

**Watertown Industrial Center Local Development Corporation  
Board of Directors Meeting  
September 24, 2024  
Minutes**

The Watertown Industrial Center Local Development Corporation held its regular board meeting on Tuesday, September 24, 2024, in the Building A board room, 800 Starbuck Avenue, Watertown, NY 13601.

**Present:** Michelle Capone, Don Rutherford, J. Paul Morgan, Kylee McGrath, Mark Bellinger, Paul Warneck

**Unable to attend:** Robert Cantwell III, Kent Burto

**Staff:** Billy Soluri

**Others Present:** Keith Caughlin

- I. Call to Order:** The meeting was called to order at 8:30 AM.
- II. Meeting Minutes:** The minutes from June 25, 2024, meeting were presented. On a motion by D. Rutherford and second by P. Warneck, the minutes from the June 25, 2024, meeting were accepted. All in favor; motion carried.
- III. Financial Report:** B. Soluri presented the financial reports for June, July and August of 2024. B. Soluri noted that in the month of June revenue was \$47,665 with an operating expense of \$41,218. B. Soluri noted a positive net income for the month of June totaling \$4,447. B. Soluri noted depreciation for the month of June was \$13,795. B. Soluri presented the unrestricted report which had revenues of \$41,003 and an expense of \$27,422. B. Soluri noted net income on the unrestricted report is \$13,580 for the month of June. B. Soluri noted that there were no major expenses for the month of June. B. Soluri stated work in process is up to \$90,707. B. Soluri noted many of those projects were spoken about during the audit presentation earlier in the meeting. M. Capone asked if the work-in-process account had been adjusted yet based on the audit moving items out of work in process and into operations. B. Soluri stated none of the adjusting journal entries have been made yet but he would be doing them now that the audit has been completed and accepted by the board.  
  
B. Soluri stated it would be best to discuss the status of Modern Moving now instead of waiting until the August report. B. Soluri noted Modern Moving signed the repayment plan that requires them to make their current rent payment while making an additional payment in the amount of \$2,434 over their normal rent payment to go towards the past due balance. The repayment plan is for a total of nine months with payment number one due on September 20<sup>th</sup>. B. Soluri stated he spoke with Modern Moving ownership yesterday and that the first payment has been sent. B. Soluri noted that Modern Moving has not sent back the executed Confession of Judgement because ownership said they did not receive the document. B. Soluri stated that he has resent the document. B. Soluri noted the repayment plan does not include future utility bills as those are billed under a separate invoice. D. Rutherford asked what happens if Modern Moving fails to pay the utilities. K. Caughlin stated the tenant is required to pay the utilities and if they fail to

make those payments then they would be in default of their lease as well as the Confession of Judgement should the tenant sign the document.

B. Soluri stated that Cean Enterprises, also known as DocPPE, is no longer a tenant and they have paid all the rents that were due. B. Soluri stated the tenant was unable to set up their manufacturing line successfully due to the computer system and equipment line communication issues. D. Rutherford asked if they were setting up an alternate site. B. Soluri stated they were going to continue to do R&D at one of the owners' properties but given the power requirement for the equipment it is unlikely the product will be manufactured at that location. P. Morgan asked if the space was cleared out and left in a good condition. B. Soluri stated the space is completely empty and is in good shape.

B. Soluri presented the financials for July 2024. B. Soluri stated the increase in salaries was due to the temporary facilities technician starting in early July. B. Soluri noted the \$3,112 expense under the line item of maintenance equipment and tools were expenses relating to the storm.

B. Soluri noted that on the unrestricted income report revenues were \$40,235 with expenses of \$50,349 for a loss of \$10,113 on the month. B. Soluri noted that under the expenses for the month of July the WIC made their PILOT/Tax payment in the amount of \$9,652.

