

**LOCAL DEVELOPMENT CORPORATION
FOR THE
TOWN OF UNION, BROOME COUNTY**

AMENDMENTS TO BY-LAWS

Effective November 20th, 2007, the By-Laws of the Local Development Corporation for the Town of Union, County of Broome, New York are hereby amended as follows:

Article IX shall be amended by including the following:

Independent Members

As soon as practicable and in compliance with Section 2825 of the Public Authorities Law, the majority of the members of the Board shall be Independent Members, as such term is defined below.

For the purposes of these By-Laws, an Independent Member is one who:

- (a) Is not, and in the past two (2) years has not been, employed by the LDC or another corporate body having the same ownership and control of the agency in an executive capacity;
- (b) Is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than \$15,000.00 for goods and services provided to the LDC or received any other form of financial assistance valued at more than \$15,000.00 from the LDC;
- (c) Is not a relative of an executive officer or employer in an executive position of the agency or another corporate body having the same ownership and control of the agency; and
- (d) Is not, and in the past two (2) years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the LDC or another corporate body having the same ownership and control of the agency.

No Board Member, including the chairperson, shall serve as the Chief Executive Officer, Executive Director, Chief Financial Officer, Comptroller, or hold any other equivalent position while also serving as a member of the board.

No Board Member shall, directly or indirectly, including through a subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, board member or employee (or equivalent thereof) of the LDC.

In addition to any other duty imposed by law or these by-laws, each Board Member shall

- 1) execute direct oversight of the LDC's Chief Executive and other senior management in the effective and ethical management of the authority; and
- 2) shall understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the LDC.

Article VII shall be amended as follows:

1. Audit Committee

There shall be an Audit Committee consisting entirely of Independent Members who shall be elected by a plurality of the votes cast by the members of the Board of Directors of the LDC at each annual meeting and shall serve until the next annual meeting. To the extent practicable, members of the audit committee should be familiar with corporate financial and accounting practices. The Audit Committee shall recommend to the Board of Directors of the LDC the hiring of a certified independent accounting firm in compliance with the Public Authorities Law of New York State to conduct the annual independent audit, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the annual independent audit.

2. Governance Committee

There shall be Governance Committee consisting entirely of Independent Members who shall be elected by a plurality of the votes cast by the members of the LDC Board of Directors at each annual meeting and shall serve until the next annual meeting. The Governance Committee shall keep the Board informed of current best government practices, review corporate government trends, update the LDC's corporate government principles, and advise the Town of Union Legislature and Town of Union Comptroller of current best government's practices, review corporate government trends, update the LDC's corporate governance's principals, and advise the Town of Union Legislature and Town of Union Comptroller on the skills and experience required of potential members.

Article XI shall be renumbered Article XXI

Article XI shall be replaced as follows:

1. Annual Independent Audit:

The Audit Committee shall present to the Board of Directors upon its completion, the annual independent audit report performed in accordance with the requirements of the Public Authorities Accountability Act and generally accepted government auditing standards certified by a firm of independent public accountants selected by the Board pursuant to these By-Laws. The certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

(a) The assets and liabilities, including the status of reserve, depreciation, special or other funds including the receipts and payments of such funds, of the agency as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during said fiscal period;

(c) The revenue or receipts of the agency, both restricted and unrestricted to particular purposes during said fiscal period;

(d) The expenses or disbursements of the agency for both general and restricted purposes, during said fiscal period; and

(e) A schedule of the bonds and notes of the agency outstanding during said fiscal period, including all refinancing, calls, refundings, defeasements, and interest rate exchange or other such agreements, and for any debt issued during the fiscal period, together with a statement of the amounts redeemed or incurred during such fiscal period as part of a schedule of debt issuance that includes the date of issuance, term, amount, interest rate, means of repayment, and costs of issuance.

The certified independent public accounting firm providing an annual independent audit for a local authority (which includes an industrial development agency) will be prohibited in providing audit services to such authority if the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has performed audit services for such authority in each of the five previous fiscal years of such authority.

The certified independent public accounting firm providing an annual independent audit for a local authority (which includes an industrial development agency) shall be prohibited from

performing any non-audit services to such authority contemporaneously with the audit, unless receiving previous written approval by the audit committee of such authority, including:

- (1) Bookkeeping or other services related to the accounting records or financial statements of such authority;
- (2) Financial information systems design and implementation;
- (3) Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- (4) Actuarial services;
- (5) Internal audit outsourcing services;
- (6) Management functions;
- (7) Broker or dealer, investment advisor, or investment banking services; and
- (8) Legal services and expert services unrelated to the audit.

