

**Watertown Local Development Corporation**

**October 20, 2020**

**Board Minutes**

**Present:** President Jeff Smith, Charles Capone, Michael Lumbis, Erika Flint, Donald Alexander, Michael Pierce, Stephen Hunt, Dave Zembiec (Designee)

**Staff:** Donald Rutherford, CEO; Kylee McGrath, Executive Assistant

**Other's Present:** Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times; Erin Bischoff, WWNY

**Call to order:** President Jeff Smith. 8:32 am.

**Minutes:** The minutes of the September 15, 2020 were presented. Motion made by Mr. Lumbis to approve the minutes, seconded by Mr. Capone. All in favor. Carried.

**Financial Reports:** Mr. Capone presented the financial reports for the month of September.

Mr. Rutherford reviewed the customer loan report, we still have 14 loans that are 30 days or more passed due. Mr. Rutherford has been in contact with those that are past due.

Above Reality: Above Reality is filing for bankruptcy; Mr. Rutherford has spoken to his lawyer however the WLDC has not received the official notice yet.

Mr. Rutherford made a request to the Board of Directors to write off the loan made to Above Reality. Mr. Alexander made a motion to approve the loan write off in the amount of \$33,393.49, 2<sup>nd</sup> by Ms. Flint. All in favor. Carried

Fun Xcape: Three attempts have been made to contact Vina Bonner. Mr. Rutherford gave Ms. Bonner until October 16<sup>th</sup>, 2020 for a payment and/or a payment plan. Ms. Bonner failed to respond, a demand of payment in full letter is being sent out today. She has until October 30<sup>th</sup> to pay the loan in full.

Kingdom Stronghold: WLDC has received notice of bankruptcy.

Mr. Rutherford made a request to the Board of Directors to write off the loan made to Kingdom Stronghold in the amount of \$131,622.61. Motion was made by Mr. Capone, 2<sup>nd</sup> by Mr. Hunt. All in favor. Carried.

LKR: Mr. Rutherford spoke with Randy Lockwood, the smoker that the WLDC has as collateral is currently being used at his new BBQ restaurant. Mr. Lockwood brought the loan current, and a note was generated in the name of Woodlock, LLC.

Marble Street Garage: WSB extended the deferment to September. Mr. Petterson made a payment on Tuesday. Mr. Rutherford wanted to keep the Board aware.

Rowlands: A demand for payment in full letter was sent to Mr. Rowland, the principal balance is \$1,958.57.

The Escape works, Erica Turck and Mark Welser have all been in contact with Mr. Rutherford.

Paycheck Protection Program: Mr. Rutherford reviewed the chart that lists all income lost due to COVID-19. \$63,952.28 was lost in the form of loan payments (principal + interest), \$12,772.65 in Franklin building rent and \$165,016.10 in loan income due to bankruptcies.

Budget 2021: Mr. Rutherford reviewed the 2021 budget. The only increase in expenses showing is for WLDC employee pension. As of the end of September Ms. McGrath became eligible for the pension plan. Mr. Alexander made he motion to approve the 2021 budget, 2<sup>nd</sup> by Mr. Capone.

Loan Committee:

Motion to accept the loan committee meeting minutes was made by Ms. Flint, 2<sup>nd</sup> by Mr. Capone.

Washington Street Manor: LRC recommends approval of a \$120,000 loan at 5% fixed. Mr. Lumbis stated there is still some discussion on how it will be structured, the LLC may be purchased from Brent Lewis. Motion to approve loan contingent on CDBG loan and grant issues being resolved. Motion made to approve by Mr. Capone, 2<sup>nd</sup> by Mr. Hunt.

River Hens:

Mr. Rutherford has been in contact with Ms. Henry, prior to the pandemic they had no issue making the large monthly payment. LRC recommends interest only for 12 months at 3% fixed, the loan would then be amortized over 7 years at a 5% fixed interest rate. Motion to approve was made by Mr. Hunt and 2<sup>nd</sup> by Ms. Flint.

Mark Welser:

Mr. Rutherford has been in contact with Mr. Welser, currently he has stated he can afford \$150 a month. The principal balance for his three loans combined is \$53,657. The LRC is recommending amortizing the three loans as one, 12 months would be interest only at 3% then amortized over 5 years. Mr. Capone made a motion to approve, 2<sup>nd</sup> by Ms. Flint.

Authorized signer: At our April 1, 2020 board meeting it was decided that Mr. Rutherford was able to be the sole check signer, on April 4<sup>th</sup> board members via email voted so Mr. Rutherford could solely sign all checks regardless of a dollar amount. Mr. Rutherford stated now that more board members are back working in their offices having a second signer is no longer an issue. Motion was made by Ms. Flint and 2<sup>nd</sup> by Mr. Lumbis to go back to having two authorized check signers.

CCIP: Mr. Rutherford gave a brief update on the CCIP project. Heavy machinery equipment is down a the CCIP to get started.

**Adjournment** – Motion was made by Mr. Hunt to adjourn the meeting at 9:30a.m., seconded by Mr. Lumbis. All in favor. Carried.