

**Watertown Local Development Corporation
Meeting Minutes
Thursday, September 21, 2017**

The Watertown Local Development Corporation (WLDC) Board of Directors meeting was held on Thursday, September, 21, 2017 in the WLDC Office, 82 Public Square, Watertown, New York.

Present: Erika Flint, Michael Lumbis, Stephen Hunt, David Zembiec

Excused: RoAnn Dermady, Donald Alexander, Joseph Butler, Jeffrey Fallon, James Mills, John Vanderloo

Others Present: Craig Fox, Watertown Daily Times

Staff: Donald Rutherford, CEO; Kim Taylor, Executive Assistant

Call to Order: Mrs. Flint called the meeting to order at 8:30 a.m.

Minutes: Mr. Zembiec moved to approve the August 17, 2017 minutes. Mr. Lumbis seconded the motion and all voted in favor.

Financial Report: Mr. Rutherford presented the financial reports for the months of July and August. The July financial report has been updated to reflect the investment entries for the month of July. Mr. Lumbis asked why the payroll increase was higher in July than the month of August. Ms. Taylor stated funding to the employees' HSA account for the year was paid in July. Mr. Lumbis asked what the increase to professional fee was. Ms. Taylor stated the second installment was paid to the Retail Coach.

Hearing no further discussion, Mr. Hunt moved to approve the July and August 2017 financial statements. Mr. Zembiec seconded the motion and all voted in favor.

Customer Loan Report: Mr. Rutherford reviewed the August customer report. Regarding Loan #35 the customer is now 30 days past due and intends to bring the loan current.

Loan #4, Sandra Amo was written off to bad debt which was approved last month.

Regarding loans #43 and #44 Mr. Rutherford said he has been in contact with the owner and staff will send a late notice to the customer.

Regarding loans #60 and #61 Mr. Rutherford said he has been working with Watertown Savings Bank and the Development Authority of the North Country regarding the delinquency of these loans.

Mr. Zembiec made a motion to enter executive session at 8:44 a.m. to discuss the personal financial history and legal action of a customer. Mr. Hunt seconded the motion and all voted in favor.

Mr. Hunt made a motion to adjourn the executive session and reconvene the meeting at 8:52 a.m. Mr. Lumbis made a motion and all voted in favor.

Regarding loan #63, Romalato's Delicatessen, Inc. has been turned over to the attorneys for collection.

Regarding loan #88, Wright Brothers, Inc. is 60 days past due and a late notice will be sent to the customer.

With no further discussion, Mr. Lumbis made a motion to approve the August customer report, seconded by Mr. Zembiec. All voted in favor.

Committees

Loan Review Committee

Edirin Igho-Akiti d/b/a Mr. Biggs: Mr. Rutherford stated he met with Mr. Igho-Akiti who will be closing his restaurant Mr. Biggs at the end of October. He said Mr. Igho-Akiti is committed to paying his debt and is trying to sell his equipment which will be applied to the debt when sold. Mr. Rutherford said Mr. Igho-Akiti plans on looking for a small take out restaurant in Syracuse and anticipates the business to be open by January 2018. Mr. Rutherford stated he would like to continue to work with him and is requesting another 6 months of interest only payments to allow the new business to generate cash flow.

Ms. Voss said a new DBA certificate was filed at the same location as Mr. Biggs. Mr. Rutherford said the building is leased from Vonneth Monteith and someone has expressed interest in leasing the building as a restaurant. The equipment in the building is owned by Mrs. Monteith and will remain in place.

Mr. Rutherford said the Loan Review Committee recommend the request of an additional 6 months of interest only payments.

Mr. Zembiec made a motion to approve an additional six months interest only payments to Edirin Igho-Akiti for all four loans beginning November 1, 2017 and conclude April 1, 2018. Mr. Lumbis seconded the motion. All voted in favor.

How Kool, LLC: Mr. Rutherford said the initial loan request from How Kool, LLC to the LDC was for the entire project, however during the process the company was informed of a loan fund through the Development Authority of the North Country (DANC) which was approved by DANC for most of the leasehold improvements. The LDC approved a \$70,000 loan to How Kool, LLC at its May 2017 meeting for the real estate. Mr. Rutherford requested the board approve a co-proportional second mortgage with DANC located at 321 Howk Street, Watertown.

Mr. Lumbis made a motion to approve a co-proportional second mortgage on real estate with Development Authority of the North Country located at 321 Howk Street, Watertown, NY 13601 and an assignment of rents and leases. Mr. Lumbis seconded the motion. Mr. Hunt abstained. All others in favor.

Finance and Audit Committee:

2018 Budget: Mr. Rutherford said the Finance and Audit Committee recommend approval of the budget to allow submission into the PARIS reporting system by 10/31. Mrs. Flint questioned whether there was an email from the Audit and Finance Committee with the recommendation. Mr. Rutherford stated there was a verbal recommendation from the Committee. Mrs. Flint stated procedurally an email is acceptable. Mr. Rutherford suggested the committee meet prior to the next meeting to amend if necessary. Mr. Rutherford said approval is needed now because Ms. Taylor will be out of the office for an extended period.

Mrs. Flint stated it is the job of the CEO to gage the budget based on the strategic direction the board gives and said the budget looks acceptable.

Mr. Lumbis requested the audit be added to the professional fees account and not listed as a separate item and to include the 2017 budget on the report.

With no further discussion Mr. Hunt made a motion to approve the 2018 budget. Mr. Lumbis seconded the motion and all voted in favor.

New Business

There was no new business.

Old Business

Square Block Party Update: Mr. Rutherford said the block parties were a success and no additional funding was needed after the \$12,000 was disbursed. We ended the events with a positive of \$156.00 which will be used next year. Mr. Rutherford stated the planning process will begin months earlier and said it was a learning experience and recommends the LDC sponsor the events next year. Mr. Rutherford said he attended a Watertown First meeting to request the organization running the block parties next year. He said Watertown First has an active board who have members specifically conducting all the moving parts of organizing and planning events. He said he is expecting more conversations with Watertown First. Mrs. Flint thanked the staff for the success of the block parties.

The Retail Coach: Mr. Rutherford said Kelly Cofer, CEO, The Retail Coach conducted a workshop to downtown business Monday at Savory Downtown. Unfortunately, the workshop was not well attended. Representatives from the WLDC, DANC, JCLDC, Small Business Development Center, City Planning Department and real estate agents attended. Mrs. Flint said maybe the time of the event was not good for business owners. Mr. Rutherford stated Mr. Cofer indicated he is willing to assist and speak with business owners at any time. Mr. Rutherford said the analytics have been conducted by the Retail Coach which were presented at the workshop. He said the next phase will be producing marketing materials and exploring the business opportunities that are in downtown.

Next Meeting: The next meeting will be held on Thursday, October 19, 2017.

Adjournment: Mr. Hunt made a motion to adjourn the meeting. The motion was seconded by Mr. Lumbis and all voted in favor. The meeting adjourned at 10:16 a.m.