

**Watertown Local Development Corporation**  
**Thursday, March 19, 2015**  
**Minutes**

The Watertown Local Development Corporation (WLDC) held its board meeting on Thursday, March 19, 2015 at 82 Public Square, Watertown, New York.

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

**MEMBERS EXCUSED** – John Vanderloo (Designee for Stephen Hunt); James Mills (Designee for Jeffrey Graham)

**OTHERS PRESENT** – Donald Rutherford, CEO; Kim Taylor, Executive Assistant; Craig Fox, Watertown Daily Times, Brianna Tousant-Uhlinger, Bowers and Company; Cyril Mouaikel, RBC Wealth Management, Joseph Russell, Legal Counsel; John Nuber, RBC Wealth Management

Mr. Graham called the meeting to order at 8:30 a.m.

**MINUTES** – A motion was made by Mr. Alexander to approve the minutes of February 19, 2015, seconded by Mrs. Flint. All members in favor, approved.

**FINANCIAL REPORTS** – Mr. Fallon reviewed the financial statements and stated staff is researching the bank service charges on the operating account. Mr. Rutherford updated the board on the delinquent accounts of MJK Holdings, LLC and the Whimsical Pig, LLC.

A motion was made by Mrs. Flint to approve the financial reports for the month ending February 28, 2015, seconded by Mr. Mix. All in favor, approved.

**Audit 2014** – Mrs. Uhlinger, CPA of Bowers and Company presented the 2014 Audit of the Watertown Local Development Corporation. A motion was made by Mr. Fallon to approve the 2014 audit as presented, seconded by Mr. Hunt. All in favor, approved.

Mr. Mouaikel requested the Board of Directors authorize the removal of a GNMA Mortgage-Backed Securities – GNMA Mortgage Pool from the investments to clean up the account. A motion was made by Mr. Alexander to authorize Mr. Mouaikel, Senior VP of RBC Wealth Management to remove the GNMA Mortgage-Backed Securities – GNMA Mortgage Pool in the amount of \$7,747.00 from the investment account, seconded by Mr. Fallon. All in favor, approved.

**Investment Report 2014** – Mr. Mouaikel presented the 2014 investment report of the LDC. Mr. Alexander suggested the LDC invest in local and/or regional companies. Mr. Mouaikel suggested Eastman Chemical and local banks and will explore investing the LDC funds with a local interest. Mr. Mix stated the buying should fit the investment criteria and no new offerings be purchased.

A motion was made by Mr. Mix to approve the Investment Report prepared by RBC Wealth Management, seconded by Mrs. Dermady. All in favor, approved.

**CORRESPONDENCE** – There was no correspondence.

## **COMMITTEES**

**Loan Review Committee** – The Chairman of the Loan Review Committee will present the loans to the Board of Directors for approval.

**MLR Realty, LLC** – MLR Realty, LLC has been tabled by the participating bank.

**Fabril d/b/a Rainbow Restoration of Watertown** – Mr. Fallon stated the Loan Review Committee recommend a loan to Fabril d/b/a Rainbow Restoration of Watertown in the amount of \$40,000 at 5% fixed interest rate for 5 years, 1<sup>st</sup> position on all accounts receivable, inventory and furniture, fixtures and equipment, guarantees of Michael and Mildred Colello to be used to purchase the assets of Rainbow of Watertown and execute a Standby Creditor Agreement. A motion was made by Mrs. Flint to approve the loan, seconded by Mr. Alexander. All in favor, approved.

### **Governance Committee**

**2014 Mission Statement/Performance Measurement** – Mr. Mix introduced the mission statement and the performance measurement; core city development was added to the performance goals by the Governance Committee.

The Personnel Committee will create a policy to appoint management at its next meeting.

A motion was made by Mr. Mix to approve the mission statement and the performance measurement report, second by Mrs. Flint. All in favor, approved.

**Evaluation of Board Performance** – Mr. Mix stated the evaluation for 2014 has been compiled and reviewed by the Governance Committee. The Authority Budget Office allows discussion of the evaluation to be conducted in executive session at the board's request.

A motion was made by Mr. Fallon to approve the 2014 Evaluation of Board Performance which will be submitted to the ABO, seconded by Mrs. Flint. All in favor, approved.

**Annual Review of Policies** – The Conflict of Interest Policy is not requirement by the ABO, but is a requirement as a not for profit. The Conflict of Interest forms will be completed by each board member and staff on an annual basis. The Conflict of Interest Statement was recommended to be revised as a policy not a statement.

A motion was made by Mrs. Flint, seconded by Mr. Fallon to approve the following policies:

- 1) Bylaws
- 2) Whistleblower
- 3) Records Retention
- 4) Procurement Policy
- 5) Conflict of Interest
- 6) Ethical Rules
- 7) Defense and Indemnification
- 8) Disposition of Real Property Guidelines

All in favor, approved.

## **NEW BUSINESS**

**Activity Report of CEO** – There was no activity report.

**Marketing Committee** – The deadline for marketing request for proposals March 31, 2015. Mr. Lumbis, Mr. Fallon and Mr. Graham will serve on the Marketing Committee.

## **OLD BUSINESS**

**The J.B. Wise Block, LLC Façade Grant Update** – Mr. Rutherford stated the façade easement grant to the J.B. Wise Block will be used on the two sides which are visible to the street.

The commitment letter to J.B. Wise Block, LLC in the amount of \$141,000.00 expired; a motion was made by Mr. Fallon to extend the commitment to the J.B. Wise Block, LLC to March 31, 2015, seconded by Mr. Mix. All in favor, approved.

**FunXcape, LLC** – Mr. Rutherford stated the legal fees associated with FunXcape, LLC have been paid and requests a motion to extend the expired commitment in the amount of \$150,000.00. A motion was made by Mrs. Dermady, seconded by Mrs. Flint to extend the commitment letter to FunXcape, LLC in the amount of \$150,000 to March 31, 2015. All in favor, approved.

**Fort Drum Storage LP Update** – Three additional properties have been located in Arizona owned by Sanchez's which is vacant land in a remote area. Legal counsel will proceed with the notice to serve the Sanchez's. Mrs. Dermady stated she will be visiting Arizona and requested Mr. Rutherford provide her with the maps of the properties so she could investigate the location of the properties.

**NEXT MEETING** – The next meeting will be held on Thursday, April 16, 2015 at 8:30 a.m.

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