve Months Ending Thursday, March 31, 2022**

	<u>YTD ACTUAL</u>	<u>3/31/2021 Total</u>
<b>STATEMENT OF NET POSITION</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$5,749,002.23	\$5,555,064.63
Accounts Receivable	3,123,569.57	2,619,156.57
Unbilled Revenue	538,407.27	506,780.75
Interest Receivable	104,282.75	106,871.43
Loans Receivable, net	30,390,827.78	34,183,499.90
Inventory	18,208.99	466.14
Prepaid Expense	500,108.89	481,698.37
Investments	16,754,076.48	28,935,377.58
Funds Held In Trust	799,936.82	798,343.58
OPEB Reserve Fund	5,635,378.86	5,630,540.54
Restricted Assets	82,927,698.57	70,903,955.70
Leased Property	41,231.25	57,206.32
Capital Assets, net	80,951,823.26	83,774,236.42
<b>Total Assets</b>	<b>227,534,552.72</b>	<b>233,553,197.93</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	4,777,834.00	4,001,942.00
OPEB	159,451.00	171,716.00
Total Deferred Outflows of Resources	4,937,285.00	4,173,658.00
<b>TOTAL ASSETS PLUS DEFERRED OUTFLOWS</b>	<b>232,471,837.72</b>	<b>237,726,855.93</b>
<b>LIABILITIES</b>		
Accounts Payable	887,499.59	2,002,687.69
Grants & Passthroughs Payable	369,712.18	424,191.11
Community Benefits Payable	205,996.79	150,564.88
Interest Payable	119,408.33	122,660.42
Accrued Expenses	574,760.28	527,754.84
OPEB Liability	5,322,887.48	4,950,122.00
Net Pension Liability	19,480.00	5,248,617.00
Unearned Income	6,949,387.25	7,696,474.95
Lease Obligation	41,231.25	57,206.32
Funds Held for Others	10,639,557.90	10,479,115.48
Due to US ARMY	749,985.00	749,985.00
Landfill Closure & Post Closure	15,427,610.29	15,815,479.62
Long-term Liabilities	21,830,760.63	22,903,266.69
Total Liabilities	63,138,276.97	71,128,126.00
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	5,701,705.00	115,996.00
OPEB	847,267.00	898,478.00
Total Deferred Inflows of Resources	6,548,972.00	1,014,474.00
<b>TOTAL LIABILITIES PLUS DEFERRED INFLOWS</b>	<b>69,687,248.97</b>	<b>72,142,600.00</b>
<b>NET POSITION</b>		
Invested In Capital Assets, Net	60,585,152.59	62,385,059.69
Restricted for:		
Community Rental Housing Program	13,143,287.17	13,253,803.57
Community Development Loan Fund	9,787,357.99	8,810,966.03
Affordable Housing Program	22,469,242.86	22,681,752.60
Army Water & Sewer	1,800,000.00	1,800,000.00
Regional Waterline	442,507.82	532,056.89
Reserve For Liner	10,302,779.21	7,000,000.00
Reserve for Replacement	5,681,048.16	5,359,373.92
Reserve For Wetland Mitigation	318,672.91	1,312,332.49
OATN Reserve	6,839,011.65	6,801,099.79
Landfill Closure & Post Closure Prefunding	8,543,625.71	0.00
Total Restricted	79,327,533.48	67,551,385.29
Board Designated for:		
Infrastructure Development	223,107.42	223,107.42
Capital Reserve	1,209,525.34	9,063,945.81
Tip Fee Stabilization	4,392,848.65	4,415,142.41
Landfill Gas Reserve	1,616,502.26	1,648,014.07
Economic Development Fund	5,360,595.77	5,486,722.55
Affordable Housing Program	3,000,000.00	3,000,000.00
Supplemental Insurance / Admin. Reserve	4,000,000.00	4,000,000.00
Total Board Designated	19,802,579.44	27,836,932.26
Undesignated	3,069,323.24	7,810,878.69
Total Net Position	162,784,588.75	165,584,255.93
<b>Total Liabilities, Deferred Outflows &amp; Net Position</b>	<b>232,471,837.72</b>	<b>237,726,855.93</b>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the Twelve Months Ending Thursday, March 31, 2022**

	<u>YTD ACTUAL</u>	<u>3/31/2021 Total</u>
<b><u>CHANGE IN NET POSITION</u></b>		
<b>OPERATING REVENUE:</b>		
Customer Billings	23,092,637.25	21,519,985.21
Waste Diversion Revenue	200,773.04	254,298.72
Grant Revenue	2,467,321.25	1,110,679.35
Loan Interest Income	516,852.69	478,171.51
Other Income	832,976.23	803,348.68
<b>Total Operating Revenue</b>	<b>27,110,560.46</b>	<b>24,166,483.47</b>
<b>OPERATING EXPENSES</b>		
Depreciation & Amortization	8,896,355.83	7,732,197.28
Salaries	6,184,266.07	6,068,235.76
Fringe Benefits	2,273,302.49	3,511,393.35
Operation & Maintenance	2,527,653.41	2,385,740.84
Recycling Transfer Station	349,698.64	361,610.55
Waste Diversion	681,449.67	968,153.06
Wastewater Treatment	1,706,279.55	1,243,888.09
Closure & Post Closure Costs	798,347.34	723,478.00
Community Benefits	967,076.60	823,176.82
Water Purchases	660,043.21	620,885.73
Office & Administration	465,883.26	424,438.22
Insurance	460,080.91	434,325.68
Utilities	213,351.31	144,680.63
Bad Debt Expense	212,182.78	(24,042.38)
Materials & Supplies	286,919.79	229,977.06
Professional Fees	472,353.92	467,026.10
Repairs & Maintenance	106,102.78	177,029.64
Automobile	340,231.33	317,544.35
Computer Expenses	310,093.37	286,038.57
Grants	296,215.05	1,162,315.66
NYS Administrative Assessment	122,000.00	122,000.00
<b>Total Operating Expenses</b>	<b>28,329,887.31</b>	<b>28,180,093.01</b>
<b>Total Operating Income</b>	<b>(1,219,326.85)</b>	<b>(4,013,609.54)</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>		
Interest Income	(953,094.79)	599,600.86
Gain on Sale of Fixed Assets	13,500.00	81,466.14
Interest Expense	(640,745.54)	(659,482.06)
<b>Total Non-Operating Expense, Net</b>	<b>(1,580,340.33)</b>	<b>21,584.94</b>
<b>CHANGE IN NET ASSETS</b>	<b>(2,799,667.18)</b>	<b>(3,992,024.60)</b>



**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the Twelve Months Ending Thursday, March 31, 2022**

	<u>ADMIN</u>	<u>MATERIALS MGMT</u>	<u>TELECOM</u>	<u>ARMY SEWER</u>	<u>ARMY WATER</u>	<u>REGIONAL WATER</u>	<u>WQ CONTRACTS</u>	<u>ENGINEERING</u>	<u>REGIONAL DEVELOPMENT</u>	<u>TOTAL</u>
<b>STATEMENT OF NET POSITION</b>										
<b>ASSETS</b>										
Cash and Cash Equivalents	\$5,749,002.23									\$5,749,002.23
Accounts Receivable	(663.50)	883,358.81	1,316,061.17	546,604.58	170,283.64	19,590.06	58,519.31	36,775.10	93,040.40	3,123,569.57
Unbilled Revenue				206,686.86	37,286.42	88,798.54	75,803.42	97,464.85	32,367.18	538,407.27
Interest Receivable	3,623.87	17,136.34	7,653.40						75,869.14	104,282.75
Loans Receivable, net									30,390,827.78	30,390,827.78
Inventory		18,208.99								18,208.99
Prepaid Expense	463,101.39		37,007.50							500,108.89
Investments	3,897,831.41	6,999,436.27	2,004,370.19						3,852,438.61	16,754,076.48
Funds Held In Trust		799,936.82								799,936.82
OPEB Reserve Fund	5,635,378.86									5,635,378.86
Restricted Assets		39,578,333.18	8,995,968.53	1,786,655.88	974,539.57	489,802.28			31,102,399.13	82,927,698.57
Leased Property									41,231.25	41,231.25
Capital Assets, net	349,057.81	46,547,078.00	23,949,016.96	3,333,977.67	3,813,424.03	2,943,277.93		15,990.86		80,951,823.26
<b>Total Assets</b>	<b>16,097,332.07</b>	<b>94,843,488.41</b>	<b>36,310,077.75</b>	<b>5,873,924.99</b>	<b>4,995,533.66</b>	<b>3,541,468.81</b>	<b>134,322.73</b>	<b>150,230.81</b>	<b>65,588,173.49</b>	<b>227,534,552.72</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Pension	4,777,834.00									4,777,834.00
OPEB	159,451.00									159,451.00
Total Deferred Outflows of Resources	4,937,285.00									4,937,285.00
<b>TOTAL ASSETS PLUS DEFERRED...</b>	<b>21,034,617.07</b>	<b>94,843,488.41</b>	<b>36,310,077.75</b>	<b>5,873,924.99</b>	<b>4,995,533.66</b>	<b>3,541,468.81</b>	<b>134,322.73</b>	<b>150,230.81</b>	<b>65,588,173.49</b>	<b>232,471,837.72</b>
<b>LIABILITIES</b>										
Accounts Payable	45,731.02	94,046.38	207,012.77	206,385.84	308,408.75	19,543.44		3,048.89	3,322.50	887,499.59
Grants & Passthroughs Payable			358,480.04						11,232.14	369,712.18
Community Benefits Payable		205,996.79								205,996.79
Interest Payable		119,408.33								119,408.33
Accrued Expenses	288,081.35	98,549.79	95,251.33	16,723.35	16,723.34			59,431.12		574,760.28
OPEB Liability	5,322,887.48									5,322,887.48
Net Pension Liability	19,480.00									19,480.00
Unearned Income			6,383,260.16						566,127.09	6,949,387.25
Lease Obligation									41,231.25	41,231.25
Funds Held for Others									10,639,557.90	10,639,557.90
Due to US ARMY				749,985.00						749,985.00
Landfill Closure & Post Closure		15,427,610.29								15,427,610.29
Long-term Liabilities	864,000.00	18,487,306.48			337,289.66	1,542,164.49			600,000.00	21,830,760.63
Internal: Due To/Due From	2,465,617.16	(1,288,562.51)	150,644.70	(1,075,507.26)	6,819.33	(96,913.85)	(354,368.30)	114,288.29	77,982.44	
Total Liabilities	9,005,797.01	33,144,355.55	7,194,649.00	(102,413.07)	669,241.08	1,464,794.08	(354,368.30)	176,768.30	11,939,453.32	63,138,276.97
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Pension	5,701,705.00									5,701,705.00
OPEB	847,267.00									847,267.00
Total Deferred Inflows of Resources	6,548,972.00									6,548,972.00
<b>TOTAL LIABILITIES PLUS DEFERR...</b>	<b>15,554,769.01</b>	<b>33,144,355.55</b>	<b>7,194,649.00</b>	<b>(102,413.07)</b>	<b>669,241.08</b>	<b>1,464,794.08</b>	<b>(354,368.30)</b>	<b>176,768.30</b>	<b>11,939,453.32</b>	<b>69,687,248.97</b>
<b>NET POSITION</b>										
Invested In Capital Assets, Net	349,057.81	28,059,861.48	23,949,016.96	3,333,977.67	3,476,134.37	1,401,113.44		15,990.86		60,585,152.59
Restricted for:										
Community Rental Housing Program									13,143,287.17	13,143,287.17
Community Development Loan Fund									9,787,357.99	9,787,357.99
Affordable Housing Program									22,469,242.86	22,469,242.86
Army Water & Sewer				900,000.00	900,000.00					1,800,000.00
Regional Waterline						442,507.82				442,507.82
Reserve For Liner		10,302,779.21								10,302,779.21
Reserve for Replacement		5,681,048.16								5,681,048.16
Reserve For Wetland Mitigation		318,672.91								318,672.91
OATN Reserve			6,839,011.65							6,839,011.65
Landfill Closure & Post Closure Prefund...		8,543,625.71								8,543,625.71
Total Restricted		24,846,125.99	6,839,011.65	900,000.00	900,000.00	442,507.82			45,399,888.02	79,327,533.48
Board Designated for:										
Infrastructure Development				223,107.42						223,107.42
Capital Reserve		1,209,525.34								1,209,525.34
Tip Fee Stabilization		4,392,848.65								4,392,848.65
Landfill Gas Reserve		1,616,502.26								1,616,502.26
Economic Development Fund								5,360,595.77		5,360,595.77
Affordable Housing Program								3,000,000.00		3,000,000.00
Supplemental Insurance / Admin. Reser...	4,000,000.00									4,000,000.00
Total Board Designated	4,000,000.00	7,218,876.25		223,107.42					8,360,595.77	19,802,579.44
Undesignated	1,130,790.25	1,574,269.14	(1,672,599.86)	1,519,252.97	(49,841.79)	233,053.47	488,691.03	(42,528.35)	(111,763.62)	3,069,323.24
Total Net Position	5,479,848.06	61,699,132.86	29,115,428.75	5,976,338.06	4,326,292.58	2,076,674.73	488,691.03	(26,537.49)	53,648,720.17	162,784,588.75
<b>Total Liabilities, Deferred Outflows...</b>	<b>21,034,617.07</b>	<b>94,843,488.41</b>	<b>36,310,077.75</b>	<b>5,873,924.99</b>	<b>4,995,533.66</b>	<b>3,541,468.81</b>	<b>134,322.73</b>	<b>150,230.81</b>	<b>65,588,173.49</b>	<b>232,471,837.72</b>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
For the Twelve Months Ending Thursday, March 31, 2022

	ADMIN	MATERIALS MGMT	TELECOM	ARMY SEWER	ARMY WATER	REGIONAL WATER	WQ CONTRACTS	ENGINEERING	REGIONAL DEVELOPMENT	TOTAL
<b>CHANGE IN NET POSITION</b>										
<b>OPERATING REVENUE:</b>										
Customer Billings		9,303,738.88	6,170,720.91	3,260,725.61	1,849,744.82	373,633.38	932,587.64	1,086,412.10	115,073.91	23,092,637.25
Waste Diversion Revenue		200,773.04								200,773.04
Grant Revenue	3,952.50	43,946.70			843,987.50				1,575,434.55	2,467,321.25
Loan Interest Income									516,852.69	516,852.69
Other Income	197,541.54	554,588.46	7,191.16	7,988.94					65,666.13	832,976.23
<b>Total Operating Revenue</b>	<b>201,494.04</b>	<b>10,103,047.08</b>	<b>6,177,912.07</b>	<b>3,268,714.55</b>	<b>2,693,732.32</b>	<b>373,633.38</b>	<b>932,587.64</b>	<b>1,086,412.10</b>	<b>2,273,027.28</b>	<b>27,110,560.46</b>
<b>OPERATING EXPENSES</b>										
Depreciation & Amortization	226,395.86	4,218,072.45	3,624,999.96	302,259.55	349,490.75	162,529.10		12,608.16		8,896,355.83
Salaries	1,182,946.04	1,483,080.28	1,273,738.33	446,563.70	357,095.17	30,287.04	449,653.62	645,230.80	315,671.09	6,184,266.07
Fringe Benefits	319,737.23	652,782.96	367,018.65	199,909.66	150,368.00	13,064.38	192,714.58	259,221.51	118,485.52	2,273,302.49
Operation & Maintenance	7,739.56	824,933.11	1,525,241.55	75,113.65	4,753.96	5,462.00	16,492.53	59,110.64	8,806.41	2,527,653.41
Recycling Transfer Station		349,698.64								349,698.64
Waste Diversion		681,449.67								681,449.67
Wastewater Treatment		337,253.64		1,369,025.91						1,706,279.55
Closure & Post Closure Costs		798,347.34								798,347.34
Community Benefits		833,665.14							133,411.46	967,076.60
Water Purchases				4,246.30	557,468.34	98,328.57				660,043.21
Office & Administration	211,047.22	73,341.07	57,825.54	62,165.00	534.03	28.56	723.05	52,243.27	7,975.52	465,883.26
Insurance	18,996.75	180,341.22	134,520.43	43,540.72	30,586.76	5,678.98	19,605.69	26,810.36		460,080.91
Utilities		85,298.81	6,243.89	70,677.07	22,200.78	28,930.76				213,351.31
Bad Debt Expense			27,796.96						184,385.82	212,182.78
Materials & Supplies		286,919.79								286,919.79
Professional Fees	128,370.48	63,326.49	83,009.51	4,768.72	6,746.84			2,255.00	183,876.88	472,353.92
Repairs & Maintenance		10,891.94		62,631.23	26,256.91	6,322.70				106,102.78
Automobile	395.45	10,100.00	96,470.02	218,374.65				14,891.21		340,231.33
Computer Expenses	204,012.27	23,808.52	32,362.69	17,779.36				31,380.53	750.00	310,093.37
Grants									296,215.05	296,215.05
Admin Allocation	(2,104,877.09)	875,834.65	536,858.51	295,247.60	149,390.80	15,727.92	33,164.38	50,348.12	148,305.11	
Engineering Allocation		29,912.74	13,354.51	10,460.43	11,238.13	2,040.86	7,110.64	(75,947.20)	1,829.89	
Water Quality Allocation		392.83		(190,795.04)	65,963.54	4,894.07	118,108.30	1,436.30		
NYS Administrative Assessment		49,900.00	34,051.00	13,075.00	11,179.00	1,939.00	4,861.00	6,995.00		122,000.00
<b>Total Operating Expenses</b>	<b>194,763.77</b>	<b>11,869,351.29</b>	<b>7,813,491.55</b>	<b>3,005,043.51</b>	<b>1,743,273.01</b>	<b>375,233.94</b>	<b>842,433.79</b>	<b>1,086,583.70</b>	<b>1,399,712.75</b>	<b>28,329,887.31</b>
<b>Total Operating Income</b>	<b>6,730.27</b>	<b>(1,766,304.21)</b>	<b>(1,635,579.48)</b>	<b>263,671.04</b>	<b>950,459.31</b>	<b>(1,600.56)</b>	<b>90,153.85</b>	<b>(171.60)</b>	<b>873,314.53</b>	<b>(1,219,326.85)</b>
<b>NON-OPERATING REVENUE (EX...</b>										
Interest Income	8,370.19	(616,125.14)	47,882.85	(24,846.69)	(13,552.66)	2,100.48			(356,923.82)	(953,094.79)
Gain on Sale of Fixed Assets	5,300.00	8,200.00								13,500.00
Interest Expense		(583,939.41)				(56,806.13)				(640,745.54)
<b>Total Non-Operating Expense, Net</b>	<b>13,670.19</b>	<b>(1,191,864.55)</b>	<b>47,882.85</b>	<b>(24,846.69)</b>	<b>(13,552.66)</b>	<b>(54,705.65)</b>			<b>(356,923.82)</b>	<b>(1,580,340.33)</b>
<b>CHANGE IN NET ASSETS</b>	<b>20,400.46</b>	<b>(2,958,168.76)</b>	<b>(1,587,696.63)</b>	<b>238,824.35</b>	<b>936,906.65</b>	<b>(56,306.21)</b>	<b>90,153.85</b>	<b>(171.60)</b>	<b>516,390.71</b>	<b>(2,799,667.18)</b>

**Summary of All Units  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$22,973,419.50	\$22,973,419.50	\$23,092,637.25	\$119,217.75
	Waste Diversion Revenue	214,500.00	214,500.00	200,773.04	(13,726.96)
	Grant Revenue	2,363,111.00	2,363,111.00	2,467,321.25	104,210.25
	Loan Interest Income	564,000.00	564,000.00	516,852.69	(47,147.31)
	Other Income	773,083.00	773,083.00	832,976.23	59,893.23
	<b>Total Operating Revenue</b>	<b>26,888,113.50</b>	<b>26,888,113.50</b>	<b>27,110,560.46</b>	<b>222,446.96</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	8,388,800.00	8,388,800.00	8,896,355.83	507,555.83
	Salaries	6,549,630.50	6,549,630.50	6,184,266.07	(365,364.43)
	Fringe Benefits	3,030,227.47	3,030,227.47	2,273,302.49	(756,924.98)
	Operation & Maintenance	3,080,065.44	3,080,065.44	2,542,428.91	(537,636.53)
	Waste Diversion	829,264.00	829,264.00	681,449.67	(147,814.33)
	Recycling Transfer Station	490,998.00	490,998.00	349,698.64	(141,299.36)
	Wastewater Treatment	1,932,106.00	1,932,106.00	1,691,504.05	(240,601.95)
	Closure & Post Closure Costs	744,157.00	744,157.00	798,347.34	54,190.34
	Water Purchases	847,877.30	847,877.30	660,043.21	(187,834.09)
	Community Benefits	896,583.00	896,583.00	967,076.60	70,493.60
	Office & Administration	626,815.22	626,815.22	465,883.26	(160,931.96)
	Insurance	433,000.00	433,000.00	460,080.91	27,080.91
	Utilities	215,772.85	215,772.85	213,351.31	(2,421.54)
	Bad Debt Expense	0.00	0.00	212,182.78	212,182.78
	Materials & Supplies	293,207.90	293,207.90	286,919.79	(6,288.11)
	Professional Fees	625,765.75	625,765.75	472,353.92	(153,411.83)
	Repairs & Maintenance	138,851.62	138,851.62	106,102.78	(32,748.84)
	Automobile	382,761.92	382,761.92	340,231.33	(42,530.59)
	Computer Expenses	353,532.00	353,532.00	310,093.37	(43,438.63)
	Grants	304,570.00	304,570.00	296,215.05	(8,354.95)
	Engineering Allocation	1.00	1.00	0.00	(1.00)
	NYS Administrative Assessment	125,049.00	125,049.00	122,000.00	(3,049.00)
	Contingency	74,800.00	74,800.00	0.00	(74,800.00)
	<b>Total Operating Expenses</b>	<b>30,363,835.97</b>	<b>30,363,835.97</b>	<b>28,329,887.31</b>	<b>(2,033,948.66)</b>
	<b>Total Operating Income</b>	<b>(3,475,722.47)</b>	<b>(3,475,722.47)</b>	<b>(1,219,326.85)</b>	<b>2,256,395.62</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	898,401.00	898,401.00	(953,094.79)	(1,851,495.79)
	Gain on Sale of Fixed Assets	66,000.00	66,000.00	13,500.00	(52,500.00)
	Interest Expense	(714,950.00)	(714,950.00)	(640,745.54)	74,204.46
	<b>Total Non-Operating Expe...</b>	<b>249,451.00</b>	<b>249,451.00</b>	<b>(1,580,340.33)</b>	<b>(1,829,791.33)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(3,226,271.47)</b>	<b>(3,226,271.47)</b>	<b>(2,799,667.18)</b>	<b>426,604.29</b>

**Administration**  
**Change In Net Position**  
**For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Grant Revenue	\$4,000.00	\$4,000.00	\$3,952.50	(\$47.50)
	Other Income	211,300.00	211,300.00	197,541.54	(13,758.46)
	<b>Total Operating Revenue</b>	<b>215,300.00</b>	<b>215,300.00</b>	<b>201,494.04</b>	<b>(13,805.96)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	279,900.00	279,900.00	226,395.86	(53,504.14)
	Salaries	1,213,691.00	1,213,691.00	1,182,946.04	(30,744.96)
	Fringe Benefits	559,809.00	559,809.00	319,737.23	(240,071.77)
	Operation & Maintenance	14,466.00	14,466.00	7,739.56	(6,726.44)
	Office & Administration	251,091.00	251,091.00	211,047.22	(40,043.78)
	Insurance	19,200.00	19,200.00	18,996.75	(203.25)
	Professional Fees	145,700.00	145,700.00	128,370.48	(17,329.52)
	Automobile	2,090.00	2,090.00	395.45	(1,694.55)
	Computer Expenses	235,630.00	235,630.00	204,012.27	(31,617.73)
	Admin Allocation	(2,332,132.00)	(2,332,132.00)	(2,104,877.09)	227,254.91
	Contingency	19,800.00	19,800.00	0.00	(19,800.00)
	<b>Total Operating Expenses</b>	<b>409,245.00</b>	<b>409,245.00</b>	<b>194,763.77</b>	<b>(214,481.23)</b>
	<b>Total Operating Income</b>	<b>(193,945.00)</b>	<b>(193,945.00)</b>	<b>6,730.27</b>	<b>200,675.27</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	98,400.00	98,400.00	8,370.19	(90,029.81)
	Gain on Sale of Fixed Assets	21,000.00	21,000.00	5,300.00	(15,700.00)
	<b>Total Non-Operating Expe...</b>	<b>119,400.00</b>	<b>119,400.00</b>	<b>13,670.19</b>	<b>(105,729.81)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(74,545.00)</b>	<b>(74,545.00)</b>	<b>20,400.46</b>	<b>94,945.46</b>

**Materials Management  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$8,964,350.00	\$8,964,350.00	\$9,303,738.88	\$339,388.88
	Waste Diversion Revenue	214,500.00	214,500.00	200,773.04	(13,726.96)
	Grant Revenue	81,319.00	81,319.00	43,946.70	(37,372.30)
	Other Income	487,054.00	487,054.00	554,588.46	67,534.46
	<b>Total Operating Revenue</b>	<b>9,747,223.00</b>	<b>9,747,223.00</b>	<b>10,103,047.08</b>	<b>355,824.08</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	3,537,500.00	3,537,500.00	4,218,072.45	680,572.45
	Salaries	1,631,019.00	1,631,019.00	1,483,080.28	(147,938.72)
	Fringe Benefits	877,304.00	877,304.00	652,782.96	(224,521.04)
	Operation & Maintenance	985,850.44	985,850.44	839,708.61	(146,141.83)
	Waste Diversion	829,264.00	829,264.00	681,449.67	(147,814.33)
	Recycling Transfer Station	490,998.00	490,998.00	349,698.64	(141,299.36)
	Wastewater Treatment	512,395.00	512,395.00	322,478.14	(189,916.86)
	Closure & Post Closure Costs	744,157.00	744,157.00	798,347.34	54,190.34
	Community Benefits	763,172.00	763,172.00	833,665.14	70,493.14
	Office & Administration	91,556.66	91,556.66	73,341.07	(18,215.59)
	Insurance	170,700.00	170,700.00	180,341.22	9,641.22
	Utilities	87,000.00	87,000.00	85,298.81	(1,701.19)
	Materials & Supplies	293,207.90	293,207.90	286,919.79	(6,288.11)
	Professional Fees	93,900.00	93,900.00	63,326.49	(30,573.51)
	Repairs & Maintenance	15,000.00	15,000.00	10,891.94	(4,108.06)
	Automobile	14,400.00	14,400.00	10,100.00	(4,300.00)
	Computer Expenses	26,200.00	26,200.00	23,808.52	(2,391.48)
	Admin Allocation	993,394.00	993,394.00	875,834.65	(117,559.35)
	Engineering Allocation	30,524.00	30,524.00	29,912.74	(611.26)
	Water Quality Allocation	0.00	0.00	392.83	392.83
	NYS Administrative Assessment	51,147.00	51,147.00	49,900.00	(1,247.00)
	Contingency	30,000.00	30,000.00	0.00	(30,000.00)
	<b>Total Operating Expenses</b>	<b>12,268,689.00</b>	<b>12,268,689.00</b>	<b>11,869,351.29</b>	<b>(399,337.71)</b>
	<b>Total Operating Income</b>	<b>(2,521,466.00)</b>	<b>(2,521,466.00)</b>	<b>(1,766,304.21)</b>	<b>755,161.79</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	462,499.00	462,499.00	(616,125.14)	(1,078,624.14)
	Gain on Sale of Fixed Assets	45,000.00	45,000.00	8,200.00	(36,800.00)
	Interest Expense	(658,144.00)	(658,144.00)	(583,939.41)	74,204.59
	<b>Total Non-Operating Expe...</b>	<b>(150,645.00)</b>	<b>(150,645.00)</b>	<b>(1,191,864.55)</b>	<b>(1,041,219.55)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(2,672,111.00)</b>	<b>(2,672,111.00)</b>	<b>(2,958,168.76)</b>	<b>(286,057.76)</b>