B. Soluri presented the financials for August 2024. B. Soluri stated revenues were \$43,175 with an expense of \$49,285 which includes \$13,795 in depreciation. B. Soluri noted under the maintenance expense line there were expenses of \$1,377 for fire extinguisher inspections, \$700 for the quarterly fire sprinkler system inspection, \$1,590 to reinstall a light pole that was knocked over during winter and some other minor repair cost. B. Soluri noted a positive position for the month of August in the amount \$3,023 on the unrestricted income statement.

On a motion by P. Warneck and second by M. Bellinger, the financials for June, July, and August 2024 were accepted. All in favor; motion carried.

#### **IV. Correspondence:**

A. M. Capone presented a letter received from the City of Watertown to appoint Don Rutherford as the City's representative on the WICLDC Board of Directors. On a motion by P. Morgan and seconded by P. Warneck the appointment of Don Rutherford as the City's representative was accepted. Kylee McGrath was accepted as the board representative for the Watertown Local Development Corporation vacated by Don Rutherford.

B. B. Soluri presented the letter received from the County regarding the amended ARPA agreement to include the additional request of \$150,000 to go towards the infrastructure improvement project. B. Soluri noted the additional funds were received the previous week and have been deposited into the WIC's checking account. B. Soluri stated the contract for the infrastructure project has been signed and materials have been ordered. B. Soluri noted that originally the funds had to be spent within the calendar year but he has heard if for some reason there

is a delay that is outside of the control of the WIC, we would be able to ask for an extension of the agreement to accommodate the delay.

- C. B. Soluri presented a letter received from NYTRIC requesting to be released from their lease obligations by the end of this year as they have purchased and are currently renovating the former UPS building located on outer Coffeen Street.
- D. B. Soluri presented a marketing flyer for the former Jain Irrigation space that was created by Chris Bogenschutz of River Side Media. B. Soluri noted this flyer will be sent to other agencies around the area to let them know the space is available and it will also be used for online advertisements on sites like Newzjunky. B. Soluri noted he would prefer this space be leased as a single space but is open to dividing it up if needed. B. Soluri mentioned that a current tenant expressed interest in leasing half of the space. B. Soluri noted he had sent a proposal to the City of Watertown through their Parks and Recreation and DPW division to lease the entire area as opposed to leasing just a portion of it for winter storage.

B. Soluri stated that DPW asked for a proposal for the area leased by NYTRIC as well. M. Capone asked if we should invite the city over to tour the facility. B. Soluri stated he has shown space to the head of the DPW and Parks and Recreation already but he would be open to reaching out to the City Manager's office to see if they would be interested in touring the location. M. Capone stated the former Jain Irrigation space would be ideal for the city and she would be willing to talk with the City Manager or attend an onsite meeting to discuss leasing this space if needed.

M. Capone asked if we have spoken with the city regarding building on the WIC's property. B. Soluri stated he has not talked with the city about building on the WIC's property and he questions how the WIC would receive revenue from this type of transaction.

D. Rutherford asked if we have ever considered using a realtor to market the available space at the facility. B. Soluri stated he recalls conversations regarding it but the WIC has never had a need to use one. B. Soluri stated it is only within the last year that we have had a large amount of space open up for lease. B. Soluri stated with all the economic development type agencies around they should be able to help feed tenants to the facility, that was the process in the past but unfortunately that has not been the process over the last few years. D. Rutherford stated the local market has softened but it may be a good idea to supply this information to commercial realtors who may be able to attract a prospect from outside of the area. B. Soluri stated he is willing to follow any guidance the board gives. M. Capone and D. Rutherford both agreed it would be best to give it a bit of time before reaching out to a realtor. B. Soluri noted that Brookfield Power asked to tour the NYTRIC space as a potential location for expanding their offices. B. Soluri stated once the space was cleared out he would have a marketing flyer put together for the NYTRIC space.

