

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

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

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

**MEMBERS EXCUSED** – Roseanne Murphy, John Vanderloo (Designee for Roseanne Murphy)

**OTHERS PRESENT** – Donald Rutherford, CEO; Kim 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 October 18, 2012 minutes, seconded by Mr. Bellinger. All in favor, approved.

**II. FINANCIAL STATEMENTS** – Mr. Fallon reviewed the financial statements for the month of October.

Mr. Rutherford reviewed the customer reports for the month of October.

President Graham stated the Factory Street project may be put off and asked if there was a loan program in place for the businesses which will be affected by the reconstruction. Mr. Rutherford the Board gave him the authority to approve loans up to \$10,000 which can be used for the Factory Street reconstruction project.

With no further questions, Mrs. Flint made a motion to approve the October financial statements, seconded by Mr. Bellinger. All in favor, approved.

**III. CORRESPONDENCE** – There was no correspondence.

**IV. COMMITTEES  
LOAN REVIEW COMMITTEE**

**Evalex Properties, LLC** – A motion was made by Mr. Alexander to ratify the approval which was made via email to subordinate the existing WLDC mortgage to Watertown Savings Bank for Evalex Properties, LLC. The new mortgage will be in the amount of \$450,000 and the appraisal indicates a value of real property at \$600,000. The motion was seconded by Mrs. Flint. Mr. Bellinger abstained. All others in favor, approved.

**Watertown Local Development Corporation  
Board Meeting Minutes  
Thursday, November 15, 2012  
Page Two**

**Susan M. Tanner & Jennifer L. McConnell, a Partnership d/b/a Covered in Chocolate –** The Loan Review Committee met and recommends approval of a loan in the amount of \$31,725 to Susan M. Tanner and Jennifer L. McConnell. Covered in Chocolate is an existing tenant in the Franklin Building. The loan proceeds will be used to pay out the existing WLDC loans and will be used to purchase inventory and supplies. \$16,500 is new money.

Mr. Alexander questioned if there was plenty of foot traffic at the Franklin Building. Mr. Rutherford stated Covered in Chocolate has repeat customers and the company also attends various craft and market events.

A motion was made Mr. Alexander to approve a loan in the amount of \$31,725.00 to Susan M. Tanner & Jennifer L. McConnell, a partnership d/b/a Covered in Chocolate to be used to pay off existing WLDC debt and purchase additional inventory and supplies at 5% for 5 years, guarantees of Jennifer McConnell and Susan Tanner, 1<sup>st</sup> position on all furniture, fixtures, equipment and accounts receivable, seconded by Mr. Bellinger. All in favor, approved.

**Audit/Finance Committee –** There was no report.

**Governance Committee –** The Governance Committee (Mr. Mix, Mr. Alexander, and Ms. Murphy) meeting will be held on Wednesday, November 28, 2012 at 10:00 a.m.

**Nominating Committee –** President Graham requested Mr. Rutherford to suggest names to the Nominating Committee to replace Mark Bellinger on the board. Mr. Bellinger's term expires December 31, 2012. Mr. Bellinger will contact Chuck Capone, Chris Powers, Roann Dermady, and Andrea Kaler at Watertown Savings Bank. Mr. Rutherford will contact Steve Pierce and Mike Pierce at Key Bank. Mr. Rutherford stated Tom Cesta from HSBC Bank has a local office in Watertown.

Mr. Alexander questioned if the LDC was prohibited from seeking directors from the Syracuse area. Mr. Rutherford stated he wasn't sure, but with the continued centralization of banks it maybe something we need to look into.

Mr. Bellinger and Mr. Rutherford will let the Nominating Committee know prior to the annual board meeting.

**Watertown Local Development Corporation  
Board Meeting Minutes  
Thursday, November 15, 2012  
Page Three**

**PERSONAL COMMITTEE**

**Ad Hoc Committee (Pension Update)** – Mr. Fallon reported the Ad Hoc Committee has received the first half of the information from the Harbridge Consulting Group. Harbridge Consulting Group is working with the Ad Hoc Committee to put a pension plan in place for the existing employees of the WLDC. Mr. Fallon stated the Ad Hoc Committee will present the findings via conference call or at a board meeting with Harbridge Consulting Group.