**Telecommunications  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$6,255,686.00	\$6,255,686.00	\$6,170,720.91	(\$84,965.09)
	Grant Revenue	200,000.00	200,000.00	0.00	(200,000.00)
	Other Income	47,050.00	47,050.00	7,191.16	(39,858.84)
	<b>Total Operating Revenue</b>	<b>6,502,736.00</b>	<b>6,502,736.00</b>	<b>6,177,912.07</b>	<b>(324,823.93)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	3,732,600.00	3,732,600.00	3,624,999.96	(107,600.04)
	Salaries	1,300,279.00	1,300,279.00	1,273,738.33	(26,540.67)
	Fringe Benefits	432,104.00	432,104.00	367,018.65	(65,085.35)
	Operation & Maintenance	1,843,524.00	1,843,524.00	1,525,241.55	(318,282.45)
	Office & Administration	136,620.00	136,620.00	57,825.54	(78,794.46)
	Insurance	130,200.00	130,200.00	134,520.43	4,320.43
	Utilities	7,000.00	7,000.00	6,243.89	(756.11)
	Bad Debt Expense	0.00	0.00	27,796.96	27,796.96
	Professional Fees	138,734.00	138,734.00	83,009.51	(55,724.49)
	Automobile	104,100.00	104,100.00	96,470.02	(7,629.98)
	Computer Expenses	36,450.00	36,450.00	32,362.69	(4,087.31)
	Admin Allocation	617,820.00	617,820.00	536,858.51	(80,961.49)
	Engineering Allocation	11,730.00	11,730.00	13,354.51	1,624.51
	NYS Administrative Assessment	34,901.00	34,901.00	34,051.00	(850.00)
	Contingency	25,000.00	25,000.00	0.00	(25,000.00)
	<b>Total Operating Expenses</b>	<b>8,551,062.00</b>	<b>8,551,062.00</b>	<b>7,813,491.55</b>	<b>(737,570.45)</b>
	<b>Total Operating Income</b>	<b>(2,048,326.00)</b>	<b>(2,048,326.00)</b>	<b>(1,635,579.48)</b>	<b>412,746.52</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	94,559.00	94,559.00	47,882.85	(46,676.15)
	<b>Total Non-Operating Expe...</b>	<b>94,559.00</b>	<b>94,559.00</b>	<b>47,882.85</b>	<b>(46,676.15)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(1,953,767.00)</b>	<b>(1,953,767.00)</b>	<b>(1,587,696.63)</b>	<b>366,070.37</b>

**Water Quality  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$6,390,236.50	\$6,390,236.50	\$6,416,691.45	\$26,454.95
	Grant Revenue	900,000.00	900,000.00	843,987.50	(56,012.50)
	Other Income	7,129.00	7,129.00	7,988.94	859.94
	<b>Total Operating Revenue</b>	<b>7,297,365.50</b>	<b>7,297,365.50</b>	<b>7,268,667.89</b>	<b>(28,697.61)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	826,100.00	826,100.00	814,279.40	(11,820.60)
	Salaries	1,313,340.50	1,313,340.50	1,283,599.53	(29,740.97)
	Fringe Benefits	671,160.47	671,160.47	556,056.62	(115,103.85)
	Operation & Maintenance	139,675.00	139,675.00	101,822.14	(37,852.86)
	Wastewater Treatment	1,419,711.00	1,419,711.00	1,369,025.91	(50,685.09)
	Water Purchases	847,877.30	847,877.30	660,043.21	(187,834.09)
	Office & Administration	65,798.56	65,798.56	63,450.64	(2,347.92)
	Insurance	86,600.00	86,600.00	99,412.15	12,812.15
	Utilities	121,772.85	121,772.85	121,808.61	35.76
	Professional Fees	13,462.75	13,462.75	11,515.56	(1,947.19)
	Repairs & Maintenance	123,851.62	123,851.62	95,210.84	(28,640.78)
	Automobile	246,771.92	246,771.92	218,374.65	(28,397.27)
	Computer Expenses	18,102.00	18,102.00	17,779.36	(322.64)
	Admin Allocation	500,817.00	500,817.00	493,530.70	(7,286.30)
	Engineering Allocation	33,536.00	33,536.00	30,850.06	(2,685.94)
	Water Quality Allocation	0.00	0.00	(1,829.13)	(1,829.13)
	NYS Administrative Assessment	31,828.00	31,828.00	31,054.00	(774.00)
	<b>Total Operating Expenses</b>	<b>6,460,404.97</b>	<b>6,460,404.97</b>	<b>5,965,984.25</b>	<b>(494,420.72)</b>
	<b>Total Operating Income</b>	<b>836,960.53</b>	<b>836,960.53</b>	<b>1,302,683.64</b>	<b>465,723.11</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	44,900.00	44,900.00	(36,298.87)	(81,198.87)
	Interest Expense	(56,806.00)	(56,806.00)	(56,806.13)	(0.13)
	<b>Total Non-Operating Expe...</b>	<b>(11,906.00)</b>	<b>(11,906.00)</b>	<b>(93,105.00)</b>	<b>(81,199.00)</b>
	<b>CHANGE IN NET POSITION</b>	<b>825,054.53</b>	<b>825,054.53</b>	<b>1,209,578.64</b>	<b>384,524.11</b>

**Army Sewer  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$2,974,866.00	\$2,974,866.00	\$3,260,725.61	\$285,859.61
	Other Income	7,129.00	7,129.00	7,988.94	859.94
	<b>Total Operating Revenue</b>	<b>2,981,995.00</b>	<b>2,981,995.00</b>	<b>3,268,714.55</b>	<b>286,719.55</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	303,500.00	303,500.00	302,259.55	(1,240.45)
	Salaries	438,880.00	438,880.00	446,563.70	7,683.70
	Fringe Benefits	223,760.00	223,760.00	199,909.66	(23,850.34)
	Operation & Maintenance	75,675.00	75,675.00	75,113.65	(561.35)
	Wastewater Treatment	1,419,711.00	1,419,711.00	1,369,025.91	(50,685.09)
	Water Purchases	4,246.30	4,246.30	4,246.30	0.00
	Office & Administration	63,667.56	63,667.56	62,165.00	(1,502.56)
	Insurance	34,100.00	34,100.00	43,540.72	9,440.72
	Utilities	70,677.07	70,677.07	70,677.07	0.00
	Professional Fees	4,896.75	4,896.75	4,768.72	(128.03)
	Repairs & Maintenance	69,202.40	69,202.40	62,631.23	(6,571.17)
	Automobile	246,771.92	246,771.92	218,374.65	(28,397.27)
	Computer Expenses	18,102.00	18,102.00	17,779.36	(322.64)
	Admin Allocation	281,576.00	281,576.00	295,247.60	13,671.60
	Engineering Allocation	10,490.00	10,490.00	10,460.43	(29.57)
	Water Quality Allocation	(205,362.00)	(205,362.00)	(190,795.04)	14,566.96
	NYS Administrative Assessment	13,401.00	13,401.00	13,075.00	(326.00)
	<b>Total Operating Expenses</b>	<b>3,073,295.00</b>	<b>3,073,295.00</b>	<b>3,005,043.51</b>	<b>(68,251.49)</b>
	<b>Total Operating Income</b>	<b>(91,300.00)</b>	<b>(91,300.00)</b>	<b>263,671.04</b>	<b>354,971.04</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	27,800.00	27,800.00	(24,846.69)	(52,646.69)
	<b>Total Non-Operating Expe...</b>	<b>27,800.00</b>	<b>27,800.00</b>	<b>(24,846.69)</b>	<b>(52,646.69)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(63,500.00)</b>	<b>(63,500.00)</b>	<b>238,824.35</b>	<b>302,324.35</b>



**Army Water Line  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$2,081,756.00	\$2,081,756.00	\$1,849,744.82	(\$232,011.18)
	Grant Revenue	900,000.00	900,000.00	843,987.50	(56,012.50)
	<b>Total Operating Revenue</b>	<b>2,981,756.00</b>	<b>2,981,756.00</b>	<b>2,693,732.32</b>	<b>(288,023.68)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	354,600.00	354,600.00	349,490.75	(5,109.25)
	Salaries	384,091.00	384,091.00	357,095.17	(26,995.83)
	Fringe Benefits	194,562.00	194,562.00	150,368.00	(44,194.00)
	Operation & Maintenance	6,200.00	6,200.00	4,753.96	(1,446.04)
	Water Purchases	730,681.00	730,681.00	557,468.34	(173,212.66)
	Office & Administration	1,081.00	1,081.00	534.03	(546.97)
	Insurance	29,200.00	29,200.00	30,586.76	1,386.76
	Utilities	22,200.78	22,200.78	22,200.78	0.00
	Professional Fees	8,066.00	8,066.00	6,746.84	(1,319.16)
	Repairs & Maintenance	28,049.22	28,049.22	26,256.91	(1,792.31)
	Admin Allocation	165,070.00	165,070.00	149,390.80	(15,679.20)
	Engineering Allocation	9,964.00	9,964.00	11,238.13	1,274.13
	Water Quality Allocation	85,061.00	85,061.00	65,963.54	(19,097.46)
	NYS Administrative Assessment	11,458.00	11,458.00	11,179.00	(279.00)
	<b>Total Operating Expenses</b>	<b>2,030,284.00</b>	<b>2,030,284.00</b>	<b>1,743,273.01</b>	<b>(287,010.99)</b>
	<b>Total Operating Income</b>	<b>951,472.00</b>	<b>951,472.00</b>	<b>950,459.31</b>	<b>(1,012.69)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	15,100.00	15,100.00	(13,552.66)	(28,652.66)
	<b>Total Non-Operating Expe...</b>	<b>15,100.00</b>	<b>15,100.00</b>	<b>(13,552.66)</b>	<b>(28,652.66)</b>
	<b>CHANGE IN NET POSITION</b>	<b>966,572.00</b>	<b>966,572.00</b>	<b>936,906.65</b>	<b>(29,665.35)</b>

**Regional Water Line  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$391,537.00	\$391,537.00	\$373,633.38	(\$17,903.62)
	<b>Total Operating Revenue</b>	<b>391,537.00</b>	<b>391,537.00</b>	<b>373,633.38</b>	<b>(17,903.62)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	168,000.00	168,000.00	162,529.10	(5,470.90)
	Salaries	34,063.00	34,063.00	30,287.04	(3,775.96)
	Fringe Benefits	17,007.00	17,007.00	13,064.38	(3,942.62)
	Operation & Maintenance	6,800.00	6,800.00	5,462.00	(1,338.00)
	Water Purchases	112,950.00	112,950.00	98,328.57	(14,621.43)
	Office & Administration	250.00	250.00	28.56	(221.44)
	Insurance	5,000.00	5,000.00	5,678.98	678.98
	Utilities	28,895.00	28,895.00	28,930.76	35.76
	Professional Fees	500.00	500.00	0.00	(500.00)
	Repairs & Maintenance	26,600.00	26,600.00	6,322.70	(20,277.30)
	Admin Allocation	17,426.00	17,426.00	15,727.92	(1,698.08)
	Engineering Allocation	2,531.00	2,531.00	2,040.86	(490.14)
	Water Quality Allocation	6,665.00	6,665.00	4,894.07	(1,770.93)
	NYS Administrative Assessment	1,987.00	1,987.00	1,939.00	(48.00)
	<b>Total Operating Expenses</b>	<b>428,674.00</b>	<b>428,674.00</b>	<b>375,233.94</b>	<b>(53,440.06)</b>
	<b>Total Operating Income</b>	<b>(37,137.00)</b>	<b>(37,137.00)</b>	<b>(1,600.56)</b>	<b>35,536.44</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	2,000.00	2,000.00	2,100.48	100.48
	Interest Expense	(56,806.00)	(56,806.00)	(56,806.13)	(0.13)
	<b>Total Non-Operating Expe...</b>	<b>(54,806.00)</b>	<b>(54,806.00)</b>	<b>(54,705.65)</b>	<b>100.35</b>
	<b>CHANGE IN NET POSITION</b>	<b>(91,943.00)</b>	<b>(91,943.00)</b>	<b>(56,306.21)</b>	<b>35,636.79</b>

**Water Sewer Contracts  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
	<b>OPERATING REVENUE:</b>				
	Customer Billings	\$942,077.50	\$942,077.50	\$932,587.64	(\$9,489.86)
	<b>Total Operating Revenue</b>	<b>942,077.50</b>	<b>942,077.50</b>	<b>932,587.64</b>	<b>(9,489.86)</b>
	<b>OPERATING EXPENSES</b>				
	Salaries	456,306.50	456,306.50	449,653.62	(6,652.88)
	Fringe Benefits	235,831.47	235,831.47	192,714.58	(43,116.89)
	Operation & Maintenance	51,000.00	51,000.00	16,492.53	(34,507.47)
	Office & Administration	800.00	800.00	723.05	(76.95)
	Insurance	18,300.00	18,300.00	19,605.69	1,305.69
	Admin Allocation	36,745.00	36,745.00	33,164.38	(3,580.62)
	Engineering Allocation	10,551.00	10,551.00	7,110.64	(3,440.36)
	Water Quality Allocation	113,636.00	113,636.00	118,108.30	4,472.30
	NYS Administrative Assessment	4,982.00	4,982.00	4,861.00	(121.00)
	<b>Total Operating Expenses</b>	<b>928,151.97</b>	<b>928,151.97</b>	<b>842,433.79</b>	<b>(85,718.18)</b>
	<b>Total Operating Income</b>	<b>13,925.53</b>	<b>13,925.53</b>	<b>90,153.85</b>	<b>76,228.32</b>
	<b>NON-OPERATING REVENUE...</b>				
	<b>CHANGE IN NET POSITION</b>	<b>13,925.53</b>	<b>13,925.53</b>	<b>90,153.85</b>	<b>76,228.32</b>

**Engineering**  
**Change In Net Position**  
**For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$1,228,271.00	\$1,228,271.00	\$1,086,412.10	(\$141,858.90)
	<b>Total Operating Revenue</b>	<b>1,228,271.00</b>	<b>1,228,271.00</b>	<b>1,086,412.10</b>	<b>(141,858.90)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	12,700.00	12,700.00	12,608.16	(91.84)
	Salaries	704,088.00	704,088.00	645,230.80	(58,857.20)
	Fringe Benefits	315,884.00	315,884.00	259,221.51	(56,662.49)
	Operation & Maintenance	84,550.00	84,550.00	59,110.64	(25,439.36)
	Office & Administration	59,649.00	59,649.00	52,243.27	(7,405.73)
	Insurance	26,300.00	26,300.00	26,810.36	510.36
	Professional Fees	2,700.00	2,700.00	2,255.00	(445.00)
	Automobile	15,400.00	15,400.00	14,891.21	(508.79)
	Computer Expenses	36,400.00	36,400.00	31,380.53	(5,019.47)
	Admin Allocation	55,784.00	55,784.00	50,348.12	(5,435.88)
	Engineering Allocation	(79,552.00)	(79,552.00)	(75,947.20)	3,604.80
	Water Quality Allocation	0.00	0.00	1,436.30	1,436.30
	NYS Administrative Assessment	7,173.00	7,173.00	6,995.00	(178.00)
	<b>Total Operating Expenses</b>	<b>1,241,076.00</b>	<b>1,241,076.00</b>	<b>1,086,583.70</b>	<b>(154,492.30)</b>
	<b>Total Operating Income</b>	<b>(12,805.00)</b>	<b>(12,805.00)</b>	<b>(171.60)</b>	<b>12,633.40</b>
<b>NON-OPERATING REVENUE...</b>					
	<b>CHANGE IN NET POSITION</b>	<b>(12,805.00)</b>	<b>(12,805.00)</b>	<b>(171.60)</b>	<b>12,633.40</b>

**Regional Development  
Change In Net Position  
For the Twelve Months Ending Thursday, March 31, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$134,876.00	\$134,876.00	\$115,073.91	(\$19,802.09)
	Grant Revenue	1,177,792.00	1,177,792.00	1,575,434.55	397,642.55
	Loan Interest Income	564,000.00	564,000.00	516,852.69	(47,147.31)
	Other Income	20,550.00	20,550.00	65,666.13	45,116.13
	<b>Total Operating Revenue</b>	<b>1,897,218.00</b>	<b>1,897,218.00</b>	<b>2,273,027.28</b>	<b>375,809.28</b>
<b>OPERATING EXPENSES</b>					
	Salaries	387,213.00	387,213.00	315,671.09	(71,541.91)
	Fringe Benefits	173,966.00	173,966.00	118,485.52	(55,480.48)
	Operation & Maintenance	12,000.00	12,000.00	8,806.41	(3,193.59)
	Community Benefits	133,411.00	133,411.00	133,411.46	0.46
	Office & Administration	22,100.00	22,100.00	7,975.52	(14,124.48)
	Bad Debt Expense	0.00	0.00	184,385.82	184,385.82
	Professional Fees	231,269.00	231,269.00	183,876.88	(47,392.12)
	Computer Expenses	750.00	750.00	750.00	0.00
	Grants	304,570.00	304,570.00	296,215.05	(8,354.95)
	Admin Allocation	164,317.00	164,317.00	148,305.11	(16,011.89)
	Engineering Allocation	3,763.00	3,763.00	1,829.89	(1,933.11)
	<b>Total Operating Expenses</b>	<b>1,433,359.00</b>	<b>1,433,359.00</b>	<b>1,399,712.75</b>	<b>(33,646.25)</b>
	<b>Total Operating Income</b>	<b>463,859.00</b>	<b>463,859.00</b>	<b>873,314.53</b>	<b>409,455.53</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	198,043.00	198,043.00	(356,923.82)	(554,966.82)
	<b>Total Non-Operating Expe...</b>	<b>198,043.00</b>	<b>198,043.00</b>	<b>(356,923.82)</b>	<b>(554,966.82)</b>
	<b>CHANGE IN NET POSITION</b>	<b>661,902.00</b>	<b>661,902.00</b>	<b>516,390.71</b>	<b>(145,511.29)</b>



**Board Resolution No. 2022-05-36  
May 26, 2022**

**APPROVING MODIFICATIONS TO PESTICIDE USE POLICY**

Whereas, the Development Authority of the North Country operates according to Board policies that are adopted and/or amended by the Board of Directors, as appropriate, and

Whereas, pursuant to Resolution No. 2010-08-04, the Board approved the Authority's initial Pesticide Use Policy, and

Whereas, Executive Management has recommended modifications to the Pesticide Use Policy with the changes reflected in the following sections:

Modify:

Section 3

Modified language regarding exemption to policy to be granted by the Chief Operating Officer

References

Removed obsolete hyperlink to NYSDEC website and added regulator reference to 6 NYCRR Chapter IV Quality Services Subchapter A Pesticide Control

Delete:

Section 2

Reference to Green Innovation Committee

Section 3

Written notice to Authority Board of Directors for exemption to policy

Now, therefore be it

**RESOLVED, that the Development Authority of the North Country does hereby approve the Pesticide Use Policy, attached hereto and incorporated in this Resolution.**

# Development Authority of the North Country Governance Policies



**Subject: Pesticide Use Policy**

**Adopted:**

**Resolution:**

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## SECTION 1.0 INTRODUCTION

### 1.1. BACKGROUND

The Development Authority of the North Country (Authority), by Board Resolution No. 2009-10-09, adopted an Authority Environmental Policy Statement. This Environmental Policy Statement commits the Authority, and its employees, to act as responsible stewards of the environment. It further requires the integration of environmental protection and enhancement into planning, design, procurement, construction and operations.

## SECTION 2.0 PURPOSE

- 2.1 Pesticides contain toxins. If improperly used, pesticides may injure health, property, humans, wildlife, and the environment.
- 2.2 The Environmental Protection Agency is encouraging the use of natural products through an Integrated Pest management (IPM) Program.
- 2.3 IPM solutions help protect human health, economic well being and the environment.
- 2.4 Several federal and state agencies have already switched to an IPM approach and discontinued the use of registered pesticides at their facilities.
- ~~2.5 The Authority's Green Innovation Committee has been evaluating the use of pesticides at Authority facilities and has identified feasible alternatives.~~

## SECTION 3.0 POLICY STATEMENT

### 3.1 INTEGRATED PEST MANAGEMENT

The Authority shall utilize an IPM approach to reducing pest and pesticide risks including:

1. An understanding of pest biology and ecology
2. Effective monitoring and inspection to detect pest problems and correct inadequate conditions
3. Action to control pest problems only when necessary
4. Choosing effective options with the least risk to health and the environment
5. Use of long-term, preventative solutions to prevent and avoid pest problems

### 3.2 REGISTERED PESTICIDES

The Authority shall utilize an IPM approach that excludes the use of registered pesticides.

### 3.3 EXCEPTION

An exception to this policy may be exercised upon the approval of the Executive Director or Chief Operating Officer, following a determination that ~~an emergency~~ situation requires such action.

~~A. Upon approval of an exception, a written notice will be provided to the Authority's Board of Directors~~

## SECTION 4.0 IMPLEMENTATION

- 4.1. This policy is a continuation of the Authority's overall commitment to environmental stewardship.
- 4.2. This policy is applicable to all divisions, facilities, management, and employees of the Authority.
- 4.3. To the extent the Authority has the opportunity and the choice, it shall be applicable to all contractors of the Authority while operating at the Authority facilities.
- 4.4. Copies of the policy will be posted to the public website and made accessible electronically through the Authority's network.

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#### References:

Sections 33-0301 and 0303 of the Environmental conservation Law (ECL), the department (NYSDEC) has jurisdiction in all matters pertaining to the distribution, sales, use and transportation of pesticides. NYSDEC also regulates the registration, commercial use, purchase and custom application of pesticides <http://www.dec.ny.gov/regulation/8527.html>.6 NYCRR Chapter IV Quality Services Subchapter A Pesticide Control

Approval Date: August 26, 2010 – Resolution No. 2010-08-04



Development Authority of the North Country  
 Board Contract Summary  
 May 2022

NON-LEWIS COUNTY CONTRACTS

Company	Customer	Contract Type	Description of Services/Contract Title	Current Agreement (\$)	New Agreement / Amendment (\$)	Total Agreement	Start Date	End Date	County
60	Town of Morristown	TSA	Local Waterfront Revitalization Program Update	\$ -	\$ 15,000.00	\$ 15,000.00	5/10/2022	11/30/2022	St. Lawrence
60	Village of Clayton	TSA	Department of Public Works Asset Management Plan	\$ -	\$ 7,500.00	\$ 7,500.00	4/25/2022	8/25/2022	Jefferson
60	Town of Edwards	TSA	Water System Assessment	\$ -	\$ 5,500.00	\$ 5,500.00	5/12/2022	11/30/2022	St. Lawrence
60	Village of Tupper Lake	TSA	Additional Water Meter Services	\$ 40,000.00	\$ 24,000.00	\$ 64,000.00	6/1/2022	7/31/2024	Franklin
60	Town of DeKalb	SSA	DeKalb SCADA Services for WWTP Improvement Project	\$ -	\$ 88,000.00	\$ 88,000.00	6/1/2022	12/31/2023	St. Lawrence
60	Town of Diana	SSA	Diana SCADA Services for Water System Improvements Project	\$ -	\$ 54,000.00	\$ 54,000.00	4/1/2022	12/31/2023	Lewis
60	Village of Lowville	GIS	Village of Lowville GIS Hosting Agreement	\$ -	\$ 8,300.00	\$ 8,300.00	6/1/2022	5/31/2027	Lewis
60	Village of Turin	GIS	Village of Turin GIS Hosting Agreement	\$ -	\$ 4,400.00	\$ 4,400.00	6/1/2022	5/31/2027	Lewis
44	Town of Wilna	O&M	Town of Wilna O&M Wastewater Facilities	\$ -	\$ 48,262.00	\$ 48,262.00	5/27/2022	5/31/2027	Jefferson
30	NYPA	MOU	NYPA / DANC Pilot - Broadband Deployment	\$ -	\$ 49,000.00	\$ 49,000.00	2/1/2022	1/31/2023	St. Lawrence / Lewis

LEWIS COUNTY CONTRACTS

Company	Customer	Contract Type	Description of Services/Contract Title	Current Agreement (\$)	New Agreement / Amendment (\$)	Total Agreement	Start Date	End Date	County

**Contract Types**

- GIS - GIS Services
- MS - WQ Management Services
- O&M - WQ Operations & Maintenance
- SSA - SCADA Services
- TSA - Technical Services



**Board Resolution No. 2022-05-37**  
**May 26, 2022**

**TECHNICAL SERVICES AGREEMENT AMENDMENT  
VILLAGE OF TUPPER LAKE  
WATER SYSTEM IMPROVEMENT PROJECT**

Whereas, pursuant to **Resolution No. 2018-12-131**, the Development Authority of the North Country (Authority) and the Village of Tupper Lake (Village) entered into an Agreement dated November 2, 2018 for an amount not to exceed \$15,000 to provide technical service assistance for a Water System Improvement Project, and

Whereas, pursuant to **Resolution No. 2019-10-115**, the Authority and the Village entered into Amendment No. 1 on October 2, 2019 to increase the Authority's services by \$15,000 due to delays that resulted in a revised projected completion date of December 2020, and

Whereas, pursuant to **Resolution No. 2020-08-100**, the Authority and the Village entered into Amendment No. 2 on August 27, 2020 to increase the Authority's services by \$10,000 due to delays that resulted in a revised projected completion date of July 2021, and

Whereas, the Village has requested additional services from the Authority due to a revised projected completion date of July 2024 and this extension will result in additional not to exceed services of \$24,000 bringing the total not to exceed contract to \$64,000.

Now, therefore be it

**RESOLVED**, that the **Technical Services Agreement**, by and between the Authority and the Village of Tupper Lake, is hereby approved. The Executive Director is hereby authorized and directed to execute said Agreement Amendment.

### **AMENDMENT 3**

#### **DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY TECHNICAL SERVICES AGREEMENT FOR WATER SYSTEM CAPITAL IMPROVEMENT PROJECT**

**WITH THE**

**VILLAGE OF TUPPER LAKE**

Whereas, the Development Authority of the North Country (Authority) and the Village of Tupper Lake (Village) entered into an Agreement dated November 2, 2018 for an amount not to exceed \$15,000 to perform services related to a Water System Improvement Project with a projected completion date in 2019, and

Whereas, the Village authorized Amendment 1 on October 2, 2019 to extend the Authority's services by \$15,000 due to delays that resulted in a revised projected project completion date of December 2020, and

Whereas, additional project delays, resulting in part due to the COVID-19 pandemic, have extended the projected completion date of the project to July 31, 2021 and this extension will result in additional not to exceed services of \$10,000.

Whereas, additional project delays, resulting in part due to further impacts of the extended COVID-19 pandemic and associated labor shortages, which have been accepted by the NYS Environmental Facilities Corporation (EFC) as justification to request Executive approval of a two-year short-term financing extension to complete the project. The revised project completion date is July 31, 2024, which will result in additional services for a not-to-exceed fee of \$24,000.

NOW THEREFORE, the Authority and the Village agree to amend the total not-to-exceed amount of the agreement to \$64,000.

The return of one signed copy of this Amendment, together with the formal resolution of approval, constitutes acceptance of this Amendment and shall be written authorization for the Authority to proceed with contract services up to the amount agreed upon.

**DEVELOPMENT AUTHORITY  
OF THE NORTH COUNTRY**

**VILLAGE OF TUPPER LAKE**

By: \_\_\_\_\_

Carl E. Farone, Jr.

Title: Executive Director

Date: \_\_\_\_\_

By: \_\_\_\_\_

Paul Maroun

Title: Mayor

Date: \_\_\_\_\_

ACKNOWLEDGEMENTS

STATE OF NEW YORK )

) ss:

COUNTY OF FRANKLIN )

On this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me personally came Paul Maroun, who being duly sworn, did dispose and says that he resides in Tupper Lake, New York; that he is the duly authorized representative of the Village described herein, and which executed the foregoing instrument; and that she signed her name thereto by order of said Village.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF NEW YORK )

) ss:

COUNTY OF JEFFERSON )

On this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me personally came Carl E. Farone, Jr., who being duly sworn, did dispose and says that he resides in Watertown, New York; that he is the Executive Director of the Development Authority of the North Country, the Authority described herein, and which executed the foregoing instrument; and that he signed his name thereto by order of said Authority.