B. Soluri presented the letter received from the Code Enforcement Office regarding grass, weeds, and brush along the WIC's property. B. Soluri stated the

area referenced in the letter does belong to the WIC and it is the area along curblin as you drive along Starbuck Avenue towards the plaza, but before the retention pond begins. B. Soluri stated he couldn't believe a letter was received regarding this area as the grass/weeds were only a few inches in height. B. Soluri stated he had met with a couple of Code Enforcement officers to ensure their concerns and expectations were met. B. Soluri stated the meeting went well and they were surprised a letter was even sent to the WIC to address this area. B. Soluri stated that WIC staff was already in the process of clearing brush and miscellaneous debris on the back side of the property when this letter was received and that they would go ahead and clear the area referenced by the letter before the brush hog is returned.

## V. Committee Reports

- A. B. Soluri provided pictures that were taken during the July 16<sup>th</sup> and August 9<sup>th</sup> heavy rainstorms that occurred in the area. B. Soluri noted the July 16<sup>th</sup> storm was that storm that had the tornado alerts issued for the community and the August 9<sup>th</sup> storm was the remnants of the hurricane. B. Soluri also discussed a water leak that has been repaired by WIC Staff along with assistance from PSG Plumbing. The facility update is provided in the packet.
- B. Leases and Prospects: B. Soluri noted DocPPE, Modern Moving and the City of Watertown were discussed during the financial report.
- C. Audit Committee: M. Capone noted the meeting minutes from the August 7<sup>th</sup> and September 17<sup>th</sup> Audit Committee meetings were included in the board packet.
- D. .

## VI. Unfinished Business: None

## VII. New Business:

- A. B. Soluri presented the Audit Engagement letter received from Bowers and Company for their services relating to the Audit of the WIC for FYE June 30, 2024. B. Soluri noted that the Audit Committee reviewed the agreement and recommends the WIC board accept the Audit Engagement agreement as presented. On a motion by P. Morgan and second by M. Bellinger, the Audit Engagement with Bowers and Company was accepted. All in favor; motion carried.
- B. M. Capone introduced Liz Bush as the representative from Bowers and Company. B. Soluri stated that the Audit Committee met with Liz Bush on September 17<sup>th</sup> to review the audit report and financial statements. B. Soluri noted that the Audit Committee recommends the WIC board accept the audit report and financials as presented. L. Bush presented the FYE June 30, 2024 audit report. L. Bush noted the audit received a clean and unmodified opinion. L. Bush stated the financials are fairly stated in all material aspects and in accordance with Generally Accepted Accounting Principles, General Accepted Auditing Standards, and Government

Auditing Standards. L. Bush noted the Government Auditing Standards relate to the WIC receiving pass-through funds such as the grant from the county and because the WIC follows the NYS Public Authority reporting requirements.

L. Bush detailed the \$150,000 ARPA grant that the WIC received from the county and how it is presented on the financials. L. Bush stated \$24,748 has been spent out of the ARPA grant funds. L. Bush stated there was a small decrease in net assets of around 6% or a \$12,500 decrease. L. Bush stated there was about a 10% decrease in rental income which is attributed to the loss of Jain Irrigation. L. Bush stated total expenses remained relatively the same as the previous year. L. Bush noted the non-elective retirement contribution increased from 4% to 6%.

L. Bush stated property and equipment acquisitions on the year totaled \$87,000 which included several projects such as the sidewalk repair, Brookfield renovation design work, infrastructure project, brick repair, and steel door replacement.

L. Bush spoke briefly about the new standard known as CECIL which stands for Current Expected Credit Loss. L. Bush stated this new standard did not have any impact on the audit. L. Bush stated this was discussed during the audit committee meeting.

L. Bush spoke about the new Public Accountability investment report requirement. L. Bush stated previously staff would submit their own write up to comply with the requirement this has now changed and the state requires this to be included within the audit report. L. Bush stated staff would upload the auditors report detailing the investment activity when submitting the report to the state. M. Capone asked if someone from the state contacted the WIC do discuss this report. B. Soluri stated he found out about the requirement through Bowers and Company. L. Bush stated another LDC had been contacted in regards to the investment report and this report was the result of those conversations with the Authority Budget office.

