

M I N U T E S
Jamestown Local Development Corporation Board
December 19, 2017

A meeting of the Jamestown Local Development Corporation was held on Tuesday, December 19, 2017 at 4:30 p.m. in the Mayor's Conference Room, 4th Floor, Municipal Building.

Members Present: Mayor Sam Teresi
Russell E. Diethrick, Jr.
Tony Dolce
John Whittaker
Greg Rabb
Randy Ordines
** Kim Ecklund (arrived late)

Members Absent: George Spitale

Others Present: Vince DeJoy III, Executive Director
Stephanie Wright, JURA Economic Development Coordinator
Brad Bentley, JURA Financial Coordinator
Dennis Phillips, Jamestown Post Journal
Sam Price, Counsel
Todd Trantum, Manufacturers Association of the Southern Tier

Mayor Sam Teresi called the meeting of the Jamestown Local Development Corporation Board to order and asked the secretary to note the board members, staff and media present.

Mayor Teresi welcomed and introduced Brad Bentley, new Financial Coordinator.

Mayor Teresi: Brad is the new Mark Marchincin. He has been retained after Mark retired from the Urban Renewal Agency. Brad has come on board in accordance with our contract with the Urban Renewal Agency for staff members. Brad is going to be doing our financials and working with Stephanie and Vince on project write ups and review. Welcome Brad to the corporation. At the next meeting of the Urban Renewal Agency, he'll be rolled out and introduced there. Brad, if you could take about 45 seconds of time to introduce yourself and tell folks who you are and how you found your way back to

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Chautauqua County and Jamestown and what you've been doing with your life leading up to Vince's recommendation to hire you at JURA.

Mr. Bentley: My name is Brad Bentley. I grew up in Panama, N.Y. and have been working as an electrical engineer around the country for power companies for the last 25 years. I retired, came back home and have been taking care of parents and stuff and saw the position open up with Vince. I got my MBA from UConn recently and this position seemed to be a great fit between the financials and the engineering stuff and planning and zoning. It's great to be here and I'm just a local native, knew the area back when. Always come back to eat at Davidson's and Johnny's – all the good spots.

Mayor Teresi: Brad's been doing a lot of catch up and is going to be dealing on multi-fronts within the Urban Renewal Agency, obviously with the JLDC contract and handling the financials, but also helping out with a lot of administrative and oversight matters on all aspects of the Urban Renewal Agency operation including the housing end of things as well. He's going to be a Brad of all trades on financial, helping Vince out on administrative fronts and some economic development stuff as well.

The first order of business is the opportunity for members of the public to offer comments. Mr. Trantum, anything you'd like to say to the board? Please just, for the record; you know the drill, state your name and residential address and keep your comments to five minutes or less if you would please do so.

Mr. Trantum: Yes. Thanks for the opportunity. Good afternoon and happy holidays. Todd Trantum, I'm President and CEO of Chautauqua County Chamber of Commerce and I also serve as Executive Director of the Manufacturer's Association of the Southern Tier. Our offices are located at 512 Falconer Street. My home address is 5639 Rivulet Avenue in Maple Springs. I am former resident of the city of Jamestown. The first item I want to raise, I think, is pertinent to this board is that as a Manufacturer's Association, we have been a member of this, we provided a name and a recommendation on May 15th at a time when the by-laws of this organization, that were approved in 1984 – I believe, were still in force. And our recommendation to this board has not received any communication or confirmation pertaining to these meetings. And as a member of this organization that's involved in approving business loans, we feel that our voice is an important part of this conversation.

I think in light of some of the broader directions that this board may be taking, I think and we feel, our voice is important at this table. We represent roughly 500 businesses in the greater Jamestown area, so as it pertains to some of the discussion related to the wastewater transaction, we've got a lot of members who are very concerned about this and the impact it will have on the rates. They're concerned about having to pay twice for the same resource and it's already been paid through taxpayer dollars as well as through wastewater fees. We have legal counsel on this issue. We have concerns about how it's going to be processed. There is some indication within the city charter that any transaction should require a majority vote from the residents. There are questions whether the wastewater system can be sold while it is actually in use. This certainly should be a concern for the JLDC is that the Board of Public Utilities cannot pass through JLDC debt service to system users. Again, we're concerned that users will be charged double for the

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same system and there are questions as to whether JLDC does have the ability and the power to acquire and bond for the wastewater system and the purposes that have been laid out.