\_\_\_\_\_  
NOTARY PUBLIC



**Board Resolution No. 2022-05-38**  
**May 26, 2022**

**WATER SERVICE AGREEMENT  
VILLAGE OF DEXTER  
REGIONAL WATER LINE**

Whereas, the Development Authority of the North Country and the Village of Dexter (Village) originally entered into a Water Service Agreement dated May 8, 1995 for the supply of water from the Authority's Regional Waterline to the Village for a term of twenty years, and

Whereas, updated agreements were executed with Regional Waterline customers in 2010, and

Whereas, the Authority contributed \$100,000 towards a capital improvement project in the Village of Dexter that created an additional connection to the Authority's Regional Waterline in exchange for the Village agreeing to supply water to the Authority in the event of an emergency, and

Whereas, during the process of revising the Village's Water Service Agreement to reflect the new connection installed in 2021 it was discovered that an executed copy of the 2010 agreement could not be located, and

Whereas, the execution of the attached Water Service Agreement contractually obligates the Village of Dexter to supply water to the Authority in the event of an emergency and will update the Village's Agreement to include the Authority's standard contractual requirements.

Now, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby authorize and direct the Executive Director to enter into the attached Water Service Agreement with the Village of Dexter.**

## WATER SERVICE AGREEMENT

### DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY & VILLAGE OF DEXTER

This sets forth the Water Service Agreement made effective \_\_\_\_\_, 2022 by and between the Village of Dexter (“Village”), a New York municipal corporation, with offices at 100 Locke Street, P.O. Box 62, Dexter, NY 13634 and the DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY, a New York public benefit corporation with offices at the Dulles State Office Building, 317 Washington Street, Watertown, New York 13601 (“Authority”).

### **RECITALS**

1. The Authority owns and operates a water service facility between the Village of Cape Vincent to the Village of Glen Park, (“Western Jefferson County Regional Water Line” or “RWL”), with sufficient current capacity to accommodate the requirements of the Village.
2. The Village represents and warrants that the Village has the power and authority to bind itself to the provisions hereof, and has taken or will take all action required to authorize and perform its obligations under this Agreement including acquisition of lands, easements and rights of way, construction of Village facilities, compliance with the State Environmental Quality Review Act and approvals, certifications and permits required by all necessary Federal, State and Local agencies.
3. The Village is authorized to enter into this Agreement by Resolution dated \_\_\_\_\_, a certified copy of which is attached as **Exhibit “A”**.

### AGREEMENT

In consideration of the mutual covenants herein contained, the parties agree as follows:

#### ARTICLE I – AUTHORITY FACILITIES

- 1) Section 101. Facilities. The Authority will provide water service as follows:
  - a) The Village maintains a connection to the Authority’s RWL as a supplemental water supply. The Village has its own groundwater wells which serve as its primary supply.
  - b) In fiscal year 2022, the Authority contributed \$100,000 towards a capital improvement project in the Village of Dexter that created an additional connection to the Authority’s Regional Waterline. In exchange, the Village has agreed to supply water to the Authority in the event(s) of an emergency.

- c) The Village's total allocated flow was computed based on historical demand. The Authority agrees to provide the Village with a maximum daily flow of **65,000 gallons per day**.
- d) The Village agrees to periodically review its current and projected water usage and request an update to this Water Service Agreement if projected demands exceed or are less than the allocation contained in this Agreement. Requests for decreases in allocations must be supported by historical data.
- e) The Village understands that future requests for additional water supply allocations must be approved by the Authority and the Village of Cape Vincent. The Village of Cape Vincent's approval is necessary since they are supplying the source water for the system.
- f) Potable water will be distributed in accordance with applicable Federal and State environmental quality, safety and discharge standards presently in effect and as the same may be amended during the terms of this Agreement.

Section 102. Point of Delivery. Water shall be delivered to Village through an existing connection point to the Authority's Water Transmission main and a connection point between the Village and the Town of Brownville. The connection points are illustrated in Exhibit B.

Section 103. Metering. The Authority will own and maintain a meter, meeting Authority requirements, at each of the original points of connection to the Authority's Water Transmission main (i.e. Village of Chaumont, Village of Dexter, and Village of Brownville). All other meters added after the original construction are owned and maintained by the municipalities.

## **ARTICLE II- OPERATION OF THE SYSTEM**

Section 201. Operation. The Authority shall operate and maintain, or contract for the operation and maintenance, of all facilities required to obtain, transport and deliver potable water to the Village. It shall use reasonable diligence to provide regular and uninterrupted water service.

Section 202. Meter Testing. The Authority, at the expense of the Village, shall periodically inspect and test meters at intervals of no longer than one year. In the event the meter(s) fail to register or registers incorrectly, the quantity of service delivered during that period shall be estimated and an equitable adjustment based thereon shall be made in the invoice for that period. Meter registration deviation by less than 5% shall be deemed correct. The Authority shall have unrestricted access to the meters at all times for testing and reading.

Section 203. Leak Detection. If water consumption records indicate a likely leak in the Village system the Village agrees to conduct leak detection surveys to find the source of water loss, and to correct any leaking lines that are located, at the Village's expense.

Section 204. Design Approval. The design and construction of new Village Water Facilities, which will be connected to Authority-owned systems, either directly or

indirectly through existing connection points, are subject to review and approval by the Authority in accordance with the Authority's "Protocol for Connecting to DANC-Owned Water or Sewer Mains" and "DANC Approval Process for Developments within Existing Water/Sewer Service Areas".

Section 205. Service to Others. To insure adequate capacity to serve existing users, the Village shall not permit the use of its facility for water service to other municipalities or water districts without the prior written consent of the Authority.

Section 206. Rules and Regulations. The Village shall comply with all rules and regulations promulgated by the Authority including schedules of charges and design approval documents referenced in Section 204. The Village will have the opportunity to provide input on new or revised rules and regulations. With respect to the operation of its Water System, the Village will comply with applicable federal, state and local requirements.

### **ARTICLE III - Terms**

Section 301. Term. The term of this Agreement shall be 15 years from the date hereof, or the date that original USDA Rural Development RWL construction loan is paid off. This agreement shall be reviewed every five years from the date of execution and updated accordingly.

### **ARTICLE IV – District Charges and Payment Thereof**

Section 401. Charges and Payment. The Authority's water service charges consists a fixed annual fee, to be billed on a quarterly basis, and variable usage charge.

Section 402. Fixed Annual Fee. The Village's fixed annual fee is determined by combining all RWL budgetary expenses except water purchase costs. This total is then divided by the total number gallons of capacity that are allocated for all RWL customers. To compute the portion of this charge that the Village is responsible for, this fixed cost per gallon is multiplied by the total number of gallons allocated to the Village in this agreement. The Authority will annually establish the fixed cost per user as part of its budget setting process.

If the customers of the Regional Water Line determine by resolution that fixed charges shall be billed on the basis of EDUs instead of allocations, then the fixed annual fee will be determined by combining all RWL budgetary expenses except water purchase costs. This total will then be divided by the total number of EDUs for all RWL customers. To compute the portion of this charge that the Village is responsible for, this fixed cost per EDU is multiplied by the total number of EDUs allocated to the Village in this agreement. The Authority will annually establish the fixed cost per EDU as part of its budget setting process. For EDU based billing to be considered all RWL communities must have consistent processes for determining EDUs and contract capacity allocations cannot include reservations for future expansions.

The Authority shall meet annually with municipalities in December to discuss modifications to the billing system for the following fiscal year.



Section 403. Variable Usage Charge. The Authority will annually establish a rate per 1,000 gallons (Kgal) of water based upon the cost to purchase a Kgal of water.

Section 404. Meter Reading & Billing. The Authority shall take meter readings on the first non-holiday weekday of April, July, October and January in each fiscal year to determine the volume of water delivered to the Village. The Village shall pay the Authority the quarterly service charge, based upon the volume of water delivered through the meter times the 1,000 gallons, plus one quarter of the fixed annual fee within forty-five (45) days after receipt of an invoice thereof.

Section 405. Guarantee of Payment. The Village agrees, represents and warrants that it shall properly and lawfully assess the real property and improvements to users within the Village and levy taxes or user charges thereon in sufficient amount each year during the term of this Agreement so that sums to be paid hereunder shall be duly provided and paid within such years. Unpaid charges and taxes shall be collected in a timely manner in accordance with applicable laws and include establishment of a lien on the real property within the Village to be levied in the subsequent year.

#### **ARTICLE V – Insurance & Indemnification**

Section 501. Insurance. The Village shall secure and maintain insurance in amounts satisfactory to the Authority against loss or damage to the Authority and its facilities and against public or other liability. All insurance coverages shall be provided by insurers licensed to do business by the State of New York and shall name the Authority as additional insured. The Authority shall secure and maintain insurance satisfactory to the Village and shall name the Village as additional insured on the liability policy.

Section 502. Indemnification.

- a) The Authority hereby agrees to indemnify, defend, save and hold harmless the Village from and against, and to reimburse the Village for or in respect of any and all losses, damages, deficiencies, liabilities, claims, obligations, expenses, fines, penalties, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements, fees and expenses including, without limitation, special, indirect, incidental, and all out-of-pocket expenses of any nature whatsoever, incurred or sustained by the Village arising out of, based upon, resulting from or by reason of any negligence or material breach by the Authority of any of its warranties, representations, covenants or agreements contained.
- b) The Village hereby agrees to indemnify, defend, save and hold harmless the Authority from and against, and to reimburse the Authority for or in respect of any and all losses, damages, deficiencies, liabilities, claims, obligations, expenses, fines, penalties, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements, fees and expenses including, without limitation, special, indirect, incidental, and all out-of-pocket expenses of any nature whatsoever, incurred or sustained by the Authority arising out of, based upon, resulting from or by reason of any negligence or material breach by the

Village of any of its warranties, representations, covenants or agreements contained.

Section 503. Limitations of Liability. The Authority shall use reasonable diligence to provide the services herein required, but shall not be liable to the Village for damages, breach of contract, or otherwise, for failure, suspension, diminution, or other variations of service occasioned by any cause beyond the control of the Authority. The Village will not be liable in the event of a breach beyond their control. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, riots, strikes, civil disturbance, quarantine, restrictions, or inability to obtain equipment or supplies.

#### **ARTICLE VI – Miscellaneous**

Section 601. No Waiver. No failure or forbearance of enforcement by the Village or Authority of any breach of any term, covenant or condition contained in this Agreement shall operate as a waiver of such term, covenant or condition itself, or of any subsequent breach thereof.

Section 602. Severability. This Agreement shall be construed and enforced in accordance with the laws of the State of New York. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall continue to be valid and unenforceable to the fullest extent permitted by law.

Section 603. Entire Agreement. This Agreement contains the entire agreement of the parties and may be modified or amended only by the written mutual agreement of the parties. This agreement supersedes any and all former sewer service agreements between the Village and the Authority.

Section 604. Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if sent by certified or registered mail, return receipt requested, postage prepaid.

Section 605. Execution in Counterparts. This Agreement may be executed in any number of counterparts each of which shall be executed by the Village and the Authority and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

ALL OF THE ABOVE is established by the signatures of the authority representatives of the parties.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

By: \_\_\_\_\_  
Carl E. Farone Jr., Executive Director

VILLAGE OF DEXTER

By: \_\_\_\_\_  
\_\_\_\_\_, Mayor

ACKNOWLEDGEMENTS

STATE OF NEW YORK )  
COUNTY OF JEFFERSON ) s.s.:

On the \_\_\_\_ day of \_\_\_\_\_ in the year 2022, before me, the undersigned, a Notary Public in and for said state, personally appeared Carl E. Farone Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity , and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument with full authorization to do so.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
COUNTY OF \_\_\_\_\_ ) s.s.:

On the \_\_\_\_ day of \_\_\_\_\_ in the year 2022, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity , and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument with full authorization to do so.

\_\_\_\_\_  
Notary Public





**Board Resolution No. 2022-05-39**  
**May 26, 2022**

**ARMY WATERLINE PIPELINE REPLACEMENT PROJECT IMPROVEMENTS**  
**SEQRA TYPE II ACTION**  
**NO SIGNIFICANT IMPACT ON THE ENVIRONMENT**

Whereas, the Development Authority of the North Country will undertake needed improvements to the Army Water Line (AWL) that will include the replacement of existing pipeline, and

Whereas, the AWL was constructed in 1990 to provide drinking water from the City of Watertown to Fort Drum and the surrounding communities. The AWL is a 20-inch diameter ductile iron pipe that is 11.5 miles long. During a project which replaced several mainline valves, areas of the AWL were observed to be deteriorated. Subsequently, an integrity assessment of the AWL was performed, which showed there are sections of the AWL that necessitate replacement. The proposed action includes replacing approximately 13,000-ft of the waterline with new 20-inch pipe in the same trench, and

Whereas, this work will be completed with minimal land disturbance and the majority (if not all) of the proposed work will be located within the existing AWL trench. Overall, the proposed project is needed to maintain functionality and operations of the existing AWL. The proposed project, as described in this letter, meets the following Type II classifications under 6 NYCRR 617.5(c) of the State Environmental Quality Review Act (SEQRA): (1) maintenance or repair involving no substantial changes in an existing structure or facility; and (2) replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, and

Whereas, since the proposed action meets the Type II Action classifications listed under Section 617.5 (c) 1 and 2, the proposed rehabilitation work can be formally classified as Type II under the SEQRA and it can be further determined that the proposed action is not anticipated to have a significant impact on the environment.

Now, therefore, be it

**RESOLVED, that the Development Authority of the North Country does hereby determine that the project is a Type II Action, and will not have a significant adverse impact on the environment, and therefore, no Environmental Impact Statement needs to be prepared and no further action with regard to SEQRA is required.**



**Board Resolution No. 2022-05-40**  
**May 26, 2022**

**RECONSTRUCTION FINANCING  
FORT DRUM WATER LINE  
ISSUANCE AND SALE OF AUTHORITY BONDS, NOTE(S) OR OTHER OBLIGATIONS**

Whereas, the Development Authority of the North Country constructed and has operated, since 1990, a water line and related facilities between Fort Drum and the City of Watertown Water Treatment Plant and it is necessary and desirable to replace approximately 13,000 feet of ductile iron pipe with high density polyethylene pipe (the “Project”), and

Whereas, pursuant to Title 29 of the Public Authorities Law (the “Act”), the Development Authority is authorized and deems it necessary to finance the cost of such Project, estimated not to exceed the aggregate principal amount of \$10,000,000, including costs incidental thereto, and

Whereas, pursuant to resolution number 2022-05-39 the Development Authority has heretofore complied with the New York State Environmental Quality Review Act with respect to this Project and determined it to be a Type II action, requiring no further action.

Now, therefore be it

**RESOLVED, by the Development Authority of the North Country as follows:**

Section 1.

The Authority hereby finds and determines that:

- a) By virtue of the Act, the Authority has been vested with all the powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act, and
- b) The Project constitutes one of the Authority’s corporate purposes under the Act, for which Obligations of the Authority may be issued.
- c) It is desirable and in the public interest for the Authority to issue its bonds or notes (the “Obligations”) in an aggregate original principal amount not to exceed \$10,000,000.

## Section 2.

The Authority is hereby authorized to undertake the Project and to issue and execute, sell and deliver the Obligations having a maturity not to exceed thirty years to finance costs thereof, in an original aggregate amount not to exceed \$10,000,000, pursuant to the Act, provided that:

- a) The Obligations shall be issued solely for the purpose of financing costs of the Project, and paying costs associated with the issuance of the Obligations.
- b) The Obligations and the interest on them are not and shall never be a debt of the State of New York, the Counties of Jefferson, Lewis or St. Lawrence, New York or of the City of Watertown, New York and neither the State of New York, the Counties of Jefferson, Lewis or St. Lawrence, New York nor the City of Watertown, New York shall be liable thereon.
- c) The Obligations, together with interest payable on them, shall be general obligations of the Authority payable out of any moneys, assets or revenues of the Authority, or special obligations payable solely out of revenues and other moneys derived from operation of the Project, as determined by an Authorized Representative.
- d) Notwithstanding any other provision of this Resolution, with respect to any obligations which may be issued as tax-exempt obligations under the Code, the Authority covenants that it will make no use of the proceeds of such obligations or of any other funds which, if that use had been reasonably expected on the date of the issue of such obligations, would cause the Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 as amended (the "Code").

## Section 3.

The Authorized Representatives of the Authority (as defined in Section 5 hereof) are each authorized, in the name and on behalf of the Authority, to negotiate, execute, deliver and/or approve the following and any other documents necessary to issue the Obligations (collectively, the "Financing Documents"):

- a) The bonds, notes or other Obligations, including, without limitation, the authority to determine and carry out the following:
  1. the sale of the Obligations at public or private sale;
  2. the principal amount of Obligations to be issued, not to exceed \$10,000,000 in the aggregate original principal amount;
  3. the issuance of the Obligations, or a portion thereof, as tax-exempt obligations under the Code or as taxable obligations;

4. the date or dates, maturity date or dates and principal amount of each maturity of the Obligations;
  5. the interest rate or rates of the Obligations, the date or dates from which interest on the Obligations shall accrue and the first interest payment date or dates therefor;
  6. the denomination or denominations of and the manner of naming, numbering and lettering the Obligations;
  7. the paying agent or paying agents for the Obligations, the place or places of payment of the principal, redemption price of and interest on the Obligations;
  8. the redemption price or redemption prices, if any, and the redemption terms, if any, for the Obligations;
  9. the provisions for the sale or exchange of the Obligations and for the delivery thereof;
  10. the issuance of the Obligations as general obligations of the Authority payable out of any moneys, assets or revenues of the Authority, or special obligations payable solely out of revenues and other moneys derived from operation of the Project, as determined by an Authorized Representative
  11. any other provisions deemed advisable by an Authorized Representative of the Authority, not in conflict with the provisions hereof.
- b) All such further instruments, agreements, certificates, evidence of indebtedness, powers of attorney and other documents as are necessary or appropriate to complete the acquisition, construction, renovation, operation and equipping of the Project and the issuance of Obligations.

#### Section 4.

The Authorized Representatives of the Authority (as defined in Section 5 hereof) are further authorized to sell all or a portion of the obligation to the New York State Environmental Facilities Corporation ("EFC") in the form prescribed in one of more loan agreements or similar agreements (the "Loan Agreements") between the Authority and EFC; to execute and deliver on behalf of the Authority one or more Loan Agreements, Project Financing Agreements, and Letters of Intent with EFC and to accept the definitive terms of one or more Loan Agreements from EFC by executing and delivering one or more Terms Certificates; and to execute such other documents, and take such other actions as are necessary or appropriate to obtain a loan or loans from EFC for all or a portion of the costs of the Project, and performing the Authority's obligations under its bonds delivered to EFC, the Project Financing Agreements and the Loan Agreements.



#### Section 5.

The Chairperson, Vice Chairperson and Executive Director of the Authority are each hereby designated Authorized Representatives of the Authority and the Chairperson may in a writing designate additional Authorized Representatives. Each of the Authorized Representatives are hereby each authorized and directed to do or cause to be done all such other acts and things, to make all payments required pursuant to the Financing Documents, and to execute all such documents, certificates and instruments, including without limitation, the creation of new banking accounts and the pledge of any accounts, whether new or existing, as in his or her judgment may be necessary or advisable in order to carry out the Financing Documents and the transactions contemplated thereby or desirable or proper to effectuate the purposes of this Resolution and to cause compliance by the Authority with all of the terms, covenants and provisions of the Financing Documents binding upon the Authority. None of the officers, employees or agents of the Authority, however, shall have any personal liability under the Obligations or the Financing Documents.

#### Section 6.

Notwithstanding any other provision of this Resolution, the person executing the Financing Documents on behalf of the Authority is hereby authorized to agree to such changes, insertions, omissions and modifications of the Financing Documents as he or she may approve. The execution of the Financing Documents by any such person shall be deemed to be complete and with full approval of any such changes, insertions, omissions and modifications by the members of Authority.

#### Section 7.

This Resolution shall constitute a declaration of the Authority's "official intent" to reimburse expenditures for the Project with proceeds of the Obligations as required by Treasury Regulation Section 1.150-2, it being intended to use available funds of the Authority pending issuance of such Obligations.

#### Section 8.

This Resolution shall take effect immediately and the Obligations are hereby ordered to be issued in accordance with this Resolution. A copy of this Resolution, together with its attachments, shall be placed on file in the office of the Authority where the same shall be available for public inspection during business hours.

#### Section 9

The Authority has previously determined that this Project is considered a Type II Action under the State Environmental Quality Review (SEQRA) and requires no further action under SEQRA.



**Board Resolution No. 2022-05-41**  
**May 26, 2022**

**PHASE I ARMY WATER LINE PIPELINE REPLACEMENT PROJECT  
OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION  
DEFENSE COMMUNITY INFRASTRUCTURE PILOT PROGRAM**

Whereas, the Development Authority of the North Country owns and operates an 11.2 mile 20 inch ductile iron water transmission main that provides water services to Fort Drum, and the Towns of Champion, LeRay and Pamelaia, known as the Army Water Line, and

Whereas, the Development Authority of the North Country (Authority) completed an integrity assessment of the Army Water Line and discovered that certain sections require replacement, and

Whereas, Phase I of the Army Water Line Pipeline Replacement Project will replace approximately 13,000 feet of pipe, and

Whereas, the preliminary cost to complete Phase I of the Project is \$9.1 million comprised of approximately \$0.5 million for engineering services and \$8.6 million for construction costs, and

Whereas, **Resolution No. 2022-02-06** authorized the Authority to apply to the Office of Local Defense Community Cooperation (OLDCC), formerly known as the Office of Economic Adjustment (OEA), for funding toward engineering design and bidding services, and

Whereas, funding for the Defense Community Infrastructure Pilot (DCIP) Program through the OLDCC has become available and applications are due July 18, 2022, and

Whereas, the Authority will apply for funding through the DCIP Program for a grant of up to 70% of the total project costs associated with Phase I of the Army Water Line Pipeline Replacement Project, and

Whereas, the grant will require a 30% non-federal match which will come from project reserves and proposed bonding, and

Whereas, the Authority has briefed Fort Drum on Phase I of the Army Water Line Replacement Project and Fort Drum Garrison supports the application to OLDCC, and

Whereas, it was determined by the Authority and OLDCC that the Director of Regional Development, as program administrator, should execute the appropriate agreements for said grant.

Now, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby authorize the Director of Regional Development to submit an application for a grant for up to 70% of the total project costs not covered by other federal grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation, and be it further**

**RESOLVED, the Development Authority of the North Country does hereby authorize the Director of Regional Development to execute the grant agreement with the Office of Local Defense Community Cooperation, if funded, and implement the grant.**



**Board Resolution No. 2022-05-42**  
**May 26, 2022**

**CAPITAL PROJECT**  
**TELECOMMUNICATIONS**  
**NEW YORK POWER AUTHORITY FIBER TO THE PREMISE**

Whereas, the New York Power Authority (NYPA) has been working with the State of New York to evaluate options for using NYPA's excess fiber capacity to deliver broadband services to unserved homes in New York State, and

Whereas, NYPA received a grant from New York State to implement the delivery of such broadband services and subsequently reached out to the Development Authority to explore areas in the north country which would benefit from the utilization of NYPA's excess fiber capacity, and

Whereas, NYPA and the Development Authority of the North Country (Authority) collectively agreed that NYPA's excess fiber capacity could be utilized to deliver broadband services to approximately 150 unserved homes in the town of Diana in Lewis County and to approximately 140 unserved homes in the Town of Pitcairn in St. Lawrence County, and

Whereas, project costs will be funded through grant funding received by NYPA from New York State, and

Whereas, the Authority anticipates entering into a revenue share agreement with a privately owned service provider who will provide broadband services to the currently unserved homes. The revenue from such agreement is expected to cover the ongoing operations and maintenance expenses associated with the project.

Now, therefore be it

**RESOLVED, that the Authority Board of Directors authorizes the Executive Director to enter into an Agreement with NYPA to deliver broadband services to approximately 150 unserved homes in the town of Diana in Lewis County and to approximately 140 unserved homes in the Town of Pitcairn in St. Lawrence County, and be it further**

**RESOLVED, that the Authority Board of Directors authorizes the Executive Director to enter into an agreement with a Fiber to the Premise service provider to deliver the broadband service, and be it further**

**RESOLVED, the Authority herewith authorizes the Comptroller to establish a “NYPA Fiber to the Premise” capital project in the amount of \$1,400,000 with said funds to come from telecommunications capital reserve fund. Such reserve will be replenished upon project completion by NYPA.**



**Board Resolution No. 2022-05-43**  
**May 26, 2022**

**NORTH COUNTRY REDEVELOPMENT LOAN FUND**  
**BRB CAFÉ, LLC**  
**RATIFYING LOAN AND GRANT**

Whereas, **Resolution No. 2015-08-91** established the North Country Redevelopment Fund, and

Whereas, the Regional Loan Review Committee can make commitments for loans up to \$250,000, and grants up to \$250,000, for a total combined grant/loan amount of \$500,000 with the Authority Board ratifying the request at its next meeting, and

Whereas, **Resolution No. 2020-08-101** approved \$144,000 (\$72,000 grant/\$72,000 loan) from the North Country Redevelopment Fund to BRB Café, LLC to renovate the building at 102-104 Maple Street, Black River, for first floor commercial space and 2 upper floor, 2 bedroom, market rate apartments, and

Whereas, the commitment for this project expired due to the COVID pandemic, and

Whereas, the applicant has updated the project budget and is planning to move forward with the project in 2022, and

Whereas, the applicant has received a RESTORE NY grant for this project, and

Whereas, the Regional Loan Review Committee met on May 3, 2022 to review the updated application from BRB Café, LLC, and

Whereas, the Regional Loan Committee is recommending a commitment of up to \$144,000, comprised of a \$72,000 loan and a \$72,000 grant consistent with the program guidelines.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby ratify the grant/loan commitment in the amount of up to \$144,000 (\$72,000 loan/\$72,000 grant) from the North Country Redevelopment Fund to BRB Café, LLC at the terms and conditions outlined on the attached Term Sheet, consistent with the Empire State Development program requirements and further authorizes the Executive Director to execute all documents necessary to make the loan, and be it further**

**RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.**

## TERM SHEET

Borrower:	BRB Café, LLC
Loan Fund:	North Country Redevelopment Fund
Amount:	up to \$144,000 (\$72,000 loan/\$72,000 grant) <i>The grant to loan amount will always be 1:1</i>
Loan Term:	240 months
Loan Rate:	1%
Loan Payment:	Interest-only for first 9 months during construction; then principal and interest to fully amortize the loan over remaining term
Collateral:	Second mortgage behind Watertown Savings Bank construction loan on real estate located at 102-104 Maple Street, Black River, NY 13612. Lien on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and general intangibles of business. Mortgage will convert to first position when bank is repaid with RESTORE funds.
Guarantors:	Betsy Hennessey and Sean Hennessey
Conditions:	<ul style="list-style-type: none"><li>-Owner cash equity of \$27,067</li><li>-Watertown Savings Bank construction financing of up to \$268,000</li><li>-Third party broker opinion, or an as completed appraisal of building, with a minimum value of \$340,000 for a 1:1 loan-to-value</li><li>-Acceptable MWBE utilization plan for RESTORE NY grant, or waiver if applicable</li><li>-Recapture Provision over 10 years on grant portion</li><li>-Copies of invoices and cancelled checks or bank statements</li><li>-Loan will be disbursed as construction loan</li><li>-Bring personal real estate taxes current prior to closing or provide proof of payment plan</li><li>- ESD confirming extension of RESTORE Project #131,749 for adequate amount of time to complete the project based upon a timeline provided by applicant and agreeable to Lender</li><li>-All required permits and approvals</li></ul>

Development Authority of the North Country  
May 19, 2022

**BORROWER:** BRB Cafe, LLC

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**BUSINESS ADDRESS:** PO Box 603, Black River, NY 13612

**PROJECT ADDRESS:** 102-104 Maple Street, Black River, NY 13612

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**OWNERSHIP:** Betsy Hennessey – 50%  
Sean Hennessey – 50%

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**PROGRAM:** North Country Redevelopment Fund

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**AMOUNT REQUESTED:** up to \$144,000 (\$72,000 loan/\$72,000 grant)

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**LOAN TERM:** 240 months

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**INTEREST RATE/PAYMENTS:** 1%; First nine months interest only then P&I to amortize loan over remaining 231 months.

