

**LAKE CHAMPLAIN LAKE GEORGE REGIONAL PLANNING BOARD
DIRECTORS MEETING MINUTES January 10, 2019.**

COUNTY	LCLGRP MEMBERS	PRESENT	ABSENT	VOTING MEMBER (Y/N)
CLINTON	Rodney Brown		Absent	Y
	Pete Keenan	X		Y
	Patty Waldron	X		Y
	Harry McManus (Chair)		Absent	N
	Kimberly Davis (Treasurer)		Absent	N
	Al Rascoe (Highway Supt.)		Absent	N
ESSEX	Charles Harrington	X		Y
	Ron Jackson	X		Y
	Mike Marnell		Absent	Y
	Randy Preston (Chair)		Absent	N
	Michael Diskin (Treasurer)		Absent	N
	Chris Garrow (Highway Supt.)		Absent	N
HAMILTON	John Frey		Absent	Y
	Christy Wilt	X		Y
	Richard Wilt		Absent	Y
	Bill Farber (Chair)		Absent	N
	Beth Hunt (Treasurer)		Absent	N
	Tracy Eldridge (DPW Supt.)		Absent	N
WARREN	Dennis Dickinson	X	Arrived after roll call	Y
	Edna Frasier	X		Y
	John Strough	X		Y
	Ron Conover (Chair)	X		N
	Mike Swan (Treasurer)	X		N
	Kevin Hajos (DPW Supt.)	X	Arrived after roll call	N
WASHINGTON	Matthew Hicks	X		Y
	Richard Moore	X		Y
	David O'Brien	X		Y
	Bob Henke (Chair)	X		N
	Al Nolette (Treasurer)	X		N
	Deb Donohue (DPW Supt)		Absent	N

Beth Gilles, Director, LCLGRP
Media & Public

Aaron Frankenfeld, Director, A/GFTC

AGENDA AS PRESENTED IN COMMITTEE NOTICE:

- 1) Pledge of Allegiance
- 2) Roll Call
- 3) Election of Officers

- Chairperson
 - Vice-Chairperson
 - Treasurer
 - Secretary
- 4) Approval of Minutes
 - November 2018 minutes
 - 5) Treasurer’s Report
 - November – December 2018 Abstracts
 - 2018 Year End
 - 2019 County Allocations
 - 6) Re-Affirmation of By-Laws and Policies
 - 7) Approval of Salary Schedule
 - 8) Establishment of Petty Cash Fund
 - 9) Establishment of a Debit Card
 - 10) Loan Committee report
 - 11) Establishment of 2019 RLF Interest Rate
 - 12) Northern Borders Regional Commission funding – Kyle Wilber, NYS DOS & Jon Demarest, NYS DOS
 - 13) Director’s Report
 - 14) Next Meeting date
 - 15) Other
 - 16) Adjourn

LCLGRP Board Director, Beth Gilles, called the meeting to order at 1:00 P.M. in the Warren County Board of Supervisors room at the Warren County Municipal Center, Lake George, New York.

Pledge of Allegiance to the Flag.

ROLL CALL – Ms. Gilles took roll call and established there is a quorum.

ELECTIONS OF OFFICERS – Ms. Gilles opened the floor for nominations for Chairman. Mr. Hicks nominated Dave O’Brien. The nomination was seconded by Mr. Keenan. No other nominations made. Nominations closed. A motion to elect Dave O’Brien as the 2019 Chairman of the LCLGRP Board was made by Mr. Strough (Warren County), seconded by Ms. Waldron (Clinton County). Motion passed.

Ms. Gilles opened the floor for nominations for Vice-Chairman. Mr. O’Brien nominated John Strough. The nomination was seconded by Mr. Jackson. No other nominations made. Nominations closed. A motion to elect John Strough as the 2019 Vice-Chairman of the LCLGRP Board was made by Mr. Moore (Washington County), seconded by Ms. Frasier (Warren County). Motion passed.

Ms. Gilles opened the floor for nominations for Treasurer. Mr. Jackson nominated Al Nolette. The nomination was seconded by Mr. Strough. No other nominations made. Nominations closed. A motion to elect Al Nolette as the 2019 Treasurer of the LCLGRP Board was made by Mr. Strough (Warren County), seconded by Ms. Frasier (Warren County). Motion passed.