Two concerns; one is by virtue of the bylaws of this corporation, it appears they've been violated. Our appointee to this board has not been seated, so we're looking for an answer as to why that appointee has not been communicated with. And secondly, we are deeply concerned about this transaction. We feel that this organization is drifting from an important mission of loaning money and being in a position to help and support local businesses through an important loan program that has done quite a bit for businesses over the years. This organization was not founded to be a utility. So, there's some mission creep in terms of what the objective of this organization – purpose of this organization is. There are some legal concerns with this transaction and thirdly, again, we're trying to understand why our representative to this board has not been communicated with or brought into these conversations.

Mayor Teresi: Thank you. I can tell you, Mr. Trantum, that once we get through our public agenda items here, I will be calling for an executive session. One item would be under perspective litigation on the matter that you mentioned and the other one is going to be under personnel, addressing the matter that you also spoke about here. I'll discuss it with my fellow board members, both matters, and take whatever action might be appropriate and necessary at that time and in the future. Thank you.

Mr. Trantum: So, can I get an answer why the person we've asked to be seated on this board has not been communicated with since May, that was long before any of this discussion began.

Mayor Teresi: We will be discussing that under both litigation as well as a personnel matter for this board; first in executive session and then we will proceed accordingly with both issues.

Mr. Trantum: It has nothing to do with the litigation that is occurring. This is an appointment that is our selection for this board.

Mayor Teresi: Right. At this point in time, my answer to you and there will be an appointment process going forth, but again, my intention is to discuss it with the members of this board first in executive session under personnel since it relates to individuals and personalities and I believe the open meetings law allows us to do that. I will be having a conversation with my colleagues first regarding any appointment to this board moving forward.

Mr. Trantum: The revisions to the by-laws further erode the voice of this business community. And this has been an ongoing trend and the revisions are one more step to make it difficult for us to bring things forward and put the power to select those people in your hands. And that's a disservice to the business community.

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Mayor Teresi: Okay. Thank you. I take it there's nobody else. Does anybody else have anything that they'd like to discuss with the board at this point in time regarding corporation business? If not, we'll move on to the pre-filed agenda.

The first item is consideration for the approval of the minutes of the May 11, 2017 meeting. You have those in your packet, is there a motion to approve?

Mr. Dolce moved to approve the minutes of the May 11, 2017 meeting. Seconded by Mr. Rabb.

Carried: 6 – 0

Mayor Teresi: By the way, I should have mentioned at the beginning of the meeting, we do have a quorum necessary to transact business and we are also expecting the arrival of corporation board member Kim Ecklund while we are in session.

Second of all, there were financial reports in your packet; dated November 30th. Balance sheet, disbursements, loan status report. I hope that everybody's had a chance to review that information. If you're comfortable with it, is there a motion to approve the financial reports?

Mr. Whitaker moved to approve the financial reports. Seconded by Mr. Ordines.

Mr. DeJoy: I would like to make note of some large expenditures that are showing up on our income statement of over \$1 million. I wanted to let you know that those are a result of our TAP grant to construct two pedestrian bridges and we had to pay up front before we get reimbursed from the state from this grant. It's a \$2 million project. The city pays and was approved by the city council to pay the first \$400,000.00 of it and how this works is, you gather up your invoices and send them to the state and everything past the \$400,000.00, we will be receiving as reimbursements from New York State.

Mayor Teresi: So the city, with the UDAG repayment funds that they decided to use as match dollars; we manage the UDAG repayment funds for the city as well as the multiple revolving loan funds under a contract with the city. That has to be frontloaded and paid and then we get a reimbursement through the state, capping the city's UDAG repayment match commitment to the \$400,000.00 that the city council committed to when they decided to apply for funding.

Just a refresher; and maybe for Brad's benefit here, it's a \$2 million project. The state grant was for \$1.6 million and the local government share was \$400,000.00. The city council decided to fund its \$400,000.00 local share with UDAG repayment money that we manage for the city as a corporation. Vince's point, I think, is you'll see some continuing transactions moving forward as part of the financial statements as money goes out and that money revolves back in off of the DOT grant. And at the end of the day, when the bridges are opened and illuminated and people are walking all over the bridges and having a good time, everything will be restored back and the total impact on the balance sheet will be the \$400,000.00 that city council authorized by resolution a couple years ago. Did I reiterate that okay?

