

**Watertown Industrial Center Local Development Corporation
Board of Directors' Meeting
September 24, 2014
Minutes**

The Watertown Industrial Center Local Development Corporation held a board meeting on Tuesday, September 24, 2014 in the Watertown Industrial Center board room, 800 Starbuck Ave., Watertown, New York.

Present: Donald Rutherford, Mark Bellinger, J. Paul Morgan, Kent Burto

Excused: Nic Darling, Michelle Capone, Carolyn Fitzpatrick

Staff: Billy Soluri

Others Present: Keith Caughlin, Esq. (Schwerzmann & Wise, P.C.), Brianna Tousant (Bowers and Company), Travis Corliss (Watertown Airsoft League), Craig Fox (Watertown Daily Times)

- I. **Call to Order:** The meeting was called to order at 8:50 AM
- II. **Meeting Minutes:** On a Motion by P. Morgan and second by K. Burto to approve the meeting minutes from the August 26, 2014 regular board meeting. All in favor; motion carried.
- III. **Financial Report:** B. Soluri presented the financials for August 2014. He noted an operating loss of \$4,418.66 before accounting for depreciation of \$18,758.85. B. Soluri reported the WIC had a positive cash position of \$14,495.31 for the month ending August. Work in progress reflects the ServPro, Building B and Watertown Airsoft expenses to date. On a motion by P. Morgan and second by K. Burto the financial statements for August 2014 were accepted. All in favor; motion carried.
- IV. **Correspondence:**
 - i. B. Soluri presented Golder Associates' on-site soil vapor intrusion work plan progress report for August 2014. He stated the close-out report for the work previously completed should be received next month. All systems are functioning properly.
 - ii. B. Soluri presented the legal paperwork he had received from KIMBERS, INC. the day of the auction. He noted that after he had received the documents he contacted Mr. Keith Caughlin for guidance. Mr. Caughlin reviewed the documents and spoke with counsel for KIMBERS, INC. Mr. Caughlin advised Mr. Soluri that the documents were genuine and to allow the auction to proceed as planned.
- V. **Committee Reports**

- i. B. Soluri stated that Aubertine and Currier is working on plans and project estimate for installing a restroom in Building D. He anticipates having the estimate before the October board meeting.

B. Soluri noted he is having RSI Roofing look at the Building C and D roof to see if they have any suggestions on how to repair, and stop the leaks in lieu of replacing the entire roof.

B. Soluri presented the tenant roll for the month of August 2014, he noted that NYTRIC Electrical has started to move into Building C, the New York Air Brake had relocated to the back of Building A, and ServPro of Jefferson County will be in their space by October 1.

B. Soluri stated he had leased the current JCLDC office to Black Horse Group, who will be relocating from their current offices in Building C, and NYTRIC Electrical has agreed to lease the old Black Horse Offices. NYTRIC will be renovating the offices after Black Horse moves out; He noted that the renovations should take approximately 60 – 90 days. NYTRIC will begin paying rent on the offices after the completions of their renovations.

- ii. B. Soluri presented the auction report he had received from Brzostek's Auction Service in regards to the Mike Lynch portion of the auction. He stated that the items sold for \$1,840.50; however, the amount the WIC will receive is reduced by \$889.10 to cover the commissions and advertising cost. He noted the WIC would receive \$951.40 from the sale of the items.
- iii. B. Soluri stated he had not received the auction report in regards to the Junction Boyz part of the auction and he had requested a copy from Brzostek's and M& T Bank. D. Rutherford asked Mr. Caughlin to discuss the KIMBERS Inc. interest. K. Caughlin stated he reviewed the paperwork that Mr. Neil Smith, counsel for KIMBERS, Inc. had with him and determined they did indeed have a judgment against Junction Boyz Inc. and Mr. Ed Sampson, he noted the amount to be around \$30,000.

K. Caughlin noted their interest pertained to the paint booth and all inventory. K. Caughlin stated M&T Bank bid in their interest on the paint booth and KIMBERS, Inc. used their credit to buy back the booth.

D. Rutherford stated that had the WIC knew about their interest prior to start of the auction that could have changed how, and who we negotiated with to allow the sale to take place. He noted that instead of dealing with M&T we could have arranged a separate deal with KIMBERS. He stated the WIC expected to receive half of the entire auction, not just half of the M&T interest. K. Caughlin stated that M&T interest is approximately \$14,000.00.

B. Soluri stated the auction had cleared out majority of space with only trash, box springs and the paint booth remaining. D. Rutherford asked how long they had to remove the booth. K. Caughlin said 10 days, and he would advise KIMBERS that we expect the

booth to be removed within that 10 days or they will be charged rent. B. Soluri will send Mr. Caughlin the square footage the booth occupies and the current rental rates.

- i. D. Rutherford presented the Governance Committee minutes, he stated the committee reviewed the employee hand book and is recommending changing the section under vacation so that employees of the WIC are not compensated for unused and accrued vacation time at the end of the year.

VI. Unfinished Business:

- i. B. Soluri presented the e-mail, and updated report he had received from Sarah OConnell of the Small Business Center in regards to Mr. Travis Corliss and his business the Watertown Airsoft League. D. Rutherford said he had spoken with Ms. OConnell and he is confident the proposed improvement project would allow Mr. Corliss the opportunity to succeed. D. Rutherford stated that based on the report it appears that they have been generating enough cash flow to pay their bills and service their debt, even though they have only been able to operate outside.
- ii. K. Burto suggested that Mr. Corliss contact Mr. Soluri should he begin to have financial issues. T. Corliss said he would. D Rutherford suggested that Mr. Corliss supply monthly income and expense reports for the WIC to review. On a motion by D. Rutherford and second by K. Burto it was agreed to provide a Leasehold Improvement Loan to Mr. Travis Corliss in the amount of \$32,855.14. The terms of the loan will be for 5 years, at 3% and it will be treated as a construction loan during the renovations with interest payments due after each draw. Once the renovations have been completed Mr. Travis Corliss will make interest only payments for the first three months of the loan, with normal P & I payments beginning on the fourth month. All in favor; motion carried.
- iii. D. Rutherford presented the employee hand book and noted the Governance Committee has reviewed it and recommends changing the language under Section C. Vacation. B. Soluri said the changes could be found in the packet on page 49. On a motion by K. Burto and second by P. Morgan it was agreed to accept the changes made to the employee hand book by the Governance Committee. All in favor; motion carried.
- iv.
- v. B. Tousant presented the WICLDC audit for fiscal year ending June 30, 2014 that was provided in the packet. B. Tousant stated the management letter addressed their findings in regards to segregation of duties because of the small size of the organization. B. Tousant said they are not recommending the WIC hire additional staff, but wanted to make sure the WIC was aware this will be an ongoing deficiency. B. Tousant suggested the WIC create a policy for Bad Debt that would allow them to consider it on a case by case basis rather than carrying a fixed amount on their monthly financials. P. Morgan agreed with Ms. Tousant. On a motion by K. Burto and second by P. Morgan the audit report was accepted. All in favor; motion carried.