

**Watertown Local Development Corporation
Annual Meeting Minutes
Thursday, December 15, 2016**

The Watertown Local Development Corporation's Board of Directors meeting was held on Thursday, December 15, 2016 at 12:00 p.m. at Cavallario's Cucina, 133 N. Massey Street, Watertown, New York.

MEMBERS PRESENT: Mayor Joseph Butler, Jeffrey Fallon, Michael Lumbis, RoAnn Dermady, Donald Alexander, Steve Hunt

MEMBERS EXCUSED: John Vanderloo, Dave Zembiec, Erika Flint

OTHERS PRESENT: Donald Rutherford, CEO; Kim Taylor, Executive Assistant; Councilman Stephen Jennings, Jason Comet, President, NCAC; Craig Fox, Watertown Daily Times; James Mills, Designee for Joseph Butler

CALL TO ORDER: Mr. Butler called the meeting to order at 12:05 p.m.

MINUTES: Mr. Butler noted a correction on page two regarding the loan to Elizabeth Jackson. Mr. Alexander made a motion to approve the minutes of November 17, 2016 with the correction on page two, seconded by Mr. Fallon. All in favor. Carried.

FINANCIAL REPORT: Mr. Fallon presented the November financial statement. Mr. Fallon recommended the balance sheet format be revised to separate the checking and investment account balances. Ms. Taylor stated the format will be changed to reflect the accounts in all future reports.

Mr. Fallon stated the interest on investments is a loss and questioned whether this was a timing issue. Mr. Butler stated there was no loss on the cash position but an unrealized loss on the equity account. Mr. Butler stated he will consult with the LDC's accountant to confirm the entry for the month of November.

Mr. Rutherford reviewed the customer report noting the delinquent accounts for the month of November.

Mr. Fallon made a motion to enter executive session at 12:25 p.m. to discuss potential legal action seconded by Mr. Alexander. All in favor. Carried

Mr. Alexander made a motion to adjourn the executive session at 12:44 p.m. and reconvene the meeting, seconded by Mr. Fallon. All in favor. Carried.

Mr. Lumbis made a motion to approve the November financial reports, seconded by Mr. Hunt. All in favor. Carried.

CORRESPONDENCE: Mr. Butler stated correspondence was received from Michael Lumbis appointing Jennifer Voss as Mr. Lumbis as designee to the WLDC Board of Directors.

LOAN REVIEW COMMITTEE

Loan Risk Rating: Mr. Fallon stated the Loan Review Committee reviewed the risk ratings and recommends the rating as of 11/30/16. Changes made from the previous year's report are indicated by an asterisk on the report. Mr. Rutherford stated the reserve amount is as of 11/31/16 and will change on 12/31/2016 to reflect the current balance of each loan.

A motion was made by Mr. Hunt to approve the risk ratings of the portfolio, seconded by Mr. Lumbis. All in favor. Carried.

Lending Policy: Mr. Fallon recommends approval of the Lending Policy which was reviewed by the Loan Review Committee. Mr. Alexander made a motion to approve the lending policy, seconded by Mr. Hunt. All in favor. Carried.

Neighbors of Watertown, Inc.: Mr. Fallon stated the request from Neighbors of Watertown, Inc. was not received prior to the loan review meeting and requests the Board table until reviewed by the LRC in January.

Mr. Hunt made a motion to table the request from Neighbors of Watertown, Inc. seconded by Mr. Hunt. All in favor. Carried.

PERSONNEL COMMITTEE:

Staff Evaluations: Mr. Butler stated the Personnel Committee met and discussed the performance of the CEO and salary for 2017 and recommends Mr. Rutherford's a salary increase of \$91,000 and recommend a self-evaluation performance to be conducted and provided to the personnel committee prior to next year's personnel meeting. The personnel committee also would like Mr. Rutherford to prepare monthly appraisal sent to the board.

Mr. Rutherford thanked the board for their support. Mr. Rutherford stated he would like to request a meeting in January with the personnel committee on an administrative and reporting perspective which would assist him in preparing exactly what the committee would like on the report. Mr. Butler stated a meeting could be set up.

Mr. Lumbis made a motion to approve the salary increase for Donald Rutherford in the amount of \$91,000 effective January 1, 2017, seconded by Mr. Fallon. All in favor. Carried.

Mr. Butler stated Ms. Taylor current salary is currently \$50,500 and the Personnel Committee recommends a salary increase as reported on her evaluation conducted Mr. Rutherford.

A motion was made by Mrs. Dermady to approve the salary increase for Kim Taylor effective January 1, 2017 as reported on her employee evaluation seconded by Mr. Hunt. All in favor. Carried.

NOMINATING COMMITTEE:

2017 Board of Directors: Mr. Butler stated the Nominating Committee met and recommends the 2017 Board of Directors, designees and committees as presented (attachment).

Mr. Butler stated Ms. Dermady will be serving a second three-year term on the board.

A motion was made by Mr. Fallon to approve the 2017 Officers and Board of Directors, seconded by Mr. Lumbis. All in favor. Carried.