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**PRIMARY COLLATERAL:** Second mortgage behind Watertown Savings Bank construction loan on real estate located at 102-104 Maple Street, Black River, NY 13612. Lien on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and general intangibles of business. Mortgage will convert to first position when bank is repaid with RESTORE funds.

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**GUARANTORS:** Betsy Hennessey and Sean Hennessey

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<b>JOBS:</b>	Current:	0	<i>jobs will be created by</i>
	Year 1:	0	<i>tenants</i>
	Year 2:	0	
	Year 3:	<u>0</u>	
	Total New:	0 FTE	

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<b>SOURCES:</b>		<b>USES:</b>	
Development Authority of the North Country	\$144,000	Construction	\$ 435,044
RESTORE NY	\$263,000	Architect	\$ 34,112
Owner Cash	\$27,061	Legal Fees	\$ 10,000
National Grid Grant	\$50,000	ESD 1%	\$ 2,630
		Soft Costs	\$ 2,275
<b>Total</b>	<u>\$484,061</u>	<b>Total</b>	<u>\$ 484,061</u>

Owner Cash/Equity - \$27,061  
 Watertown Savings Bank-Pending-Construction financing to bridge RESTORE NY Grant.  
 Request to bank for \$268,000.  
 National Grid Grant-Committed



**PROJECT OVERVIEW:**

Sean and Betsy Hennessey formed BRB Café, LLC to acquire and renovate 102-104 Maple Street, Black River. The building is located in downtown Black River and was home to the public library. The Hennessey's acquired the building from Mr. Hennessey's father mortgage free. The building is 3,360 square feet. They purchased additional land from the village to serve as sufficient parking for tenants.



It is the applicants' goal to fully renovate and remodel the vacant structure to create two modern, two bedroom apartments on the second floor, and renovate the first floor for commercial space. The apartments will be 700 s/f each and the commercial space will be approximately 1,500 square feet. The commercial space will be designed with a kitchen to Codes. The applicants began renovating the upstairs apartments in 2017, however stopped to work with the Village on a RESTORE NY grant. At the time of the grant application, the building was still owned by Mr. Hennessey's father. It was not until this year that the building was

transferred to the applicants.

The Village received a RESTORE NY award for the project for \$263,000. The award letter is dated April 19, 2018. Technically the award was to expire 2 years from the date of the award, or April 19, 2020. Due to COVID, the applicant has spoken to the state and the state has stated, verbally, that so long as they have 'started' the project then they are ok. ESD has confirmed that this project is still funded and can proceed.

It is the applicant's goal to get the apartments rented and lease the first floor space to a commercial tenant. The applicants have been making bagels out of their home. They would like to save cash/equity from the building to be able to open a storefront for this business in the commercial space. They would be open to leasing to another entity, as they have not committed to the first floor commercial space at this time. They do not have a firm commitment for the space at this time.

The Redevelopment Funds will focus on replacing the roof, flooring, drywall and painting. An updated estimate for project costs was provided by Aubertine & Currier. Aubertine & Currier is providing project management. The quote for the improvements was provided by a local contractor dated 4/20/2022.

The applicants will oversee management of the property. Mr. Hennessey is an assistant commissioner with NYS DOT and Ms. Hennessey works part-time as an educator with the Jefferson County Cornell Cooperative Extension.

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**FINANCIAL ANALYSIS:**

Development Authority of the North Country  
May 19, 2022

FYE December 31	Projected	Projected	Projected
	Year 1	Year 2	Year 3
Revenues	\$26,600	\$36,400	\$37,200
Gross Profit	\$26,600	\$36,400	\$37,200
Expenses	\$19,200	\$19,200	\$19,200
Other Income (Expense)	\$0	\$0	\$0
<b>Net Income</b>	<b>\$7,400</b>	<b>\$17,200</b>	<b>\$18,000</b>
Less: Reserves	\$1,000	\$1,000	\$1,000
Add: Depreciation	0	0	0
Total Cash Available for Debt	\$6,400	\$16,200	\$17,000
Redevelopment Fund	\$4,113	\$4,113	\$4,113
Total Debt	\$4,113	\$4,113	\$4,113
Debt Service Coverage Ratio	1.56	3.94	4.13

Sales Growth	-----	36.1%	2.2%
Gross Profit Ratio	100%	100%	100%
Expenses to Revenue Ratio	72%	53%	52%
Income Ratio	28%	47%	48%

Redevelopment Fund-20 years @ 1%, assumes full principal and interest payments above  
Assumes bank construction loan paid off by grant.

- The projections were prepared by the applicant.
- The applicants are proposing to lease the two apartments for \$900 per month plus utilities. The projections assumed \$833 per month. Only in year's one and two was there a vacancy rate assumed. Year three assumes 100% occupancy of the residential units. The commercial space will be \$12 per s/f, or \$1,500 per month.
- Primary expenses are taxes, \$5,000, maintenance and grounds, \$2,600, insurance, \$2,000, management fee, \$1,200, and utilities, \$6,600. No COLA was projected for years 2-3.
- The only proposed debt in the project will be the loan from the Development Authority of the North Country.
- The projections only hold true at the proposed residential rates if the commercial space is fully leased. They may have to consider increasing the residential rents to break-even without commercial space being leased. Breakeven rents would have to be \$972 a unit. The fair market rate for a 2-bedroom unit in Jefferson County is \$1099.

Development Authority of the North Country  
May 19, 2022

**Balance Sheet**

	<b>At Closing</b>
Current Assets	\$41,017
Fixed Assets	\$392,283
Total Asset	\$433,300
Current Liabilities	\$3,409
Long Term Liabilities	\$68,591
Total Liabilities	\$72,000
Equity	\$361,300
Total Equity and Liabilities	\$433,300

- Current assets include cash associated with legal fees, architect, ESD fee, and soft costs.
- The primary asset is the building.
- The current long-term liability is the Authority loan.
- The significant grant funding into the project results in a very positive debt to equity ratio of .20.

**MANAGEMENT:** The applicants list assets of \$251,946 and liabilities of \$146,040. The assets are primarily in real estate and automobiles. They also own the commercial property with no mortgage. The primary liabilities are notes payable to banks and the mortgage on the personal home. They have a repayment plan to pay back property taxes on their personal residence. They have 4 quarterly payments left with a balance of about \$8,000. Mr. Hennessey has a TransUnion credit score of 749. He reports liabilities of \$70,755 primarily comprised of a mortgage and installment loans. He has 30 and 60-day delinquents on two accounts, however these delinquents were back in 2015-2019. These accounts have been closed. Ms. Hennessey has a credit score of 729 with outstanding liabilities of \$61,987 primarily comprised of the mortgage and installment loans. She shows one collection that was paid in full and one account that is now closed but had several 30 to 60-days delinquencies. They report salaries of \$117,275.

**COLLATERAL:**

	<b>Fair Market Value</b>	<b>Discount (75%)</b>
102-104 Maple Street, Black River Improvements	\$102,400	\$76,800
Total	<u>\$435,044</u>	<u>\$326,283</u>
Less: Watertown Savings Bank Available for DANC	\$268,000	\$268,000
	\$269,444	\$135,083
Less: DANC Redevelopment Loan	\$72,000	\$72,000
LTV:	26.7%	53.3%

- *Redevelopment fund will require a third party broker opinion or as completed appraisal with a minimum value of \$340,000 to have a 1:1 LTV*
- *Assessed for \$102,400, full market value \$102,400 [County Assessment Records]*

Development Authority of the North Country  
May 19, 2022

**CONDITIONS:**

- Owner Cash Equity of \$27,061
- Bank Loan of up to \$268,000 to bridge RESTORE grant
- National Grid grant of \$50,000
- Third party broker opinion or as completed appraisal with a minimum value of \$340,000.
- Acceptable MWBE utilization plan for the RESTORE NY program, or waiver if applicable
- Recapture Provision over 10 years on grant portion
- Guarantees from Betsy Hennessey and Sean Hennessey
- Copies of invoices and cancelled checks or bank statements
- Loan will be disbursed as construction loan
- ESD confirming extension of RESTORE Project #131,749 for adequate amount of time to complete the project based upon a timeline provided by applicant and agreeable to Lender
- All required permits and approvals



**Board Resolution No. 2022-05-44**  
**May 26, 2022**

**NORTH COUNTRY REDEVELOPMENT LOAN FUND**  
**259 JB WISE PARTNERS, LLC**  
**RATIFYING LOAN AND GRANT**

Whereas, **Resolution No. 2015-08-91** established the North Country Redevelopment Fund, and

Whereas, the Regional Loan Review Committee can make commitments for loans up to \$250,000, and grants up to \$250,000, for a total combined grant/loan amount of \$500,000 with the Authority Board ratifying the request at its next meeting, and

Whereas, 259 JB Wise Partners, LLC is requesting \$500,000 (\$250,000 grant/\$250,000 loan) from the North Country Redevelopment Fund to renovate the building located at 259 JB Wise Place, Watertown into first floor commercial space and 13 market rate apartments, and

Whereas, Watertown Savings Bank and the Watertown Local Development Corporation will be providing financing for this project as well, and

Whereas, the Regional Loan Review Committee met on May 3, 2022 and has reviewed this request and recommends it for approval based upon the attached terms and conditions.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby 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 259 JB Wise Partners, LLC at the terms and conditions outlined on the attached Term Sheet, consistent with the Empire State Development program requirements and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan, and be it further**

**RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.**

## TERM SHEET

Borrower:	259 JB Wise Partners, LLC
Loan Fund:	North Country Redevelopment Fund (ESD Funds)
Amount:	up to \$500,000 (\$250,000 loan/\$250,000 grant) <i>The grant to loan amount will always be 1:1</i>
Loan Term:	20 years
Loan Rate:	1%
Loan Payment:	12 months interest only, then annual payments to fully amortize the loan over remaining 228 months.
Collateral:	<p>Co-proportional second mortgage with Watertown Local Development Corporation on real estate located at 259 JB Wise Place, Watertown, NY 13601 behind loan from Watertown Savings Bank.</p> <p>Co-proportional second lien with Watertown Local Development Corporation on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and general intangibles of business behind Watertown Savings Bank.</p>
Guarantors:	5G Real Estate Group, David M. Wilke
Conditions:	<ul style="list-style-type: none"><li>• Owner Cash Equity of \$254,200 documented by affidavit</li><li>• Watertown Savings Bank commitment of up to \$1,095,800</li><li>• Watertown Local Development Corporation loan of \$350,000</li><li>• Third party broker opinion or as completed appraisal with a minimum value of \$1,945,800.</li><li>• Recapture Provision over 10 years on grant portion</li><li>• Guarantees from 5G Real Estate Group LLC and David M. Wilke</li><li>• Copies of invoices and cancelled checks or bank statements</li><li>• Loan will be disbursed as construction loan</li><li>• All required permits and approvals</li></ul>

Development Authority of the North Country  
May 19, 2022

**BORROWER:** 259 JB Wise Partners, LLC

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**BUSINESS ADDRESS:** 1721 Cochran Road, Suite 200, Pittsburgh, PA 15220

**PROJECT ADDRESS:** 259 JB Wise Place, Watertown, NY 13601

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**OWNERSHIP:** 5G Real Estate Group – 90% (owned by Rosedale Associates, LLC, 72.44%, and Rosedale Diesel, LLC, 27.56%)  
Dan Queri-10%

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**PROGRAM:** North Country Redevelopment Fund

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**AMOUNT REQUESTED:** up to \$500,000 (\$250,000 loan/\$250,000 grant)

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**LOAN TERM:** 240 months

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**INTEREST RATE/PAYMENTS:** 1%; First twelve months interest only then P&I to amortize loan over remaining 228 months.

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**PRIMARY COLLATERAL:** Co-proportional second mortgage with Watertown Local Development Corporation on real estate located at 259 JB Wise Place, Watertown, NY 13601. Lien on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and general intangibles of business.

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**GUARANTORS:** 5G Real Estate Group, David M. Wilke

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<b>JOBS:</b>	Current:	0	<i>jobs will be created by</i>
	Year 1:	0	<i>tenants</i>
	Year 2:	0	
	Year 3:	0	
	Total New:	0	

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<b>SOURCES:</b>		<b>USES:</b>	
Development Authority of the North Country	\$500,000	Real Estate	\$ 300,000
Watertown Local Development Corp	\$350,000	Improvements	\$1,861,800
Watertown Savings Bank	\$1,095,800	Working Capital	\$ 38,200
Owner Cash/Equity	\$254,200		
<b>Total Sources</b>	<b>\$2,200,000</b>	<b>Total Uses</b>	<b>\$2,200,000</b>

Owner Cash/Equity - \$254,200 toward purchase of land  
Watertown Local Development Corp-Pending-20 years at 4.5%

Development Authority of the North Country  
May 19, 2022

Watertown Savings Bank-assumes 4.5% for 20 years.

**PROJECT OVERVIEW:**



Mr. Queri is investing in 259 JB Wise Place, Watertown. 259 JB Wise Partners, LLC is a real estate development company investing into qualified opportunity zones in New York, Pennsylvania, and other areas as defined by Management. The Company's objectives are to create apartments and commercial space and rehabilitate them into quality space, improving the communities where the property is located.

259 JB Wise Place is a 3-story, 26,000 square foot vacant building on approximately .5 acres of land. The building is part of downtown Watertown's Public

Square and located directly in front of the Black River and the Butler Pavilion. Public parking surrounds the building as well. It is centrally located in the downtown within walking distance to many amenities.

The units are 1 bedroom and large studios that will include an 8' mobile wall with built-in closet to be placed by the tenant, as needed. All of the units have well-appointed finishes including garbage disposals, washer/dryer, premium cabinets and counters, hard-surface flooring, large walk-in showers, 36" vanity, individual furnace/condensing unit, security system and onsite cameras. The applicant is also considering garages for additional rent with fenced in lot and operable/secure gate. There will be 6 units on the second floor and 7 on the third floor. Unit sizes range from 700 s/f to 1,200 s/f.

The commercial space is approximately 7,100 s/f. The applicant has had preliminary discussions with potential tenants but nothing firm. Mr. Queri is also considering leasing the space to himself with a separate partner to develop their own concept. It would be separate from the real estate group and would be fully guaranteed. Proposed lease rate is \$11/sf and \$2/sf extra package. As noted in the budget, the applicant has committed approximately \$170,000 for build out which does not include demolition, windows or associated exterior work (storefronts, entries).

The applicants began environmental remediation in January 2022. They hope to have the project completed by January 2023. The budget was developed with the general contractor who has done all of the applicant's work in Syracuse, Burke Contracting. The applicant made some adjustments but have confirmed the accuracy of the hard cost budget lines. They are in the process of getting firm quotes for MEP trades, fire protection and HVAC (both on site last week), and have confirmed the drywall and carpentry (Burke self-performs that work), windows, appliances, cabinets and vanities. Demolition and abatement is in progress so those costs are firm.

Rosedale Associates, LLC is owned by Bernard T. Wilke, 20%, Bernard E. Wilke, 20%, Dennis F. Wilke, 20%, Chetanya Holdings, Inc., 20%, and MMBJL August 2019 Family Trust, 20%. Mr. Queri and his investors look to invest in properties located in Qualified Opportunity Zones, or



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QOZ. The QOZ program was created by the 2017 Tax Cuts and Jobs Act to encourage economic growth in underserved communities through tax incentives for investors who utilize “Opportunity Funds” to invest in the Zones.

**MANAGEMENT:**

259 JB Wise Partners, LLC was formed to redevelop 259 JB Wise Place. Although this is a newly formed LLC, the members have successfully developed projects in Syracuse, NY. Queri-Genesee, LLC owns and manages The Bradford in Syracuse, NY; a 23 unit apartment project that opened in 2009 and 437 Partners, LLC successfully developed a 2 apartment and 2,500sf project in 2019. Individually Daniel Queri has developed and owns multiple projects in Syracuse, NY and served as the development consultant to the Near Westside Initiative, Inc. developing space for public broadcasting station, non-profits and literacy organizations, for profit business, 200 seat performance space and apartments. 5G Real Estate Group LLC has successfully invested in multiple projects in Pittsburgh and regionally in the United States. The LLC will initially employ 2 people; Project Manager and Finance Officer and at the completion of the project will add management and leasing staff.

Managing Partner/Guarantor-David Wilke is the Founder and Managing Partner of Wilke & Associates, CPA and Small Business Advisors. His entire career has been dedicated to being an advocate for privately held businesses and Certified Public Accounting. His skills have been proven in tax planning, business planning and business consulting. David earned his Bachelor of Science in Business Administration with a concentration in Accounting and Finance and his Master in Business Administration from Duquesne University. Since the founding of Wilke & Associates, David has grown the client base from 1 to over 2,000 clients and his staff has grown from 1 to over 40 employees. David has been nominated as Entrepreneur of year and Accountant Advocate of the year by the SBA. David currently serves on the Board of Light of Life Rescue Mission of Pittsburgh.

Member, 10%- Dan Queri has 25 years of experience in the development and management of real estate in the office, retail, shopping center, theme park and apartment businesses. He chose this type of business as an extension of his construction background which is where he learned all of the facets of development and management. Many years with The Pyramid Companies and The Disney Companies offered the best direct and indirect work experience and education and provided the freedom for professional and personal growth.

The organizational structure is consistent with most real estate LLC's. David Wilke will be Manager of the LLC and Dan Queri will be a member of the LLC. A standard and tailored Operating Agreement is in place which defines the roles, responsibilities and structure of the organization. The time devoted will vary as the project is built and goes through lease-up. The initial year after completion will require extensive time securing leases and placing tenants in apartments as well as securing and placing the commercial tenant(s). Once fully stabilized the management team will have daily monitoring of the property to insure a safe and healthy work and living environment.

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**FINANCIAL ANALYSIS:**

FYE December 31	Projected	Projected
<b>259 JB Wise</b>	<b>Year 1</b>	<b>Year 2</b>
Revenues	\$239,520	\$277,920
Gross Profit	\$239,520	\$277,920
Expenses	\$144,128	\$148,118
Other Income (Expense)	\$0	\$0
<b>Net Income Before Interest</b>	<b>\$95,392</b>	<b>\$129,802</b>
Add: Depreciation	\$55,430	\$55,430
Total Cash Available for Debt	\$150,822	\$185,232
Redevelopment Fund	\$14,453	\$14,453
Watertown Local Development	\$27,438	\$27,438
Watertown Savings Bank	\$83,191	\$83,191
Total Debt	\$125,082	\$125,082
Debt Service Coverage Ratio	1.21	1.48

Sales Growth	-----	16%
Gross Profit Ratio	100%	100%
Expenses to Revenue Ratio	60%	53%
Income Ratio	40%	47%

Redevelopment Fund-20 years @ 1%, assumes full principal and interest payments above  
Watertown Local Development-20 years at 4.5%, assumes full principal and interest payments above

Watertown Savings Bank-20 years @ 4.5%, assumes full principal and interest payments above

- The projections were prepared by the applicant.

- Proposed rents are as follows:

Second Floor:

200 – 1,100 sf +/-	\$1350/month
201 – 1,000 sf +/-	\$1300/month
202 – 1,000 sf +/-	\$1300/month
203 – 700 sf +/-	\$1100/month
204 – 800 sf +/-	\$1200/month
205 – 1,000 sf +/-	\$1300/month

Third Floor:

300 – 1,200 sf +/-	\$1750/month (has its own attached garage)
301 – 950 sf +/-	\$1200/month
302 – 950 sf +/-	\$1250/month
303 – 950 sf +/-	\$1250/month
304 – 1,100 sf +/-	\$1350/month
305 – 1,100 sf +/-	\$1350/month
306 – 700 sf +/-	\$1100/month

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The applicant polled some comparable properties, and seeing age, size, condition, amenities, price, etc. felt confident in the pricing. They will offer onsite storage, exercise room, club room, internal trash service, etc. for each tenant and onsite parking.

- For the projections, commercial occupancy is expected to be 50% and 90% for years 1 and 2 respectively. Residential occupancy is anticipated to be 95% for years 1 and 2. They are projecting average monthly rent of \$19,960 and \$23,160 for years 1 and 2 respectively.
- Primary expenses will be depreciation of \$55,430 annually, management fees of around \$20,000 annually, leasing fees of around \$14,000 annually, repairs and maintenance of around \$12,000 annually, insurance of around \$12,000 annually, and professional and legal fees of around \$10,000 annually. Real estate taxes are projected at \$5,025. This might be low.
- If projections hold true there would be more than sufficient cash flow to repay debt. Even if they do not, the guarantor has personal assets to inject into the operations.

FYE December 31	<b>Actual</b>	<b>Actual</b>
<b>5G Real Estate Group</b>	<b>2020</b>	<b>2021</b>
Revenues	\$6,818	\$20,911
Gross Profit	\$6,818	\$20,911
Expenses	\$28,869	\$15,130
Other Income (Expense)	\$0	(\$35,997)
<b>Net Income Before Interest</b>	<b>(\$22,051)</b>	<b>(\$30,216)</b>

- Above reflects the ordinary business income (loss) of 5G Real Estate Group. In 2020 the business had net rental real estate loss of \$251,077 and \$2,055 on two rental properties. The two qualified properties had values of \$410,000 and \$1,300,000 respectively. Both were held by separate corporations-one a LLC and the other a LP.
- Primary expenses are legal and professional of \$17,030 in 2020, and contractors of \$11,250. In 2021, legal and professional was \$13,500.

**Balance Sheet**

	<b>At Closing</b>
Current Assets	\$38,200
Fixed Assets	\$2,161,800
Total Asset	\$2,200,000
Current Liabilities	\$0
Long Term Liabilities	\$1,695,800
Total Liabilities	\$1,695,800
Equity	\$504,200
Total Equity and Liabilities	\$2,200,000

- \$38,200 for working capital including closing costs.

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- \$300,000 of the fixed assets was for land. The Borrower acquired the property using cash.
- There are no current liabilities showing as the first year will be interest only payments during construction. Full principal and interest payments are not expected until the second full year.
- Equity includes the owner's cash contribution as well as the Authority's grant portion or \$250,000.
- The debt to equity ratio is 3.36 which is a good ratio. The equity contribution positions the project for success. In addition, the managing member has the personal ability to bring cash/equity to the project as needed.

<b>5G Real Estate Group</b>	<b>2020</b>	<b>2021 (unaudited)</b>
Current Assets	\$285,947	\$191,486
Fixed Assets	\$0	\$0
Other Assets	\$4,462,494	\$3,774,664
<b>Total Asset</b>	<b>\$4,748,441</b>	<b>\$3,966,150</b>
Current Liabilities	\$1,007,083	\$500
Long Term Liabilities	\$0	\$0
<b>Total Liabilities</b>	<b>\$1,007,083</b>	<b>\$500</b>
Equity	\$3,741,3358	\$3,965,650
<b>Total Equity and Liabilities</b>	<b>\$4,748,441</b>	<b>\$3,966,150</b>

- As a reminder, 5G Real Estate Group was incorporated in 2020 in Pennsylvania. The 2020 information is from the IRS Form 1065 while the 2021 information was internally prepared and unaudited.
- In 2020, they showed \$2,455,493 in other investments and \$2,007,001 in other assets. Other investments are partnerships in other companies. Other assets is reserved cash held by Rosedale.
- The liability of \$1,000,000 in 2020 is due to Callowhill QOZ Fund. This is gone in 2021.
- Other investments in 2021 total \$3,774,664 which increased due to the investment in the Watertown project of \$814,664 and well as a loan to 437 Partners of \$375,000.

**MANAGEMENT:** Mr. Wilke lists assets of \$14.846 million and liabilities of \$1,046,000. Primary assets are in cash and investments, majority investment interests in privately held companies including Wilke & Associates, LLP, \$5.6 million, real estate, \$1.8 million, and other assets. His primary liabilities are mortgage on personal residence, \$501,000, and mortgage on rental property, \$268,000.

5G Real Estate Group, LLC is a relatively new company, having just been incorporated in 2020. The Logic Score is low at 25 as a result, with a High Risk Business Failure Assessment. There are no days beyond terms reported, either currently, or historically. It has no derogatory public records, collection accounts, or pending lawsuits. It has no trade lines, thus the inability to provide any days beyond terms information. As mentioned, it was incorporated in 2020 in the state of PA, is active, for profit, has 2 employees, and annual sales of \$631,000.00. It has no UCC filings, and no OFAC records were found.

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**COLLATERAL:**

	<b>Cost</b>	<b>Discount (70%)</b>
259 JB Wise Place with improvements	\$2,161,800	\$1,513,260
Less: Watertown Savings Bank	\$1,095,800	\$1,095,800
Collateral Available after First Mortgage	\$1,066,000	\$417,460
Development Authority of the North Country	\$500,000	\$500,000
Watertown Local Development Corporation	<u>\$350,000</u>	<u>\$350,000</u>
Total Debt	<u>\$850,000</u>	<u>\$850,000</u>
LTV:	79.7%	204%

- *Redevelopment fund will require a third party broker opinion or as completed appraisal with a minimum value of \$1,945,800 to have a 1:1 LTV with the grant portion.*
- *2022 assessed value of \$153,600, full market value of \$174,500 [City of Watertown tax records]*
- *DANC attorney secures grant portion of the Redevelopment Funds under the mortgage as well.*

**CONDITIONS:**

- Owner Cash Equity of \$254,200 documented by affidavit
- Watertown Savings Bank commitment of up to \$1,095,800
- Watertown Local Development Corporation loan of \$350,000
- Third party broker opinion or as completed appraisal with a minimum value of \$1,945,800.
- Recapture Provision over 10 years on grant portion
- Guarantees from 5G Real Estate Group LLC and David M. Wilke
- Copies of invoices and cancelled checks or bank statements
- Loan will be disbursed as construction loan
- All required permits and approvals



**Board Resolution No. 2022-05-45**  
**May 26, 2022**

**NORTH COUNTRY REDEVELOPMENT LOAN FUND**  
**RIVER CREEK, LLC**  
**RATIFYING LOAN AND GRANT**

Whereas, **Resolution No. 2015-08-91** established the North Country Redevelopment Fund, and

Whereas, the Regional Loan Review Committee can make commitments for loans up to \$250,000, and grants up to \$250,000, for a total combined grant/loan amount of \$500,000 with the Authority Board ratifying the request at its next meeting, and

Whereas, River Creek, LLC is requesting \$300,000 (\$150,000 grant/\$150,000 loan) from the North Country Redevelopment Fund to renovate the building located at 2965 State Route 30, Speculator into first floor commercial space and 6 market rate apartments, and

Whereas, the North Country Alliance will be providing financing for this project as well, and

Whereas, the Regional Loan Review Committee met on May 3, 2022 and has reviewed this request and recommends it for approval based upon the attached terms and conditions.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby ratify the grant/loan commitment in the amount of up to \$300,000 (\$150,000 loan/\$150,000 grant) from the North Country Redevelopment Fund to River Creek, LLC at the terms and conditions outlined on the attached Term Sheet, consistent with the Empire State Development program requirements and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan, and be it further**

**RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.**

## TERM SHEET

Borrower:	River Creek, LLC
Loan Fund:	North Country Redevelopment Fund (ESD Funds)
Amount:	up to \$300,000 (\$150,000 loan/\$150,000 grant) <i>The grant to loan amount will always be 1:1</i>
Loan Term:	20 years
Loan Rate:	1%
Loan Payment:	12 months interest only, then annual payments to fully amortize the loan over remaining 228 months.
Collateral:	Co-proportional first mortgage with North Country Alliance on real estate located at 2965 State Route 30, Speculator, NY 12164.  Co-proportional first lien with North Country Alliance on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and general intangibles of business.
Guarantors:	Glen K. Biswurm
Conditions:	<ul style="list-style-type: none"><li>• Owner Cash Equity of up to \$1,045,000 documented by affidavit or promissory note. Any promissory note for owner debt will be subordinated and on standby to Development Authority of the North Country and North Country Alliance debt.</li><li>• North Country Alliance commitment of up to \$75,000</li><li>• Third party broker opinion or as completed appraisal with a minimum value of \$225,000.</li><li>• Recapture Provision over 10 years on grant portion</li><li>• Guaranty of Glen K. Biswurm</li><li>• Copies of invoices and cancelled checks or bank statements</li><li>• Loan will be disbursed as construction loan</li><li>• All required permits and approvals</li></ul>

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**BORROWER:** River Creek, LLC

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**BUSINESS ADDRESS:** 26 Fourth Street, Midland Park, NJ 07432

**PROJECT ADDRESS:** 2965 State Route 30, Speculator, NY 12164

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**OWNERSHIP:** Glen Biswurm – 100%

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**PROGRAM:** North Country Redevelopment Fund

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**AMOUNT REQUESTED:** up to \$300,000 (\$150,000 loan/\$150,000 grant)

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**LOAN TERM:** 240 months

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**INTEREST RATE/PAYMENTS:** 1%; First twelve months interest only then P&I to amortize loan over remaining 228 months.

