

**Watertown Industrial Center Local Development Corporation
Board of Directors' Meeting
June 18, 2013
Minutes**

The Watertown Industrial Center Local Development Corporation held a board meeting on Tuesday, June 18, 2013 in the Watertown Local Development Corporation board room, Buck Building, Watertown, New York.

Present: Michelle Capone, Donald Rutherford, J. Paul Morgan, Kent Burto

Staff: Billy Soluri

Others Present: Keith Caughlin (Schwerzmann & Wise, P.C.), Craig Fox (Watertown Daily Times), Mark Zegarelli and Marylourds Zegarelli (ServPro), Christine Cisco (RBC Wealth Management), Don Alexander (Jefferson County IDA)

Absent: Carolyn Fitzpatrick, Nickolas Darling

- I. Call to Order:** The meeting was called to order at 8:35 a.m.
- II. Meeting Minutes:** Motion by P. Morgan and second by K. Burto to approve the meeting minutes from the May 7, 2013 special board meeting were accepted. All in favor; motion carried.
- III. Financial Report:** B. Soluri presented the financials for the months ending April 2013 and May 2013. He noted a net loss of \$1,116.60 after depreciation for the month of April and a loss of \$2,744.55 after depreciation for the month of May. P. Morgan asked if the bad debt expense was being increased monthly to offset the lease revenue being booked for Junction Boyz. After some discussion it was determined that the bad debt expense was not being increased to offset the revenue. B. Soluri will adjust financial statements to reflect the increase to the allowance for bad debt and bad debt expense for the lease payments being recognized as income that will not be collected. B. Soluri also noted that he had to transfer \$5,000 from the capital reserve to the operating account to cover payroll. Cash flow is tight due to timing associated with bills including snow plowing and the final payment being paid on the gutter project. P. Morgan asked that B. Soluri change format of balance sheet to reflect comparative month-to-month. B. Soluri agreed. On a motion by K. Burto and second by P. Morgan the financial statements for April 2013 and May 2013 were accepted. All in favor; motion carried.
- IV. Correspondence:**
 - i. B. Soluri reported that the PAAA budget report had been submitted/certified/posted and accepted by New York State.
 - ii. B. Soluri reported that he worked with NYS to re-instate the WIC's Unemployment Insurance Number which had lapsed due to inactivity.

- iii. B. Soluri presented Golder Associates' on-site soil vapor intrusion work plan progress report for May 2013. Golder noted that there would need to be some additional remediation work to the former Allison Test Room in the back of Building C. Golder also reported that based upon the December 2012 SSDS Confirmatory Indoor Air Sampling Report that there will need to be additional SSDS installed in Junction Boyz tenant space A-19 and Upstate Testing and Control tenant space B-4.
- iv. B. Soluri reviewed the Stream Property Maintenance Agreement between the WIC LDC and JCIDA. The board noted that bullet VI item b needed to be amended to remove "attend meetings." On a motion by K. Burto and second by P. Morgan, the board accepted the Stream Property Maintenance Agreement with the change to item VI. All in favor; motion carried.
- v. B. Soluri reviewed email correspondence with P. Pecker regarding vacating his space in the WIC. P. Pecker stated that he is working with someone out of Syracuse to package and remove items.
- vi. B. Soluri reviewed email correspondence with R. Sharp regarding his past due account which is now over 90 days. Board recommended a letter from Attorney Caughlin to demand payment.
- vii. D. Alexander, Jefferson County Industrial Development Agency, presented a local partnership of the Workforce Investment Board, Jefferson-Lewis BOCES and the IDA's manufacturing committee to provide a demonstration program for machinist training. The group is looking for approximately 3,000 square feet of space to offer the training. B. Soluri noted that the WIC had approximately 1,700 square feet in Building C that might be available. The board agreed to allow B. Soluri to negotiate with the JCIDA on space and a lease rate to be presented to the board at a future meeting. Mr. Alexander also briefed the board on the pending NYS Tax Free Zones legislation and the potential to partner with JCC on incubation space at the WIC. Initial bill states that the incubation space needs to be within 1 mile of SUNY campus. More to come as bill is still pending.

V. Committee Reports

- i. Nominating and Governance Committees need to meet in near future. D. Rutherford noted that the Governance Committee may want to review by-laws regarding board membership since the Jefferson County Job Development Corporation has been dissolved.
- ii. B. Soluri presented a facility update. ABJ performed sprinkler inspection and noted an issue with sprinkler 620 at the side of Building A. The post indicator valve was damaged and upon repair, issues were found in a previously unknown sewer and storm drainage line which resulted in a \$2,000 emergency repair.

- iii. B. Soluri reviewed leases and prospects. There are currently two leases being renewed. Mosher Financial is renewing for 7 months and Upstate Testing is renewing for 2 years. In addition, B. Soluri is working with two prospects.

