

**Watertown Local Development Corporation**  
**Thursday, January 25, 2024**  
**Meeting Minutes**

The Watertown Local Development Corporation Board of Directors monthly meeting was held on Thursday January 25, 2024, at 8:30 AM at 259 JB Wise Place.

**Present** – President Sarah Pierce, Dave Zembiec, Steve Hunt, Michael Lumbis, Charles Capone, Dawn Cole, Michael Pierce,

**Others:** Marshall Weir, JCIDA; Sarah Compo-Pierce, Mayor-elect

**Excused:** Dave Zembiec, Michael Pierce

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

**Call to Order** –Ms. Pierce called the meeting to order at 8:33 AM.

**Minutes** –Minutes of the December 21, 2023, meeting were presented Motion made by Mr. Lumbis, seconded by Mr. Weir. All in favor. Carried.

Mr. Capone reviewed the financial statements, the WLDC ended 2023 with a positive net income. Mr. Rutherford reviewed the customer loan report, he has been in contact with all past due accounts. Mr. Lumbis made a motion to accept the minutes and the financial statements for December 2023.

Mr. Rutherford reviewed the loan risk rating prepared by Ms. McGrath. With the 2023 audit there is a change, Current Expected Credit Loss (CECL). This standard addresses the recognition, measurement, presentation, and disclosure of credit losses for certain financial assets. The new standard affects the loan risk rating. The presented loan risk rating is 2% higher for each category (satisfactory: 1 (7%), watch: 2 (12%) and substandard: 3 (17%)). The total reserve is \$538,780.68. Mr. Weir made a motion to approve the loan risk rating as approved, seconded by Mr. Capone. Mr. Capone stated he will look more into how CECL is utilized at the bank.

**Personnel Committee:**

Mr. Lumbis stated that there were 24 applicants for the CEO position with three interview scheduled (two for this week and one interview next week). Mr. Rutherford let the board know that his retirement date is April 30<sup>th</sup>, at that time he will have 21 days of vacation remaining. If he is to stay through April he anticipates being paid out for the vacation hours not used.

**Loan Review Committee:**

Mr. Capone reviewed the loan request for Bad Apple Downtown. The request is for \$28,000 to be amortized over 5 years with a 6% fixed rate. The first three months will be interest only. \$10,000 of the loan will be used to purchase the existing equipment. Mr. Capone made a motion to approve the loan as presented, seconded by Mr. Hunt.

Mr. Rutherford stated the board should write off the loan to BEL3-Spokes. The business is now closed, with the owner filing for bankruptcy. Mr. Capone made a motion to approve the loan write-off as of 12/31/2023, seconded by Mr. Weir.

Mr. Hunt made a motion to adjourn at 9:13, Seconded by Mr. Weir.