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**PRIMARY COLLATERAL:** Co-proportional first mortgage with North Country Alliance on real estate located at 2965 State Route 30, Speculator, NY 12164. Co-proportional first lien with NCA on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and general intangibles of business.

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**GUARANTORS:** Glen K. Biswurm

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<b>JOBS:</b>	Current:	0	<i>jobs will be created by tenants</i>
	Year 1:	0	
	Year 2:	0	
	Year 3:	<u>0</u>	
	Total New:	0	

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<b>SOURCES:</b>		<b>USES:</b>	
Development Authority of the North Country	\$300,000	Improvements	\$1,250,000
North Country Alliance	\$75,000	Equipment	\$ 65,000
Owner Cash/Equity	\$1,045,000	Fees/Soft Costs	\$ 30,000
		Bldg Acquisition	\$ 75,000
<b>Total Sources</b>	<u>\$1,420,000</u>	<b>Total Uses</b>	<u>\$1,420,000</u>

Owner Cash/Equity – up to \$1,045,000 at 7% which includes acquisition of the building of \$75,000

NCA-Pending-10 years at 5%, interest only for first 6 months



**PROJECT OVERVIEW:**

The applicant is proposing to restore a large, dilapidated building in the center of the Village of Speculator which was formally Zeiser's Restaurant and has been vacant for approximately four years. The building was formerly a landmark in the Village.



The plan is to totally renovate the interior of the building while restoring the exterior charm of the structure. The renovated building will contain six apartment units, as well as an outfitted restaurant (including full kitchen area) and a café. The restaurant will be leased to an operator with experience in the industry, while the café will be operated by the owner. It will special in morning coffee and muffins/donuts.

It is proposed that Apt #1 and Apt. #2 will each be 676 s/f and located on the third floor. Apt. #3 will be 918 s/f, Apt #4 will be 475 s/f, and Apt. #5 will be

748 s/f and located on the second floor. There will be a small studio apartment on the first floor.



It is anticipated that each of the six apartments will be rented for approximately \$1000 per month. These units will be managed by an existing employee of the owner on a part-time basis. There are only approximately six similar apartment units in the Village. There is significant additional demand for these units.

It is expected that the café will be seasonally run, however the applicant anticipates an average daily gross revenue of about \$350, or \$125,000 annually. The café is expected to have 2 full-time employees. The café will be replacing an existing business in the Village which has been a popular morning stop for many residents and tourists, but this is being converted to a pizza restaurant by the new owner.

The applicant feels that there is significant need for additional restaurants in the Speculator area for both tourists and residents. There are only four full-service restaurants presently. It is anticipated that the restaurant can be leased for approximately \$3000 per month plus a percentage of gross revenues.

The cost estimates have been reaffirmed by a contractor, Pro Care of Hamilton County, Inc. The estimate is dated 3/24/2022.

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**MANAGEMENT:** Mr. Biswurm is a real estate investor. He lives in New Jersey. He previously worked for Prestige Land Rover as a sales person and All American Mortgage as a mortgage broker. He has worked for many years in real estate and has owned GA Property Management, LLC since 2016. He purchased and owns a mobile home park in Upstate NY, owns the Lake Pleasant Lodge in Speculator, and purchased a commercial property, renovated it and opened a successful pub/brewery in Speculator.

**FINANCIAL ANALYSIS:**

FYE December 31	Projected	Projected	Projected
	Year 1	Year 2	Year 3
Revenues	\$234,000	\$234,000	\$234,000
Gross Profit	\$234,000	\$234,000	\$234,000
Expenses	\$166,961	\$166,961	\$166,961
Other Income (Expense)	\$0	\$0	\$0
<b>Net Income</b>	<b>\$67,039</b>	<b>\$67,039</b>	<b>\$67,039</b>
Add: Interest/Principal	\$34,771	\$34,771	\$34,771
Add: Depreciation	\$28,000	\$28,000	\$28,000
Total Cash Available for Debt	\$129,810	\$129,810	\$129,810
Redevelopment Fund	\$8,672	\$8,672	\$8,672
North Country Alliance	\$9,546	\$9,546	\$9,546
Equity	\$83,428	\$83,428	\$83,428
Total Debt	\$101,646	\$101,646	\$101,646
Debt Service Coverage Ratio	1.28	1.28	1.28

Sales Growth	-----	----	----
Gross Profit Ratio	100%	100%	100%
Expenses to Revenue Ratio	71%	71%	71%
Income Ratio	29%	29%	29%

Redevelopment Fund-20 years @ 1%, interest only first 12 months, assumes full principal and interest payments above

North Country Alliance- 10 years @ 5%, interest only first 6 months, assumes full principal and interest payments above

Equity-30 years at 7%, assumes full principal and interest payments above

- The projections were prepared by the applicant.
- The projections assume 100% occupancy of the apartment units. It assumes the café bringing in \$10,500 monthly and the restaurant lease of \$3,000 monthly.
- The applicant does not have a signed tenant for the restaurant space, however he noted that he has two different interested parties looking at the space. In his projections he assume monthly lease income of \$3,000 per month for the restaurant space however he thinks it will end up being closer to \$4,000 per month.

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- The applicant spoke to a local realtor who stated that \$1,000 is the current market rate for apartment units.
- Taxes appear low. Staff asked applicant to confirm tax amount and he said that the \$2720 listed is correct. However looking at the County's real property data, the building is assessed for \$213,600 and had total taxes of \$4,359.11. Unless the applicant is applying for a real property tax exemption program, which he did not mention, I would assume that the taxes will increase. The rate per \$1,000 for the 2021 County/Town Taxes was \$11.94 and for the school taxes for the 2021-22 year was \$8.47 for a combined rate per thousand of \$20.41. Based on a \$1.25 million project the taxes would be around \$25,500. While there is sufficient cash flow after debt service to cover the higher taxes, the debt service coverage ratio will fall to 1.05.
- The applicant noted that tenants will pay their own utilities. Staff added an additional \$5,000 to the operating expenses for insurance.
- The cash equity payments will be subordinated and on standby to the Development Authority and NCA payments.
- If projections hold true there would be more than sufficient cash flow to repay debt.

**Balance Sheet**

	<b>At Closing</b>
Current Assets	\$30,000
Fixed Assets	\$1,390,000
Total Asset	\$1,420,000
Current Liabilities	\$0
Long Term Liabilities	\$1,270,000
Total Liabilities	\$1,270,000
Equity	\$150,000
Total Equity and Liabilities	\$1,420,000

- Current assets include cash of \$30,000 for closing costs.
- There are no current long-term liabilities as the Authority and NCA are proposing interest only during construction.
- The debt to equity ratio of 8.47 is moderately high. The equity is from the DANC grant. All other cash equity into the project is in the form of subordinated debt.

**CREDIT:** Mr. Biswurm lists assets of \$4.4 million and liabilities of \$648,000. Primary assets are in IRA and other retirement accounts, and cash surrender value of life insurance all totaling \$1.31 million. Other assets total \$3.1 million which includes ownership in several LLCs. He also shows real estate of \$1.475 million with residences in NJ and Speculator. Liabilities comprised primarily of mortgages of \$648,000. He lists a salary of \$100,000. Mr. Biswurm has a TransUnion credit score of 730. He has two derogatory comments on his credit report. They both show as 30 days past due. He shows total liabilities outstanding of \$549,915. This includes \$456,131 for mortgages and \$83,053 for installment loans.

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**COLLATERAL:**

	<b>Cost</b>	<b>Discount (75%)</b>
2965 State Rte 30 w/improvements	\$1,250,000	\$937,500
Less: Development Authority of the North Country/ North Country Alliance	\$150,000	\$150,000
Total Debt	<u>\$75,000</u>	<u>\$75,000</u>
	\$225,000	\$225,000
 LTV:	 18%	 24%

- *Redevelopment fund will require a third party broker opinion or as completed appraisal with a minimum value of \$225,000 to have a 1:1 LTV*
- *2021 assessed value of \$213,600, full market value of \$213,600 [Hamilton County tax records]*

**CONDITIONS:**

- Owner Cash Equity of up to \$1,045,000 subordinated to DANC and NCA debt
- North Country Alliance financing of \$75,000
- Third party broker opinion or as completed appraisal with a minimum value of \$225,000.
- Recapture Provision over 10 years on grant portion
- Guaranty of Glen Biswurm
- Copies of invoices and cancelled checks or bank statements
- Loan will be disbursed as construction loan
- All required permits and approvals



**Board Resolution No. 2022-05-46  
May 26, 2022**

**ECONOMIC DEVELOPMENT FUND  
POTSDAM CONSUMER COOPERATIVE, INC.  
BRIDGE FINANCING LOAN**

Whereas, the Potsdam Consumer Cooperative Inc. is requesting up to \$350,000 in short-term financing to bridge a New York State grant for a building renovation, refrigeration, kitchen equipment, exterior signage, artwork and soft costs associated with its project at 63 Market Street, Potsdam, and

Whereas, the Applicant is in the process of acquiring the building at 63 Market Street and will utilize a Downtown Revitalization Initiative grant of \$1,659,000, in addition to other bank and member funds of \$1,307,000, to fully renovate the building for its cooperative, and

Whereas, the Applicant must spend the funds first before they can submit for reimbursement which they can receive periodically at 25%, 50%, 75% and 100% project completion, and

Whereas, the North Country Alliance has approved a bridge loan in the amount of \$200,000 at a rate of 5% for up to 36 years, and

Whereas, this is consistent with the Authority's use of funds from the Economic Development Fund to bridge New York State Grant.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby authorize a loan from the Economic Development Fund in an amount up to \$350,000 to the Potsdam Consumer Cooperative Inc. at the terms and conditions outlined in the attached Term Sheet, and authorizes the Executive Director or Chief Financial Officer to execute all appropriate documents necessary to make the loan, and therefore be it**

**RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.**

## TERM SHEET

Borrower: Potsdam Consumer Cooperative, Inc.

Loan Fund: Economic Development Fund

Loan Amount: up to \$350,000.00

Term: 36 months, or upon receipt of the final grant funds, whichever occurs first

Rate: 5%, construction interest-only

Payment: Monthly interest-only

Collateral: Co-proportional assignment of grant proceeds with North Country Alliance

Conditions: Contingent on the acquisition of 63 Market Street, Potsdam NY 13676.  
Proof of commitment of all bank financing, member loans, and donations/fundraising as identified.  
All bank financing and member loans subordinate to DANC/NCA as to assignment of proceeds from DRI Grant.  
Assignment of proceeds from Downtown Revitalization Initiative Grant Agreement SHARS ID: 20210369 in total of \$1,659,000.  
Disbursed as construction loan,  
All required permits and approvals in place.

## DANC Economic Development Loan Fund

**BORROWER:** Potsdam Consumer Cooperative, Inc. dba  
Potsdam Food Co-Op

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**CORPORATE ADDRESS:** 24 Elm Street  
Potsdam, NY 13676

**PROJECT LOCATION:** 63 Market Street  
Potsdam, NY 13676

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**OWNERSHIP:** NYS Cooperative-The Co-op is owned by around 1,100 member-owner households with equal equity in the company. Ownership renews annually, so the list changes a bit from month to month.

**OFFICERS:** Kim Jukic, President  
Katie McLaughlin, Vice President  
Meagan Lane, Secretary  
Marshall Issen, Treasurer  
Karen Bage, Officer  
David Bradford, Officer  
Mike Corse, Employee Board Member  
Camille Frazier, Officer  
Jim Fryer, Officer  
Aviva Gold, Officer  
Erica Leigh, Officer  
Deborah Massell, Officer  
Andy Rawdon, Officer  
Lauren Smith, Officer

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**AMOUNT REQUESTED:** Up to \$350,000; 36 months at 5% (Interest only)-to match NCA rate

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**BUSINESS CLASSIFICATION:** NAICS Code: 445110 Supermarkets and Other Grocery (except Convenience) Stores

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**PRIMARY COLLATERAL:** Co-proportional assignment of proceeds from Downtown Revitalization Initiative Grant Agreement SHARS ID: 20210369 with North Country Alliance

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**EMPLOYMENT:**

Current:	16.0 FTE
Year 1:	2.0 FTE
Year 2:	1.0 FTE
Year 3:	1.0 FTE
Total:	20.0 FTE

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## DANC Economic Development Loan Fund

Sources	Amount	Uses	Amount
DRI	\$1,659,000	Property Acquisition	\$570,000
Cooperative Fund of New England	\$675,000	Renovations	\$1,048,150
Other Bank	\$132,000	FF&E	\$469,650
Member Loans	\$300,000	Soft Costs (Loan fees/interest)	\$370,650
Donations/Fundraising	\$200,000	Professional Fees	\$182,700
		Working Capital	\$324,850
<b>Total Sources</b>	<b>\$2,966,000</b>	<b>Total Uses</b>	<b>\$2,966,000</b>

- The **DANC/NCA funds** will provide a **revolving line of credit** to the Applicant to be able to bridge grant funds. Based upon the draw schedule below they are able to get payments at certain completion points. With the DANC/NCA funds as well as member loans/cash they should have sufficient cash to cover payments while awaiting disbursements. When the payment comes in they will have this money available to pay additional bills. NCA financing is \$200,000 for 36 months, interest only at 5%.

### Draw Schedule:

100%-Design complete-approx. \$150,000  
 25%-Construction complete-approx. \$377,250  
 50%-Construction complete-approx. \$377,250  
 75%-Construction complete-approx. \$377,250  
 100%-Construction complete-approx. \$377,250

Bank loans-Cooperative Fund of New England-\$450,000 term loan; \$225,000 LOC. Loans at 5.5% fixed. Term of LOC is 60 months with amortization based on 15 year basis. Term loan 6 months interest only then P&I to be paid over 60 months amortized over 15 year basis.

Member loans-Members are choosing between 0 and 2 percent rate and 4-7 year terms. As of 5/9/2022 they have \$245,000 in member loans committed.

Donations/Fundraising-to date they have \$50,000 raised.

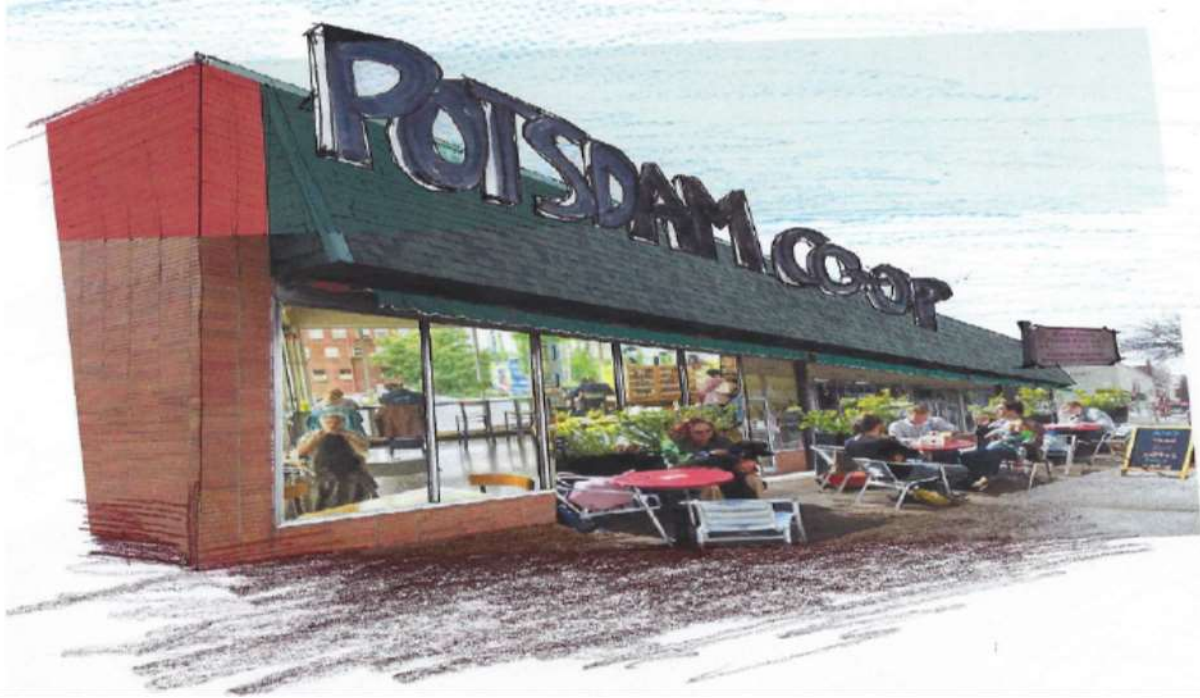
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### BACKGROUND & PROJECT DESCRIPTION:

The Potsdam Food Co-Op (Co-Op) has outgrown their current space located at 24 Elm Street, Potsdam, NY and will purchase and renovate a commercial space located at 63 Market Street in Potsdam, New York, to accommodate an additional 2,500 square feet of sales area to 4,000 square feet of sales area. The new location also provides space to include offices, a classroom or meeting space, restrooms, storage, a walk-in cooler/ freezer and a bakery and deli production area. The new location will allow for a fully ADA compliant space, expanding the reach of those served by the Co-op.



## DANC Economic Development Loan Fund



The Potsdam Food Co-Op is requesting \$200,000 from the North Country Alliance and \$350,000 from the Development Authority of the North Country to provide a Bridge Loan for a Downtown Revitalization Initiative Grant – SHARS ID 20210369 to facilitate the building renovations, refrigeration, kitchen equipment, exterior signage, artwork, and other soft costs. The acquisition, fixtures, equipment, inventory, promotion, project management, staffing, and working capital will be financed by other sources in the form of Bank Loans, Member Loans, and Donation's/Fundraising.

The Potsdam Food Co-Op provided the underwriter with a commitment letter from the Cooperative Fund of New England as of January 24, 2022 for a term loan of \$450,000 with a \$225,000 line of credit to facilitate the acquisition of the real estate at 63 Market Street, Potsdam, NY. The Co-Op, at time of application, was still in the process of acquiring the property for approximately \$570,000 located at 63 Market Street and the acquisition of the property will be a contingency for the bridge loan request. The Co-Op is utilizing the sale of its existing property at 24 Elm Street toward purchasing the building and the property is approximately valued at \$200,000.

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### **MANAGEMENT OVERVIEW:** (A management overview as shown in the application)

The Potsdam Food Co-op is currently run by our General Manager, Andy Peet. Andy has worked at the store for twelve years. He is new to the General Manager role, but did serve as interim for about six months previously, and has held many other roles including lead buyer for many years. The management team includes the new Lead Buyer, Jessie LaRose, who is also a long time Co-op employee of around ten years. The produce and packaging departments are being headed up by Janice Pease. The bakery and deli are run by Beckie Hart. The management staff exhibits longevity rarely seen in retail, although the Co-op does struggle with part-time help as most retail businesses do. That is somewhat mitigated by the Co-op's ability to harness working-owner hours.

The management team headed up by the General Manager includes the Lead Buyer and Produce Buyer mentioned above as well as a Front End Supervisor, the Carriage House (Bakery/Deli)

## DANC Economic Development Loan Fund

Manager, an Office Manager/Bookkeeper and a newly developing Membership and Marketing Manager position. This team supervises a staff of additional hourly workers.

### FINANCIAL ANALYSIS:

	<b>Actual 2019</b>	<b>Actual 2020</b>	<b>Actual 2021</b>	<b>Projected Year 1</b>	<b>Projected Year 2</b>	<b>Projected Year 3</b>
Sales	1,685,938	1,565,764	1,728,194	2,975,000	3,049,375	3,125,610
COGS	1,032,699	925,429	1,002,249	1,804,932	1,850,056	1,896,308
Gross Profit	653,238	640,335	725,945	1,170,068	1,199,319	1,229,302
Total Expenses	769,501	767,842	809,856	1,062,901	1,083,881	1,101,673
Other Income	17,347	142,180	139,270	42,636	42,636	42,636
Net Income	(98,916)	14,674	55,358	149,803	158,074	170,265
Add: Depreciation	31,660	42,684	36,036	0	0	0
Add: Interest	2,586	3,667	4,439	60,693	57,484	54,116
Cash Available for Debt	(64,670)	61,025	95,833	210,496	218,767	227,749
Existing Member Loan-Bal. \$44,250	968	968	968	968	968	968
Member Loans	78,102	78,102	78,102	78,102	78,102	78,102
Bank Loans	66,270	66,270	66,270	66,270	66,270	66,270
DANC Loan	17,500	17,500	17,500	17,500	17,500	17,500
NCA Loan	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total Debt</b>	<b>172,840</b>	<b>172,840</b>	<b>172,840</b>	<b>172,840</b>	<b>172,840</b>	<b>172,840</b>
<b>DSC Ratio</b>	<b>-.37</b>	<b>.35</b>	<b>.55</b>	<b>1.22</b>	<b>1.27</b>	<b>1.32</b>

Assumptions:

Member loans-\$300,000, 4 years, at 2%

Bank loans-\$677,442, 15 year amortization, 6%

### INCOME STATEMENT

#### ACTUAL

- The actual figures were provided by Potsdam Consumer Cooperative for 2019 through 2021 and represent 12 months of operations. The business operates on a calendar fiscal year.
- The primary sales revenues for the Co-Op from 2019 through 2021 were Refrigerated Grocery, Packaged Groceries, Produce, Bakery/Deli, Frozen Foods, Bulk, Consignment, and Buying Club.

## DANC Economic Development Loan Fund

- Cost of Goods Sold were primarily comprised of Packaged Grocery, Refrigerated Grocery, Produce, Bulk, and Buying Club. Cost of goods sold were shown to be roughly 61%, 59%, and 58% from 2019 through 2021, respectively.
- Primary expenses for the Co-Op were shown to be Salary and Wages of \$538,008.76, \$549,237.10, and \$573,548.13 from 2019 through 2021, respectively. Utilities, Administrative, Office Supplies, Repairs and Maintenance, and Employee Health Insurance.
- Other income from 2020 and 2021 included PPP Loan Forgiveness of \$112,459 and \$114,058.60, donations, and miscellaneous income.

### PRO FORMA

- Potsdam Consumer Cooperative provided a Pro Forma with their application. The project aims to expand the space available to the Co-Op as their current space on Elm Street is not big enough to facilitate increased sales revenue due to the lack of space. The proposed project will enable the Co-Op to expand its current offerings with expanded storage and area to operate. The expansion shows an increase in sales revenues from the historical projections.
  - According to a Co-Op market study conducted for the grant by the Potsdam Food Co-Op the breakeven sales equate to 85% of projected sales.
- Sales revenues were primarily based in the same primary historical areas and included; Groceries 39.5%, Refrigerated/Frozen Grocery 22%, Bakery and Deli 19%, Co-Pack Grocery and HABA General Merchandise 14%, and Buying Club 5.5%.
- Cost of Goods Sold were shown to be roughly 61% of sales revenues and is consistent with the historical figures provided from 2019 through 2021. Primary COGS include; Grocery, Refrigerated and Frozen Grocery, Bakery/Deli, Co-Pack Grocery, HABA and General Merchandise, and Buying Club.
- Primary Expenses for the Pro Forma included; Payroll of \$667,488 in Year 1, \$687,504 in Year 2, and \$704,688 in Year 3. Payroll expense was estimated to be 11% of payroll. Other primary expenses included employee health insurance, real estate taxes, utilities, interest, repairs and maintenance, office supplies, and advertising.
- Operating expenses as a percentage of sales revenues appears to be lower in the Pro Forma due to operational efficiencies, increased space/storage, and rental space.
- Rental Income of office space was shown of \$3,553 a month or \$42,636 annually and was not historically an option as the Co-Op is limited by its current space.

### **CASH FLOW ANALYSIS:**

- The underwriter added back interest and depreciation for analysis.
- The Co-Op had existing debt to various members in the amount of \$44,250 with a payment of \$968 annually.
- The Co-Op showed negative cash for debt in 2019 of -\$81,999, although a positive cash for debt of \$38,183 and \$75,978 in 2020 and 2021, respectively.
- As shown the co-op would have struggled to service the debt for the project under its current operations with a debt coverage ratio under 1.0, however, the new facility will allow the Co-Op to expand their operations and sales revenues as shown in the Pro Forma.

## DANC Economic Development Loan Fund

- If the Pro Forma holds true the Co-Op would appear to be able to service their existing and proposed debts for the project.
- **As a reminder, the DANC/NCA funds should be paid in full upon receipt of all grant funds at the end of the project. The applicant has budgeted working capital into the project to cover carrying costs associated with the bridge loan debt service.**

### BALANCE SHEET

Balance Sheet	Potsdam Consumer Cooperative
	December 31, 2021
Current Assets	\$207,853
Capital Assets – Net	\$166,275
Other Assets	\$8,657
<b>Total Assets</b>	<b>\$382,785</b>
Current Liabilities	\$130,614
Long Term Liabilities	\$44,250
Other Liabilities	\$0
<b>Total Liabilities</b>	<b>\$174,864</b>
<b>Total Shareholders' Equity</b>	<b>\$207,921</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$382,785</b>
<b>Working Capital</b>	<b>\$77,239</b>
<b>Current Ratio</b>	<b>1.6</b>
<b>Debt/Worth</b>	<b>0.8</b>

#### Current Assets

- Cash on hand or in banks: \$67,367.91
- Accounts Receivable: \$4,173.30
- Inventory: \$119,753.35
- Prepaid Expenses: \$12,172.82

#### Capital Assets -Net

- Buildings/Improvements: 24 Elm Street/Machinery and Equipment - \$166,274.67

#### Other Assets

- Frontier Shares/Deferred Dividends: \$8,657.07

#### Current Liabilities

- Accounts Payable: \$83,141.18
- Sales Tax/Accrued Payroll: \$47,472.82

#### Long-Term Liabilities

- Loans due to Members: \$44,250.00

## DANC Economic Development Loan Fund

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### CREDIT ANALYSIS:

Potsdam Consumer Cooperative, Inc. had a low risk Logic Score as of April 6, 2022 of an 89, with an Average Business Failure Assessment. The days beyond terms are reported to be 5 or less. It has no derogatory public records, collection accounts, or pending law suits. The accounts established (Financial and Food Distribution) are being paid as agreed. The company was founded in 2002, has conducted business for 20 years, has 4 employees, and annual sales of \$2,287,000.00.

