

The Watertown Local Development Corporation Board of Directors monthly meeting was held on Thursday, March 24, 2022, at 82 Public Square

Present: President Jeff Smith, Michael Lumbis, Steve Hunt, Michael Pierce, Charles Capone

Excused: Melinda Gault, Dave Zembiec

Others Present: Liz Bush, CPA, Bowers & Company; Andrew Smith, CPA, Bowers & Company; Cyril Mouaikel, Managing Director, RBC Wealth Management; Reginald Schweitzer, Executive Director, Neighbors of Watertown, Inc.

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

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

Minutes: Minutes of the February 24, 2022, meeting were presented. Motion made by Mr. Pierce to accept the minutes, seconded by Mr. Lumbis. All in favor. Carried.

2021 Audit: Ms. Bush, CPA of Bowers & Company presented the 2021 audited financial statements which included the independent auditors report, report on internal control and communication letter. Ms. Bush reviewed the notes to the financials required by the FASB's Not-for-Profit Financial Accounting Standard which were implemented during the 2018 fiscal year. After reviewing the financial statements Ms. Bush stated they did not recommend any changes. Ms. Bush and Mr. Smith stated audit went smoothly. This was the second virtual audit for the WLDC, and it went well.

Mr. Pierce made a motion to approve the 2021 Financial Audit, seconded by Mr. Hunt. All in favor. Carried.

RBC 2021 Investment Report: Mr. Mouaikel joined the meeting via Webex and presented the report to the WLDC board. The WLDC did have investment growth in 2021. Mr. Rutherford has been speaking to Mr. Mouaikel every few weeks to keep him apprised of the WLDC's liquidity needs. Currently there is roughly \$400,000 available. Mr. Mouaikel stated that the funds are there and can be transferred to the WLDC. Mr. Rutherford spoke to Mr. Mouaikel about the possibility of a line of credit secured by the WLDC's smaller account. This would eliminate the need to pull funds out before the maturity date, with the number of large loan requests the WLDC has been receiving liquidity has been a concern for the WLDC.

Mr. Pierce made a motion to approve the 2021 Investment report, seconded by Mr. Hunt. All in favor. Carried.

DRI Façade update:

Mr. Schweitzer, Executive Director of NOW joined the meeting via zoom call. An update on the façade program was given. Three of the projects have been completed or are nearly completed and will be submitted for reimbursement soon. Those projects are 63-65 Public Square, 221 State Street and 85-87 Public Square. Three projects that need approval are over the \$25,000 DRI grant, those projects are as follows 234 Coffeen project consist of 2 facades equaling a DRI contribution of \$50,000, 26-44 Public Square consist of 20 facades with a DRI contribution of \$75,000, and 46-54 public square that consist of 12 facades with a DRI contribution of \$46,313. Mr. Capone made a recommendation to approve the DRI projects as shown below, seconded by Mr. Pierce. All in favor carried.

PROJECT	DRI FUNDS	ADMIN FUNDS	APPROVED
63-65 PUBLIC SQUARE	\$35,000.00	\$1,500.00	YES
221 STATE STREET	\$50,000.00	\$1,500.00	YES
85-87 PUBLIC SQUARE	\$23,500.00	\$1,500.00	YES
234 COFFEEN STREET	\$50,000.00	\$3,000.00	NEEDS
236 COFFEEN STREET	\$25,000.00	\$1,500.00	NEEDS
135 PARK PLACE	\$25,000.00	\$1,500.00	NEEDS
138 COURT STREET	\$5,000.00	\$500.00	NEEDS
150 COURT STREET	\$5,000.00	\$700.00	NEEDS
152 COURT STREET	\$5,000.00	\$500.00	NEEDS
170 COURT STREET	\$5,000.00	\$500.00	NEEDS
26-44 PUBLIC SQUARE	\$75,000.00	\$4,300.00	NEEDS
304 STATE STREET	\$16,174.00	\$1,100.00	NEEDS
46-54 PUBLIC SQUARE	\$46,313.00	\$2,700.00	NEEDS
105 WASHINGTON STREET	\$35,062.00	\$2,100.00	NEEDS

(423,949.00) - \$401,049.00 \$22,900.00
OVER BY \$23,949.00

DRI FUNDS:

CONSTRUCTION \$340,000.00

SOFT COST \$20,000.00

-\$360,000.00 IN CONSTRUCTION

ADMIN \$40,000.00

TOTAL OF \$400,000.00

Financial Report – Mr. Capone presented the February financial statements

Mr. Rutherford reviewed the customer loan report. Majority of the WLDC's loan portfolio is current, those that are past due have been gradually paying to get back on track. The WLDC created a spreadsheet going back to 2010 showing how much has been spent per year in grants, DRI program, CCIP and sponsorships. As of March 24, the WLDC has closed on 4 loans for a total of \$674,911.27. Mr. Capone made a motion to approve the February financial statements, seconded by Mr. Pierce. All in favor. Carried.

Loan Review Committee:

Mr. Rutherford reviewed the loan request for March.

S&J Properties was approved for a \$350,000 in February of 2022. Mr. Rutherford had a meeting with S&J Properties owner Steve Bradley, Michelle Capone from DANC, Chuck Capone from WSB, Jeff Fallon of WSB and Mr. Bradley's contractor. After reviewing the project in its entirety, the project will need an additional \$100,000 in funding. S&J Properties is looking for an additional \$25,000 from the WLDC which brings the total loan amount for \$375,000. Mr. Pierce made a motion to approve an additional \$25,000 for a total of \$375,000, seconded by Mr. Lumbis. All in favor. Carried.

Mr. Petterson of Freeman Bus presented to the Loan Review Committee requesting a \$100,000 working capital loan. The Board of Directors voted to approve the loan via email. Mr. Pierce made a motion to ratify the loan approval for \$100,000 loan to Freeman Bus, seconded by Mr. Capone. All in favor. Carried.

Mr. Rutherford received a request from Watertown Savings Bank to subordinate the WLDC's security interest in all business assets of River Hens, LLC. Originally River Hens used the primary residence as their collateral for the business and now are looking to sell their home. Mr. Pierce made a motion to subordinate the WLDC's security interest in all business assets of River Hens, LLC, seconded by Mr. Hunt. Mr. Capone abstained from voting.

Governance Committee:

The Governance committee recommends accepting the proposal for legal counsel from Kendall, Walton & Burrows. Mr. Pierce made a motion to accept the proposal for legal counsel seconded by Mr. Lumbis.

Next Meeting- The next meeting will be held on April 28, 2022

Adjournment- Motion was made by Mr. Lumbis to adjourn the meeting at 9:40 am, seconded by Mr. Pierce.