**Personnel Committee** - Mr. Zembiec questioned whether the vacation/sick time accrual sheets be submitted in the board package monthly. President Graham stated the Board keep oversight of the staff, it's a checks and balance system. Mrs. Flint stated Ms. Taylor's vacation/sick time accrual sheets will be monitored by Mr. Rutherford as CEO. The Board will continue to oversee Mr. Rutherford's accrual.

**Activity Report of CEO** – Mr. Rutherford's is attached.

**OLD BUSINESS**

**W. Main Street Property Update** – Mr. Rutherford stated the prospect for the W. Main Street Property has been put on hold for six months. Mr. Rutherford stated he emailed Mr. Nelson to void the Standby Agreement and to put the property back on the market. Mr. Zembiec questioned how long it would take to conduct and environmental of the property. Mr. Rutherford stated approximately two to three weeks.

**CCIP Warehouse Project Update** - Mr. Rutherford stated the project at the CCIP has been withdrawn. The client pulled the project stating that management could not justify the cost. Mr. Rutherford stated the company is looking at two sites that are on the market in Watertown and they may need financial assistance.

**Franklin Building Update** – Mr. Rutherford stated the Loan Review Committee recommend approval to lease Space E of the Franklin Building to various vendors contingent upon evidence of liability insurance listing the WLDC as additional insured, payment to cover the costs of leasing the space, noting an exception to the WLDC lease agreement not to charge the vendors rent. A motion to approve the recommendation was made by Mrs. Flint, seconded by Mr. Fallon. All in favor, approved.

**NEW BUSINESS**

**Prospect** - Mr. Rutherford stated a business from Kingston, Ontario is interested in a 10,000 sq. ft. facility in the U.S. and would create 15 good paying manufacturing jobs. Mr. Alexander stated we could build to suit, build to lease. Mr. Rutherford stated he

**Watertown Local Development Corporation  
Board Meeting Minutes  
Thursday, November 15, 2012  
Page Four**

would like to set up a meeting with the Fast Response Team and the company next week. Mr. Rutherford stated Indianapolis and Cleveland are also other states the company is interested in.

**EXECUTIVE SESSION** – A motion to adjourn the meeting to enter into executive session to discuss pending litigation was made by Mr. Fallon, seconded by Mr. Bellinger. All in favor, approved. The board entered into executive session at 9:12 a.m.

A motion was made by Mrs. Flint to adjourn the executive session and reconvene the regular meeting, seconded by Mr. Fallon. All in favor, approved. The regular meeting reconvened at 9:30 a.m.

**CCIP Rail Line** – Mr. Alexander requested the WLDC Board address the following items in regard to the rail at the City Center Industrial Park:

- 1) Come to an agreement to proceed with Dan Kelly as a consultant for rail;
- 2) Arrange a meeting with CSX
- 3) Proceed to purchase the rail siding from the JCIDA

Mr. Alexander stated there are several items to consider regarding the track; to leave the track where it is, to move a section of the rail, to salvage the track, timing of CSX pulling the switch. Mr. Alexander stated the CSX is willing to come to town to talk about the switch. President Graham stated Mr. Rutherford discusses these items with the JCIDA and if there is anticipation in using the rail. Mr. Rutherford stated there is a need for rail service at the CCIP.

**Woolworth Building** – Mr. Rutherford toured the Woolworth Building with Dave Gallo. Mr. Gallo is interested in purchasing the building from Michael Treanor and will be addressing the City Council next week on his efforts to restore the building.

**NEXT MEETING** – The next meeting will be held on December 20, 2012 at 12:00 p.m. at the Hilton Garden Inn.

**ADJOURNMENT** – A motion to adjourn the meeting was made by Mr. Fallon, seconded by Mr. Mix. All in favor, approved. The meeting adjourned at 9:36 a.m.