

Watertown Local Development Corporation
Wednesday, February 19, 2025
Meeting Minutes

The Watertown Local Development Corporation Board of Directors monthly meeting was held on Wednesday, February 19, 2025, at 9:30 a.m. at 259 JB Wise Place, Watertown, NY.

Present – Sarah Pierce, Dawn Cole, Michael Pierce, Michael Lumbis, Marshall Weir

Excused – Stephen Hunt, Christina Grimshaw

Others Present – Terry Evans, Designee, Craig Fox, Watertown Daily Times

Staff –Kylee McGrath, CEO, Joy Nuffer, CFO

Call to order: Ms. Pierce called the meeting to order at 9:31 a.m.

Minutes – Minutes of the January 15, 2025, meeting were presented. Mr. Weir made a motion to accept the minutes, seconded by Mr. Pierce. All in favor. Carried.

Financial Reports

Mr. Pierce reviewed the January 2025 Financials. The interest earned on investments was \$53,112.55 for January, and income on interest, loan fees and bad debt recovery was \$22,325.64. There were \$37,147.35 in expenses, leaving a income of \$40,662.67. The balance sheet shows accounts receivable to be \$6,031,207.91 with investment accounts \$4,140,389.99 and with the long-term liability of the lease total assets and liabilities and equity total \$10,045,054.40.

Ms. McGrath reviewed the February customer loan reports. She noted the loans who were delinquent. She also handed out a list of the outstanding loans as of yesterday in a smaller condensed version. She stated that Recre’s had requested a 6-month moratorium, retro to November, as they had been given that in the past, and their busy season does not start till spring. Ms. Pierce stated the board members could take action on that during the committee reports. Also she stated that The Eatery had sent an email, which she distributed to the board members, no action would be taken at this point, Ms. McGrath stated, as it would go to Loan Review Committee in March.

Ms. Cole made a motion to approve the financial statements, and the customer loan report as presented seconded by Mr. Weir. All in favor. Carried.

Committee Reports

Governance Committee

- **Annual Confidential Evaluation of Board Performance Results** – Ms. Cole reported to the board regarding the Confidential Evaluation results, there were ten responses this year and last year there had been six. She stated that it was an easier process with the electronic

format. After the committee had discussed the questions with the slightly agree answers, they believed that more is happening at the management level than they are aware of. She stated that they had requested some kind of CEO report to be given monthly and found out that Ms. McGrath had already been keeping a monthly log of duties, contacts, accomplishments and various stats, which she shared with the committee. They encouraged her to put it on the agenda monthly, and maybe next year the answers might be different. Mr. Weir stated that they were good responses to the questionnaire.

Mr. Pierce made a motion to approve the annual confidential evaluation of board performance results seconded by Mr. Lumbis. All in favor. Carried.

Loan Review Committee

- **Loan Risk Rating adjustment** – Ms. McGrath stated that the auditors had wanted an adjustment to the loan risk rating as they believed it was too high and with the new CECL standards there needed to be more explanation of why the percentages were chosen. Ms. McGrath stated that staff had come up with a formula and explanation that the auditors had been satisfied with, but it needed to be officially approved by the Board. The loan risk rating was reviewed and it was recommended that the percentage of risk with the three levels be level one-3%, level two-8%, level three-13%, and special circumstances that would allow for a higher amount of risk if the CEO deemed necessary.

A motion was made by Mr. Pierce to approve the Loan Risk Rating adjustment amount to \$283,667.43 and the accompanying explanation sheet for 2025, seconded by Mr. Weir. All in favor. Carried.

- **ReCre Bike Studio** – Ms. McGrath updated the board on the request that had come in after the Loan Review committee meeting. They have requested a six-month moratorium on interest and principal, retroactive to November through April, making the next payment due to be in May.

A motion was made by Mr. Lumbis to approve a six-month moratorium of principal and interest from November 2024 through April 2025, seconded by Ms. Cole. All in favor. Carried.

Monthly CEO Report – Ms. McGrath reviewed her monthly report with the board, and gave a brief overview of the contacts made, the social media has been growing quite fast, and the overview of the past due loan statuses and financial picture. Mr. Pierce stated that it is a good document and very helpful for the board members.

New Business – Neighbors of Watertown working capital note extension – Ms. McGrath stated that she had received a letter yesterday for an extension of the working capital note, as it had been extended annually since the start.

A motion was made by Mr. Pierce to renew the working capital note for one year, seconded by Mr. Lumbis. All in favor.

A motion was made at 9:58 a.m. by Mr. Pierce to convene an executive session to discuss potential real estate transaction, seconded by Ms. Cole. Staff and Board members were allowed to remain.

A motion was made at 10:07 to leave executive session by Mr. Pierce, seconded by Ms. Cole. All in favor. No action was taken.

Old Business – None

With no further business before the board, a motion was made by Mr. Pierce, seconded by Ms. Cole to adjourn the meeting at 10:35 a.m.