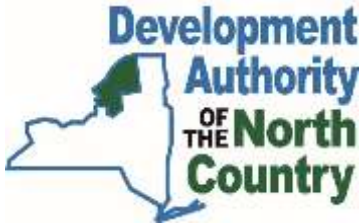
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### COLLATERAL ANALYSIS:

- Co-proportional assignment of disbursements from Downtown Revitalization Initiative Grant Agreement SHARS ID: 20210369 in total of \$1,659,000 with North Country Alliance.
  - Corporate Guarantee of Potsdam Consumer Cooperative, Inc.
- 

### CONTINGENCIES:

1. Contingent on the acquisition of 63 Market Street, Potsdam NY 13676.
2. Proof of commitment of all bank financing, member loans, and donations/fundraising as identified. All bank financing and member loans subordinate to DANC/NCA as to assignment of proceeds from DRI Grant.
3. Co-proportional assignment of proceeds from Downtown Revitalization Initiative Grant Agreement SHARS ID: 20210369 in total of \$1,659,000.
4. Disbursed as construction loan
5. All required permits and approvals in place



**Board Resolution No. 2022-05-47**  
**May 26, 2022**

**AFFORDABLE RENTAL HOUSING PROGRAM**  
**CAMBRAY HOUSING CORPORATION**  
**LOAN #1 MODIFICATION**

Whereas, **Resolution No. 2021-05-75** approved a loan up to \$150,000 from the Affordable Rental Housing Program to Cambray Housing Corporation (the Borrower) for predevelopment loan costs associated with the substantial rehabilitation of 21 units of affordable rental housing in the village of Gouverneur, and

Whereas, the loan matures and becomes payable in full on June 1, 2022, and

Whereas, the Borrower plans to begin construction in August 2022 and has requested that the maturity date be extended by 3 months, and

Whereas, this loan will be repaid with proceeds from the construction loan by Community Bank, and

Whereas, all other terms and conditions will remain the same.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby approve the loan modification for Cambray Housing Corporation through September 1, 2022 and authorizes the Executive Director or Director of Regional Development to execute all necessary documentation.**



**Board Resolution No. 2022-05-48**  
**May 26, 2022**

**AFFORDABLE RENTAL HOUSING PROGRAM**  
**CAMBRAY HOUSING CORPORATION**  
**LOAN #3**

Whereas, **Resolution No. 2021-05-75** approved a loan up to \$150,000 from the Affordable Rental Housing Program for predevelopment costs associated with the substantial rehabilitation of 21 units of affordable rental housing in the village of Gouverneur, and

Whereas, **Resolution No. 2021-12-132** approved a permanent loan of up to \$750,000 from the Affordable Rental Housing Program for a term of 25 years at 2%, and

Whereas, **Resolution No. 2022-02-16** extended the term of the financing to 30 years, and

Whereas, delays in starting the project have resulted in an increase to pricing of about \$300,000, and

Whereas, the Applicant has asked the Authority to consider additional financing to the project as New York State does not have additional funding to commit to the project, and

Whereas, the Applicant will pay-off the predevelopment loan at the start of construction, and

Whereas, the project will renovate affordable housing in the village of Gouverneur that is in much need of repairs, and

Whereas, the project is consistent with the intent of the Affordable Rental Housing Program to improve affordable housing in the three-county region.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby approve a loan up to \$250,000 for Cambray Housing Corporation from the Affordable Rental Housing Program at the attached terms and conditions, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documentation, and further be it**

**RESOLVED, that the Development Authority of the North Country accepts the action of the Village of Gouverneur Planning Board taken under the State Environmental Quality Review (SEQRA) and affirms a Negative Declaration for this Project.**

## TERM SHEET

<b>BORROWER:</b>	Cambray Housing Corporation
<b>AMOUNT:</b>	up to \$250,000.00 for permanent financing
<b>FUND:</b>	Affordable Rental Housing Program
<b>PURPOSE:</b>	Improvements to facilities
<b>RATE:</b>	1%
<b>TERM:</b>	30 years
<b>PAYMENTS:</b>	Annual interest only payments
<b>COLLATERAL:</b>	Co-proportional first mortgage with NYS HCR and assignment of leases and rents on property located at the corner of West Main Street and Mill Street, Gouverneur, NY 13642 (parcel id# 173.032-1-30.11)  Lien position on all other assets of Cambray Housing Corporation
<b>CONDITIONS:</b>	<ul style="list-style-type: none"><li>• NYS HCR Community Investment Funding of at least \$3,100,000</li><li>• Federal Home Loan Bank funding of \$353,000</li><li>• NYS Weatherization funding of \$105,000</li><li>• Cambray Housing Corporation equity of up to \$142,000</li><li>• DANC loan #2 of \$750,000</li></ul>



**AFFORDABLE RENTAL HOUSING PROGRAM**

**BORROWER:** Cambray Housing Corporation

**LOCATION:** 68 West Main Street & 4 Mill Street, Gouverneur, NY  
13642  
(parcel id#173.032-1-30.11)

**BOARD OF DIRECTORS:** Ron McDougall, President     Judy Peck  
Kenneth Snyder                                     Ronald Tuttle  
Duane Winters                                     Kathy Bigarel  
Dave Blevins                                         Scott Gillan

**LOAN #2:** approved \$750,000, 30 years, 2%, annual P&I (Resolution #2022-02-16)

**LOAN #3:** **\$250,000, 30 years, 1% annual, annual interest only**

**COLLATERAL:** Co-proportional first mortgage on real estate located at 68 West Main Street, Gouverneur, NY 13676

**USE OF FUNDS:** Permanent financing toward improvements to the facilities

**SOURCES OF FUNDS**

**USES OF FUNDS**

Development Authority	\$1,000,000.00	Construction	\$3,870,335.00
NYS HCR Community Inv. Fund	\$3,100,000.00	Soft costs/fees	\$ 629,665.00
Federal Home Loan Bank of NY	\$ 353,000.00	Developer's Fee	\$ 200,000.00
NYS Weatherization Program	\$ 105,000.00		
Cambray Housing Corp Equity	<u>\$ 142,000.00</u>		
Total Sources	\$4,700,000.00	Total Uses	<u>\$4,700,000.00</u>

NYS HCR Community Investment Loan-Pending-Interest only payments at .5% annually for 30 years.

Federal Home Loan Bank-Committed-Requires a grant enforcement mortgage on the real estate. No repayment requirement.

NYS Weatherization Program-grant

**DANC PREDEVELOPMENT LOAN:**

**Resolution No. 2021-05-75** approved **loan #1** of up to \$150,000 for pre-development costs to Cambray Housing Corporation. The loan closed on June 16, 2021. As of 5/16/2022, they had drawn \$75,042.34 on this loan. It is their intent to pay this loan off at the closing for construction financing. This loan was secured by proceeds from Community Bank.

**UPDATE TO PROJECT:**

The general contractor, ConTech, provided a revised construction cost with an increase of about \$270,000. They plan to revisit with subs to identify any potential savings, but is not optimistic about this. The state will not provide any additional cash resources into the

## AFFORDABLE RENTAL HOUSING PROGRAM

**project, nor will a bank lend to the project. The cost increases are not specific to this project alone but all projects that are currently underway. The project has been slowed down as the Village needed to act on a release of property for the project that took over 4 months to complete. For those familiar with the project in Gouverneur, it needs to be renovated and it currently an eyesore along the river. The Authority has affordable housing funds, and while it is a 30-year interest only loan at 1%, it is needed to allow this project to move forward otherwise it is in jeopardy of being completed.**

### **PROJECT:**

Cambray Housing Corporation (“CHC”), a NYS Private Housing Finance Law Article II Housing Company, developed the Cambray Court Apartments in the early 1970s under the NYS Mitchell-Lama Housing Program. For over 40 years, the project was comprised of 100 apartments for low and very low-income senior citizens. Until 2015, 72 of the 100 units were subject to periodic flooding. NYS HCR and CHC determined to redevelop the entire project, in two phases.

In 2015, the property was legally subdivided into two components for the purpose of redeveloping the entire project. Phase 1, completed in 2017, involved the demolition of the 72 flood-impacted units, and the construction of 72 new units built on fill on the same site. The Authority provided a loan of \$750,000 to this project. The Borrower is current on the loan. Phase 2, the subject of this application, involves the substantial rehabilitation of the remaining buildings that are above the flood plain. The phase 2 property will remain Mitchell-Lama Housing.

Last year we approved a loan up to \$750,000 for cost overruns. This is not surprising considering the increase to construction materials. As the project was delayed, the new estimates came in \$300,000 higher. NYS HCR will have a first mortgage on the property and will require interest-only payments annually at .5% for 30 years. The Authority would have a co-proportional first mortgage and would require fixed principal and interest payments on the \$750,000 loan over 30 years at 2%. [Traditionally we charge 1% for affordable housing projects over a 20 year term; however the applicant was able to cash flow this project at the slightly higher rate of 2% over 30 years which seems agreeable to staff.] The debt service coverage ratio is not sufficient to support amortizing the additional \$250,000 over 30 years at 2% with regular principal and interest payments. Therefore, staff recommends this loan be interest-only for 30 years at 1% with interest paid annually.

Cambray Court is located in the village of Gouverneur, at the intersection of Main Street (NY Route 11) and Mill Street, near the Village commercial center. The project is located in a stable and established setting that is centrally located, and near to commercial and community resources. The project is located within reasonable distance to all necessary services in the surrounding neighborhood, which include grocery, retail establishments, neighborhood parks, public library and museums, a senior center, and health care/pharmacy facilities. Local and regional bus service is nearby, and regional food and pharmacy chains provide free bus service for grocery shopping, and offer direct delivery services.

The project is comprised of seven, two-story residential buildings (a three-plex and a four-plex, each separated by fire walls), and a community building comprised of meeting space, managers

## AFFORDABLE RENTAL HOUSING PROGRAM

office, rest rooms, and maintenance shop. There are currently 28 units, comprised of 13 studio units and 15 one-bedroom units. 4 one-bedroom units will be demolished, four studios will be converted into 2 one-bedroom handicapped accessible units (additional HA units to-be-determined during design phase), and a studio will be converted to a community room with laundry facilities, resulting in 8 studios and 13 one- bedroom apartments, and the community building as the final product.

The project is occupied by very- low income senior citizens age 62+, with incomes less than 50% AMI, subsidized by Section 8 Project Based Vouchers, and will be re-occupied by the same income group at project completion.

Supportive Services will be provided through an agreement with United Helpers Home Health-Mosaic Behavioral Health Services, which provides Case Management and Care Coordination services, Behavioral and Mental Health Counseling, Day Habilitation, and Home Health Services.

The project community building provides office space for several locally-based non profit agencies, including the North Country Prenatal/Perinatal Council, Inc. and provides Maternal and Infant services, Health Advocacy services, and NYS DOH-funded community health workers.

A professional Market Study conducted by the firm Newmark, Knight, and Frank concluded that there is market demand for the project. Other key factors cited in the Study to indicate overall project support and a market advantage include:

- Lack of recent affordable senior housing development in the Primary Market Area. The most recent development was Cambray Phase 1 that was entirely replacement housing; all other regional development has been for workforce family households outside the PMA.
- Location characteristics of the site along the river, with good water views, and within a very walkable location with retail, grocery, pharmacy and community service uses nearby.
- The superior product concept with amenities and community space will be superior to nearly all unrestricted rental options in the market in addition to older affordable options. The predominate housing option in the area for 1BR unit types is older garden style/townhouse complexes that are not adapted/accessible for senior residents.
- Continued growth in the senior age category with increases of around 10% in renter households projected into 2024.
- All competitors in the PMA have extensive waitlists and very limited turnover which results in longer wait times for availability.

A tenant relocation plan has been drafted and is being reviewed by Homes and Community Renewal (HCR).

United Helpers manages the project on behalf of the owner.

## AFFORDABLE RENTAL HOUSING PROGRAM

### FINANCIALS:

### REVISED

	<u>3/31/2020</u>	<u>3/31/2021</u>	<u>12/31/2021</u>	Projected <u>Year One</u>
Rental Income	\$197,659	\$190,405	\$125,360	\$169,814
Commercial Income	\$9,565	\$26,950	\$10,980	\$10,260
Interest Income	\$629	\$178	\$74	\$0
Laundry & Other Income	<u>\$13</u>	<u>\$150</u>	<u>\$86</u>	<u>\$0</u>
Total Operating Revenue	\$207,866	\$217,683	\$136,500	\$180,074
<i>Expenses</i>				
Maintenance Fee	\$45,513	\$37,815	\$40,947	\$24,000
Electricity	\$35,770	\$34,862	\$21,383	\$21,000
Sewer/Water	\$14,179	\$13,453	\$11,143	\$0
Other Utilities	\$0	\$0	\$0	\$3,193
Trash Removal	\$6,532	\$6,294	\$4,963	\$5,300
Grounds Maintenance	\$8,328	\$4,673	\$4,533	\$5,250
Maintenance & Repairs	\$10,764	\$16,627	\$2,451	\$1,092
Janitorial Supplies	\$595	\$3,240	\$379	\$2,100
Painting and Decorating	\$749	\$684	\$0	\$0
Extermination Services	\$0	\$1,308	\$3,130	\$0
Other Maintenance	\$0	\$0	\$417	\$1,000
Insurance	\$16,081	\$17,719	\$13,609	\$250
Advertising	\$776	\$1,035	\$0	\$250
Depreciation	\$19,375	\$19,199	\$13,448	\$0
Management Fees	\$25,518	\$26,328	\$14,382	\$15,337
Management Salary	\$0	\$0	\$5,364	\$7,200
Audit & Accounting	\$7,500	\$7,400	\$5,725	\$7,500
Legal Fees	\$160	\$25	\$0	\$150
Telephone	\$2,889	\$3,099	\$0	\$0
Office Expense	<u>\$2,807</u>	<u>\$2,235</u>	<u>\$1,547</u>	<u>\$1,795</u>
Total Expenses	\$197,536	\$195,996	\$143,421	\$95,417
Change in Net Assets	\$10,330	\$21,687	(\$6,921)	\$84,657
Add: Depreciation	\$19,375	\$19,199	\$13,609	\$0
Less: Reserves				(\$29,418)
Cash available for debt	\$29,705	\$40,886	\$6,688	\$55,239
Debt:				
HCR CIF	\$15,500	\$15,500	\$11,625	\$15,500
Authority Debt #2	\$33,487	\$33,487	\$25,115	\$33,487
Authority Debt #3	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 1,875</u>	<u>\$ 2,500</u>
Total Debt	\$51,487	\$51,487	\$38,615	\$51,487
Debt Service Coverage Ratio: .58X		.79X	.17X	1.07X

## AFFORDABLE RENTAL HOUSING PROGRAM

- Cambray Housing Corporation is a 501 C3 created under NYS Private Housing Finance Law Article II Housing Company.
- FYE 3/31/2020 and FYE 3/31/2021 audit completed by Pinto, Mucenski, Hooper, VanHouse & Co., CPA, P.C. The 12/31/2021 information was internally prepared.
- Occupancy is usually very good with only 0-1 units vacant at any time.
- The project receives Section 8 project based vouchers. There are 7 years left on the Section 8 contract with opportunity to renew. It currently charges 100% of the Fair Market Rent for St. Lawrence County which is \$625 for a studio and \$665 for a 1 bedroom unit. They are proposing to increase the rent to 110% of the Fair Market Rent similar to what was approved for the Phase I project at Cambray Court Apartments. Proposed rents are \$653 for the studio units (fair market is \$700) and \$745 for the 1 bedroom (fair market is \$825).
- The year one projections do show a 5% vacancy. They also include the commercial income that is identified in the audit. That is income from a not for profit that rents space at \$900/month in the community building. The residential income is projected to decrease as there will be 25% fewer units. The project will go from 28 units to 21 units.
- The project does not pay taxes as it is a 501 C3. Since there is no debt, there is no interest expense either. There was no interest expense as the project has no debt/mortgage.
- Projected expenses are lower as there will be 25% fewer rental units. Expenses are the result of HCR's review, vendor quotes, and discussions with the management agent. In addition, the property will be more energy efficient and will require less maintenance. In addition, the Housing Finance Agency is imposing their own parameters on certain expenses.
  - Maintenance fee will decline due to fewer staff hours going forward.
  - Electricity includes gas; it is an engineer estimate. Project moving to electric heat and installing gas hydronic heat and extensive new insulation, windows and doors.
  - Trash decline - fewer units.
  - Maintenance/repairs- decline due to all new everything.
  - Extermination is included in cleaning/supplies.
  - Insurance/Water & Sewer/Capital Reserve-These are included in the Reserve amount as required by the State as this is how Mitchell-Lama projects shows these expenses.
- The Debt Service Coverage ratio for Year Two is expected to be 1.07 based on \$183,676 in total income and \$128,427 in total residential operating expenses and reserves. The Debt Service Coverage ratio for Year Three is expected to be 1.07 based on \$187,349 in total income and \$132,123 in total operating expenses.
- For cash flow purposes, based upon the projections, there is sufficient cash flow to repay the proposed debt.

### Balance Sheet

	2019	2020	2021	12/31/21
Current Assets	\$50,093	\$64,660	\$76,908	\$54,128
Restricted Cash	\$194,121	\$194,558	\$209,575	\$189,845
Fixed Assets	\$176,410	\$176,469	\$187,740	\$269,601
Other Assets	\$0	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$420,624</b>	<b>\$435,687</b>	<b>\$474,223</b>	<b>\$513,574</b>

**AFFORDABLE RENTAL HOUSING PROGRAM**

Current Liabilities	\$18,995	\$23,728	\$40,577	\$86,850
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Liabilities	\$18,995	\$23,728	\$40,577	\$86,850
Equity	\$401,629	\$411,959	\$433,646	\$426,724
Total Liabilities and Equity	\$420,624	\$435,687	\$474,223	\$513,574

- Restricted cash in 2020 is comprised of security deposits, \$3,005, and an operating escrow, \$191,553. Restricted cash in 2021 is comprised of security deposits of \$3,150 and operating escrow of \$206,425. The operating escrow can be used for operations and capital purposes, but require approval from the NYS Division of Homes and Community Renewal.
- Current liabilities in 2020 are comprised of accounts payable, \$20,723, and tenant security deposits, \$3,005. Current liabilities in 2021 are comprised of accounts payable, \$37,427, and tenant security deposits, \$3,150.
- The property has no long-term debt. The mortgage was paid in full in 2014.

**COLLATERAL ANALYSIS:**

As completed appraisal done by Michael L. Varley, MAI dated July 9, 2021. The as of date for the completed value is July 31, 2022.

The as completed value is \$2,020,000. The assessed value per the SLC tax records is \$804,800.

NYS HCR is the primary lender. NYS does not consider loan-to-value when structuring funding for affordable housing. In this case they are willing to lend \$3.1 million with interest-only payments over 30 years in order to see this project completed. As such, the Authority has requested a co-proportional first mortgage position with NYS HCR on the real estate.

**CONDITIONS:**

- NYS HCR Community Investment Funding of at least \$3,100,000
- Federal Home Loan Bank funding of \$353,000
- NYS Weatherization funding of \$105,000
- Cambray Housing Corporation equity of up to \$142,000

**STAFF RECOMMENDATION:**

Staff recommends an additional permanent loan of up to \$250,000 for 30 years at 1% with annual interest only payments.



**Board Resolution No. 2022-05-49  
May 26, 2022**

**ANNUAL REPORT  
CREEK WOOD HOUSING DEVELOPMENT FUND COMPANY, INC.  
WAIVING THE ANNUAL MEETING  
APPOINTING DIRECTORS**

Whereas, the Development Authority of the North Country is the Sole Member of the Creek Wood Housing Development Fund Company, Inc. (the “HDFC”), and

Whereas, the tax return of the HDFC was completed and submitted to the Internal Revenue Service as required, and

Whereas, the Authority has received the attached Annual Report of the operations for the HDFC for the last fiscal year (the “Annual Report”), and

Whereas, the Authority appoints Dennis Mastascusa as Vice President to replace Alfred Calligaris as Vice President, and

Whereas, no other business would be conducted at the annual meeting of the HDFC.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country, as Sole Member of the HDFC, accepts the Annual Report, and further be it**

**RESOLVED, that the Annual Meeting of the HDFC is hereby waived by written consent, and further be it**

**RESOLVED, that Dennis Mastascusa be appointed as Vice President, and the remaining directors of the HDFC effective May 26, 2022, shall continue in office until the next Annual Meeting.**

# **Creek Wood Housing Development Fund Company**

## **Annual Report**

**May 26, 2022**

As of April 22, 2022 there were 94 of 96 units occupied (2% vacancy rate). The project converted to permanent financing on February 14, 2014. The Authority lent \$3.4 million to the project. The tax returns for the HDFC were submitted in 2021.





**Board Resolution No. 2022-05-50**  
**May 26, 2022**

**ANNUAL REPORT**  
**CREEK WOOD II HOUSING DEVELOPMENT FUND COMPANY, INC.**  
**WAIVING THE ANNUAL MEETING**  
**APPOINTING DIRECTORS**

Whereas, the Development Authority of the North Country is the Sole Member of the Creek Wood II Housing Development Fund Company, Inc. (the “HDFC”), and

Whereas, the tax return of the HDFC was completed and submitted to the Internal Revenue Service, as required, and

Whereas, the Authority has received the attached Annual Report of the operations for the HDFC for the last fiscal year (the “Annual Report”), and

Whereas, The Authority appoints Dennis Mastascusa as Vice President to replace Alfred Calligaris as Vice President, and

Whereas, no other business would be conducted at the Annual Meeting of the HDFC.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country, as Sole Member of the HDFC, accepts the Annual Report, and further be it**

**RESOLVED, that the Annual Meeting of the HDFC is hereby waived by written consent, and further be it**

**RESOLVED, that Dennis Mastascusa be appointed as Vice President, and the remaining directors of the HDFC effective May 26, 2022, shall continue in office until the next Annual Meeting.**

# **Creek Wood II Housing Development Fund Company**

## **Annual Report**

**May 26, 2022**

As of April 22, 2022, the project had 98 of 104 units occupied (5.77% vacancy). The Authority lent \$3.25 million to the project, which includes a suballocation of \$3 million from Empire State Development. The tax returns for the HDFC were submitted in 2021.



**Board Resolution No. 2022-05-51**  
**May 26, 2022**

**CONSENT AND RESOLUTIONS**  
**CREEK WOOD HOUSING DEVELOPMENT FUND COMPANY, INC.**  
**CREEK WOOD II HOUSING DEVELOPMENT FUND COMPANY, INC.**  
**CREEKWOOD I, LLC**  
**CREEKWOOD II, LLC**  
**SUMMIT WOOD HOMES, LLC**

Whereas, Development Authority of the North Country (“DANC”) is the sole member of (i) Creekwood Housing Development Fund Company, Inc. (“CW 1 HDFC”) and (ii) Creek Wood II Housing Development Fund Company, Inc. (“CW 2 HDFC”), and

Whereas, Norstar Creekwood I, Inc., Norstar Creekwood II, Inc. and Norstar Summit Wood Inc. (each a “Managing Member” and collectively, the “Managing Members”) each intend to transfer the entirety of their interests in Creekwood I LLC, Creekwood II LLC and Summit Wood Homes LLC, respectively (each an “Owner” and collectively, the “Owners”), which Owners are the owners of certain affordable housing properties that received financing through DANC known as Creek Wood I Apartments, located at 101 Creekwood Drive, Watertown, New York, Creek Wood II Apartments, located at 950 Mill Street, Watertown, New York 13601 and Summit Wood Apartments located at 2241 Kristina Park, Watertown, New York 13601, respectively (the “Properties”) to Beacon Communities REI LLC or an affiliated entity (“Beacon”) (collectively, the “Interest Transfers”), and

Whereas, Norstar Property Management USA, Inc. is in contract to assign its property management rights with respect to the Properties to Beacon Residential Management Limited Partnership, (collectively, the “Assignment of Management Rights”), and

Whereas, CW I HDFC is the administrative member of Creekwood I LLC and CW II HDFC is the administrative member of Creekwood II LLC.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, that DANC hereby consents to the Interest Transfers and Assignment of Management Rights, and DANC is hereby further authorized and empowered to enter into, execute and deliver those certain documents, including, but not limited to any consent letters, waivers of rights granted under any purchase options or rights of first refusal, and any and all other agreements, documents, certificates, instruments and amendments thereto to be executed in connection with such consents (collectively, the “DANC Consent Documents”); and it is further**

**RESOLVED**, that DANC, in its capacity as the sole member of CW I HDFC hereby consents to (i) the transfer of Norstar Creekwood I, Inc.'s interest in Creekwood I LLC to Beacon; (ii) the admission of Beacon its successors and/or assigns, as managing member of Creekwood I LLC, (iii) the transfer of property management rights with respect to Creekwood I Apartments, (iv) an amendment of Creekwood I LLC's Amended and Restated Operating Agreement to reflect the removal of Norstar Creekwood I, Inc. and replacement with Beacon and, in connection with such transactions is hereby authorized and empowered to enter into, execute and deliver, those certain documents, including, but not limited to, any consent letters, amendments to the operating agreement of Creekwood I LLC and any and all other agreements, documents, certificates, instruments and any amendments thereto (collectively, the "CW I HDFC Consent Documents"); and it is further

**RESOLVED**, that DANC, in its capacity as the sole member of CW II HDFC hereby consents to (i) the transfer of Norstar Creekwood II, Inc.'s interest in Creekwood II LLC to Beacon; (ii) the admission of Beacon its successors and/or assigns, as managing member of Creekwood II LLC (iii) the transfer of property management rights with respect to Creekwood II Apartments, (iv) an amendment of Creekwood II LLC's Amended and Restated Operating Agreement to reflect the removal of Norstar Creekwood II, Inc. and replacement with Beacon and, in connection with such transactions is hereby authorized and empowered to enter into, execute and deliver, those certain documents, including, but not limited to, any consent letters, amendments to the operating agreement of Creekwood II LLC and any and all other agreements, documents, certificates, instruments and any amendments thereto (collectively, the "CW II HDFC Consent Documents"); and it is further

**RESOLVED**, that all action taken and all instruments executed by authorized persons on behalf of DANC prior to the adoption of these resolutions with respect to the financing and operation of the Properties and all matters related thereto are hereby ratified, confirmed and approved; and it is further

**RESOLVED**, that DANC Consent Documents, the CW I HDFC Consent Documents and the CW II HDFC Consent Documents and any and all other agreements, documents, certificates, instruments and any amendments thereto to which DANC, CW I HDFC, and/or CW II HDFC is a party (collectively, the "Transaction Documents"), in substantially the same forms as those heretofore presented, are hereby approved, which Transaction Documents may contain such maturity dates and other terms, provisions, conditions, stipulations and agreements as the Executive Director may deem proper and advisable, and the Executive Director is hereby authorized and empowered to act on behalf of the DANC, CW I HDFC, and/or CW II HDFC, as applicable, and take any and all other actions as the Executive Director may deem necessary or desirable in connection with Interest Transfer and the Assignment of Management Rights, and execute and deliver the Transaction Documents and to otherwise carry out the intent of the foregoing resolutions and the consummation of the transactions described therein; and it is further

**RESOLVED**, that the aforesaid resolutions may be executed by facsimile, electronic signature or PDF, which for all purposes is to be deemed an original.

**TO:** Project Development Committee  
**FROM:** Michelle L. Capone  
**DATE:** May 16, 2022  
**SUBJECT:** Creek Wood Housing and Summit Wood Housing-Transfers

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The partners in Norstar Development are retiring and it is their interest to divest of Norstar Development USA, L.P. (“Norstar”). The Development Authority has the following interests in several properties owned and managed by Norstar in the area.

- Creek Wood I Apartments-as lender
- Creek Wood II Apartments-as lender
- Summit Wood Apartments-as lender
- Creekwood I Housing Development Fund Company-as sole member
- Creekwood II Housing Development Fund Company-as sole member

In addition, as the sole member of the HDFCs, the Authority has the right of first refusal on the sale of these properties. It is not the Authority’s intent to own or operate affordable housing properties either now or in the future, so the Authority would waive this claim to the right of first refusal.

The Norstar portfolio in NYS is being transferred to Beacon Communities, LLC. Beacon is a leading owner, developer, and manager of affordable and mixed income housing. Beacon has deep knowledge of subsidy programs, decades of experience utilizing the Low-Income Housing Tax Credit program to preserve and revitalize aging affordable housing. Currently, Beacon affiliates serve as general partner (or equivalent) in 105 communities, providing over 15,000 residences in Massachusetts, Connecticut, New York, Pennsylvania, Maryland, Virginia, and California. Beacon’s 15,000-unit portfolio includes approximately 6,241 apartments with project based Section 8 assistance. Beacon has developed or renovated 68 properties using the LIHTC program. These LIHTC properties contain a total of approximately 9,541 units, consisting of approximately 7,722 affordable LIHTC units, 723 other-income restricted units and 1,096 market rate units.

A newly formed Beacon affiliate will assume the role of Managing Member of each of the properties. For the two HDFCs, this means that they will retain a .009% ownership interest in the properties. The Authority will execute an amendment to each Owner’s Amended and Restated Operating Agreement replacing each Managing Member with Beacon.

Beacon also proposes that Beacon Residential Management Limited Partnership (the “Proposed Management Agent”) take over management of the Portfolio effective concurrent with the transfer of ownership interests to Beacon. The Proposed Management Agent has four decades of experience and manages over 100 communities and nearly 14,000 apartments in New England, Pennsylvania, New York, Maryland and Virginia. The Proposed Management Agent’s team consists of more than 350 on-site professionals. The Proposed Management Agent’s projects range from suburban new construction, to urban historic rehabilitation, to former public housing sites which have been converted into mixed-income developments.

