

**Watertown Local Development Corporation
Board Meeting Minutes
Wednesday, July 11, 2012**

The Watertown Local Development Corporation (WLDC) held a meeting on Wednesday, July 11, 2012 in the Board room of the Jefferson County Industrial Development Agency, 800 Starbuck Avenue, Watertown, New York 13601.

MEMBERS PRESENT – Jeffrey Graham, President; Mark Bellinger; Donald Alexander; Kenneth Mix (Designee for City Manager); Erika Flint

MEMBERS EXECUSED – Jeffrey Fallon, Dave Zembic (Designee for Donald Alexander)

MEMBERS ABSENT - Roseanne Murphy, John Vanderloo (Designee for Roseanne Murphy)

OTHERS PRESENT – Donald W. Rutherford, CEO; Kim Taylor, Executive Assistant; Dave Converse, JCIDA Chairman; Michelle Pfaff, JCIDA; W. Edward Walldroff, JCIDA; Lyle Eaton, Comptroller, JCIDA; Peggy Sampson, Executive Assistant Marguerite K. Feistel, Executive Director, Benchmark Family Services, Inc.; Four staff members from Benchmark Family Services, Inc.; Mark Lavarney, President, Watertown Savings Bank

President Graham called the meeting to order at 7:30 a.m. The purpose of the meeting is to consider additional funding to Benchmark Family Services, Inc.

Mr. Rutherford presented the WLDC and JCIDA Board of Directors with the proposed workout for Benchmark Family Services, Inc. Mr. Rutherford stated the WLDC and JCIDA had previously approved a restructure plan for Benchmark but held off on the financing until new financials were received from Benchmark.

Mr. Rutherford stated the agencies were notified that Benchmark was in jeopardy of shutting the business down because of compliance issues. Mr. Rutherford indicated that without approval the business will close within a month or so.

Mr. Rutherford stated the amount of the loan from the WLDC is in the amount of \$239,175.00 (for 16 years at 3% fixed beginning year 2; first year \$1,000 monthly applied to principal). Benchmark Family Services employs 35. Mr. Rutherford stated the bank cannot advance anymore funds for payroll. Mr. Rutherford stated the daycare part of Benchmark's business is a drain on the company and will be closing in September. Mr. Lavarney stated the bank's structure remains the same and will not advance additional payroll requests.

**Watertown Local Development Corporation
Board Meeting Minutes
Wednesday, July 11, 2012
Page Two**

Mr. Alexander stated he has met with the County of Jefferson and explained the relationship between the County and Benchmark. Mr. Alexander stated Benchmark has to communicate with the County to resolve the proper submission of paper. Mr. Alexander stated the County is very supportive of the future of Benchmark and it is critical that we approve the restructure.

Ms. Feistel addressed the Board regarding the charges that were brought against her which were expunged, the compliance issues with the County of Jefferson, the state and federal violations that were brought against the agency. Ms. Feistel stated she will address the problems with Jefferson County and will make it work.

Mr. Lavarney stated the Early Intervention (EI) projections are not included in the financial package. Mr. Lavarney briefed the board on why Benchmark does not have the EI contract.

Mr. Alexander thanked and excused Ms. Feistel and her staff.

A motion was made by Mrs. Flint to approve an additional \$56,500 to Benchmark Family Service, Inc. contingent upon participation by the JCIDA, participation by Watertown Savings Bank, upon receiving the following from Benchmark Family Services, Inc:

1. Financial quarterly plan,
2. Succession plan,
3. Marketing plan,
4. Communication plan between the County of Jefferson and State of New York,
5. Steps to be taken to obtain the Early Intervention Contract

The repayment is over 16 years and structured as follows assuming September 1, 2012 closing:

2 nd Mortgage	121,121
Accrued Interest	11,608
Working Capital	10,000
Acct. Payable	37,446
Closing cost estimate	2,500
Payroll through summer	<u>56,500</u>
Total	239,175

**Watertown Local Development Corporation
Board Meeting Minutes
Wednesday, July 11, 2012
Page Three**

The motion was seconded by Mr. Mix. Mr. Bellinger abstains. All in favor. Carried.

ADJOURNMENT – A motion was made to adjourn the meeting by Mr. Alexander, seconded by Mrs. Flint. The board meeting adjourned at 8:50 a.m.