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Mr. DeJoy: Yes, you characterized it. And I just want to also make note of one other loan account that I'd like to discuss in the executive session to come to some type of understanding with this account.

Mayor Teresi: Okay. We'll add that as a third executive session item under proprietary finances of a particular business.

Mr. DeJoy: Exactly.

Mayor Teresi: Alright. The finance report has been moved and seconded. Comments from staff; any comments further from the board members? If not, all those in favor of the motion indicate by saying aye. Opposed?

Carried: 6 – 0

Mayor Teresi: The third item on the pre-filed agenda. There's a copy of the unanimous consent resolution regarding the process over the past several months to update the by-laws that all of the board members have signed between the period of October 26th and November 1st. Under policy, practice and law, we do have the ability to conduct business that way on an as-needed basis as long as it is ratified at the next voting session of the Jamestown Local Development Corporation. Is there a motion to ratify the unanimous consent resolution from the period of October 26th to November 1st?

Mr. Rabb moved to ratify the unanimous consent resolution regarding the by-laws updates from the period of October 26th to November 1st. Seconded by Mr. Dolce.

Carried: 6 – 0

Mayor Teresi: Any other items that board members would like to bring to the general good of the order before I ask for the executive session resolution? If not, it's been noted that we have a need for an executive session for three items. One, to deal with a personnel issue, another to deal with a litigation matter and another one to deal with a proprietary finances of a particular business or businesses. Is there a motion to go into executive session?

Mr. Diethrick moved to go into executive session. Seconded by Mr. Dolce.

Mayor Teresi: Note for the record, there will be no binding votes taken in the executive session and we'll leave the door open, as we always do, for action in the public meeting because we do not know what will take place in the executive session. So there is a possibility of coming out and taking action at the end of that executive session.

Carried: 6 – 0

Ms. Ecklund arrived.

Mayor Teresi: We stand in executive session. Legal counsel and staff can stay.

Todd Tranum stated his desire to sit in on the executive session as the representative of MAST, since the board seat for a MAST representative is currently vacant. Mayor Teresi explained to him that it would not be legal or appropriate for him to stay. The reason being was that Mr. Tranum was not a seated board member, nor was he eligible to be a seated board member of the JLDC as he is not a resident of the city. In addition, the subject to be discussed during executive session was the threatened litigation from Mr. Tranum's organization. Other board members also voiced their position that his participation in the executive session would not be proper. After further insistence from Mr. Tranum, that he be allowed to sit in on the meeting, Mayor Teresi asked legal counsel, Sam Price for advice. Legal counsel concurred that it was not legal or appropriate for Mr. Tranum to participate in the executive session, as he is not a member of the JLDC Board, and as a representative of the Manufacturers Association of the Southern Tier (MAST), who is threatening litigation against the JLDC and the City of Jamestown. Mr. Tranum, under further protest, left the room.

After executive session was completed the meeting then resumed in open session.

Mayor Teresi: Pre-filed resolution with the intent to endorse the concept of moving forward with the JLDC playing a role, utilizing its bonding powers with the end goal potential of acquiring title interest in the city's wastewater treatment plant to generate capital to allow the city to move forward with a long-term capital investment program. With an acknowledgement, that this merely begins the process that will entail several further steps going down the road and directing the president, legal counsel and staff of the JLDC to proceed with the next steps and bring back information and further required actions of the JLDC board for additional consideration and action. That, in a nutshell, is what the seven or eight-page resolution crafted by legal counsel boils down to. With that explanation, is there a motion to that effect?

Mr. Whittaker moved to move the process forward. Seconded by Mr. Dolce.

Mayor Teresi: Are there any questions? Tony, do you want to make your comments from last night that this merely kicks the process off and doesn't get into a final sale?

Mr. Dolce: It merely just starts the process. It's the next step.

Mayor Teresi: Legal counsel, Executive Director, staff; anything to add that we haven't already covered? One last call to the board members. Any other comments or questions? If not all in favor of the motion as seconded, indicate by saying aye.

Carried: 7 – 0

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Mayor Teresi: Let it be known that the motion was carried unanimously by more than the quorum of the board. This will begin the process and I, as the president, legal counsel and staff will be providing further information, reports and updates as to what happens from this point forward. Is there any other information to come before the board? Can your other executive session item wait until the next meeting in a couple of weeks? Is there a motion to adjourn?

There being no further business, Mr. Dolce made the motion to adjourn the meeting. Seconded by Ms. Ecklund.

Carried: 7 – 0