

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, October 18, 2012**

The Watertown Local Development Corporation (WLDC) held a meeting on Thursday, October 18, 2012 in the board room of the WLDC, 82 Public Square, Watertown, New York 13601.

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

MEMBERS EXCUSED – Roseanne Murphy, John Vanderloo (Designee for Roseanne Murphy); Jeffrey Fallon

OTHERS PRESENT – Kim S. Taylor, Executive Assistant; Craig Fox, Reporter, Watertown Daily Times

CALL TO ORDER – President Graham called the meeting to order at 8:30 a.m.

I. MINUTES – Mr. Mix made a motion to approve the September 20, 2012 minutes with a correction noted on page one, seconded by Mr. Bellinger. All in favor, approved.

II. FINANCIAL STATEMENTS – Mr. Bellinger reviewed the financial statements for the month of September. Mr. Bellinger stated Benchmark Family Services, Inc.'s loan has closed. Mr. Bellinger reviewed the status of the delinquents' accounts.

A motion was made by Mr. Alexander to approve the September financial statements, seconded by Mrs. Flint. All in favor, approved.

III. CORRESPONDENCE - President Graham stated the Board received a thank you card from Diane Rutherford.

**IV. COMMITTEES
LOAN REVIEW COMMITTEE**

Knowlton Technologies, Inc. – Mrs. Flint stated the Board was previously polled to approve the Intercreditor Agreement for Knowlton Technologies. Mrs. Flint stated the only change to the Intercreditor Agreement is the bank. Knowlton Technologies, Inc. is changing their banking relationship from HSBC Bank to Key Bank.

Mrs. Flint made a motion to ratify the approval of the Intercreditor Agreement between the WLDC and Knowlton Technologies, Inc. and to authorize the CEO to execute the document, seconded by Mr. Alexander. All in favor, approved.

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, October 18, 2012
Page Two**

Michael J. Cavallario – Mrs. Flint stated the Loan Review Committee recommend approval of a \$200,000 Michael J. Cavallario (real estate holding company to be formed) for the purchase of 1280 Coffeen Street, Watertown, NY. Mr. Cavallario has operated Shorty’s Restaurant for eight years. Mr. Bellinger stated the loan will be used as gap financing.

A motion was made by Mrs. Flint to approve the loan to Michael J. Cavallario to purchase 1280 Coffeen Street, Watertown, NY in the amount of \$200,000.00 amortized over 20 years with a 5 year balloon at 5% fixed interest rate, guarantee of Michael J. Cavallario, 2nd position on 1280 Coffeen Street, 2nd position on all furniture, fixtures, equipment, 2nd position on assignment of rents and leases, contingent upon approval of bank financing, satisfactory appraisal, lease agreement between Shorty’s Restaurant and real estate holding company to be formed, completed environmental questionnaire, seconded by Mr. Alexander. Mr. Bellinger abstained. All in favor, approved.

Evalex Properties, LLC – The request from Evalex Properties, LLC was tabled until the next board meeting. The WLDC did not receive the information to act on the request.

AUDIT/FINANCE COMMITTEE

2013 Budget – President Graham stated the Audit/Finance Committee met to review the 2013 Budget of the WLDC and recommend approval. Mr. Bellinger reviewed the budget and stated the Non-recurring Expense Account has increased to provide funding for the Façade Program.

President Graham stated that in the last three years the agency has distributed funds for various items and according to the funds available there is not a lot of room to continue to do so.

Mr. Alexander made a motion to approve the 2013 Budget of the WLDC, seconded by Mr. Bellinger. All in favor, approved.

Activity Report of CEO – There was no report.

PERSONNEL

Employee Time Records – The Board reviewed the employee vacation/sick time records of the employees. President Graham questioned how high the vacation/sick time can be accrued and recommended Paychex track the vacation/sick time for the employees. Mrs. Flint stated she was in agreement with Paychex providing the service but there still needs to be a cross check with the employee records in the personnel files. Mr.

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, October 18, 2012
Page Three**

Alexander stated the Personnel Committee should review how much vacation time can be accrued. Mr. Bellinger stated Mrs. Flint has been revising the employee handbook and they will take a look at an accrual system. Mr. Zembiec questioned whether or not it was necessary to see the personnel records each month. Mrs. Flint stated Mrs. Taylor's time sheets did not need to be included because she reports directly to the CEO, but Mr. Rutherford's should be included since he is a direct report to the Board. The board determined the Personnel Committee Chairman periodically review the CEO's vacation/sick time.

The board advised Mrs. Taylor to contact Paychex to track the vacation/sick time for the employees and report every pay period.

EXECUTIVE SESSION

A motion was made by Mr. Alexander to enter into executive session to discuss employment history, seconded by Mr. Bellinger. All in favor. The board entered into at 9:50 a.m.

Mrs. Taylor and Mr. Fox were excused from the executive session.

A motion was made by Mr. Bellinger to adjourn the executive session and reconvene the regular meeting at 9:55 a.m. seconded by Mrs. Flint. All in favor.

NEW BUSINESS – None

OLD BUSINESS

Ad Hoc Committee – Mr. Bellinger stated the Ad Hoc Committee met with Harbridge Consulting Group which is an actuary firm to provide an analysis of the pension benefits which were lost. Mr. Bellinger stated we need to determine what the benefits would have been and this can only be accomplished by an actuary firm. Mr. Bellinger stated whether it is a defined pension plan or a 401K, we need to determine the benefits that were lost for Mr. Rutherford and Mrs. Taylor and an estimated cost of a plan to accomplish those same benefits.

Mr. Alexander questioned whether the committee was satisfied with the company and if the documentation provided can be shared since it belongs to the WLDC. Mr. Bellinger stated the company is very familiar with the NYS Retirement System and the analysis will be property of the WLDC to be shared in anyway the WLDC chooses. Mr. Bellinger stated the cost to provide the analysis is \$3,000 and would take a week or two.

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, October 18, 2012
Page Four**

A motion was made by Mrs. Flint to enter into an agreement with Harbridge Consulting Group to perform an analysis of the NYS Retirement benefits in the amount of \$3,000.00 and authorize the President to execute the agreement, seconded by Mr. Bellinger. All in favor, approved.

NEXT MEETING – The next board meeting will be held Thursday, November 15, 2012.

ADJOURNMENT – A motion was made by Mr. Mix to adjourn the board meeting, seconded by Mrs. Flint. The meeting adjourned at 10:05 a.m.