A certified independent public accounting firm will be prohibited from providing audit services to a local authority (which includes an industrial development agency) if the chief executive officer, comptroller, chief financial officer, chief accounting officer, or any other person serving in an equivalent position for such authority, was employed by that certified independent public accounting firm and participated in any capacity in the audit of such authority during the one year period preceding the date of the initiation of the audit.

Furthermore, the certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

- (a) All critical accounting policies and practices to be used;
- (b) All alternative treatments of financial information within generally accepted accounting principals that have been discussed with the management of the LDC, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm; and
- (c) Other material written communications between the certified independent public accounting firm and the management of the LDC, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

A copy of the Annual Independent Audit Report, the management letter and any other external examination of the books and accounts of the LDC (other than copies of the reports of

examinations made by the state comptroller) shall be submitted to the Chief Executive Officer, the Chief Financial Officer, the Town of Union Legislature and the Authority Budget Office within 30 days of the receipt thereof from such authority.

Article XII of the By-Laws shall be enacted as follows:

1. Annual Report

There shall be an annual complete and detailed report or reports which shall include the following:

- (a) The LDC's operations and accomplishments;
- (b) its receipts and disbursements, or revenues and expenses, during such fiscal year in accordance with the categories or classifications established by such authority for its own operating and capital outlay purposes;
- (c) its assets and liabilities at the end of its fiscal year including the status of reserve depreciation, special or other funds and including the receipts and payments of these funds;
- (d) a schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance that includes the date of issuance, term, amount, interest rate and means of repayment. Additionally, the debt schedule shall also include all refinancings, calls, refundings, defeasements and interest rate exchange or other such agreements, and for any debt issued during the reporting year, the schedule shall also include a detailed list of costs of issuance for such debt;
- (e) a compensation schedule that shall include, by position, title and name of the person holding such position or title, the salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such authority whose salary is in excess of one hundred thousand dollars;
- (f) the projects undertaken by such authority during the past year;
- (g) a listing of
 - (i) all real property of such authority having an estimated fair market value in excess of fifteen thousand (\$15,000.00) dollars that the authority intends to dispose of;
 - (ii) all such property held by the authority at the end of the period covered by the report; and

(iii) all such property disposed of during such period.

The report shall contain an estimate of fair market value of all such property held by the authority at the end of the period and the price received by the authority and the name of the purchaser for all such property sold by the authority during such period;

(h) such authority's code of ethics; and

(i) an assessment of the effectiveness of its internal control structure and procedures.

2. This report shall be published on the LDC website.

3. The Annual Reports must be submitted to the Chief Executive Officer and the Chief Fiscal Officer, the Town of Union Legislature and the Authority Budget Office

Article XIII of the LDC By-Laws shall be enacted as follows:

1. Maintenance of LDC Website

a) To the extent practicable, the LDC shall make accessible to the public via its official internet website documentation pertaining to its mission, current activities, most recent financial reports, current year budget and its most recent independent audit report, the LDC's personnel policy, investment policy, travel policy, and property acquisition and disposition policy shall be filed with the Town of Union Comptroller, posted on the LDC website, updated annually and filed with the State Comptroller.

b) Annually, on or before March 31 of each year, the LDC shall post its property disposition guidelines on its official website.

c) at least annually, the LDC shall post a current list of its real property holdings;

c) Notwithstanding the foregoing, any information exempt from disclosure pursuant to Section 87(2) of the Public Officers Law shall not appear on the website

Article VI of the By-Laws shall be amended by adding the following:

1. Executive Officers and Other Personnel

(a) The LDC shall appoint a Chief Executive Officer of the LDC by resolution and shall also set the Chief Executive Officer's annual compensation by resolution.

(b) The Chief Executive Officer of the LDC shall have general supervision and manage the LDC and all LDC's staff and employees shall report directly to the Chief Executive Officer. Except as may be authorized by resolution adopted by the LDC, the Chief Executive Officer shall execute all agreements, bonds, notes, contracts, deeds, leases and any

other instrument of the LDC. The Chief Executive Officer shall assist the Board of Directors with such matters as the Board may request in furtherance of the LDC's public purposes. The Chief Executive Officer shall be charged leading the LDC in carrying out its mission's statement and filling its public purposes under the Public Authorities Accountability Act and any other applicable law. The Chief Executive Officer shall also perform all other duties customarily incident to the office of a Chief Executive Officer of a not-for-profit corporation and public authority of the State of New York and such other duties as from time to time may be assigned by the Board of Directors.

(c) The LDC shall appoint a Chief Financial Officer of the LDC by resolution which shall set forth the Chief Financial Officer's annual compensation.

