

**Watertown Local Development Corporation
December 20, 2018
Annual Meeting Minutes**

The Watertown Local Development Corporation Board of Directors annual meeting was held on Thursday, December 20, 2018 at Garland City Beer Works, 321 Howk Street, Watertown, New York 13601.

Present – President Joseph Butler, Michael Lumbis, RoAnn Dermady, Steve Hunt, Jeffrey Fallon, RoAnn Dermady, Donald Alexander, Dave Zembiec (Designee), Jennifer Voss (Designee)

Others Present – Craig Fox, Watertown Daily Times; Councilman Mark Walczyk, Charles Capone, Watertown Savings Bank

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

Excused- Erika Flint, James Mills (Designee)

Call to Order – Mr. Butler called the meeting to order at 12:15 p.m.

Minutes – Minutes of the November 15, 2018 meeting were presented. Mr. Fallon moved to accept the minutes, seconded by Mr. Lumbis. All in favor. Carried.

Financial Report – Mr. Fallon presented the November financial statements.

Mr. Rutherford reviewed the status of the past due accounts. He stated Mr. Edirin Igho-Akiti's loan files have been turned over to Barclay Damon to begin collection proceedings.

Mr. Hunt moved to approve the November financial statements and customer report, seconded by Mr. Fallon. All in favor. Carried.

Correspondence – There was no correspondence.

**Committee Reports-
Loan Review Committee**

Above Reality Virtual Sports Complex, LLC – The Loan Review Committee recommend approval of a term loan in the amount of \$40,000 to Above Reality Virtual Sports Complex, LLC to be used to establish a virtual reality sports complex located at 1222 Arsenal Street, Watertown, NY. Collateral will be a co-equal first position on all business assets, co-equal second mortgage on personal property located at 170 Cedar Street, Watertown, NY (first mortgage held by Northern Federal Credit Union), Key man life insurance in the amount of the loan on William Gaudette, guarantee of Debra and William Gaudette, contingent upon approval by the JCIDA.

Mr. Butler has concerns with the use of the golf simulators being used seasonally. He stated golfers will be spending time golfing outdoors during the season. Mr. Fallon stated multi-sport simulators will also be purchased and the business plans on serving food and beverages. Mrs. Dermady stated that the LDC is in an excellent collateral position with the additional collateral of Mr. Gaudette's personal residence. Mr. Alexander stated Mr. Gaudette presented the loan request to the JCIDA and recommends the loan

based on Mr. Gaudette's character and as a decorated military veteran. Mr. Gaudette will maintain his position with New York Air Brake and Mrs. Gaudette will continue to work as the Food Service Operations and Director of Catering at JCC.

With no further comments, Mr. Alexander made a motion to approve the loan, seconded by Mr. Fallon. Mr. Butler voted no. All others in favor. Carried.

Lending Policy – Mr. Fallon made a motion to approve the Lending Policy as presented, seconded by Mr. Hunt. All in favor. Carried.

DRI Committee – Mr. Alexander made a motion to approve and submit the final WLDC Administrative Plan to HTFC, seconded by Mr. Lumbis. All in favor. Motion carried. Mr. Rutherford stated the next step is to enter into a contract with the state and review the request for proposal which will be sent to consultants to administer the façade program.

Governance Committee

Policies - Mr. Lumbis stated the committee recommend approval of the following policies: Whistleblower, Record Retention, Procurement, Conflict of Interest, Ethical Ruse, Defense and Indemnification, Real Property Guidelines and Hiring policy. Mr. Hunt made a motion to approve the policies, seconded by Mr. Fallon. All in favor. Carried.

Employee Handbook - A motion was made by Mr. Fallon to approve the Employee Handbook which has been revised to include the Sexual Harassment/Discrimination Policy, seconded by Mrs. Dermady. All in favor. Carried.

Bylaws – Mr. Fallon made a motion seconded by Mr. Lumbis to approve the revision to the bylaws regarding membership as follows: 1. Membership. E) Three persons appointed by the four persons mentioned above, two of which shall be a commercial loan officer of a bank having an office in the City of Watertown, New York and one of which shall be a person who shall represent, low- or middle-income groups of the city of Watertown, New York. All in favor. Carried.

Mission Statement – A motion was made by Mr. Hunt, seconded by Mr. Alexander to approve revision to the mission statement as follows: To work with City government, economic development agencies and the private sector with the goal of promoting economic expansion and prosperity in the City of Watertown. To use the Watertown Local Development Corporation's financial resources to leverage other investment with the goal of job creation, retention and elimination of blight. All in favor. Carried.

Mission Statement & Performance Measurements - The board reviewed the mission statement and conducted the annual performance measurements questionnaire. Mr. Hunt made a motion to approve the performance measurements, seconded by Mr. Fallon. All in favor. Carried.