All financing for these properties will remain the same with current terms and conditions. All loans with Creekwood and Summit Wood Apartments are cash flow based which means that the Authority gets paid after all expenses and deferred developer’s fees are paid. The Authority is currently receiving a deferred developer’s fee from the Summit Wood Apartments project. Since 2010, the Authority has received \$136,041 with a balance of \$102,983 still owed.

The current outstanding balances are as follows and do not reflect cash flow payments, if any, for FY 2021:

	Fund	Original	Source	Balance
• Summit Wood	ARHP	\$500,000	DANC	\$394,218.32
• Summit Wood	CRHP	\$3,951,241	NYS	\$4,162,477
• Creekwood I	CRHP	\$2,650,000	NYS/DANC*	\$2,680,524
• Creekwood I	ARHP	\$750,000	DANC	\$754,543
• Creekwood II	ARHP	\$150,000	DANC	\$150,407
• Creekwood II	HRLF	\$3,000,000	NYS	\$3,030,673

\*Creekwood I also had \$1 million from Jefferson County that we paid back to Jefferson County in 2020.

**Staff Recommendation**

Staff recommends the transfer of the managing member ownership to Beacon Communities LLC with all loan terms and conditions remaining the same. Staff recommends the transfer of management duties to Beacon Residential Management Limited Partnership. Staff recommends that we waive our right of first refusal on Creekwood I and Creekwood II Apartments. Final approval is contingent upon NYS approving the transfer.



March 30, 2022

*Via Federal Express and Email*

Carl E. Farone  
Executive Director  
Development Authority of the North Country (“DANC”)  
317 Washington St., Suite 414  
Watertown, NY 13601  
Email: farone@danc.org

Michelle L. Capone  
Director of Regional Development  
Development Authority of the North Country  
317 Washington St., Suite 414  
Watertown, NY 13601  
Email: [capone@danc.org](mailto:capone@danc.org)

Thomas H. Hefferon  
President  
Creek Wood Housing Development Fund Company, Inc.  
317 Washington St., Suite 414  
Watertown, NY 13601

Thomas H. Hefferon  
President  
Creek Wood II Housing Development Fund Company, Inc.  
317 Washington St., Suite 414  
Watertown, NY 13601

**RE: Proposed Beacon Purchase of Creek Wood I Apartments, Creek Wood II Apartments and Summit Wood Apartments**

Dear Mr. Farone, Mr. Hefferon and Ms. Capone:

We are special counsel to Beacon Communities Corp., a Massachusetts corporation (“**Beacon**”) that intends to replace Norstar Creekwood I, Inc., Norstar Creekwood II, Inc. and Norstar Summit Wood Inc. (each a “**Managing Member**” and collectively, the “**Managing Members**”) as the managing members of Creekwood I LLC, Creekwood II LLC and Summit Wood Homes LLC, respectively (each an “**Owner**” and collectively, the “**Owners**”), the owners of the affordable

housing properties that received financing through DANC known as **Creek Wood I Apartments, Creek Wood II Apartments and Summit Wood Apartments**, located at 101 Creekwood Drive, Watertown, NY 13601, 950 Mill Street, Watertown, NY 13601 and 2241 Kristina Park, Watertown, NY 13601, respectively (the “**DANC Properties**”). The DANC Properties were originally developed by Norstar Development USA, L.P. as three of eleven properties that are being sold to Beacon and its affiliates as a portfolio. We write to request your consent to the proposed transfers of the DANC Properties described in this letter (collectively, the “**Transaction**”). Additionally, DANC is the sole member of each HDFC (defined herein), the administrative member of each of the Owners of the Creek Wood I Apartments and Creek Wood II Apartments and therefore DANC will need to execute an amendment to each Owner’s Amended and Restated Operating Agreement (defined herein) replacing each Managing Member with Beacon. Schedule I to this letter summarizes the requested consents by DANC.

#### TRANSACTION DESCRIPTION

Beacon is in contract with the Managing Members to replace the Managing Members as the managing members of the Owners in the following State-assisted properties, in addition to the DANC Properties (the “**Properties**” or the “**Portfolio**”):

1. **13 State Street Apartments:** 13 State Street, Schenectady, New York 12305 (61 units)
2. **Center Court I Apartments:** 1516 Calumet Avenue, Niagara Falls, NY 14305 (115 units)
3. **Center Court II Apartments:** 1601 Centre Avenue, Niagara Falls, NY 14305 (100 units)
4. **Cornerstone Townhomes Apartments:** 3100 9<sup>th</sup> Street, Niagara Falls, NY 14305 (84 units)
5. **Cornerstone Village Apartments:** 2900 9th Street, Niagara Falls, NY 14305 (40 units)
6. **Shoreline Apartments:** 99 Carolina Street, Buffalo, NY 14201 (88 units)
7. **Starwood Apartments:** 845 Starbuck Avenue Watertown, NY 13601 (91 units)
8. **Waterfront Phase I Apartments:** 270 Niagara Street, Buffalo, NY 14201 (48 units)

The DANC Properties were financed with both construction and permanent financing from DANC.

Currently, each Managing Member holds 0.009% of their respective membership interests in each of the Owners of the DANC Properties. An affiliate of Beacon will replace the Managing Members of the Owners.

With the exception of Summit Wood Apartments, the DANC Properties each have fee title held by a HCR-supervised housing development fund corporation formed pursuant to Article XI of the Private Housing Finance Law (the “**HDFC**”). DANC is the sole member of each HDFC.

Enclosed are proposed before and after organizational charts for the DANC Properties. The address for notice for each entity taking ownership is: c/o Beacon Communities LLC, Two Center Plaza, Suite 700, Boston, MA 02108, Attention: General Counsel.



## ABOUT BEACON

Beacon is a leading owner, developer, and manager of affordable and mixed income housing. Beacon has deep knowledge of subsidy programs, decades of experience utilizing the Low-Income Housing Tax Credit program to preserve and revitalize aging affordable housing. Currently, Beacon affiliates serve as general partner (or equivalent) in 105 communities, providing over 15,000 residences in Massachusetts, Connecticut, New York, Pennsylvania, Maryland, Virginia, and California. Beacon's 15,000-unit portfolio includes approximately 6,241 apartments with project based Section 8 assistance. Beacon has developed or renovated 68 properties using the LIHTC program. These LIHTC properties contain a total of approximately 9,541 units, consisting of approximately 7,722 affordable LIHTC units, 723 other-income restricted units and 1,096 market rate units.

## MANAGEMENT

Beacon also proposes that Beacon Residential Management Limited Partnership (the “**Proposed Management Agent**”) take over management of the Portfolio effective concurrent with the transfer of ownership interests to Beacon. The Proposed Management Agent has four decades of experience and manages over 100 communities and nearly 14,000 apartments in New England, Pennsylvania, New York, Maryland and Virginia. The Proposed Management Agent's team consists of more than 350 on-site professionals. The Proposed Management Agent's projects range from suburban new construction, to urban historic rehabilitation, to former public housing sites which have been converted into mixed-income developments.

## FINANCING PLANS

There is no change to the project financing in connection with the Transaction. Beacon has no intention of obtaining financing to fund the Transaction through additional debt, and there will be no payoff of existing debt in connection with the closing of the Transaction. Beacon Communities Development LLC intends to replace any affiliate of the Managing Member as guarantor under transaction guaranty and indemnification agreements.

## CONSENT TO THE TRANSACTIONS

Beacon and the Managing Members intend to close on this Transaction in the summer of this year. Given the participation of DANC in the Properties in various lending and ownership capacities, we welcome any questions you may have regarding the requested approvals to effectuate the Transaction.

Thank you in advance for your assistance.

Sincerely,

*Meghan C. Altidor*

Meghan C. Altidor  
Partner

cc: Dara Kovel, Beacon Communities Corp. (dkovel@beaconcommunitiesllc.com)  
Richard L. Higgins, Norstar (rhiggins@norstarus.com)  
Geoffrey J. Cannon, Cannon, Heyman & Weiss, LLP (gcannon@chwattys.com)

## WHO WE ARE:

Beacon Communities LLC's team of highly experienced residential real estate professionals develop, own, and manage over 19,000 apartments across 150 communities throughout New England, the Mid-Atlantic, Florida, and California. We have a proud forty-plus year history of building and managing award-winning residential communities that serve a diverse cross-section of society and make enduring contributions to the cities and towns where they are located.

## BEACON RESIDENTIAL MANAGEMENT (BRM):

Beacon Residential Management Limited Partnership (BRM), formed in 1969, has built an exemplary reputation among residents, public agencies, and community partners and is nationally recognized as a true innovator and leader in the multifamily housing industry. BRM sets the standard for apartment living and manages over 150 communities of over 18,000 residences across New England, Pennsylvania, Maryland, New York and Virginia. Our communities vary in size from 28 to nearly 1,000 apartment homes. They range from suburban new construction, to urban historic rehabilitation, to former public housing sites that have been converted into newly constructed mixed-income developments. We are extremely proud of our history of successfully managing new developments, including renovations, new construction, resident relocation, lease-up, and stabilized operations management. BRM has a proven track record of creating and nurturing strong resident partnerships and converting old neighborhoods into thriving new communities where residents choose to make their homes. Beacon has a proven track record of creating and nurturing strong resident partnerships and managing affordable and mixed-income housing communities. We are proud of our ability to successfully manage properties through renovations, new construction, resident relocation, lease-up and stabilized operations.

Our commitment to excellence in property management is realized and ensured by our management team – over 400 on-site professionals who are versed in the language of our buildings, committed to the enduring standards of excellence and dedicated to providing the highest quality experience for all residents. Resident comfort, convenience and satisfaction is our number one priority. Our meticulous focus on hiring, training, coaching, motivating and maintaining qualified staff has formed the basis for our company's success. BRM is known for tackling challenging developments and finding new and creative ways to address the demands of today's residential marketplace. With over four decades of experience, Beacon offers communities and management practices that have become the industry standard for attractive architecture, attention to detail, super management and physical plant services and overall community enhancement. With the dynamic and entrepreneurial character of our company and our flexibility in the face of changing market conditions, we will continue to be an innovator and leader in defining the multifamily housing industry in the twenty-first century.

Our 700+ total employees provide service in all aspects of real estate management, including:

- Operations & facilities management: all routine, preventative, capital and emergency maintenance, designed to maintain the physical property to the highest level;
- Sound financial asset management: rent collection, budget preparation and analysis, monthly financial reviews, and owner reporting;
- Personnel, staffing, and training;
- Leasing, marketing & resident retention;
- Compliance and government affairs oversight; and
- An extensive resident services and community engagement philosophy.

### BEACON COMMUNITIES INVESTMENTS LLC:

Beacon Communities Investments LLC, Beacon's investment and acquisitions arm, serves to acquire existing properties, raise debt and equity, and provide investor services. For over 40 years, affiliates of Beacon have provided investment opportunities in a range of multifamily real estate properties for both individual and institutional investors. We are keenly focused on the investment objectives and goals of our investors, lenders, and partners.

### BEACON COMMUNITIES SERVICES LLC:

Beacon Communities Services LLC (BCS), Beacon's construction and rehabilitation arm, is a full service residential development company with expertise in all aspects of multi-family housing. Since 1996, BCS and its affiliates have redeveloped, constructed and/or acquired over 10,000 apartments.

### BEACON COMMUNITIES DEVELOPMENT + INVESTMENT EXPERIENCE:

Beacon's development and acquisitions teams have a steady pipeline of projects, including new construction, historic rehabilitation, repositioning of existing properties, and affordable housing preservation transactions. We remain actively engaged in both lines of work as we grow the Beacon portfolio throughout New England, New York and the mid-Atlantic states.

Known throughout the country as a leading affordable housing developer, Beacon has the demonstrated capacity to undertake complex residential real estate market-rate and affordable transactions. Beacon has designed, permitted and built developments ranging from the adaptive reuse of historic urban buildings to the moderate/substantial rehabilitation of occupied communities. All of our developments have some element of permitting, planning, or financing complexity - most have all three. At Beacon we pride ourselves on our willingness to undertake challenging and innovative developments, including the rehabilitation of the historic Ames Shovel Works buildings in Easton, Massachusetts, into 113 rental homes serving a mixed-income population; an intergenerational rental and for-sale community serving families that have adopted children that experience foster care and senior 'foster' grandparents in Easthampton, Massachusetts; the rehabilitation of a vacant historic school building into a mixed-income rental community in the town center of Sharon, Massachusetts; and several redevelopments of seriously distressed public housing.

Beacon has extensive experience with complicated permitting, including use of special permits and comprehensive permits through Massachusetts General Laws Chapter 40B. BCS has successfully permitted many sites that posed significant environmental challenges, including wetlands, river crossings, rare species, toxic waste, mine subsidence problems, historic preservation restrictions, and noise attenuation difficulties. Our goal is always to confront such issues carefully and thoroughly, allowing us to respect and improve the natural and built environments, meet regulatory requirements and achieve our developments' programmatic needs.

Beacon has completed several wholesale replacements of large-scale, seriously distressed public housing projects through the federal HOPE VI program. These four developments are Southwood Square in Stamford, Connecticut; Monterey Place in New Haven, Connecticut; Oak Hill in Pittsburgh, Pennsylvania; and Phases One and Two of The Homes at Old Colony in South Boston, MA. Each required the demolition of isolated, barracks-like projects and the creation of entirely new neighborhoods that had to be re-integrated into the surrounding street and utility grids. During these developments, Beacon formed partnerships with the resident organizations and orchestrated large-scale relocation and re-housing measures. These developments are award-winning communities and demonstrate our capacity for resident involvement, neighborhood planning, financial structuring and completing complex construction projects.

Mandela Homes represents another innovative resident partnership, where an affiliate of Beacon partnered with residents to purchase the community out of bankruptcy. This transaction required sensitivity to the complicated cultural issues of the urban community. We pride ourselves on our ability to form and maintain relationships with a wide variety of joint venture partners, resident organizations, community groups, institutions, financing sources and government agencies.

Almost every Beacon development has involved some degree of financial complexity. Beacon has extensive experience with private financing sources. The deals with the most complicated financial arrangements involve several different federal, state, and city funding sources, including low-income housing tax credits, historic preservation tax credits, public housing funding, and housing vouchers as well as private debt.

We at Beacon understand how to work with partners, communities, and local governments when developing housing. Our aim is to coordinate developments in a way that addresses a wide variety of needs and concerns. The diversity of our portfolio speaks to our ability to form joint ventures with an array of partners including landowners, community groups, and equity investors as well as our ability to work cooperatively with public officials and concerned citizens.

### BEACON CONCEPTS:

Beacon Concepts is an affiliated architectural design company responsible for the aesthetic, community layout, and overall design of all Beacon developments. Beacon's decision to invest in an integrated design department reflects our commitment to providing well-designed spaces for all residents, in every community and at every income level. From our perspective, design is not just how a building looks, but how it works for the people who live there. We believe that good design can improve lives and build community...We believe in LIVING WELL by DESIGN.

Beacon Concepts works in conjunction with architectural firms. We start by helping create the overall design concepts for the interior common spaces and the apartments, with a focus on kitchen and bathroom design. Throughout the design process, we work to ensure that the interior design principles carry through to the building's exterior. We believe that well designed spaces impact people's lives, which is why we strive to create spaces that are visually pleasing, efficient, durable and environmentally friendly.

recent developments:

# THE HOMES at OLD COLONY

south boston, ma



ALL PHOTOS COPYRIGHT ANDY RYAN PHOTOGRAPHY.

LIVING  
WELL  
by  
DESIGN

**BEACON**  
communities

BEACON COMMUNITIES LLC  
TWO CENTER PLAZA, SUITE 700  
BOSTON, MA 02108  
WWW.BEACONCOMMUNITIESLLC.COM

recent developments:

# AMES SHOVEL WORKS

easton, ma



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**BEACON**  
communities

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TWO CENTER PLAZA, SUITE 700  
BOSTON, MA 02108  
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recent developments:

# WILBER SCHOOL APARTMENTS

sharon, ma



LIVING  
WELL by  
DESIGN





recent developments:

# OCEAN SHORES APARTMENTS

marshfield, ma



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LIVING  
WELL by  
DESIGN

recent developments:

# EDMANDS HOUSE

framingham, ma



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recent developments:

# TREEHOUSE & THE HOMES AT EASTHAMPTON MEADOW

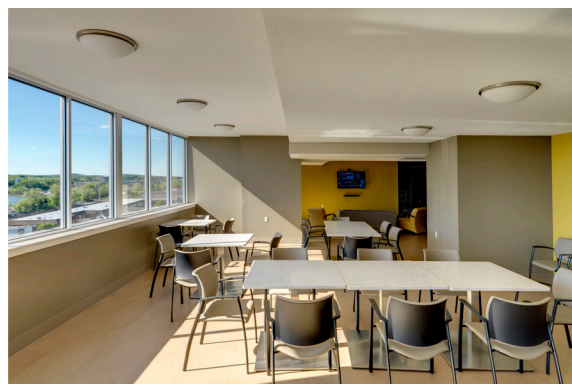
easthampton, ma



recent developments:

# JACLEN TOWER

beverly, ma

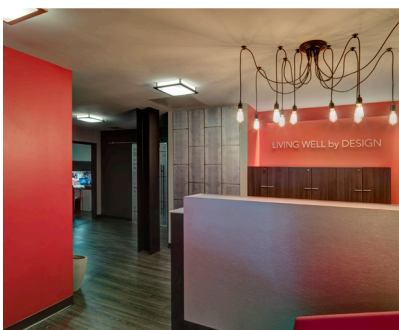


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recent developments:

# DORADO APARTMENTS

yonkers, ny



# BEACON COMMUNITIES

— LIVING WELL BY DESIGN —





Beacon's communities  
are built on solid values.

Compassion. Excellence. Commitment. Opportunity.

And, above all, integrity.

We bring those values to bear every day as we manage our portfolio of more than 150 communities across 13 states and the District of Columbia.

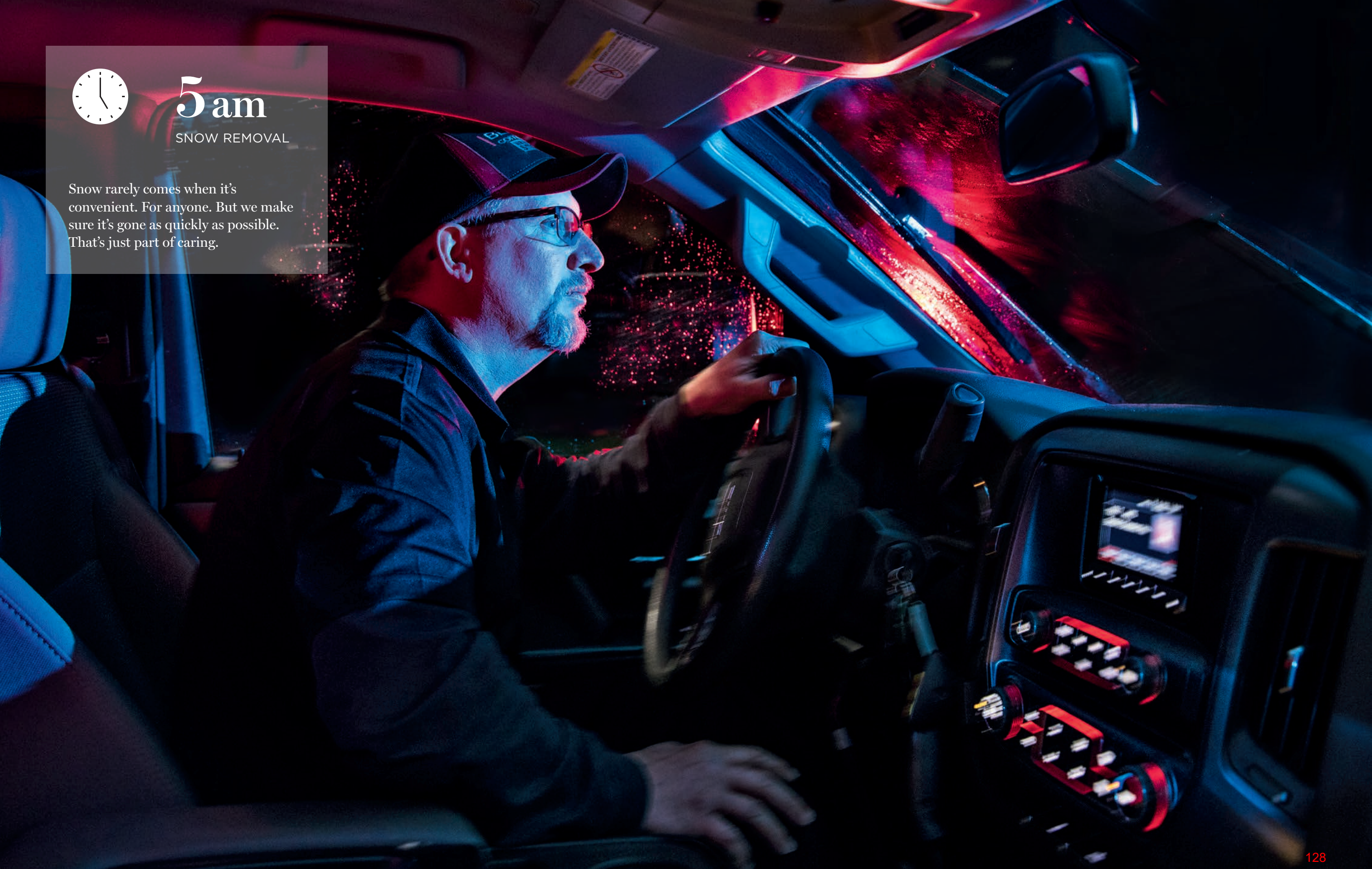
We embrace our values in every facet of our work, consistently choosing to do what is right, not what's convenient, as we strive to make a material difference in the lives of our residents, our neighbors and our staff.



# 5am

SNOW REMOVAL

Snow rarely comes when it's convenient. For anyone. But we make sure it's gone as quickly as possible. That's just part of caring.





## Joe Elewononi is interested in improving people's quality of life

“Joining Beacon was the best career decision I have ever made. It is just a higher caliber company. But most importantly, Beacon has great corporate values. To me, having a home is the cornerstone of your quality of life. Beacon believes that, too—that we have an important role in contributing to people's lives. That comes from the leadership, which is so superior to other companies I've seen. They set the culture for the organization—and then it's our job to understand their expectations and run with them.”

**Joe Elewononi**  
Beacon Communities Maintenance Director

## EVERYONE DESERVES A Home

A home is not just a place to live. It is a refuge, a regenerator, a source of pride and confidence. It's a place where you belong. At Beacon, we work hard to provide our residents homes. Whether a community has 28 or 1000 apartments, is urban or suburban or rural, a historic renovation or new construction, our goal is to create and nurture strong resident partnerships. We succeed through our outstanding management team—over 400 on-site professionals who are versed in the language of our buildings—and who share a passion for providing the highest quality experience possible for our residents. Our support goes beyond nice finishes and prompt maintenance calls. We develop programs—from fitness classes to homework help. We host gatherings that celebrate special occasions and ordinary moments. We deliver superb customer service. Not because we have to, but because it is the right thing to do.



Wilber School Apartments, Sharon, MA  
Historic Rehabilitation, Multifamily Community



# 10 am

YOGA

Comprehensive Wellness Programs for seniors and residents with disabilities help ensure an active, independent lifestyle. It's just one of the services— from free healthy meals to computer classes—designed to enhance our residents' wellbeing.



## Imani Morgan wants to give back

“The Summer Youth Program at Southwood Square was my first job; all my leadership skills came from there, as well as my people skills. I developed a great working relationship with the property manager; she helped me get a college scholarship. Now I’m at the University of Connecticut, studying biological sciences. I want to be a cardio-thoracic surgeon and eventually open a nonprofit clinic for women and children. But one of my biggest goals is to be someone that the children who went to the Summer Program can look up to.”

**Imani Morgan**  
Southwood Square resident, college student



WITH GOOD HOUSING,  
PEOPLE AND NEIGHBORHOODS

# Flourish

Good housing doesn't just improve the lives of the people it shelters, it improves the fabric of the surrounding neighborhood. Good housing begins with good design, which we deliver through Beacon Concepts, creating aesthetically pleasing and functionally effective spaces for all residents, in every community at every income level. Good housing includes programming that enhances residents' lives and helps knit the community together. And good housing is “green,” protecting and restoring the surrounding environment. At Beacon, we don't just provide good housing, we provide good neighborhoods, planning our communities with care, consideration and compassion, striving to generate pride in residents and neighbors alike. Now, we are extending that effort by partnering with city and state initiatives to end homelessness and preserve tenancy of existing households. Because ultimately, while our work houses individuals and families, our goal is to help communities thrive.



Southwood Square, Stamford CT  
2017 RAD Conversion



# 1pm

CONSTRUCTION  
MEETING

Transforming an historic factory complex into mixed-income housing — complete with club room, fitness center and lots of “green” features — takes vision, grit, and perseverance.



## Gary Dufresne is proud to work in affordable housing

“At Beacon I can really make a difference in people’s lives. I grew up in low-income housing and I have a deep appreciation for Beacon’s core values: to deliver the same high standards at every property, no matter if it is elderly housing, affordable housing, or market-rate housing. Our leadership is motivated by the challenge of doing a complex deal in a way that enhances the lives of the residents. The harder the job is, the more motivated Beacon is to figure out how to do it. We succeed because we hire talented people, and then allow them to do what they love.”

**Gary Dufresne**  
Vice President of Operations



WE EMBRACE

# Complexity

Some organizations avoid complexity. They want nice, clean deals with simple financing and new construction. Not Beacon. We embrace complicated projects. Why? Because that’s where we have a chance to make a real difference. Retrofitting historic buildings. Creating housing for the elderly and other vulnerable populations. Building energy efficiency and sustainability into every project. Being a stable, well-financed organization gives us a platform for success, but our true power lies in the wide range of expertise within our staff. Their knowledge enables us to handle complicated permitting and navigate multi-layered financing. To manage tricky construction while ensuring that it is imbued with great design. Even to dramatically expand our holdings through the acquisition of a sizeable peer organization with its own large portfolio. That adds more communities in which we can strive to make a material difference in the residents’ lives. It’s a great outcome of “doing difficult.”



Station Pointe  
Mansfield, MA



# 3pm

EMPLOYEES  
TEAM MEETING

All the key stakeholders involved in this project—the architect, the construction company, the clerk of the works, our development department, our operations department, the regional vice president, the property manager, the maintenance supervisor—gather for a round-table discussion. At Beacon, every project is a team effort, and every opinion is heard.



## LaTonya Alexiou grew up at Beacon

“I was raised at a Beacon property. It was a happy place—and such a tight community. I lived there until I got married. Then by chance I ended up circling back to that same community to work. I started as a receptionist, answering the telephone. But Beacon is incredibly supportive and big on promoting from within. They encouraged me to take classes, and to grow. I was able to work my way up; now I’m a regional vice president, overseeing 10 properties. For me, Beacon represents opportunity. And family.”

**LaTonya Alexiou**  
Beacon Communities Regional Vice President



EVERY INDIVIDUAL HAS A VOICE—  
BUT WE WORK AS A

# Team

Lots of companies say they value their employees. Beacon shows it. Yes, we promote from within. We also make sure every employee has access to the means to excel, providing extensive training through our in-house Beacon University and supporting professional development through tuition reimbursement. Yes, we have an open-door policy. That means from the bottom to the top, everyone is just a knock, a phone call, or an email away. Yes, we stand for personal accomplishment. But from individual properties to the corporate office, everyone is on the same team—working together towards a common goal and helping everyone succeed. We foster this culture because our employees—interns, new hires, and multi-decade veterans—make Beacon Communities possible. And we know that being a great employer takes more than a generous benefits package and competitive salaries. After all, our workplace is also a Beacon community.



Robison Cuticura Apartments  
Malden, MA



# 5pm

HOMEWORK HELP

Students and staff alike think of the Joseph M. Tierney Learning Center as a second home—and a second family—a place where everyone from infants to seniors finds educational support, social programs and community.