Ms. Gilles opened the floor for nominations for Secretary. Mr. O'Brien nominated Beth Hunt. The nomination was seconded by Ms. Frasier. No other nominations made. Nominations closed. A motion to elect Beth Hunt as the 2019 Secretary of the LCLGRP Board was made by Mr. Jackson (Essex County), seconded by Mr. Strough (Warren County). Motion passed.

Ms. Gilles gave the floor to Chairman O'Brien.

Chairman O'Brien thanks the Board for their confidence in him. States it's been an interesting year and hopes this next year is a little smoother. A lot of progress has been made. A couple of loans we are struggling with but all in all we are in pretty good shape financially. It's been a long struggle these past seven months but he thanks everyone for their support. He also thanks Ms. Gilles for pitching in and doing a great job. He has complete confidence that Ms. Gilles will carry us through the next years and years beyond. He introduced new LCLGRP employee Carrie Yakush, Senior Account Clerk, who has been here since October.

APPROVAL OF MINUTES:

November 2018 Minutes – A motion to accept the minutes as mailed, motion made by Mr. Dickinson (Warren County) and seconded by Mr. Keenan (Clinton County). No admission or corrections. Motion passed.

TREASURER'S REPORT:

LCLGRP Treasurer, Al Nolette, wrote off the bad loans. That is reflected in the expenses in the operating fund. The only two items of note are the operating fund shows a surplus this year. A lot of that is we weren't sweeping the interest that we were allowed to sweep off the EDA loans. They are able to be used to offset operations. There is also some EDA administration monies that had gone unclaimed and we were able to tap in and finalize those unclaimed monies. It will be a recommendation going forward that maybe we pull back on how much of the interest we draw. Notice the loan funds, the reserve line down in the fund balance shows what we have in funds to loan. The reserve cash show what we have in reserve cash. The reserve cash lines are still below the reserve amount that we should have to loan. The only way to get those numbers flush again is to start leaving some of the interest there. We are at a point where we should be able to leave some of the interest in the fund so that the amount that is on hand to loan matches up to the amount we should have to loan. So we are progressing in the right direction. The last thing to report is the RDC. Going into 2019, Mr. Nolette, states he is not confident on the future of the RDC, fiscally, based on cash flow and current status.

Chairman O'Brien calls for a motion to accept the Treasurer's report and November to December 2018 abstracts. Motion to accept made by Mr. Jackson (Essex County) and seconded by Mr. Dickinson (Warren County). Motion passed. Chairman O'Brien commented that when he was first elected we were about 4-5 months behind in payables. He is now pleased to say that after 7 months we are up to date. Collecting on loans has put us in a good position to move forward. He thanked Mr. Nolette for his work. He acknowledges Ms. Gilles for having the fortitude to call the EDA to get the outstanding funds. Mr. Jackson enquired about collecting on loans. The first way is based on the collateral. We would go after the collateral. The second way is to go after a judgment against the individual and all of their assets.

A discussion on the 2017 and 2018 fund balance ensued.

Ms. Gilles states she has only received correspondence confirming the 2019 County Allocations from Clinton and Warren Counties. She requested that Essex, Hamilton and Washington County's could email or mail our office something stating what it is for our files. She thanked Clinton County for their timely contribution.

RE-AFFIRMATION OF BY-LAWS AND POLICIES:

Chairman O'Brien stated that in the last three months the Board has adopted new policies and there haven't been any changes since. Chairman O'Brien would like to re-affirm the By-Laws and Policies from last year. Mr. Hicks (Washington County) made a motion, seconded by Mr. Strough (Warren County). Motion Passed.

APPROVAL OF SALARY SCHEDULE:

Chairman O'Brien said this is normally approved with the budget but we got out of cycle this year. Referring to the 2019 Salary Schedule handout, the salary increase is 2.5%. The 2018 salary for Director was \$70,000 and increased by \$1,750 to \$71,750 in 2019. Senior Account Clerk 2018 salary was \$40,000 and increased by \$1,000 to \$41,000 in 2019. The Senior Planner salary level is \$57,000 for 2019. The potential Economic Development Coordinator position that we may consider in the last half of this year is \$45,000. Ms. Gilles discussed the new Senior Planner position. She states we advertised in December 2018 for a Senior Planner which we worked with Warren County Civil Service to get a title together for. We had 4 applicants that were all interviewed on December 21st. Two were chosen for a follow-up phone call interview with Chairman O'Brien. A decision was made earlier this week. The new planner will begin February 11, 2019. She was hired at the \$57,000 salary.

