

**Watertown Local Development Corporation  
December 17, 2020  
Annual Meeting Minutes**

The Watertown Local Development Corporation Board of Directors annual meeting was held on Thursday, December 17, 2020 via Zoom.

**Present** – President Jeff Smith, Michael Lumbis, Michael Pierce, Charles Capone, Erika Flint, Stephen Hunt, Dave Zembiec (Designee), Jennifer Voss (Designee)

**Others Present** – Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times; Melinda Gault, Community Action Planning Council of Jefferson County Inc.

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

**Excused**- Donald Alexander

Call to order-Mr. Smith called the meeting to order at 9:16am

**Minutes** – Minutes of the November 19, 2020 meeting were presented. Mr. Capone moved to accept the minutes, seconded by Ms. Flint. All in favor. Carried.

**Financial Report** – Mr. Capone presented the November financial statements.

Mr. Rutherford reviewed the status of the past due accounts. He is working with those that are past due to bring them current. Mr. Rutherford spoke to Mr. Lockwood and Jake Johnson, as of last updated they are waiting on Mr. Lockwood’s lawyers. Mr. Welser has been in contact with Mr. Rutherford, he is currently making \$100-\$150 monthly payments and plans to speak with Mr. Rutherford again in the new year.

Mr. Pierce moved to approve the November financial statements and customer report, seconded by Ms. Flint. All in favor. Carried.

**Committee Reports-**

**Loan Review Committee**

Vishal Sudera-The loan review committee recommended approval of a loan in the amount of \$117,000 to Vishal Sudera, LLC yet to be formed. The funds would be used to purchase the property at 1303 and 1309 State Street, Watertown, NY. The property is adjacent to the market that he owns and operates. The loan review committee recommends 15-year term at 5% fixed, 2<sup>nd</sup> lien mortgage behind Community Bank on the properties and 2<sup>nd</sup> position on assignments of rents and leases. Mr. Zembiec made a motion to approve the loan, seconded by Mr. Lumbis, Mr. Pierce recused himself. All in favor. Carried.

Riverview Urban and Industrial Lofts, LLC-The loan review committee is recommending approval of a loan in the amount of \$225,000. The funds would be used to purchase the property at 497 Newell Street, Watertown, NY. The loan review committee recommends 20-year term at 5% fixed, 2<sup>nd</sup> position on real estate located at 497 Newell Street and 1<sup>st</sup> position on real estate located at 424 Vanduzee Street. Contingent on appraisal value of both properties. Ms. Flint made a motion to approve the loan, seconded by Mr. Zembiec, Mr. Capone recused himself. All in favor. Carried.

**Governance Committee**

Mr. Lumbis stated the committee is recommending a few changes to the WLDC’s policies or procedures.

**Bylaws** – The Committee recommend the following change to the Bylaws:

*Article II, Purposes: Page 2*

As stated in the Certificate of Incorporation, the purposes for which this Corporation was formed are, to relieve and reduce unemployment, to promote and provide for additional and maximum employment, to better and to maintain job opportunities, to instruct or train individuals to improve or develop their capabilities for jobs, to carry on scientific research for the purpose of aiding a community or geographical area by attracting industry to the community or area or by encouraging the development of, or retention of, an industry, in the community area, to lessen the burdens of government to revitalize the community and to act in the public interest and such other purposes as in Section 1411.

*Article III, Section 1. e, page 3*

Three persons appointed by the four persons mentioned above, two of which shall be an ~~commercial loan~~ officer of a ~~bank~~ financial institution 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

*Article III, Section 5, Page 4*

**Attendance.** All Board members, or their representative, unless excused by the President, are expected to attend meetings of the Board of Directors on a regular basis each year. Those members with three unexcused ~~absenteeism~~-absences, who have been elected by the Directors to serve on the Board, will be asked to resign. After the third unexcused ~~absenteeism~~-absences, of those members on the Board by position or appointment by another body, the President will send a letter to the appropriate parties asking for new representation or a replacement.