## About Beacon Communities\*

Beacon Communities LLC develops, owns, and manages award-winning residential communities that serve a diverse cross-section of society and make enduring contributions to the cities and towns where they are located. Known nationwide as a leading affordable housing developer and manager, we have a demonstrated capacity to successfully negotiate challenging transactions, including complicated permitting, innovative partnerships, and complex financing. Above all, we strive to always serve the needs of the community, whatever those needs may be.

**Beacon Communities Investments LLC** acquires existing properties, raises debt and equity, and provides opportunities for both institutional and individual investors to participate in a range of multifamily real estate properties.

**Beacon Communities Development LLC** is a full-service residential development company, with new construction and rehabilitation expertise in multifamily housing. We engage in new construction, historic rehabilitation, repositioning of existing properties, and affordable housing preservation transactions.

**Beacon Residential Management (BRM)** manages a wide range of communities, varying in size from 28 to nearly 1,000 apartment homes and in type from suburban new construction to converted former public housing. Nationally recognized as a true innovator and leader in the multifamily housing industry, we have a long history of management success, including renovations, new construction, resident relocation, lease-up and stabilized operations management.

**Beacon Concepts** is our in-house architectural design team responsible for both the aesthetics and community layout of all Beacon developments. Good design is critical both to a building's appearance and to its functionality, and we believe it is a critical factor in improving lives and creating community. We are committed to providing well-designed spaces for everyone, at every income level, in every one of our communities.

\*Beacon Communities consists of a family of affiliated entities, including BCJ, Keystone Values, and our legacy portfolio.



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**18,000\***+

HOMES

**13**

STATES &  
THE DISTRICT OF  
COLUMBIA

**40+**

YEAR HISTORY

**150+**

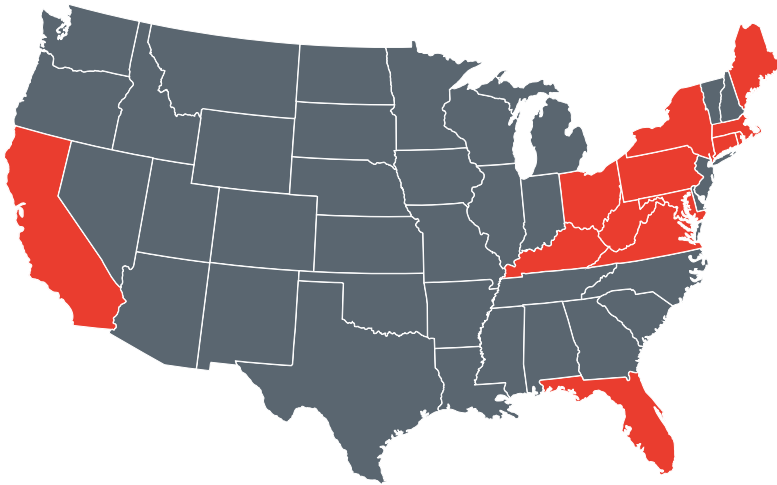
LOCATIONS

**700+**

TEAM MEMBERS

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**One Focus:** TO CREATE HOMES THAT TRULY ENHANCE THE LIVES OF OUR RESIDENTS AND THE FABRIC OF OUR NEIGHBORHOODS.



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**Massachusetts** (64)  
**Pennsylvania** (41)  
**Connecticut** (17)  
**Kentucky** (8)  
**New York** (5)

**West Virginia** (5)  
**Virginia** (4)  
**Florida** (3)  
**California** (1)  
**DC** (1)

**Ohio** (1)  
**Maine** (1)  
**Maryland** (1)  
**Rhode Island** (1)

\*Includes Beacon-owned and 3rd-party managed properties and Keystone Values.





# Profiles of Beacon Leadership



Howard Earl Cohen is the founder and Chairman of the Board of Beacon Communities LLC. Howard has over 40 years of experience in all aspects of multifamily development. Prior to joining Beacon in 1996, he provided legal counsel to real estate developers and public agencies including a fifteen-year partnership with the law firm Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and as general counsel at the Massachusetts Housing Finance Agency and the Cambridge Housing Authority. He started his career as a staff attorney at the Massachusetts Law Reform Institute. Howard has served on the boards of the Massachusetts Housing Investment Corporation, the Citizens' Housing and Planning Association of Greater Boston, Hebrew Senior Life, and Massachusetts Housing Advisory Committee, and the Department of Housing and Community Development Housing Preservation Advisory Committee. Howard holds a B.A. summa cum laude in economics from Washington University of St. Louis (1968) and a J.D. cum laude from Harvard Law School (1971). In 1978 he was a Loeb Fellow at the Harvard University Graduate School of Design.



Dara Kovel is the Chief Executive Officer of Beacon Communities LLC. Dara has been actively involved in the development of affordable housing for her entire career. Prior to her joining Beacon, she was Vice President and Chief Housing Officer at the Connecticut Housing Finance Authority (CHFA) where she oversaw all multifamily lending and tax credit allocation activities, as well as the homeownership programs. Before working at CHFA, Dara ran the New England office of Jonathan Rose Companies, a New York-based, green, real estate development and investment company. Her previous work was with Mercy Housing California, where she ran the Southern California office and developed affordable housing throughout the state of California. Dara currently serves on the Federal Home Loan Bank of Boston's Advisory Council, Urban Land Institute's Terwilliger Center's Workforce Housing Board and the Home Connecticut Steering Committee. She is LEED accredited and holds a BA and MBA from Yale University.



Timothy J. Cowles is the Chief Financial Officer. Prior to joining Beacon, Tim served as the chief financial officer for Realty Financial Partners of Wellesley, MA from December 2008 to March 2010, where he was responsible for investor servicing, financial reporting, and treasury management. From 1997 to 2008 Tim served in various positions from staff accountant to tax manager (his final four years) for Ercolini & Company LLP, a public accounting firm, where he worked closely with many real estate companies, including Beacon Communities, in tax, audit, and consulting functions. Tim is a licensed CPA having earned his license in 2000 and is a member of the Massachusetts Society of CPAs. Tim earned his BS in business administration from Northeastern University in 1997.



Sam Ross is Chief Operating Officer and is responsible for the company's internal operating platform including asset management, finance and accounting, human resources and information technology. Sam has been involved in the development and management of affordable housing for over 25 years. Sam was Chief Executive Officer and Chief Financial Officer of Boston-based Winn Companies from 2000-2015 and 1993-2000 respectively. Prior to joining Winn, Sam was a partner in The Collaborative Companies, a real estate marketing and consulting firm from 1989-1993 and Executive Vice President of Beverly Hills-based Kennedy-Wilson from 1990-1993. Sam received a BS from Boston University and an MBA from Harvard Business School.



Darlene Perrone is the President of Beacon Residential Management. Darlene has been a team member at Beacon for over 43 years, since a summer internship. Among other accomplishments, Darlene created Beacon's compliance department, an early illustration of her forward-thinking leadership. Darlene previously served as Chief Administration Officer, where she led the Human Resources, IT, and administrative functions while ensuring the smooth operation of the property management division. She received her education at Northeastern University in Boston.



Joshua Cohen is President of Beacon Communities Development. Josh is responsible for the management of the development process for development projects, sourcing new projects, and management of the development team. Josh has nearly 15 years of experience at Beacon managing large interdisciplinary teams, leading community involvement processes, and facilitating the permitting, design and financing of complex development projects. Josh managed projects ranging from the award-winning adaptive re-use of Ames Shovel Works to the occupied rehab of Moorhead Tower, a property serving seniors and people with disabilities, with a large visually-impaired population. In his work managing Beacon's affordable housing preservation transactions, Josh has overseen many resident engagement processes, which typically involve representatives from property management compliance, architecture, construction, and development. Josh holds a B.A. in ethics, politics, and economics from Yale University. He currently serves on the board of the National Housing and Rehabilitation Association.



Nicole Ferreira is Executive Vice President of Development at Beacon Communities. She is the former Senior Vice President of Multifamily Finance at New York State Homes and Community Renewal (NYS HCR). In this role, she was responsible for the strategic leadership of all multifamily finance programs and debt issuance that support New York State's \$20 Billion commitment to affordable housing and homelessness. Before joining NYS HCR, Nicole served as the Executive Vice President for Real Estate at the New York City Housing Authority (NYCHA). Under Nicole's leadership, NYCHA's development division began implementation of the Next Generation NYCHA 10-year strategic plan, which creates 17,000 new units of affordable and market rate housing, preserves 15,000 units of public housing utilizing HUD RAD and Section 18 programs, and generates NYCHA hundreds of millions of dollars in financial returns to invest in aging infrastructure. Her groundbreaking work at NYCHA earned her the "2017 Citizens Housing & Planning Council Ibo Balton Community Planner Award," which recognized the housing authority achieving its first-ever conversion under the Rental Assistance Demonstration project. In addition to her development work, Nicole is also an adjunct professor at the Pratt Graduate School of Real Estate. She holds a Bachelor of Arts degree in Political Science and a Master of Science in Real Estate from New York University.



Michael Polite is Executive Vice President of Development for Beacon Communities and is responsible for managing Beacon's Pittsburgh development team. Michael brings expertise honed over more than three decades of developing affordable, mixed-income and market-rate housing in western Pennsylvania and eastern Ohio. Prior to joining Beacon, Michael was chairman and CEO of Ralph A. Falbo development and Catalyst Communities LLC. Michael has served on the boards of Saint Joseph's House of Hospitality (a homeless shelter), Catholic Charities of Pittsburgh, and the August Wilson African American Cultural Center (Chairman). Michael currently serves as the Vice Chair of the YMCA of Greater Pittsburgh. Michael holds a BA in political science from Niagara University and a MSPMP from Carnegie Mellon.



Ben Phillips is Senior Vice President of Development. He provides leadership focused on new business development, integration, and cross-departmental functions in new and expanding markets. Phillips recently helped launch Develop Detroit, a high-capacity nonprofit real estate firm focused on inclusive neighborhood development, serving as vice president of real estate. Previously, he worked for several nonprofit home builders and developers of affordable housing and cooperatives, including serving as the market leader for Mercy Housing in Southern California and the Southeast. Ben is a graduate of Michigan University.



David M. Greenblatt is Senior Vice President for Finance and is responsible for securing development and permanent debt and equity capital for Beacon's properties. In this role, he negotiates with lenders and investors to structure and close funding arrangements necessary to support the unique financial needs of each property. In this regard, he also works closely with Beacon's development directors and accounting groups to create development financial pro formas and additional financial analysis. A CPA with diverse market-rate and affordable real estate experience, David has previously served as Managing Director of Cognetics Real Estate, Vice President of Acquisitions and Portfolio Management at Liberty Real Estate, a subsidiary of Liberty Mutual Insurance, CFO of Liberty Properties and Assistant Vice President in Bank Boston's Real Estate Group. David is currently a member of the Boards of Caritas Communities and previously served on the Board of the Affordable Housing Tax Credit Coalition. He also is a member of the Greater Boston Real Estate Finance Association and the American Institute for Certified Public Accountants and a past member of the National Council of Investment Fiduciaries and the Pension Real Estate Association. David is a graduate of Yale University and earned his MBA from Boston University.



Mary Corthell is Executive Vice President of Asset Management. A 30-year industry veteran, Mary has extensive experience in affordable housing, regulatory oversight, and portfolio management and plays an integral role in the development and implementation of Beacon's innovative social responsibility programs. Prior to joining Beacon, Mary was the Director of Administration for the Stern Group of Brookline, MA. Mary currently serves on the board of the National Leased Housing Association and is Vice-Chair of the FPUU-Medfield Executive Board. Mary earned her BS degree from the University of Massachusetts-Amherst.



Andrea Orio is Senior Vice President of Administration and Compliance. Andrea has more than 26 years of experience in affordable housing, including the past 18 years directing and managing compliance operations. In this capacity, she established Beacon's comprehensive compliance programs, which are highly regarded by investors, state agencies and industry colleagues. Andrea is proficient in various housing programs, including Section 8 Project-Based Rental Assistance; Section 236; Low Income Housing Tax Credits (LIHTC); HOPE VI; HOME Investment Partnerships Program; Section 8 Enhanced Vouchers; Section 8 Project-Based Vouchers, and HUD's Rental Assistance Demonstration (RAD) program. Andrea has excelled in providing leadership and detailed oversight

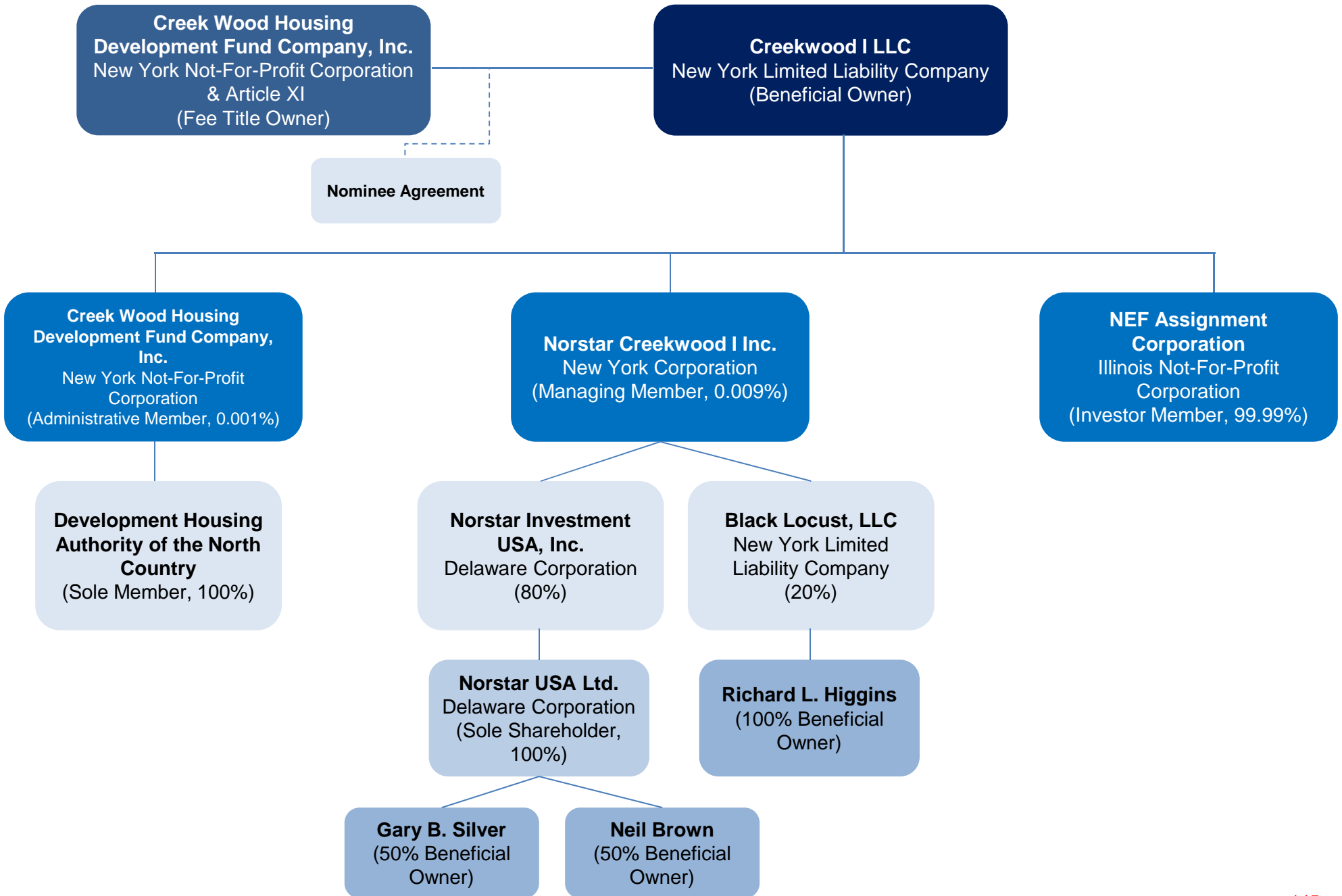
for complex program conversions, which includes several RAD conversions. Andrea earned a BS in Business Communication from Bentley University and has achieved related industry certifications including HCCP, C10P (Spectrum), SHCM, and COS.



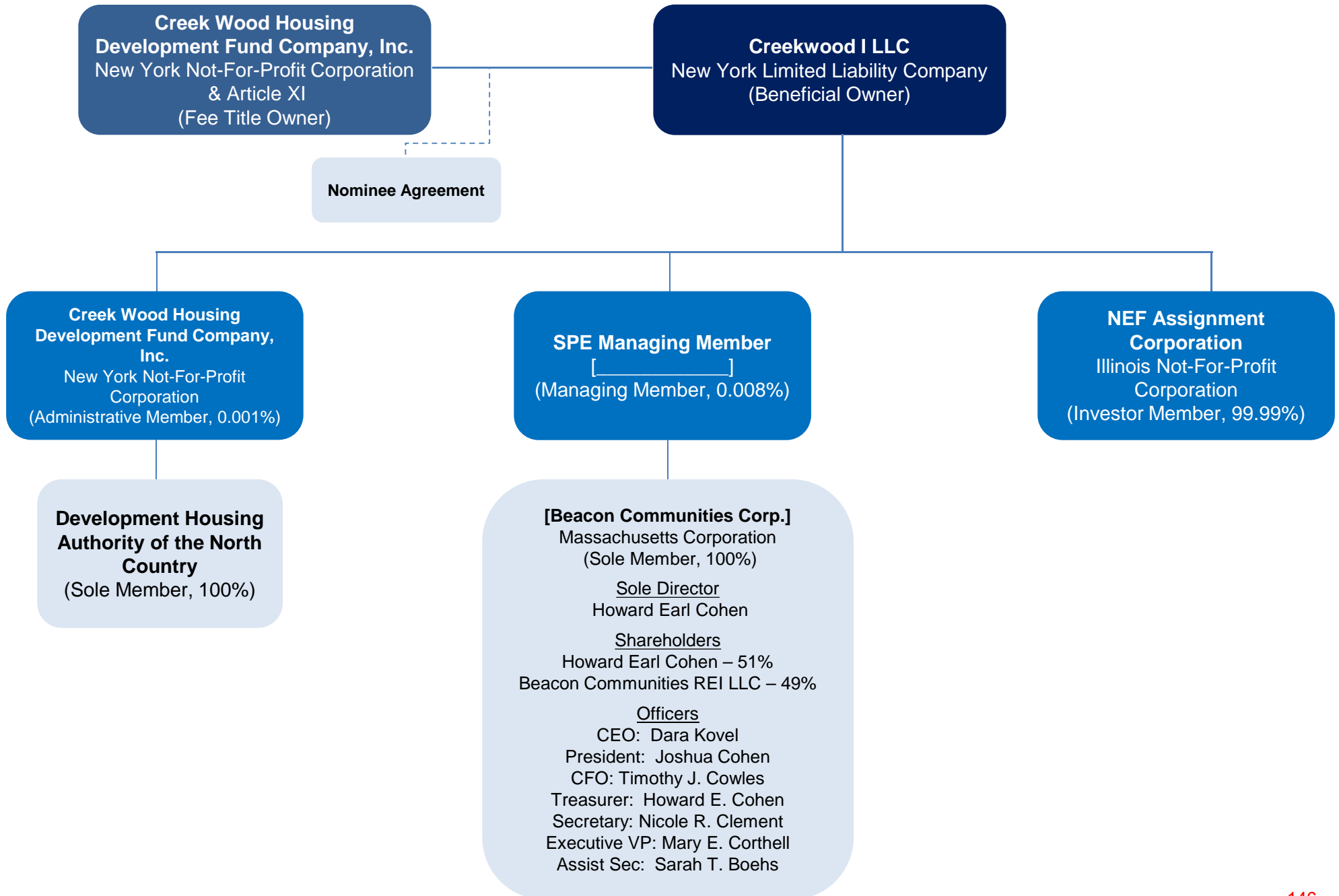
Thomas Stokes is Vice President of Resident Services. Tom brings decades of experience and leadership to Beacon's Resident Services department. He has been on the board of New England Resident Service Coordinators for six years and has been Board President for three years. He has also been a member of the Community Services Committee at MassHousing, which is Massachusetts' state housing agency.



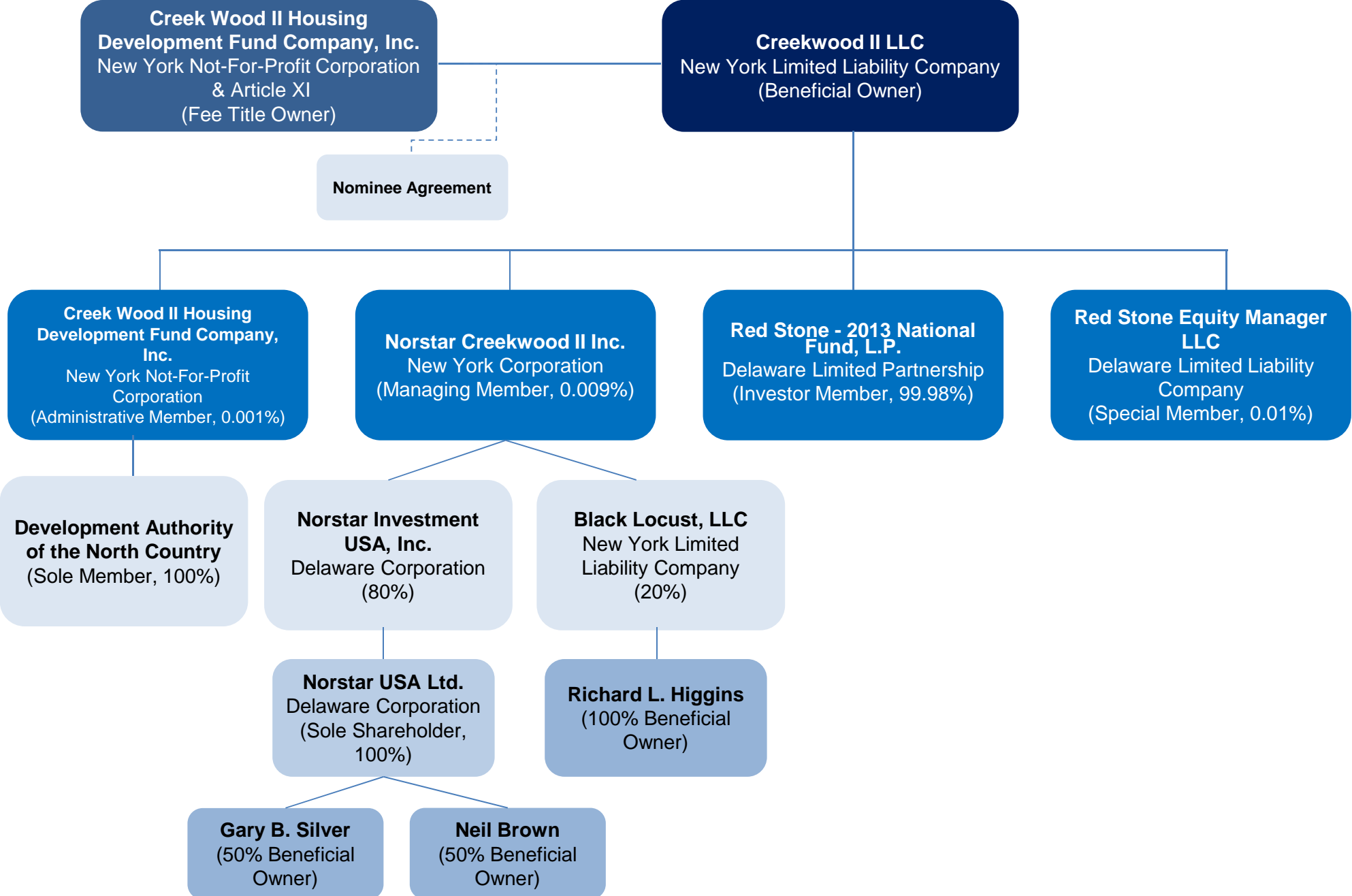
**NORSTAR PORTFOLIO | Creek Wood Apartments Phase I | Current Organizational Chart**



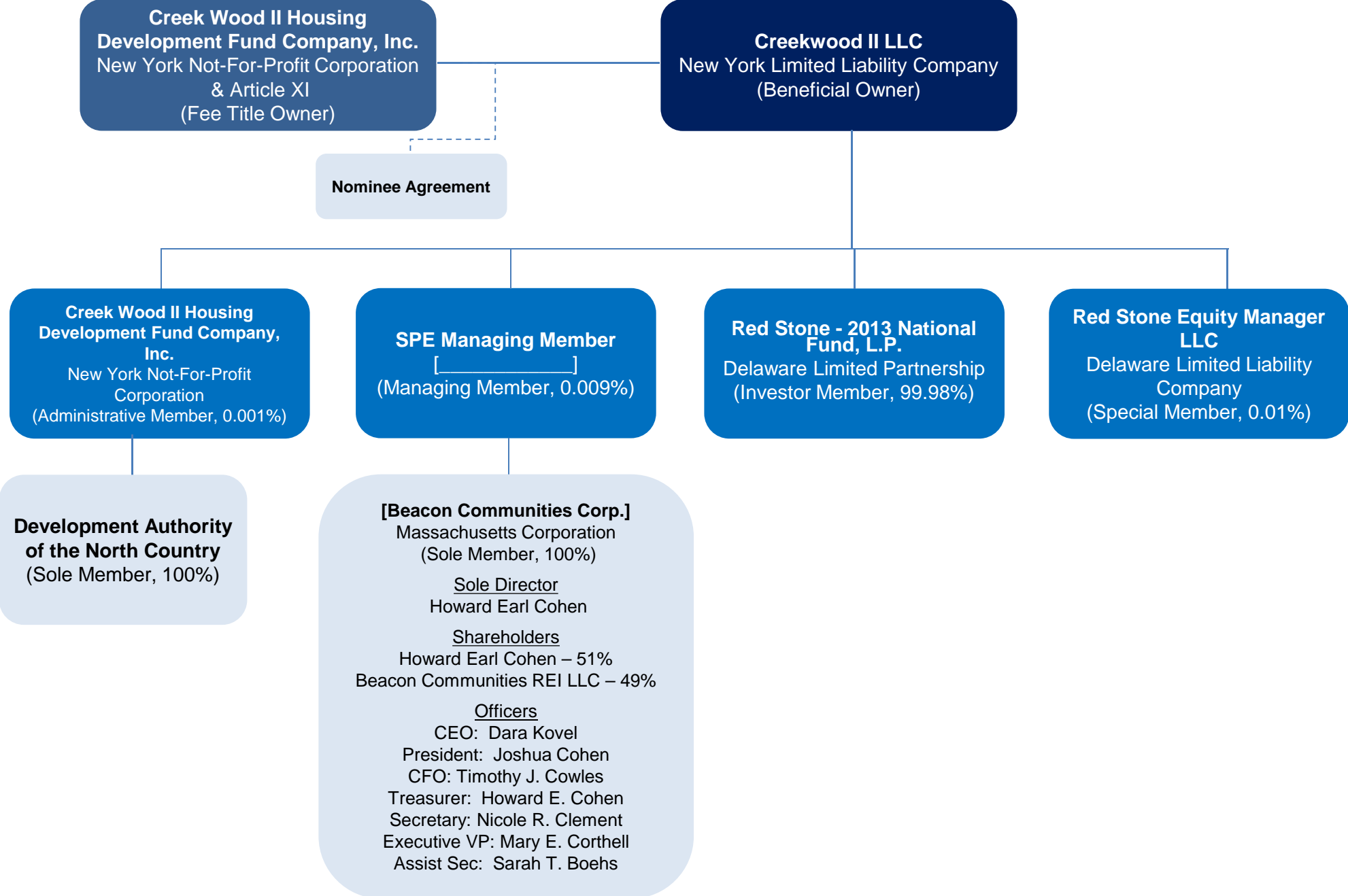
**NORSTAR PORTFOLIO** | Creek Wood Apartments Phase I | Acquisition Closing Organizational Chart



**NORSTAR PORTFOLIO | Creek Wood Apartments Phase II | Current Organizational Chart**



**NORSTAR PORTFOLIO | Creek Wood Apartments Phase II | Acquisition Closing Organizational Chart**



**NORSTAR PORTFOLIO | Summit Wood Apartments | Current Organizational Chart**