(d) The Chief Financial Officer shall keep and maintain the books and accounts of the LDC and shall have charge and custody of, and be responsible for, all funds and securities of the LDC, and shall deposit all such funds in the name of and to the credit of the LDC in such banks, trust companies, or other depositories that shall be selected by the Board. Except as otherwise authorized by resolution of the Board of Directors, the Chief Financial Officer shall sign all purchase orders and instruments and checks for the payment of money, and shall pay out and disburse such monies under the direction of the Board of Directors and the Chief Financial Officer of the LDC. All such purchase orders and instruments and checks over certain dollar thresholds as may be established from time to time by the Board of Directors shall be countersigned by the Chief Financial Officer or other officer or Board Member as shall be designated by the Board.

(e) The Chief Financial Officer shall also perform all other duties customarily incident to the office of the Chief Financial Officer of a not-for-profit corporation and Public Authority of the State of New York and such other duties as from time to time may be assigned by the Board of Directors.

(f) The Chief Financial Officer shall be the Chief Compliance Officer of the LDC for purposes of insuring that the LDC is in full compliance with all provisions of the Public Authorities Accountability Act applicable to the LDC. The Chief Financial Officer shall prepare and distribute all annual reports required by the Public Authorities Accountability Act and as may be otherwise required by the Office of Comptroller of the State of New York. The Chief Financial Officer, in consultation with the Board of Directors and the Chief Executive Officer of the LDC, shall prepare the annual budget of the LDC for submission to the Board for approval and he shall distribute all copies of the annual budget of the LDC to all persons required by the Public Authorities Accountability Act. The Chief Financial Officer shall assist the Audit Committee of the Board of Directors in carrying out their functions.

(g) The Chief Financial Officer of the LDC shall be the Contracting Officer of the LDC for the disposition of real and personal property in accordance with the provisions of the Public Authorities Accountability Act.

(h) The Chief Financial Officer shall be the Freedom of Information Officer of the LDC in accordance with the provisions of the New York State Freedom of Information Law, Article 6 of the New York Public Officer's Law.

(i) No member of the Board of Directors, including the President, shall serve as the LDC's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Comptroller, or hold any other equivalent executive position or office while also serving as a member of the Board of Directors.

Article XIV of the By-Laws shall be enacted as follows:

1. Additional Personnel

The LDC may from time to time employ such personnel as the LDC, upon the recommendation of the Chief Executive Officer deems necessary to exercise the LDC's powers, duties and functions as prescribed by the selection and compensation of all personnel shall be determined by the LDC subject to the laws of the State of New York.

Article V of the By-Laws shall be amended by including the following:

1. Board Training

Individuals newly appointed to the LDC Board must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment to such Board. Existing board members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

Article XV of the By-Laws shall be enacted as follows:

1. Property Disposition and Acquisition Guidelines

(a) The LDC shall establish written policies and procedures on the acquisition and disposition of real property; and

(b) On or before March 31st of each year shall file with the State Comptroller a copy of the property disposition guidelines most recently reviewed and approved by the Board; and

(c) Shall post said property disposition guidelines on the LDC's website; and

(d) The property disposition guidelines shall be annually reviewed and approved by the Board; and

(e) The LDC Board shall by resolution appoint an officer or employee to be responsible for the disposition of property, and the LDC's compliance and the LDC's property use and disposition guidelines; and

(f) The LDC Board shall adopt rules for appointing a Contracting Officer terminating the appointment and filling the vacancy.

Article XVI of the By-Laws shall be enacted as follows:

The LDC's policies shall establish written policies regarding the defense and indemnification of its members, officers and employees and shall disclose such plan to all current and prospective board members.

Article XVII of the By-Laws shall be enacted as follows:

Inventory of Property

The LDC shall

- 1) maintain adequate inventory controls and accountability systems for all property under its control;
- 2) shall periodically inventory all property under its control to determine which property shall be disposed of;
- 3) Produce a written report of such excess property; and
- 4) Transfer or dispose of such excess property as promptly as possible

Article XVIII of the By-Laws shall be enacted as follows:

Board members, officers and employees of the LDC shall file annual financial disclosure statements with the Broome County Board of Ethics.

Article XIX of the By-Laws shall be enacted as follows:

Every financial report must be approved by the LDC Board and must be certified in writing by the Chief Executive Officer and the Chief Financial Officer that upon the officer's knowledge: a) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; b) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and c) fairly presents in all material respects the financial condition and results of operations of the authority as of, and for, the periods presented in the financial statements.

Article XX of the By-Laws shall be enacted as follows:

For each fiscal year, the LDC shall prepare budget information (the "Annual Budget") on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the annual receipts and expenditures for the last completed fiscal year.

The Annual Budget must be submitted to the following not less than 60 days before the commencement of the LDC's fiscal year:

- a) the Chief Executive Officer;
- b) the Chief Financial Officer;
- c) the Town of Union Legislature; and
- d) the Authority Budget Office