

**Watertown Local Development Corporation
Meeting Minutes
June 20, 2019**

The Watertown Local Development Corporation Board of Directors monthly meeting was held on Thursday, June 20, 2019 in the WLDC office, 82 Public Square, Watertown, New York 13601.

Present – President Joseph Butler, Michael Lumbis, Steve Hunt, Jeffrey Fallon, Charles Capone, Donald Alexander, Steve Hunt, Erika Flint, Dave Zembiec (Designee)

Others Present – Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times; Rick Finn, City Manager, City of Watertown; Mike Biolsi, General Manager, Coughlin Co.

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

Excused – Jennifer Voss (Designee), James Mills (Designee)

Call to Order – Mayor Butler called the meeting to order at 8:30 a.m.

Minutes – Minutes of May 16, 2019 were presented. Motion made by Mr. Fallon to approve the minutes, seconded by Mr. Alexander. All in favor. Carried.

DRI Committee - Presentation by Mike Biolsi, General Manger of Coughlin Co. – Mr. Biolsi updated the board on the progress of the implementation of the DRI Façade and Rent Assistance Program application process. All DRI committee members will receive emails when a prospect has applied to the programs. DRI committee members have been provided a user name and password to log in and access the files which have been uploaded. This process is streamlined and easy to use. Neighbors of Watertown, Inc. will also have access to the DRI Façade Program as the consultant for the program. The programs are live on the LDC’s website. Mayor Butler thanked Mr. Biolsi for the presentation and he was excused from the meeting.

Financial Report – Mr. Fallon presented the May financial statement. The customer loan report was presented, and Mr. Rutherford updated the board on the delinquent loans. Motion was made by Mrs. Flint to approve the May financial statement and customer loan report, seconded by Mr. Lumbis. All in favor. Carried.

Correspondence – There was no correspondence.

Committee Reports

Loan Review Committee

Power Play Sports LLC – Mr. Fallon stated the Loan Review Committee (LRC) recommend approval to loan Power Play Sports, LLC a \$40,000 Downtown Micro Loan to be used to purchase hockey equipment from two major brands and for working capital. Mr. Fallon stated the company has provided an updated cash flow statement and projections which was requested by the LRC. Mr. Fallon stated based on the receipt of the accurate information regarding the cash flows the LRC recommends approval of the loan.

Mayor Butler reviewed the projections and had several concerns and questions regarding the financials. Discussion continued regarding the personal financial statements, the concern for the company over

spending, etc. Mr. Alexander stated based on the experience of the owners and the increase in demand for hockey skates rather than driving to Syracuse and the continued success of the business he supports the loan.

The discussion continued regarding limiting the number of loans to downtown business. Mr. Rutherford stated providing the number of loans to existing customers is a discussion to be held at another time if the board so chooses to do so.

Mr. Lumbis stated he has concerns over the business extending themselves with the increased amount of debt, even though the company has been successful. Mr. Hunt stated there needs to be a balance to incentivize businesses to grow. Mr. Fallon stated we are here to put them in business, not keep them in business. Mr. Rutherford stated the owners of the business have outside employment to support the business and will not let this business fail. Mr. Netto and Mr. Trimper are very involved on a daily basis and are committed to the children, hockey and the community. Mr. Rutherford stated the company has an excellent repayment history on the existing loan and continues to draw patrons to downtown businesses. Mrs. Flint discussed the process of presenting a loan to the committee. The LRC reviews the request, meets with the potential customer and conducts an analysis based on the recommendation of Mr. Rutherford and stated the continue need to discuss the recommended request questions what the purpose of the LRC is. Mr. Rutherford stated all board members are welcome to all committee meetings. Mayor Butler requested the minutes of the LRC committee meetings to be provided in the monthly board packet which would provide the backup how the committee recommendation arrived.

With no further discussion, Mrs. Flint made a motion, seconded by Mr. Alexander to approve the Downtown Micro loan in the amount of \$40,000 to Power Play Sports, LLC to be used to purchase equipment and working capital for 5 years at 3% fixed interest rate, 2nd collateral position on all business assets, guarantees by Paul Trimper, Jr. and Anthony M. Netto. Mr. Fallon abstained. All others in favor. Motion carried.

Old Business

City Center Industrial Park – Mr. Lumbis made a motion to enter into executive session for the proposed acquisition or disposition of property and allow Mr. Finn to attend, seconded by Mr. Alexander. All in favor. Carried. The board entered the executive session at 9:13 a.m.

Mayor Butler excused himself from the meeting at 9:40 a.m.

Mr. Zembiec made a motion to adjourn the executive session and reconvene the regular meeting, at 9:50 a.m., seconded by Mr. Fallon. All in favor. Carried.

Mr. Hunt made a motion to authorize the CEO to reimburse the Jefferson County Industrial Development Agency up to \$65,000 for improvements to the City Center Industrial Park rail siding to provide an opportunity for growth at the City Center Industrial Park, seconded by Mr. Fallon. Mr. Alexander abstained. All in favor. Carried.

New Business

CEO Report – Mr. Rutherford stated the Downtown Business Association will present a forum on the Business Improvement District (BID) on June 24, 2019 at 7:30 a.m. in the Empsall Plaza.

Next Meeting – The next meeting will be held on Thursday, July 18, 2019.

Adjournment – Mr. Zembiec made a motion to adjourn the meeting, seconded by Mr. Capone. All in favor. Carried. The meeting adjourned at 9:53 a.m.