

**Watertown Local Development Corporation
Regular Board Meeting Minutes
Thursday, March 15, 2012**

The Watertown Local Development Corporation (WLDC) held its regular board meeting on Thursday, March 15, 2012 in the board room of the WLDC, 82 Public Square, Watertown, New York.

MEMBERS PRESENT – Jeffrey Graham, President; Mary Corriveau; John Vanderloo (Designee for Roseanne Murphy); Jeffrey Fallon; Mark Bellinger; Donald Alexander; Dave Zembiec (Designee for Donald Alexander)

MEMBERS EXECUSED – Roseanne Murphy, Erika Flint

OTHERS PRESENT – James Heary, Attorney at Law (via conference call), Donald W. Rutherford, CEO; Kim S. Taylor; Executive Assistant; Craig Fox, Reporter, Watertown Daily Times; Brianna Tousant, CPA, Poulson & Podvin; Richard Smith, Bond Schoeneck & King; Edwin Kelly, Jr., Bond Schoeneck & King

CALL TO ORDER – President Graham called the meeting to order at 8:31 a.m.

I. MINUTES – Mrs. Corriveau made a motion to approve the minutes of February 17, 2012, second by Mr. Fallon. All in favor. Carried.

II. FINANCIAL STATEMENTS – Mr. Fallon reviewed the financial statements for the month of February. Ms. Tousant stated the retained earnings line item on the balance sheet is the way QuickBooks reports the item and that it is satisfactory to leave it as is.

Mr. Fallon reviewed the Franklin Building expenses. Mr. Rutherford stated he has been considering dividing the large interior space at the Franklin Bldg. into two rental spaces.

Mr. Rutherford reviewed the delinquent accounts.

A motion was made by Mr. Bellinger to approve the February financial statements, seconded by Mrs. Corriveau. All in favor. Carried.

2011 Audit - Brianna Tousant, CPA of Poulson & Podvin P.C. presented and reviewed the annual 2011 audit of the WLDC. Mrs. Tousant stated the 990 has been submitted.

A motion was made by Mr. Fallon to approve the 2011 WLDC Audit, seconded by Mrs. Corriveau. All in favor. Carried.

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III. CORRESPONDENCE – President Graham referenced the correspondence from the JCIDA dated February 28, 2012 in regard to the professional services contract requesting the WLDC to contribute financially to the JCIDA’s joint defense. President Graham stated the terms of the contract state the WLDC agrees to pay for reasonable expense related and reimburse JCIDA incurred for a defense fund. Mrs. Corriveau questioned the WLDC can legally contribute to a defense fund.

Counsel Heary joined the meeting via conference call.

Mr. Alexander stated at the advice of counsel he prepared the letter. Mr. Alexander stated the JCIDA Board has authorized the commencement of legal action to protect the JCIDA and the 12 employees. Mr. Alexander stated the agreement states the WLDC indemnify the JCIDA and could bill for help in the defense fund which is estimated to be \$50,000.

Mrs. Corriveau stated in her opinion she would like confirmation from Bond Schoneck & King on whether the board can legally contribute to a defense fund. President Graham stated an approval by the board is required to retain counsel for the LDC.

President Graham suggested the board move onto the Loan Review Committee agenda items.

LOAN REVIEW & ELIGIBILITY COMMITTEE - The Loan Review Committee recommend approval of the request from Benchmark Family Services, Inc. in the amount of \$171,614.00. The request is for a modification to restructure the terms and the principal of the loan.

A motion was made by Mr. Fallon to approve the loan in the amount of \$171,614.00 to Benchmark Family Services, Inc. seconded by Mr. Vanderloo. Mr. Bellinger abstain. The loan was approved with the following terms and conditions:

Beginning with a 12 month period June 1, 2012 through May 1, 2012 monthly payments of \$1,000 will be applied to reduce the Principal with no interest paid during this period; beginning June 2012 principal and interest will be paid; for the periods July 2013 – September 2013 Interest only will be paid; October 2013 – December 2013 full Principal and Interest will be paid, and beginning January 2014, 9 months of Principal and Interest and 3 months of interest only (July, August, and September) will be paid continuing to maturity date of 2/1/2016, guarantee of Marguerite K. Feistel, co-proportional second mortgage with JCIDA and all the terms and conditions of the original loan remain in effect

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Personnel Committee – No report.

Nominating Committee – No report.

Governance Committee – No report.

Activity Report of CEO – Mr. Rutherford’s activity report is attached.

Bond Schoneck & King Law Firm – President Graham introduced Richard Smith and Edwin Kelly, Jr. of Bond Schoneck & King Law Firm. Mr. Smith and Mr. Kelly presented the board with a biography of their legal expertise.

Mr. Smith stated the there is potential liability to be looked at as an employer. President Graham stated the LDC board is not the employer, the JCIDA is the employer and we would like to look at the options against potential liability.

Mr. Smith stated he has been requested to represent the WLDC and JCJDC. Mr. Smith stated he is uncomfortable addressing the board when the press is present. Mrs. Corriveau stated she sits on both boards and questioned whether there was a conflict. Mr. Smith indicated there was not a conflict to represent both boards. Mrs. Corriveau asked whether the firm would represent the WLDC exclusively. Mrs. Corriveau suggested engaging BS&K to represent the LDC before we discuss anything further.

A motion was made by Mr. Fallon to retain Bond Schoneck & King to give advice to the WLDC on the pension issue, seconded by Mr. Bellinger. Mr. Alexander abstain; all others in favor. Carried.

EXECUTIVE SESSION – A motion was made by Mr. Fallon to enter into executive session at 9:20 a.m. to discuss potential litigation attorney client privileged information, seconded by Mrs. Corriveau. All in favor. Carried.

Mr. Rutherford, Ms. Taylor, Mr. Heary and Mr. Fox were excused from the executive session. Mr. Alexander excused himself from the executive session and the board meeting.

A motion was made by Mr. Bellinger to adjourn the executive session at 10:35 a.m. and reconvene the regular meeting at 10:36 a.m. seconded by Mrs. Corriveau. All in favor. Carried.

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NEW BUSINESS

Sewall Island Option – The Sewall Option Agreement was tabled until the next meeting.

Cleaves Enterprise Option – The Cleaves Enterprise Option Agreement was tabled until the next meeting.

NEXT MEETING – The next meeting will be held on Thursday, April 19, 2012.

ADJOURNMENT – A motion was made by Mr. Bellinger to adjourn the meeting, seconded by Mrs. Corriveau. The meeting adjourned at 10:40 a.m.