L. Bush stated there were no issues or conflicts with management while conducting the audit. D. Rutherford asked if the segregation of duties was still something that was being reported because of the small size of the WIC. L. Bush stated that this detail was removed last year. L. Bush stated the WIC has a great amount of oversight with the disbursement of funds and the material provided by staff to the board is sufficient to remove this detail. K. Caughlin noted the removal of this detail is a good sign to the strength of the WIC's fiscal controls. K. Caughlin asked if Bowers has removed this detail from other clients. L. Bush stated it comes down to how structurally solid an organization is. L. Bush stated many of the LDC's still have the segregation of duties report within their audit. M. Capone noted it helps that staff is able to handle the accounting aspect for the agency and perform the necessary entries with minor need for journal entries whereas some not-for-profits struggle to provide adequate financial statements. On a motion by P. Morgan and seconded by D. Rutherford, the FYE June 30,

2024 financial audit was accepted as presented. All in favor; motion carried.

- C. PILOT Update: K. Caughlin stated he has spoken with the Harris Beach firm in regards to the WIC PILOT. K. Caughlin stated Harris Beach is the firm that represents the JCIDA. K. Caughlin stated the recommendation would be to keep the terms of the PILOT the same. K. Caughlin stated the existing PILOT expires on December 31, 2025. K. Caughlin stated that he had spoken with Brian Phelps with the City of Watertown. K. Caughlin stated that Brian Phelps is optimistic that the PILOT will be approved but he wanted to try and have the approval in place prior to his retirement at the end of October 2024. K. Caughlin stated it is unlikely to have this approved in that time frame because of the review that Harris Beach wants to do regarding this PILOT. M. Capone asked if there is a concern that the new assessor may not agree with how Brian assessed the property for this PILOT. K. Caughlin stated that it could be a concern. B. Soluri stated the current PILOT uses a classification system that places leasable space into three categories. B. Soluri stated those categories are Office, Flex, and Subpar. Each category is then assessed a value based on percentage of the entire assessment. B. Soluri stated we are then taxed on the occupancy percentage for those categories. B. Soluri stated at the end of December of 2023 the WIC was nearly 100% occupied, which means we were paying almost 100% of the full tax assessment on the property.
- D. Transition of Counsel: K. Caughlin stated he would be retiring at the end of the year and would still be of counsel to the firm and somewhat available by e-mail and phone. K. Caughlin stated he recommends the WIC engages new counsel and he recommends using Jim Burrows who is with the local firm Kendall, Harrienger & Burrows. K. Caughlin stated outside of using Jim Burrows another option would be to utilize an attorney out of Syracuse such as Harris Beach. K. Caughlin stated Jim Burrows has extensive knowledge with municipal and public entity law practice. D. Rutheford stated he has worked with Jim Burrows in the past and he would be great attorney for the WIC. B. Soluri stated he supports the recommendation made by Keith Caughlin to use Jim Burrows as the replacement counsel for the WIC. B. Soluri stated that Keith has always had the best interest of the WIC in mind and that would be no different with his recommendation to replace him. K. Caughlin stated he would contact Jim Burrows and ask that he submit a proposal for legal services to the WIC and within a meeting or two the WIC could decide if they would like to use his services or go another route
- E. Executive Session for Attorney Client Privilege Discussion. On a motion by D. Rutherford and seconded by M. Bellinger. All in favor, the WICLDC Board of Directors entered into Executive Session at 9:32 a.m. On a motion by D. Rutherford and seconded by M. Bellinger. All in favor; the WICLDC Board of Directors came out of executive session at 9:46 a.m.
- F. **Adjournment:** On a motion by D. Rutherford and seconded by M. Bellinger, all in favor; the meeting was adjourned at 9:47 a.m.

The next regular meeting is scheduled for Tuesday, November 26, 2024.