

Watertown Local Development Corporation
Thursday, November 18, 2021
Meeting Minutes

The Watertown Local Development Corporation Board of Directors monthly meeting was held on Thursday, November 18, 2021, at the WLDC office located at 82 Public Square.

Present – President Jeff Smith, Michael Lumbis, Steve Hunt, Dave Zembiec,

Excused – Melinda Gault, Charles Capone, Michael Pierce

Others Present - Craig Fox, Watertown Daily Times; Joseph Russell, Legal Counsel

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

Call to Order –President Smith called the meeting to order at 8:35 a.m.

Minutes –Minutes of the October 28, 2021 meeting was presented. Motion made by Mr. Zembiec to accept the minutes, seconded by Mr. Lumbis. All in favor. Carried.

Financial Report- Mr. Rutherford present the October financial statement, followed by reviewing the customer loan report. Mr. Rutherford stated that the funxcape is in litigation and the WLDC has been receiving payments on the other past due accounts. Motion made by Mr. Zembiec, seconded by Mr. Lumbis.

Mr. Rutherford asked the Board to consider writing off the loan to Funxcape LLC for \$212,842.36. The loan is more than a year past due. Mr. Zembiec made a motion to write off the loan to Funxcape, LLC for \$212,842.36, seconded by Mr. Lumbis. All in favor. Carried.

Nominating Committee:

Mr. Hunt stated he asked Mr. Capone to serve a second-year term as a Watertown Local Development Board Member and he has agreed.

The Nominating Committee recommends the 2022 Officers and Directors to the Board of Directors at the annual meeting as follows:

President – Jeffrey Smith
Vice President – Dave Zembiec
Secretary/Treasurer – Charles Capone
Director – Stephen Hunt
Director – Michael Lumbis
Director – Melinda Gault
Director – Michael Pierce
Designee - James Mills for Jeffrey Smith
Designee – Marshal Weir for Dave Zembiec
Designee - Jennifer Voss for Michael Lumbis
Designee – Terry Evans for Stephen Hunt.

Audit/Finance Committee

Governance Committee:

Chairman-Michael Pierce
Jeffrey Smith
Charles Capone

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

DRI Committee

Chairman- Michael Lumbis
Michael Pierce
Stephen Hunt
Dave Zembiec

Mr. Hunt made a motion to accept the slate of officers as presented and for Mr. Capone to serve a second three-year term as a Board Member, seconded by Mr. Zembiec.

Governance Committee:

Mr. Lumbis presented the following recommended changes to the Watertown Local Development's BYLAWS, Policies and Procedures.

BYLAWS:

Page 3, Section 1: Membership

- e) Three persons appointed by the four persons mentioned above, two of which shall be an officer of a 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

Page 3 section 3: Rights of members

- a) Property Rights. No member of the corporation shall have any right or interest in ~~or to~~ the property or assets of the corporation. All property and assets of the corporation shall be solely subject to the direction, control of and expenditure by the Board of Directors.

Page 3 section 3: Rights of members

- b) Voting Rights. Each member of the corporation shall be entitled to one vote in person or **by teleconference** at any annual, monthly or special meeting of the members of the corporation. ~~In the event a member is absent from a meeting, he/she may vote via telephone conference call, where all members present can hear the conversation and the vote of that member.~~

Page 3 Section 4: Meetings

- 4. Meetings. A meeting of the members of the corporation may be held at any time at the call of the President or CEO. The notice of such meeting shall be deemed sufficient if deposited in the mail or **electronic mail** not less than three days before the meeting. Notice of the meeting may be waived by a member, in writing, orally, or by attendance at the meeting. A majority of the whole membership shall constitute a quorum for the transaction of business.

Page 5: Section 1: Audit/Finance Committee.

1. Audit/Finance Committee. The Board of Directors shall appoint from among its members an audit committee of 3 Directors, to serve at the pleasure of the Board. The Board of Directors shall designate one member of such committee to serve as its chairperson. The members of the audit committee shall be independent members within the meaning of the Public Authorities and Accountability Act of 2005, and, to the extent practicable, shall possess or obtain familiarity with corporate finances and accounting. The audit committee shall (a) recommend to the Board of Directors the hiring of an independent certified public accounting, (b) establish the compensation to be paid to the said certified public accountant, (c) directly oversee audits performed by any certified public accountant, and (d) have such additional powers, and perform such other and further duties ~~concerning~~ **concerning** the corporation and its finances as are prescribed by policies and procedures adopted by the Board of Directors.