GOVERNANCE COMMITTEE: Mr. Lumbis stated the Governance Committee met to review the policies. Mr. Lumbis stated the only change was to remove assistant secretary from the bylaws.

A motion was made by Mr. Hunt to readopt the following polices:

Bylaws, Whistleblower, Records Retention, Procurement Policy, Conflict of Interest, Ethical Rules, Defense and Indemnification, Disposition of Real Property Guidelines, Financial Internal Control, Audit Committee Policy & Procedure, Investment Policy and Hiring Policy

The motion was seconded by Mr. Alexander. All in favor. Carried.

Mission Statement and Performance Measurements: The Board reviewed the mission statement and performance measurements of the LDC which will be submitted to the NYS Budget Authority Office.

Mr. Butler stated the mission statement includes promoting economic expansion and prosperity in the City of Watertown and we have discussed including the geographic area outside the city and suggested whether the Board would like to change the mission statement. Mr. Lumbis stated the bylaws already address conducting business outside the city. Mr. Hunt stated the City of Watertown would still be benefiting from an economic benefit and suggested the mission statement remain as is. With no further discussion, the consensus of the board was to accept the mission statement as presented.

The board conducted the performance measurements questionnaire.

A motion was made by Mr. Fallon to adopt and approve the mission statement and performance measurements, seconded by Mr. Hunt. All in favor. Carried.

NEW BUSINESS

North Country Arts Council: Jason Comet, President of the Arts Council updated the board on the new business plan for the operation of the Arts Council. The new co-op based plan will be an opportunity for local artists to have a year-round and low-cost retail gallery to sell their art. Mr. Comet stated Watertown First has organized a sponsorship event to be held Friday, December 16, 2016 at the Paddock Club which will include a raffle and silent auction. The Arts Council is half way to the goal of \$10,000 and has received tremendous support from the community. Mr. Comet stated the Arts Council is doing everything they can do be a cultural entity in downtown Watertown. The goal is to allow the gallery to be self-sufficient as they are a not for profit entity.

Mr. Comet stated a GoFundMe page was started a couple of weeks ago, by Johnny Spezzano to raise funds to pay back the rent for the Franklin Building. Mr. Comet is very confident the council is moving forward and will make a profit next year.

Mr. Comet stated approximately 20 artists are required to make the space viable and stated they cannot continue to have fundraisers to continue to pay the rent. Mr. Comet stated he has received positive feedback from the artists and is confident they will have funds to pay the back rent for the gallery space including January's rent and eventually the back rent for the pool space. Mr. Rutherford stated the LDC could work with the Arts Council on the back rent for Suite D (pool space).

With no further questions or comments Mr. Butler thanked Mr. Comet for his update.

OLD BUSINESS

The Retail Coach: Mr. Rutherford stated the LDC was waiting for the announcement of the grant funding before deciding by the board how whether to proceed in engaging the services of the Retail Coach.

Mr. Butler stated the City of Watertown received a \$50,000 grant which will be used for the City of Watertown to prepare a Downtown Revitalization Plan to identify transformational projects in the Public Square area. The Plan will create a vision for downtown Watertown, guide redevelopment to capitalize on community assets, and help attract new investments

Mr. Lumbis stated the grants are all matching grants.

Mr. Butler stated the City of Watertown also received a \$30,000 grant which will prepare a feasibility study to improve connections from the City's downtown Public Square to its two riverfront parks, the Veterans' Memorial Riverwalk and Whitewater Park.

Mr. Rutherford questioned whether the Retail Coach could provide the analytics for downtown. Mr. Lumbis stated an agreement must be in place with the funding source and as well as certain criteria to be met per the grant agreement. The process will take several months to implement.

Mr. Rutherford questioned whether the board would like Kelly Cofner, President of the Retail Coach to make a presentation to the board. The consensus of the board was to invite Mr. Cofer to the next meeting.

RENT SUSIDY PROGRAM: Mr. Rutherford stated GYMO has politely declined the rent subsidy program and will not be relocating their office to the Lincoln Building. Mr. Rutherford stated there is one rent subsidy remaining.

Mr. Rutherford stated he is concerned about sustaining the agency's viability if the budget increases for the program if we continue. Mr. Rutherford stated he will be working with the city's planning department on other ways to subsidize rents for downtown businesses. There was no further discussion at this time to increase the budget for the rent subsidy program.

AUDIT 2016: A motion was made by Mr. Fallon to engage the services of Bowers and Company to perform the 2016 audit on January 23, 2017 per the terms and conditions set forth in the engagement letter and to authorize a member of the Governance Committee and CEO to execute the letter, seconded by Mr. Fallon. All in favor. Carried.

NEXT MEETING: The next meeting will be held on Thursday, January 26, 2017 at 8:30 a.m.

ADJOURNMENT: Mr. Lumbis made a motion to adjourn the meeting seconded by Mr. Fallon. All in favor. Carried. The meeting adjourned at 1:43 p.m.