

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, November 19, 2015**

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

MEMBERS PRESENT: Jeffrey Graham, Jeffrey Fallon, Steve Hunt, RoAnn Dermady, Erika Flint, Kenneth Mix, Dave Zembiec (Designee for Donald Alexander)

MEMBERS EXCUSED: John VanDeLoo (Designee for Steve Hunt), James Mills (Designee for Jeffrey Graham), Mike Lumbis (Designee for Kenneth Mix)

OTHERS PRESENT: Donald Rutherford, CEO; Kim Taylor, Executive Assistant; Craig Fox, Watertown Daily Times Reporter; Joseph Russell, Peter Walton, Lisa Moore, Megan Kendall

I. CALL TO ORDER: The meeting was called to order at 8:30 a.m.

II. MINUTES: Mrs. Flint made a motion, seconded by Mr. Fallon to approve the minutes of October 22, 2015 as presented. All in favor, motion carried.

III. FINANCIAL REPORTS: Mr. Fallon presented the financials for the month of October.

Mr. Rutherford reviewed the delinquent loan accounts.

Mr. Alexander made a motion, seconded by Mr. Hunt to approve the October financials. All in favor, the motion carried.

IV. CORRESPONDENCE
There was no correspondence.

V. NEW BUSINESS
Legal Counsel

Conboy, McKay, Bachman & Kendall Law Firm: Attorney Peter Walton and his team of Megan Kendall, Associate and Lisa Moore, Lead Paralegal presented the board with their expertise and proposed legal services to represent the LDC as legal counsel. The Conboy law firm provides legal services in business matter, real property and business purchases and sale, commercial lending and litigation matters. Conboy Law firm has a title agency on staff to handle real estate transactions.

Mr. Walton stated loan closings are \$750.00 or a half percent of the loan. Mr. Walton indicated that their firm charges an hourly rate and would entertain a monthly retainer. Mr. Walton stated the Conboy firm invoices for services rendered on a monthly basis.

Mr. Alexander questioned if a tail end agreement could be formulated between the Conboy firm and Mr. Heary to provide historical knowledge of the LDC for a period of time. Mr. Walton indicated he would welcome such an agreement between the two parties.

President Graham thanked Mr. Walton and his team. Mr. Walton, Ms. Kendall and Ms. Moore excused themselves from the meeting at 9:02 a.m.

Executive Session: Mr. Heary requested the board enter into executive session to discuss a person. A motion was made by Mrs. Flint to enter into executive session to discuss a particular person, seconded by Mrs. Dermady. A motion was made by Mr. Alexander to adjourn the executive session and reconvene the meeting at 9:04 a.m.

VI. LOAN REVIEW COMMITTEE

Robert J. Dalton: Mr. Fallon made a motion on recommendation by the Loan Review Committee to approve a \$40,000 loan to Robert J. Dalton for 5 years at 5% fixed interest rate with a co-proportional first mortgage on property located at 545 Arsenal Street, 1st lien on business assets to be used for the purchase of the property, equipment, leasehold improvements and working capital, seconded by Mrs. Flint. All in favor, motion carried.

John Bang Moratorium Request: Mrs. Dermady made a motion on recommendation by the Loan Review Committee to approve of a three month principal moratorium to John Bang on his two existing loans with the WLDC beginning December 1, 2015 to February 1, 2016 and all existing terms and conditions set forth in the Note remain unchanged and in full force and effect seconded by Mr. Mix. All in favor, motion carried.

Roth Industries, Inc.: Mrs. Flint made a motion on recommendation by the Loan Review Committee to approve of a \$500,000 one year time note at 5% fixed interest to Roth Industries, Inc. with a 1st position on business assets, guaranteed by Roth Industries North American, Inc. to be used for the purchase of inventory, seconded by Mr. Mix. All in favor, carried.