Mr. Zembiec made a motion to accept the changes to the By-Laws, seconded by Mr. Hunt.

Ethical Rules:

Page 1, II. Distribution, Posting and Publication

The chief executive officer of the Agency shall be responsible to see that this document is: (a) distributed to each officer, board member and employee of the Agency, (b) posted **on the agency's website** ~~in a location in the offices of the Agency readily visible to officers, board members, employees, and customers of the Agency,~~ and (c) is published in the Agency's annual report.

Page 1, III. Purposes

This document is meant to serve two purposes. The first is to publicly express the overarching goal of the Agency to maintain a culture of ethical behavior within the Agency. It is a core value of this Agency to promote public accountability and reasonable transparency in the conduct of Agency business. The rules in this document are intended to safeguard the integrity of the Agency in its public mission by ensuring high standards of personal honesty and integrity. As officials and employees of a public agency, Agency officers, board members **and** employees must not only avoid any wrongdoing, but they must be alert at all times so that their acts and conduct give the public no cause for suspicion. They must give no appearance of a potential conflict between their official duties and personal activities even though an actual conflict is not present.

Page 5, Section d, ix. Predisclosure of Financial Interests Involving Agency

If any officer, board member or employee of the Agency shall have a financial interest, direct or indirect, in which the Agency is involved, he should file with the **President** ~~chairman of the board~~ of the Agency a written statement that he has such a financial interest in such activity, which statement shall be read into the minutes of a meeting of the Agency, and open to public inspection.

Page 5, Section e, I. Disclosure

Any time an Agency officer, board member or employee has an interest in a matter before the Agency which could give rise to a violation of the Agency Code of Ethics, he disclose such

Interest in writing to the Agency **President** ~~board chairman~~, and such writing shall be presented at the next meeting of the Agency board of directors and noted in the minutes of such meeting.

Procurement Policy

Page 1, Section I Classes of Goods and Services

- A. Purchase of goods or services with a value of ~~\$5,000~~ **\$1,000** or less.
- B. Purchases of goods or services with a value of more than ~~\$5,000~~ **\$1,000**, but less than \$10,000.

Page 1, Section II, Procurement Policies

- A. For the procurement of goods or services with a value of **\$1,000** ~~\$5,000~~ or less, the WLDC shall seek a verbal documented or written quotations from the provider or providers of the good or service that best meets the standards of efficiency, timeliness, practicality and convenience for obtaining the good or service. Given these objectives, a price quote from a single vendor may be sufficient.
- B. For the procurement of goods or services with a value of more than **\$1,000** ~~\$5,000~~, but less than \$10,000 the WLDC shall seek written quotations from not less than three vendors, if available, and shall select the least expensive, responsible vendor from those who respond to the request for quotations.

*The Procurement Policy changes were recommended by Bowers & Company at the end of our 2020 Audit.

Lending Policy

Page 4, 12. RESPONSIBILITY OF BOARD OF DIRECTORS **AND CEO**

Mr. Hunt made a motion to accept the changes to the policies shown above, seconded by Mr. Zembiec.

The following polices were reviewed:

Mission Statement

Whistleblower Policy

Records Retention Policy

Conflict of Interest (Certification of No Conflict of Interest to be completed by each board member annually)

Defense and Indemnification Policy

Real Property Guidelines

Hiring Policy

Mr. Hunt made a motion to adopt the policies shown above without any changes, seconded by Mr. Zembiec.

Mr. Lumbis reviewed the current mission statement that was revised December 17, 2020, there weren't any recommended changes.

The Board reviewed the performance measurements questionnaire.

Motion made by Mr. Hunt to adopt the mission statement and performance measurements, seconded by Mr. Zembiec.

Mr. Zembiec made a motion to enter an executive session at 8:53 am to discuss land acquisition, seconded by Mr. Hunt.

Mr. Zembiec made a motion to exit the executive session at 9:20 am, seconded by Mr. Hunt.

CCIP:

Motion made by Mr. Lumbis to contribute up to \$92,000 for the movement of the rail spur in the industrial park, seconded by Mr. Hunt.

President Smith discussed the possibility of a second entrance into the city center industrial park. Currently there is only one entrance which could become an issue if an emergency was to arise.

Mr. Zembiec stated a survey will be going out to gauge interest in the use of the rail spur.

Next meeting: The next meeting will be held on Friday December 17, 2021 at 11:30 am.

The meeting concluded at 9:40 am.