

Watertown Local Development Corporation
Meeting Minutes
March 15, 2018

The Watertown Local Development Corporation's Board of Directors meeting was held on Thursday, March 15, 2018 in the office of the WLDC, 82 Public Square, Watertown, New York.

Present – President Joseph Butler, Jeffrey Fallon, Michael Lumbis, RoAnn Dermady, Steve Hunt, Dave Zembiec

Others Present – John Nuber, RBC Wealth Management; Cyril Mouaikel, RBC Wealth Management, Brianna Tousant Uhlinger, Bowers and Company CPAs

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

Excused – Donald Alexander, John Vanderloo (Designee), James Mills (Designee), Jennifer Voss (Designee), Erika Flint

Call to Order – Mr. Butler called the meeting to order at 8:34 a.m.

2017 Audit – Mrs. Uhlinger, CPA of Bowers & Company presented the 2017 audited financial statements which included the independent auditors report, report on internal control over financial report and compliance. Mrs. Uhlinger stated a new policy will be in effect this year regarding the Franklin Building lease payments. Mrs. Uhlinger explained the right-of-use asset is a lessee's right to use an asset over the life of a lease. The annual lease will continue to be booked as an expense and an entry will be made year end.

Mr. Fallon made a motion to accept the 2017 audit financial statements, seconded by Mr. Hunt. All in favor. Carried.

Investment Report by RBC Wealth Management – Mr. Mouaikel and Mr. Nuber presented the 2017 account review of the investments and equities.

Mr. Butler made a motion to authorize RBC Wealth Management to move \$50,000 from the fixed income account into the equity account and to accept the investment report as presented, seconded by seconded by Mr. Fallon. All in favor, carried.

Mr. Fallon made a motion to amend the Investment & Deposit Policy and Procedures as follows: Section C. Types of Eligible Investments: No. 5. At the time of purchase all bonds need to be investment grade. If bonds are downgraded to before investment grade, the Board of Directors have the option to hold and watch. The motion was seconded by Lumbis, and all voted in favor. Motion carried.

Minutes – Mr. Fallon moved to accept the minutes of February 15, 2018 as presented, seconded by Mr. Hunt. All voted in favor. Motion carried.

Watertown Local Development Corporation
Meeting Minutes
March 15, 2018
Page Two

Financial Report – Mr. Hunt made a motion to approve the February financial statements and customer loan report, seconded by Mrs. Dermady, and all voted in favor. Motion carried.

Correspondence – There was no correspondence.

Loan Review Committee

Neighbors of Watertown, Inc. – A motion was made by Mr. Hunt, seconded by Mr. Lumbis to renew the \$200,000 note and the \$300,000 line of credit to Neighbors of Watertown for one year.

The \$200,000 Note is at 0% percent for 1-year, repayment of principal balance to be paid on demand at the discretion of the lender, the loan is unsecured. The proceeds will be used to assist low/moderate homeowners with the necessary rehabilitation on the homes. The funds would be used for timely payment to contractors. This loan is subject to a 1% loan fee.

The \$300,000 Line of Credit is at 0% for 1 year, repayment of principal balance on each home will occur upon takeout by pre-approved first mortgage lender at the completion of the project, \$600 fee per project under NOW's First Time Home Buyer Program. The funds can be used as bridge financing for acquisition and rehabilitation of single family housing under the NOW First Time Homebuyer Program or maybe used to fund new construction of single family residential units. A first mortgage on each property shall be acquired; mortgage would not be filed under the rehab program. If used for new construction, mortgage would be recorded.

With no further discussion, all voted in favor. Motion carried.

Wright Brothers, LLC- The Loan Review Committee recommend approval to grant Wright Brothers, LLC an additional six-month principal moratorium and to extend the maturity date 5 years. The loan is in participation with the JCIDA. Mr. Zembiec made a motion, second by Mr. Lumbis to approve the recommendation contingent upon approval by JCIDA, seconded by Mr. Lumbis, and all voted in favor. Motion carried.

Computer Doc, Inc. – The Loan Review Committee met and recommend a 12-month principal moratorium retroactive to December 1, 2017 and to extend the maturity date 12 months on all four loans to Computer Doc, Inc. Mr. Lumbis made a motion to approve the recommendation, seconded by Mr. Fallon, and all voted in favor. Motion carried.

Governance Committee

Annual Evaluation of Board Performance – Mr. Lumbis stated the Governance Committee reviewed the results of the 2017 Evaluation of Board Performance. He stated in reference to criteria “the board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission”, there is a better understanding of the progress on goals with the development of a work plan and monthly report prepared by Mr. Rutherford.

Watertown Local Development Corporation
Meeting Minutes
March 15, 2018
Page Three

Mr. Hunt made a motion to approve the 2017 Confidential Evaluation of Board Performance, seconded by Mr. Fallon. Mr. Lumbis stated a second sheet will be attached to the evaluation next year to give members and opportunity to explain their response. This is not required by the ABO. All voted in favor. Motion carried.

OLD BUSINESS

WCV Media, Inc. Ratification of Approval – On a motion by Mr. Fallon, second by Mr. Lumbis to ratify the requirement of a certification letter from an appraiser for property known as 311 State Street. The motion was approved based on the acceptance of the excess value resulting from the income analysis of the property which was conducted internally by Mr. Rutherford and the additional requirement of Reny Management, Inc. as guarantor of the WVC Media, Inc. loan. All others in favor. Motion carried.

New Business

DRI Committee/Rent Assistance Program – The DRI Committee recommend approval of a Rent Subsidy request from Laurel Zarnosky d/b/a Simply Sweets which is the 7th request to the Rent Assistance Program. Simply Sweets will be located in the Top of the Square building. Simply Sweets is a new business which will offer ice cream and sweets and will be open year-round. 32 jobs are anticipated to be created and expect to average 210 customers during the peak season.

On a motion by Mr. Hunt, second by Mr. Lumbis the rent subsidy was approved to Laurel Zarnosky d/b/a Simply Sweets contingent upon a copy of the executed lease agreement. All others in favor. Motion carried.

Adjournment – On a motion by Mr. Fallon, second by Mr. Lumbis, the meeting was adjourned at 10:10 a.m.

The next regular meeting is scheduled for Thursday, April 19, 2018.