VI. Unfinished Business:

- i. Christine Cisco, RBC Wealth Management, presented the adoption agreement for the Omega, Inc. Prototype Short Form Non-Standardized Cash or Deferred Profit Sharing Plan to the board. The board agreed that it wants RBC to work with the employees to set-up brokerage accounts which give the employees the ability to manage their own investments. D. Rutherford asked C. Cisco if RBC would continue to provide assistance to the employees regarding their funds in the future and she agreed. On a motion by K. Burto and second by P. Morgan, the board adopted the Omega, Inc. Prototype Short Form Non—Standardized Cash or Deferred Profit Sharing Plan 01-011 to include the adoption of the 2009 Plan Termination Amendment. All in favor; motion carried.
- ii. Attorney Caughlin reviewed FLSA exempt and non-exempt employee classifications. The facility manager was determined to be covered and exempt while the maintenance workers were considered non-exempt. B. Soluri will manage the time of his non-exempt workers over 40 hours a week.
- iii. B. Soluri presented the 2013-2014 WIC LDC budget to show the breakdown of employee benefits on the income statement per P. Morgan's request.
- iv. B. Soluri passed out a memo from Joe LaClair with Heylor, Freyer and Coon regarding insurances. Mr. LaClair will present at our next meeting.

VII. New Business:

- i. B. Soluri requested that the board consider re-establishing a credit card at Key Bank for the WIC LDC. He reviewed the WIC LDC's Policy for Charge Card Expenditures adopted June 21, 2011 and procedures for documenting purchases. The board agreed to set a maximum credit amount of \$5,000. On a motion by P. Morgan and second by K. Burto it was agreed to re-establish a credit card with Key Bank in an amount not to exceed \$5,000. All in favor; motion carried.
- ii. Attorney Caughlin reviewed the negotiated lease and sub-lease agreements with the City of Watertown, Jefferson County and the Jefferson County IDA for parking associated with the expansion at Stream. On a motion by P. Morgan and second by K. Burto, it was agreed to approve and direct the President to execute the First Amendment to the Parking Lot Lease with Jefferson County of 65 parking spaces in the County's lot and the First Amendment to the Sub-Lease of 65 parking spaces in the County's lot between the WIC LDC and Jefferson County IDA. All in favor; motion carried. All in favor; motion carried. On a motion by P. Morgan and second by K. Burto, it was agreed to approve and direct the President to execute the Second Amendment to the Parking Lot Lease with the City of Watertown of Parcel I, the

north end of City lot near Carthage Federal Savings branch, and Parcel II, known as the Liberty Lot, and the First Amendment to a Sublease of those two parcels from the WIC LDC to the Jefferson County IDA. All in favor; motion carried.

- v. Mark Zegarelli and Marylourds Zegarelli, owners of ServPro, a tenant in the WIC presented their plans to expand their business and move to another location within the WIC. ServPro employs six people and would like to move to space in A-12 which is 5,480 sq. ft. The move will require leasehold improvements which the company would like to finance with an increase to its existing leasehold improvement loan. On a motion by P. Morgan and second by K. Burto, the board agreed to increase ServPro's Leasehold Improvement Loan by \$17,550 from approximately \$37,737.57 to \$55,237.57. All in favor; motion carried. On a motion by P. Morgan and second by K. Burto, the board agreed to terminate ServPro's existing lease and accept a new lease as recommended by staff to include a 3-month moratorium on base lease payments and a 2.5% escalator annually on additional rents. All in favor; motion carried.
- vi. On a motion by K. Burto and second by P. Morgan, the board entered into Executive Session to discuss pending litigation and employee's compensation.

On a motion by K. Burto and second by P. Morgan, the board came out of Executive Session. No vote was taken on the matter of pending litigation. On the matter of employee's compensation there were two votes.

On a motion by K. Burto and second by P. Morgan, the following was established by the WIC LDC as contribution percentages towards employees' pension plans: WIC LDC annual contribution not to exceed 4% of the employee's annual salary; WIC LDC to match one dollar for every two dollars contributed by the employee into their pension account up to 3% of the employee's salary, annually; and reserves the right to contribute an amount not to exceed 3% of the employee's annual salary as part of profit-sharing to be determined upon completion of the annual audit. All in favor; motion carried.

On a motion by P. Morgan and second by K. Burto, it was agreed to provide an increase to the Facility Manager's compensation effective July 1, 2013 due to an increase in responsibilities. All in favor; motion carried.

VIII. Adjournment: On a motion by Mr. Burto and second by Mr. Morgan the meeting was adjourned at 10:55 AM.

The next regular meeting will be Tuesday, July 16, 2013 at 8:30 AM in the Watertown Local Development Corporation board room, Buck Building, Watertown, New York.