VII. OLD BUSINESS

Sanchez Properties: Mr. Rutherford stated the five vacant lots in Arizona were purchased on November 4, 2015 by public auction that were previously owned by the guarantors of Fort Drum Storage LP at \$3,500 or \$17,500 total price. There is a six month redemption period after which the properties will be placed under the limited liability company known as 500 Newell Street, LLC. Mr. Rutherford stated the properties will listed for sale with an Arizona real estate agent who feels confident developers are starting to purchase property in the area. The real estate agency indicated to Mr. Rutherford the parcels will be able to sell between \$5,000 to \$6,000 and indicated housing in the area sells for \$150,000 to \$175,000. One parcel has an existing foundation located on it which previously burned down. Mr. Rutherford stated the parcels are free of liens and the LDC has clear title to the properties. Mr. Rutherford stated insurance will be required on the parcels once the six month redemption period expires.

Website Update www.Arrivedowntown.com: Mr. Rutherford stated Coughlin Company has sent the mailing to downtown businesses within the boundary to list their business interactive map.

Legal Counsel

Menter, Rudin, Trivelpiece, P.C.: Joseph Russell and Thomas Fucillo joined the meeting at 9:35 a.m. who presented the board with their proposed legal services to represent the LDC as legal counsel. Mr. Rutherford stated Menter had previously made a presentation to the Loan Review committee and we would like to give them an opportunity to address the board. Mr. Alexander questioned whether the Menter firm was interested in a tail agreement with Mr. Heary to make the transition period as smooth as possible? Mr. Russell stated he welcomes an agreement with Mr. Heary who he has a working relationship with for several years. Mr. Russell stated the agreement would be beneficial to the LDC as well as his firm. President Graham thanked Mr. Russell and Mr. Fucillio who were excused from the meeting at 9:55 a.m.

Mr. Alexander questioned which direction the board is going to weigh in on a decision to hire legal counsel or is Mr. Rutherford going to make a recommendation to the board? Mrs. Flint stated she thinks the same legal firm should be selected for the LDC and IDA and the recommendation should come from Mr. Rutherford and Mrs. Taylor. Mr. Fallon stated a legal firm provides a service at will and there is no contract. Mr. Alexander stated he will be making a recommendation to his board. Mr. Graham questioned whether the staff would prefer to work with one legal team over the other? Mr. Rutherford indicated he liked both presentations but in the past the LDC has utilized Menter Law firm as Mr. Heary's backup. Mr. Rutherford indicated the client files are in the same office as Menter. Mr. Rutherford indicated Russell also knows the public authority act. Mrs. Taylor stated she knows both the people associated with both firms and has no problem working with either one and in fact has worked with Mrs. Moore in prior years. Mr. Graham questioned whether the board would like to meet again to discuss. Mrs. Flint stated she does not feel the board needs to meet again and any discussion be done email. Mr. Graham requested both firms submitted a letter outlining their hourly rate and monthly fees to allow for a leveled playing field between the two firms. Mr. Hunt requested a rate structure to be outlined out in writing by the firms and Mr. Rutherford provide a letter requesting what is expected of the legal firms by staff. Mrs. Flint stated the letter should indicate how many meetings the firm is expected to attend and other information staff would find necessary. Mrs. Flint stated Mr. Rutherford make a recommendation after the due diligence is conducted and send an email to the board. Mr. Alexander entertained a tail agreement is addressed with the legal firms. Mr. Graham stated Mr. Heary would be compensated. Mr. Heary stated he does not want to consult as he has no access to legal files or staff, however would be willing to assist for 6 to 9 months. With no further discussion, it was determined Mr. Rutherford would contact the legal firms and email the board with his recommendation.

Personnel Committee: Mr. Mix stated the personnel committee will meet prior to the December 17, 2015 meeting.

VIII. NEXT MEETING: The meeting will be held on Thursday, December 17, 2015 at 12:00 p.m. at Cavallario's Cucina.

IX. ADJOURNMENT: A motion was made by Mrs. Flint, seconded by Mr. Fallon to adjourn the meeting at 10:10 a.m. All in favor, approved.