

**Watertown Local Development Corporation
Meeting Minutes
Thursday, October 24, 2013**

The Watertown Local Development Corporation (WLDC) held its board meeting on Thursday, October 24, 2013, 82 Public Square, Watertown, New York 13601.

MEMBERS PRESENT – Jeffrey Graham, President; Donald Alexander, Kenneth Mix, RoAnn Dermady, Jeffrey Fallon, Mike Lumbis (Designee for Kenneth Mix), Erika Flint

MEMBERS EXCUSED – James Mills (Designee for Jeffrey Graham), Roseanne Murphy, John Vanderloo (Designee for Roseanne Murphy), Dave Zembiec (Designee for Donald Alexander)

OTHERS PRESENT – Donald Rutherford, CEO; Kim Taylor, Executive Assistant; James Heary, Legal Counsel, Craig Fox, Reporter, Watertown Daily Times; Tim Scee, Reporter, NewJunky.com; Gary Beasley, Executive Director, Neighbors of Watertown, Inc.

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

I. MINUTES – Mr. Alexander made a motion to approve the minutes of September 19, 2013, seconded by Mr. Fallon. All in favor, approved.

II. FINANCIAL REPORTS – Mr. Fallon reviewed the financial statements for the month of September. Mr. Rutherford reviewed the delinquent loans.

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

III. CORRESPONDENCE – None

IV. NEW BUSINESS

Agreement by and Between Neighbors of Watertown, Inc. & National Development Council – Mr. Beasley updated the Board on the benefits and services provided by the consulting firm, National Development Council (NDC) and requested the Board participate in the amount of \$16,000 annually. Mr. Beasley stated the scope of services NDC performs to Neighbors of Watertown, Inc. is to its economic and housing development programs and also as an investment group.

Mr. Beasley stated Neighbors of Watertown, Inc. will be purchasing the former Empsall Plaza on Court Street and NDC will be assisting with the deal structure.

A motion was made by Mrs. Flint to approve \$16,000 to Neighbors of Watertown, Inc. to help defray the costs of the agreement between Neighbors of Watertown, Inc. and

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National Development Council for the period of September 2013 to September 2014, seconded by Mr. Alexander. All in favor, approved.

V. COMMITTEES
LOAN REVIEW COMMITTEE

Current Applications, Inc. – The Loan Review Committee recommend approval of a loan in the amount of \$29,000 to Current Applications, Inc. for the purpose of repairing an entryway and roof system which sustained leaks and caused a mold issue in their existing office space. The building is located at the City Center Industrial Park and based on the excellent loan relationship and payment record with the company the committee recommend approval. Mr. Rutherford stated the WLDC has been involved with the company for many years.

President Graham stated at which point does the company pay for their repairs internally or obtain traditional lending. Mrs. Flint stated as part of the Loan Review Committee they have a great history of payment, the company is leveraged but the cash flow isn't an issue and stated she is in favor of the loan. Mrs. Flint made a motion to approve the loan to Current Applications, Inc. in the amount of \$29,000 for five years at five percent, second position of all business assets, personal guarantees, to be used to repair the entryway and roof system of the building located at 275 Bellew Avenue South, Watertown, NY, seconded by Mr. Mix. All in favor, approved.

AUDIT/FINANCE COMMITTEE

2014 WLDC Budget Amendment – Mr. Rutherford stated the expense items for the Franklin Bldg. (utilities and broker commissions) have been included in the 2014 budget. A motion was made by Mr. Fallon to amend the 2014 Budget as presented, seconded by Mrs. Flint. All in favor, approved.

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

VI. NEW BUSINESS

Authorities Budget Office Report – President Graham stated the ABO Office conducted an internal investigation of the WLDC and have issued their report of the WLDC on October 9, 2013 which provided oversight of the agency and found no criticism.

VII. OLD BUSINESS

North Country Arts Council – Mr. Rutherford stated the North Country Arts Council is current with the rent payments for the month of September. Mr. Rutherford stated he

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has not met with Mr. Miller to renew the lease for Space D of the Franklin Bldg. although has been communicating with Mr. Miller via email.

North Country Family Health Center – President Graham stated the WLDC granted an emergency loan to the NCFHC and within days held a press conference to close the facility. The executive director has resigned. President Graham stated the loan repayment was linked to a grant the NCFHC will be receiving. President Graham stated the center is an important part of downtown. Mr. Rutherford stated that he could not share any information with the board although has spoken with Kelly Clark of NCFHC who indicated that none of the programs were discontinued and the monies received from the WLDC and Samaritan Medical Center will be used to pay the short term debt. The company is working on a plan regarding the long term debt. Mr. Rutherford stated he has also spoken with Duane Pelkey of Community Bank regarding the banks request of the LDC subordinating a \$125,000 mortgage to the bank. Mr. Rutherford stated he does not feel comfortable at this time to request such approval, but wanted to pass along the request for discussion. There was no action taken on the request to subordinate \$125,000 to Community Bank. Mr. Alexander stated the agencies need to be move involved with the North Country Family Health Center as the Department of Health and Samaritan allow.

VIII. EXECUTIVE SESSION

Alteri Bakery, Inc. – A motion was made by Mr. Mix to enter into executive session to discuss pending litigation with Alteri Bakery, Inc., seconded by Mr. Alexander. The Board entered into executive session at 9:08 a.m.

A motion was made by Mrs. Flint to adjourn the executive session and reconvene the regular meeting, seconded by Mr. Mix. The regular meeting reconvened at 9:16 a.m.

Mr. Fallon made a motion to accept and approve the attorneys work product (Stipulation of Settlement Agreement) not subject to FOIL between the WLDC and Alteri Bakery, Inc., approval of acceptance of payments within a ten day grace period and furthermore payments from Alteri Bakery, Inc. to be sent directly to Attorney James Heary for distribution, seconded by Mrs. Flint. All in favor. Mrs. Dermady abstained. Approved.

IX. NEXT BOARD MEETING – The next meeting will be held on Thursday, November 21, 2013 at 8:30 a.m.

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X. ADJOURNMENT – A motion was made by Mrs. Flint to adjourn the meeting, seconded by Mr. Alexander. All in favor, approved. The meeting adjourned at 9:19 a.m.