Mr. Conover digresses back to the policies. He wonders if the policies include Sexual Harassment, Workplace Violence and Banking policy. Ms. Gilles states it includes the By-Laws of LCLGRP, the LCLGRP Electronic Banking policies, the LCLGRP Ethics policy, LCLGRP Investment policy, LCLGRP Procurement policy, LCLGRP Workplace Violence Prevention Program, RPB Policy Rules Video Conferencing, By-Laws of the RPB Loan Committee, Sexual Harassment Policy and Program for LCLGRP, LCLGRP Loan Collection Process Policy. Mr. Conover asks if all of these policies are in one place in case anyone asks. Ms. Gilles states yes.

Back to the Salaries, Chairman O'Brien asked for a motion to approve the salary levels for 2019 retroactive to January 1, 2019. Mr. Dickinson (Warren County) made a motion, seconded by Ms. Waldron (Clinton County). Motion passed.

ESTABLISHMENT OF PETTY CASH FUND:

Chairman O'Brien states with the frequency of certified mail we do we would like to establish a petty cash fund of \$100.00, also to use for minor expenses. Treasurer Al Nolette states that he has asked for petty cash for be established because we currently reimburse staff for payment out of pocket which he is very uncomfortable with this practice. Mr. Dickinson (Warren County) made a motion, seconded by Ms. Frasier (Warren County). Motion passed.

ESTABLISHMENT OF DEBIT CARD:

Chairman O'Brien states that when an employee is traveling there are expenses and instead of using personal funds that need to be refunded the use of a debit card would alleviate that. Before the known travel, funds would be transferred onto the debit card. Chairman O'Brien prefers debit card versus credit card. Mr. Dickinson asked if this would be only for LCLGRP Director Beth Gilles or for the whole office. Chairman O'Brien states it would be for the whole office. Mr. Dickinson (Warren County) made a motion, seconded by Mr. Strough (Warren County). Motion passed. Mr. Nolette states any activity from the debit card would be on his reports. Mr. Nolette questions why a credit card with fraud detection alert isn't being considered. Chairman O'Brien states he has an aversion of using a personal social security number to get a work credit card. A/GFTC Director Aaron Frankenfeld notes that A/GFTC staff also incurs out-of-pocket, as-we-go expenses for travel and purchases that end up getting billed back to the RPB and reimbursed to their personal accounts. So while considering this mechanism to offset travel expenses or to help document them better it may be worthwhile to consider a separate amount for A/GFTC or a pooled amount that all can use as staff. Chairman O'Brien asks Mr. Nolette if there should be one account or two. Mr. Nolette suggests two accounts. Mr. Dickinson (Warren County) amended his motion to include approval of one debit card for LCLGRP and one debit card for A/GFTC, seconded by Mr. Strough (Warren County). Motion passed. Chairman O'Brien asks if we would be eligible for a procurement card usage and asked to think about it.

LOAN COMMITTEE REPORT:

Ms. Wilt, Chairperson, Loan Administrative Committee, reported that the committee met on January 3, 2019 at RPB offices. Ms. Gilles provided each member of the committee a copy of the Revolving Loan Fund Management Plan. They elected Chad Richards from Glens Falls National Bank as Secretary. Past meeting minutes were approved. By-Laws and policies were reviewed. Reviewed the revised loan application and LCLGRP staff will provide a copy to the SBDC and SCORE. Loan interest rates were discussed. Reviewed bank balances in the loan fund accounts and there is money in the loan funds to loan out. Went over the write-offs. Seven loans have been written off to date totaling \$339,236. Six loans have been paid off in 2018 totaling \$321,673.36 and 3 additional loans have matured and been paid off. Discussed the loan modification for a company who is not making headway on his loan. He is only making interest only payments and after a number of years he is barely below what he started out at. Filed foreclosure proceedings against Coopers Logging who is 796 days delinquent. Discussed Brand Redemptions, Joe Brand loans. He is current on 2 of his loans but is 940 days delinquent on RLF 2 loan and 509 days delinquent on the IRP loan. We have a 1st, 2nd and 3rd mortgage on the property where the Chestertown store is located. Taxes on that property have not been paid so a certified letter has been mailed demanding payment on taxes within 30 days or there will be a default on the mortgage. Adirondack Meat Company is 142 days delinquent. They have cut off all contact with the RPB staff and we are going to proceed with litigations based on personal guarantees given at the loan closing. Ms. Gilles received notice from the Clinton County treasurer that Michael Finnegan of North Country Club Restaurant in the Town of Ausable in Clinton County hasn't paid his 2017 or 2018 taxes. Loan from RPB was secured with a mortgage on the building. Certified letters were sent to both Michael Finnegan and his wife demanding payment of his taxes within 30 days or they will be in default of their mortgage that secured their loan with us. Three upcoming meetings are scheduled for April 9th, July 9th and October 8th, 2019. Mr. Nolette asked about the

two properties that are delinquent in their taxes wondering if conversations have been had with their county treasurers to see where they are in their unfortunate cycle so that we don't lose our interest while the county has protected theirs. Ms. Gilles stated she has talked to the Clinton County Treasurer several times but has not talked with Warren County. Mr. Moore asked if it is possible to get a copy of the Loan Committee report. Chairman O'Brien states it won't be a problem. Chairman O'Brien states that these loans mentioned have been problems. He said Essex County is also chasing Adirondack Meat. Ms. Gilles notes that the committee did discuss adding the 16% interest increase language into the loan contracts. This would include putting a clause in the contract that states if you become X number of days delinquent then we reserve the right to increase the interest to 16%. There are two sides to this. One is that knowing the interest could increase to 16% people may not become delinquent on their loan. The other argument is that if people aren't paying their loans at 5% then they aren't going to be able to pay at 16%. The Loan Committee recommends that they would like to have that in the agreement. Specifically stating "Reserves the right to" which means we have the option. Chairman O'Brien feels strongly to have this 16% increase option. Mr. Nolette states that nine loans have been paid off in 2018 and he thinks it's because people have acknowledged we have become a little more aggressive. Ms. Wilt suggests going forward to ask for yearly tax returns to know if people could or couldn't pay on their loans. Mr. Nolette agrees this is a good idea. The Board agreed to add this clause to our loan contracts.

ESTABLISHMENT OF 2019 RLF INTEREST RATE:

The loan committee is most comfortable with providing an interest rate range of 5% - 6.5% to be based on a case-by-case basis due to the different parameters of the loan. Mr. Hicks (Washington County) made a motion to approve the recommendation of the loan committee, seconded by Mr. Moore (Washington County). Mr. Strough suggested having criteria put in place for how loan interest rates are determined. Ms. Gilles stated she will ask the loan committee. Motion passed. Mr. Hicks asked if the rates were locked in for the year or if the market changes can the Board change the rate range. Ms. Gilles states the Board has the power to change it if they want to.

NORTHERN BORDERS REGIONAL COMMISSION FUNDING – KYLE WILBER, NYS DOS & JON DEMAREST, NYS DOS

Ms. Gilles invited Kyle Wilber and John Demarest from the Department of the State. She prepared and presented slides to show what the program is and what kind of projects it will cover.

Northern Borders Regional Commission Funding is federal funding. It's for infrastructure and economic development in Clinton, Essex, Hamilton and now Warren and Washington Counties as well as some other surrounding counties. This funding covers designated counties in Maine, New Hampshire, Vermont and New York. It's part of a funding pool and there are numerous funding commissions throughout the country. The funding is for modernizing transportation, telecommunications and basic public infrastructure (as long as it is not for deferred maintenance), business and workforce development, construction of basic healthcare facilities, to construct publicly owned alternative energy systems, and conservation, tourism and recreation as long as there is a definitive economic development portion of the project. The maximum grant award for infrastructure is \$500,000. The maximum for all other categories is \$250,000. It is open to state and local government and non-profits can apply for it. Reimbursement criteria is based on a federal distress formula. If you are considered a distressed county then you are

