

**Watertown Local Development Corporation
Meeting Minutes
Thursday, October 19, 2017**

The Watertown Local Development Corporation (WLDC) Board of Directors meeting was held on October 19, 2017 in the WLDC Office, 82 Public Square, Watertown, New York.

Present: Mayor Joseph M. Butler, Jr., President, Erika Flint, Vice President, Jeffrey Fallon, Treasurer, Michael Lumbis, David Zembiec, Stephen Hunt, Jennifer Voss

Excused: RoAnn Dermady, Donald Alexander, James Mills, John Vanderloo

Others Present: Joseph Russell, Legal Counsel, Craig Fox, Watertown Daily Times

Staff: Donald Rutherford, CEO

Call to Order: Mr. Butler called the meeting to order at 8:32 a.m. He then called for a reading of the minutes from the September 21, 2017 meeting. Ms. Flint moved to accept the minutes as written. Mr. Fallon seconded the motion and all voted in favor.

Financial Report: Mr. Fallon presented the financial reports for the month of September. He began by reviewing the Balance Sheet for the month of September followed by the Profit & Loss YTD Comparison. Mr. Fallon noted that the net income for the month was \$12,532.94.

Mr. Rutherford then reviewed the customer loan report. He noted several loans that were past due with payments. He said that loans # 41 and 42, both with LKR Enterprises, Inc. were sixty days past due but he had spoken with the owner who indicated that payments were in the mail. He continued, noting that loan # 73 with The JB Wise Block, LLC was ninety days past due but the owner indicated that two payments were in the mail. He said that loan #86 with Wright Brothers, LLC was originally 90 days past due but he has been in communication with the owner who has made a payment and is working to bring the loan current.

There was no further discussion regarding the financial report. Ms. Flint then moved to approve the September 2017 financial statement and customer loan report. Mr. Hunt seconded the motion and all voted in favor.

COMMITTEES

Loan Review Committee

Mr. Fallon said that the Loan Review Committee met to consider a proposed project by the Thousand Islands Area Habitat for Humanity, Inc. (TIAHFH). Mr. Fallon began by providing an overview of the project, stating that the applicant was requesting a \$40,000 loan. He said that the project would have participation by the JCIDA and Carthage Federal would be the primary lender. He said TIAHFH is planning to purchase property located at 938 Water Street to open a Habitat ReStore. He said that ReStores are retail stores that sell new and gently used donated goods from individuals, distributors, manufacturers

and dealers which are then sold to the public. He said the store may sell home improvement goods such as furniture, home accessories, building materials and appliances. Mr. Fallon continued, saying that the loan would be a co-equal second position with the JCIDA and behind Carthage Federal. He noted that the committee reviewed the financials, which looked good, and is recommending that the board approve the loan request.

Mr. Butler asked about the number of employees TIAHFH has now and how many new jobs would be created. Mr. Rutherford said TIAHFH has one employee now and the new project would create three jobs in year one, three in year two and two in year three.

Hearing no further discussion, Ms. Flint moved to approve a \$40,000 loan to the Thousand Islands Area Habitat for Humanity, Inc., 5 year term, 5% interest rate, co-equal second mortgage with the JCIDA on 938 Water Street, Watertown, New York. Mr. Fallon seconded the motion and all voted in favor.

Finance and Budget Committee

Mr. Rutherford noted that the Board had approved the 2018 budget at the last meeting so that Ms. Taylor could file it with the NYS Authorities Budget Office (ABO) prior to her leaving on medical leave. This was done to meet the deadline for filing the budget with the State. However, he said that there were a few changes that needed to be made based on feedback from the Board and as a result of getting finalized numbers on a few of the line items. He then reviewed various line items in the budget that he was proposing to change including line #17, Office Equipment which was reduced from \$11,000 to \$9,000.

Mr. Hunt then asked about line #26, the Rent Subsidy Program, and whether or not the amount appropriated was for the second year of the program or the second year plus funding for new applications. Mr. Rutherford said that the amount was for the second year of the program, but that he did want to discuss the possibility of adding one additional business to the program. He said that four businesses have participated thus far with one more expected to finalize an agreement soon. He also said that one of the businesses who participated did not use the full monthly allotment of \$1,000. He said they only used \$625 per month meaning that in year two they would only use \$317.50. He asked the Board about whether or not we could add a sixth business and use the remaining funding for them. He said the total for the program would not be more than was originally allotted by the Board.

Mr. Rutherford continued, stating that one of the businesses who inquired about the sixth rent subsidy grant was not on Public Square, which was the original boundary for the program. They were wondering whether or not the Board would make an exception and allow them to participate. Ms. Flint said that if you change the guidelines during the middle of the program it would not be fair to others who may have applied and were denied or others who would have applied if the boundaries were different. Mr. Russell said the Board could change the criteria for next year's program. Mr. Rutherford confirmed that the program boundary would remain as is and that he would work with an additional business to use the dollar amount that is still available in the program.

Mr. Hunt suggested that the Rent Subsidy Program committee review the program and make a recommendation on whether or not certain things should change if the WLDC has a future round of the program. Ms. Flint suggested that the committee consider a retention piece for the program, perhaps to assist those businesses who are in trouble or are having hardships.

Mr. Zembiec suggested that Mr. Rutherford provide a summary of the program for the annual meeting. Mr. Butler said that we should track every business that has participated in terms of jobs created over the long term so that we can measure the success of the program.

Hearing no further discussion on the budget, Ms. Flint moved to approve the amended budget. Mr. Zembiec seconded the motion and all voted in favor.

Mr. Rutherford noted that he was not sure how long Ms. Taylor would be out on medical leave and that as of right now, there were no pending applications to come before the Board. He said that if Ms. Taylor is back soon, we could schedule a meeting for November; otherwise we may cancel it if there is no new business.

There was no further discussion. Mr. Lumbis moved to adjourn the meeting. Mr. Fallon seconded the motion and all voted in favor. The meeting was adjourned at 9:01 a.m.