

**Watertown Local Development Corporation
February 18, 2021
Monthly Board Meeting Minutes**

The Watertown Local Development Corporation Board of Directors Monthly meeting was held on Thursday, February 18, 2021 Zoom.

Present – President Jeff Smith, Michael Lumbis, Michael Pierce, Charles Capone, Melinda Gault, Stephen Hunt, Dave Zembiec

Others Present – Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times; Chapman, 7news; John Nuber, CFA RBC Wealth Management; Cyril Mouaikel, Managing Director RBC Wealth Management

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

Call to order-Mr. Lumbis called the meeting to order at 9:20am

Minutes – Minutes of the January 21, 2021 meeting were presented. Mr. Hunt moved to accept the minutes once amended, seconded by Ms. Gault. All in favor. Carried.

RBC 2020 Investment Report: Mr. Mouaikel presented the report to the WLDC board. 2020 was a year full on uncertainty due the Pandemic. RBC made the necessary adjustment and kept in contact with the WLDC. Mr. Mouaikel stated that he has been in contact with Mr. Rutherford to keep more of our assets as liquid assets due to upcoming projects. 10 years ago, corporate bonds were added to the WLDC's portfolio which has been great for the WLDC's portfolio. Currently there is 20% left in cash which equals roughly 1 million. It is there for a potential upcoming project, Mr. Cyril stated if that project does not happen the funds will be reinvested.

RBC left the Zoom meeting at 9:43 am

Financial Report – Mr. Capone presented the December financial statements. Mr. Rutherford stated that either February or March will be the last months where there will show income from the Franklin Building. The assignment and assumption of master lease agreement was signed on February 1, 2021. We will not be billing the Franklin tenants starting the Month of March, all February rent payments received by the WLDC will be deposited and a check will be written to Neighbors of Watertown in the amount we received. The WSB account for the Franklin building will be closed once everything is switched over.

Mr. Rutherford reviewed the customer loan report. Vina Bonner's loan is 120 days past due, Mr. Rutherford has attempted to contact her. There have been a few inquiries of those looking to purchase the building. LKR had an anticipated closing of last week, we will be receiving \$67,907.15. The WLDC will be taking a \$4,008.24 loss on the loan. All parties involved are hoping for a closing this week. Erika Turck has been staying consistent with payments, Mr. Rutherford will continue to carry the past due balance forward. Simply Sweets, Mark Wesler's loan is past due. Ms. Zarnosky requested additional time to sort out personal issues surrounding this loan. Mr. Rutherford will be contacting her this week to follow up.

Mr. Pierce made a motion to accept the ratification of the LKR settlement in the amount of \$67,907.15, seconded by Mr. Capone.

Committee Reports-

Loan Review Committee

Mr. Capone reviewed the loan request for The Eatery. The loan review committee recommends approval for a \$40,000 micro loan, 12 months interest only, then amortized over 5 years at 4% fixed. Mr. Pierce made a motion to approve, 2nd by Ms. Gault. All in favor. Carried.

Mr. Capone reviewed the loan request for Fabril, Inc. the LRC recommends approval for \$40,000, amortized over 5 years at 5% fixed. Mr. Pierce made a motion to approve, 2nd by Ms. Gault. All in favor. Carried.

Mr. Rutherford reviewed the LOC renewal for Neighbors of Watertown in the amount of \$200,000. The LOC is renewed on an annual basis in the amount of \$200,000. The funds are used for rental rehab. Mr. Pierce made a motion to approve, 2nd by Mr. Lumbis. All in favor. Carried.

Mr. Pierce made a motion to accept the loan review committee meeting minutes. Seconded by Mr. Zembiec.

DRI Committee:

Mr. Lumbis reviewed the DRI committee minutes.

The WLDC received on rent assistance application from The Eatery and it meets all DRI criteria and fills a large vacant space in downtown Watertown. The DRI Committee recommends approval of DRI rent assistance to The Eatery. Mr. Capone makes a motion to approve the DRI Application from the Eatery, seconded by Mr. Zembiec.

The second rent assistance application received was for Mindful Tutoring. Ms. Richardson has been negotiating a lease with Ms. Vina Bonner. Education services would fill a niche in downtown that isn't filled. Ms. Gault, makes a motion to approve the DRI Application from Mindful Tutoring, seconded by Mr. Capone.

Mayor Smith mentioned that Ms. Bonner is 120 days past due on her loan with the WLDC. Mayor Smith inquired how that would affect the DRI rent assistance. Mr. Pierce made a motion to table the request for DRI Rent assistance from Mindful Tutoring, 2nd by Mr. Smith. All in favor. Carried.

New Business:

Loan Risk Rating – Mr. Rutherford presented the internal risk rating conducted as of 12/31/2019 for approval of and to reserve \$319,746.34. Mr. Pierce made a motion to approve the loan risk rating, seconded by Mr. Zembiec. All in favor. Carried.

Sponsorship request- Watertown First is looking for sponsorship for 2021-2022 to help maintain their organization. Their funds are raised through events and due to the pandemic, they were unable to host any events in 2020, it is also uncertain if they will be able to host an event in 2021. After much discussion, the board members discussed that they would like to investigate sponsoring events hosted by Watertown First. Mr. Pierce made a motion to sponsor events hosted by Watertown First, 2nd by Mr. Capone.

CFO Evaluation-

Mr. Zembiec made a motion to go into an executive session, 2nd by Mr. Hunt at 10:48 am.

11:45 Mr. Zembiec made a motion to come out of executive session, 2nd by Mr. Pierce.

Mr. Rutherford conducted Mrs. McGrath's annual evaluation recommended to the personnel committee 4% salary increase. A motion was made by Mr. Pierce, seconded by Capone to approve the 2021 salary increases for Ms. McGrath effective 1/1/2021. All in favor. Carried.

Adjournment - Mr. Zembiec made a motion to adjourn; seconded by Ms. Gault. All in favor. Carried. The meeting adjourned at 11:48 a.m.