considered for 80% funding with 20% match. If you are considered a transitional county you are considered for 50% funding with 50% match. Clinton, Essex and Hamilton are considered distressed. We have not gotten any information on whether Warren and Washington counties will be considered distressed or transitional. Mr. Wilber states that every county that has been added previously has been added as distressed. The NBRC funds can be used as matched with other federal funds up to 80% of the total project cost. A letter of notification must be submitted to the state (Kyle's office) and also to RPB office. RPB is the designated local developmental district for NBRC and our 5 counties. The applications for 2019 are not out yet and it's an online application. The grants are scored by the state and the projects have to be in line with the NBRC's strategic plan, our comprehensive economic strategy and/or the state economic documents. To be the local development district we do the grant administration once the grants are awarded. It is a requirement of the grant that RPB does the administration. We are the eyes and ears for the federal government on how the projects are going. The recipients send their quarterly reports and reimbursement requests to our office first and we go through them to make sure they are all correct before they go to the federal government. Also, before the program starts we help everyone get their contract paperwork into the federal government to make sure that it's all correct so that the recipient can get their notice to proceed. Examples of past awards were given.

Mr. Wilber and Mr. Demarest from the Division of Local Services, NYS DOS, were in attendance to talk about the NBRC program. Mr. Wilber first congratulated the LCLGRP on its restructuring and congratulated Ms. Gilles on her appointment to Director. He is excited to work with the LCLGRP and its new leadership on its programming.

In 2018, New York State was provided \$2.8 million in funding through the NBRC program that was awarded to seven projects. In November 2018, the Commission was reauthorized with new counties added, including Warren and Washington, however right now the funding level hasn't been increased.

The NBRC program has to fund in one of seven core areas, which Ms. Gilles covered in her presentation. 40% of the total funding is required to go to infrastructure projects.

The Commission staff in New Hampshire has started an online application process. The 2019 funding round should be available in February-March. The LCLGRP is the designated Local Development District for the program, meaning that it is the local arm of the Federal-State-Local partnership. If a municipality is looking to apply for a grant, it will first talk with the LCLGRP and then submit the application through the online portal. NYS DOS staff reviews and scores the applications. Contracts are awarded before the end of the federal fiscal year, which is September 30.

Mr. Wilber gave some additional examples of funded projects.

Mr. Wilber also mentioned an additional \$7.0 million in funding was provided to the Commission for a Forest-Based Economy initiative. No further details are currently available.

NYS DOS staff speak with the Regional Planning Boards and leadership of the state Economic Development Council's to ensure projects are consistent with federal and state economic development plans.

Questions were then taken. The local match is either 50% or 20%, depending on the designation of the specific county. Any public entity is eligible to apply. Infrastructure includes roads, sewer, water, storm and broadband. Private entities cannot be applicants.

Communities in need of telecommunications can receive funding. The municipality is the applicant and then the municipality works out a partnership with the provider. Bill Farber of Hamilton County is a good person to speak to about forming those partnerships.

Mr. Wilber noted to make sure you are clear on what your project is and what the return on the NBRC investment will be. NBRC is looking to create new economic development opportunities. The LCLGRPB can help with this. The LCLGRPB also assists awardees with getting the necessary federal forms submitted to NBRC to get projects started and administration throughout the project. The LCLGRPB is paid to do this through the grant funding.

A municipality is eligible to apply for more than one grant, but if the municipality is a past awardee, it must expend at least 75% of the previous award to be able to get a new award.

The NBRC Program allows an array of funding to be used as match, but please make sure that any state programs allow you to match with federal funding.

Additional information is available at www.nbrc.gov

DIRECTOR'S REPORT:

Ms. Gilles reviewed the Director's Report that was submitted in the agenda packet and discussed all bullet points. We are still waiting on the 2017 LCLGRPB audit. She is working on the 2018 Annual Report and has hired a consultant to re-do the website. Working on end of the year reporting to EDA and completed and submitted application package for 2019 – 2021 funding.

A-95 Reviews: The LCLGRPB performs A-95 reviews when entities within the five counties are seeking specific federal funding. They are required to get a letter from the RPB that says there are no local issues with that project. Going back through the old minutes those were discussed at the Board meetings and going forward they will be discussed.