*Article V, Section 2, Page 5*

**Loan Review and Eligibility Committee.** The Board of Directors may elect from its members an ~~Eligibility and Loan Review~~ Committee to serve at the pleasure of the Board. The Committee shall review all applications for loans and make recommendations to the full Board. ~~and grants and report its opinion as to whether or not the applicant is eligible and refer its recommendations to the Board.~~

## **Lending Policy**

### **Section 2: General Statement-**

The Watertown Local Development Corporation (LDC) functions as a lending institution, making loans for real estate and machinery and equipment, and working capital to all qualified applicants on an equal basis. Additionally, the LDC may participate in working capital and leasehold improvement financing as deemed necessary to meet project-financing gaps. All loan procedures will be reviewed on an annual basis to ensure that all rules and regulations are being complied with and that no application shall suffer any form of discrimination. Any bona fide registered business in New York State has the right to file a written loan application with the LDC.

*Section 5. b, page 3*

With every application, general guidelines for the revolving loan fund amounts are limited to 40% of project costs or 10% of total available LDC cash whichever is lower. The Board of Directors has the authority to grant an exception to the guidelines based on the overall economic impact on the community, as justified in the application for funding.

A motion was made by Mr. Pierce and seconded by Mr. Capone to not make any changes to the policies and procedures.

**Mission Statement & Performance Measurements** - The board reviewed the revised mission statement and conducted the annual performance measurements questionnaire.

**Mission Statement:**

**To work with City government, economic development agencies and 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, elimination of blight and community revitalization.**

Mr. Capone made a motion to approve the performance measurements, seconded by Mr. Zembiec. All in favor. Carried.

**Nominating Committee:**

Melinda Gault-Mr. Rutherford stated the committee recommended Ms. Melinda Gault to the WLDC’s Board of Directors beginning 1/1/2021-12/31/2023. Ms. Gault is the Executive Director of the Community Action Planning Council of Jefferson County. Ms. Gault will serve on the loan review committee and personnel committee. Ms. Gault is recommended as a representative of the low to moderate income population. A motion was made by Ms. Flint, seconded by Mr. Pierce. All in favor. Carried.

Mr. Hunt reviewed the nominating committee minutes with the Board of Directors. Motion made by Mr. Hunt to approve 2021 Board of Directors and committee structure as follows:

- President – Jeffrey Smith
- Vice President – Dave Zembiec
- Treasurer/Secretary – Charles Capone
- Director – Stephen Hunt
- Director - Michael Lumbis
- Director – Melinda Gault
- Director – Michael Pierce
- Designee – Jeffrey Smith’s designee to be announced
- Designee – Dave Zembiec’s designee to be announced
- Designee – Jennifer Voss for Michael Lumbis
- Designee – Terry Evans for Stephen Hunt.

**Audit/Finance Committee**

Chairman-Michael Pierce  
Jeffrey Smith  
Charles Capone

**Governance Committee:**

Chairman-Michael Lumbis  
Dave Zembiec  
Stephen Hunt

**Loan Review Committee**  
Chairman-Charles Capone  
Dave Zembiec  
Melinda Gault  
Michael Pierce

**Nominating Committee: (Members by Position)**  
Chairman- Stephen Hunt  
Jeffrey Smith  
Michael Lumbis  
Dave Zembiec

**Personnel Committee**  
Chairman: Jeffrey Smith  
Dave Zembiec  
Michael Lumbis  
Melinda Gault

The motion was seconded by Mr. Lumbis. All in favor, the motion carried.

Mr. Rutherford recommends approval to write off loans to 9 Chandeliers to bad debt expense. Motion was made by Mr. Capone to approve writing off the Loan to 9 Chandeliers, seconded by Ms. Flint. All in favor. Carried.

**Loan Risk Rating** – Mr. Rutherford presented the internal risk rating conducted for 2020 for approval of and to reserve \$340,000. The WLDC's current available bad debt reserve is \$165,758.86. Motion made by Mr. Capone and seconded by Mr. Pierce.

Mr. Rutherford took a moment to recognize Mr. Alexander and Ms. Flint for the time spent as a Board of Director for the Watertown Local Development Corporation.

Old Business:

Mr. Rutherford reviewed the progress at the City Center Industrial Park. The relocation of the rail spur has been completed. Mr. Brown CEO of Roth has been in contact with Mr. Rutherford discussing an expansion plan for the future.

**Adjournment** - Mr. Pierce made a motion to adjourn; seconded by Mr. Hunt. All in favor. Carried. The meeting adjourned at 10:16 a.m.