Audit & Finance Committee

Investment & Deposit Policy - Mr. Butler stated the committee recommend the changes to the policy: A. Objectives 1. Investments shall be made with diversification in mind and made in a prudent manner with an emphasis on preservation of capital and safety, along with current income. Income will be the primary objective of the portfolio, growth will be secondary.

C. Types of Eligible Investments 1. Investments issued in depository accounts shall be insured by the Federal Deposit Insurance Corporation (FDIC) not to exceed the FDIC insurance limits with any one issuers individual account.

Mr. Butler stated the Audit Policy was recommended as presented.

A motion was made by Mrs. Dermady, seconded by Mr. Hunt to approve the Audit Policy and the Investment & Deposit Policy & Procedures. All in favor. Carried.

Nominating Committee

RoAnn Dermady's Resignation - Mr. Butler presented Mrs. Dermady with a token of appreciation for her dedication and commitment for serving 5 years as a board member. Mr. Butler and the board congratulated Mrs. Dermady. Mr. Dermady retires from her position as a Loan Officer from Watertown Savings Bank December 31, 2018.

Charles Capone, Board Member - Mr. Butler stated the committee recommend Charles Capone to the LDC Board of Directors beginning 1/1/2019-12/31/2021. Mr. Capone Watertown Savings Bank Loan Officer. The committee also recommend Mr. Capone serve on the Loan Review Committee and Audit & Finance Committee, appoint Mr. Capone as trustee to the employees 401K Omega Profit Sharing Plan and furthermore authorize Mr. Capone as a check signer to the Watertown Savings Bank accounts. A motion was made by Mr. Hunt, seconded by Mr. Lumbis. All in favor. Carried.

Jeffrey Fallon's Term of Office - Mr. Butler stated Jeffrey Fallon's second term expires December 31, 2018 and the Nominating Committee recommend Mr. Fallon fulfill RoAnn Dermady's remaining second term as a board member. Mr. Hunt made a motion, seconded by Mr. Lumbis to approve Jeffrey Fallon fulfill Mrs. Dermady's second term which expires 12/31/2019. All in favor. Carried.

2019 Board of Directors - Mr. Butler stated the Nominating Committee recommend the 2019 Board of Directors & Officers as presented:

- President - Joseph Butler
- Vice President - Erika Flint
- Treasurer/Secretary - Jeffrey Fallon
- Director - Stephen Hunt
- Director - Michael Lumbis
- Director - Donald Alexander
- Director – Charles Capone
- Designee - James Mills for Joseph Butler
- Designee - Dave Zembiec for Donald Alexander
- Designee -Jennifer Voss for Michael Lumbis
- Designee – To be announced for Stephen Hunt

A motion was made by Mr. Alexander, seconded by Mr. Lumbis. All in favor. Carried.

Watertown Savings Bank Corporate Banking Resolution – A motion was made by Mr. Hunt, seconded by Mr. Lumbis to approve the Watertown Savings Bank Corporate Banking Resolution and to authorize any two of the following: President, Vice President, Treasurer/Secretary and CEO of the Watertown

Local Development to execute the Account Agreement with Watertown Savings Bank to be designated as check signers of the WLDC. All in favor. Carried.

Old Business

Neighbors of Watertown, Inc. \$250,000 Façade Grant – Mr. Rutherford stated the balance of the façade program in the amount of \$173,302.05 will be disbursed to Neighbors of Watertown, Inc. by December 31, 2018.

New Business

CEO Report – Mr. Rutherford stated cameras have been installed inside the Franklin Building atrium.

Mr. Rutherford indicated one unfunded allocation remains under the current rent assistance program and recommends that any new applications be considered under the DRI award’s rent assistance program. He stated his understanding was projects can be back dated to the date the DRI award was approved. After review and discussion, the board would like to continue the existing LDC rent assistance program in the event an applicant applies before the DRI rent assistance program is established.

Personnel Committee

2019 Employee Evaluations - Mr. Lumbis stated the personnel committee conducted Mr. Rutherford’s annual employee evaluation and recommend a 2.75% salary increase. Mr. Rutherford conducted Mrs. Taylor’s annual evaluation and the personnel committee recommend a 2.5% salary increase. A motion was made by Mr. Fallon, seconded by Mr. Hunt to approve the 2019 salary increases for Mr. Rutherford and Mrs. Taylor effective 1/1/2019. All in favor. Carried.

Next Meeting – the January board meeting is postponed until further notice.

Adjournment - With no further business, a motion was made by Mr. Hunt, seconded by Mrs. Dermady to adjourn the meeting. All in favor. Carried. The meeting adjourned at 1:12 p.m.