Two of the five grants Ms. Gilles submitted through the CFA were awarded for environmental projects. The LCLGRPB will be paid to administer those grants. She will also be submitting two additional grants in the coming month and continuing with the current grant management on three grants.

Much work has been done on the loan program. Two loans have paid off since the last meeting. Released their collateral and supplied them with exit packages. Submitted reports to USDA. Working on the loan modification mentioned previously and working on getting updated insurance from all loan recipients.

NEXT MEETING DATE:

Chairman O'Brien states the 2019 meetings will be quarterly. The next meeting is scheduled for April 18th, 2019 at 1PM in the Warren County Municipal Center.

OTHER:

Ms. Gilles reminds everyone to appoint a Board member for 2019. The three appointed Board members should be staggered so each year each county needs to appoint one member. Thus far she has only gotten a resolution from Washington County stating a Board member was appointed. She asked the other counties to please send her a copy of the appointment resolution as soon as possible. Also if there are any new chairmen, highway superintendants or treasurers please let her know. They are the ex-officio Board members by virtue of their positions. Ms. Gilles will update the member list for 2019.

Ms. Gilles said regarding the Loan Committee, Harrison Sangster, who is our northern at large member, is no longer with Glens Falls National. So Ms. Gilles and Ms. Waldron have been working with Rodney Brown in Clinton County to get a new committee member. He has someone interested.

With the authorities budget office Ms. Gilles has to enter a lot of information into PARIS for the first time this year. She will be emailing members of the RDC some things that need to be signed and looked over.

Chairman O'Brien reported that the auditor left. And he suspects a final report within 6 months. The focus of the audit was governance and loans.

Mr. Conover thanked Ms. Gilles and Chairman O'Brien for the NBRC presentation.

Meeting adjourned at 2:25PM.



Northern Borders Regional
Commission



Northern Borders Regional Commission
Funding

- ▶ Federal funding for infrastructure and economic development in Clinton, Essex, Hamilton, Warren and Washington Counties
 - ▶ Modernizing transportation
 - ▶ Telecommunications and basic public infrastructure
 - ▶ Business and workforce development
 - ▶ Construction of basic healthcare facilities
 - ▶ Construct publicly owned alternative energy systems
 - ▶ Conservation, tourism and recreation

Grant Details

- ▶ Maximum grant awards: \$500,000 for infrastructure and \$250,000 for all other categories
- ▶ State and local governments and non-profits
- ▶ Reimbursement Criteria
 - ▶ Distressed-eligible for 80% funding and require a 20% match
 - ▶ Transitional - eligible for 50% funding and require a 50% match
- ▶ NBRC funds can be used as match for leveraging other Federal grant funds, only up to 80% of the total project. There always needs to be a 20% non-federal match
- ▶ Submit a letter of notification to the State and the LCLGRP
- ▶ Grants are scored by the State
- ▶ Projects have to be in line with NBRC Strategic Plan, LCLGRP CEDs and/or State Economic Development documents

Local Development District - LCLGRP

- ▶ Grant administrators
- ▶ On-the-ground eyes and ears for the federal government
- ▶ Assist with contracting
- ▶ Ensure project progress
- ▶ Process paperwork

NY Projects

- ▶ The Town of Plattsburgh will two 12-inch water production wells and a 20 by 30 foot treatment building for chlorination and fluoridation. It will accommodate future development for the Town of Plattsburgh and the region.
- ▶ The Town of Herkimer will extend 10,700 linear feet of sanitary sewer line to a 46 acre commercially zoned campus.
- ▶ Jefferson Community College (JCC), in partnership with Lewis County will support workforce training through the creation of the Lewis County Education Center.
- ▶ The Town of Inlet will construct a communications tower eliminating portions of the Town, as well as nearby Towns of Raquette Lake, Eagle Bay, and Big Moose, that do not have cell service.
- ▶ The Town of Crown Point will relocate their Sewer District Number 1 collection and wastewater treatment system.
- ▶ The City of Rome will rehabilitate a shared railroad-highway bridge over the Mohawk River to maintain 286,000-lb railcar access to industries located in the City.
- ▶ Essex County received funding for structural improvements to the County Fish Hatchery which will increase the yield of trophy-sized trout reared and released into area waters, enhancing the recreational fishing tourism industry.