

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY (“IDA”)
MINUTES OF MEETING
APRIL 18, 2011**

Present

Board Members: Joshua Smith, Chair
Richard Bedrosian
Jerry Maldonado
Sean O’Shea
John Penney
Excused Absence: Richard Bedrosian, Spencer Gulliver
Administrative Director: Edward Lynch
Counsel: Thomas Whyatt, Esq.

Guests: Richard Herbek, Acting City Manager
Arthur Anthonisen, Chair, Hudson Valley Center for Innovation

1. **Roll Call.** Mr. Smith called the meeting to order at 7:00pm; a quorum was present.
2. **Proof of Notice of Meeting.** Accepted.
3. **Hudson Valley Center for Innovation.** Mr. Smith introduced Arthur Anthonisen, Chair of the Board of the Hudson Valley Center for Innovation (“HVCI”) and Chair of the Board of Trustees of Orange County Community College, who spoke on behalf of Les Neuman, executive director of HVCI. HVCI is seeking IDA’s endorsement of its grant application to the EDA for the “**i6 Green Challenge**”, an Economic Assistance Program. A Letter of Intent to apply for the \$1 million grant is due May 2nd. The grant is to introduce technology-based economic development, which is the focus of HVCI. HVCI is working with international companies to include global technological advances in innovation and entrepreneurship. The Letter of Intent will refer to partners in the Hudson Valley region, such as higher education institutions and the IDA. The grant is to meet the “needs of underserved communities, with focus on growth industries, alternative and renewable energy, waste remediation, and to serve areas of high unemployment in pursuit of a vibrant innovative clean economy.” This fits with HVCI accelerators. There is a matching component, which will include in-kind contributions.

Mr. Maldonado: Motion to endorse HVCI's Letter of Intent to apply for the EDA i6 Green Challenge.

Mr. O’Shea: Motion seconded.

VOTE: Unanimously approved to endorse the Letter of Intent.

4. **Approval of Minutes of March 21, 2011 Monthly Meeting**

Mr. Curry: Motion to Approve the March 22, 2011 Minutes.

Mr. O’Shea: Motion Seconded.

Vote: Unanimously adopted.

5. **Bills and Communications.** (See Treasurer’s Report)

6. **Reports of Committees**

Report from the Chair: The Foundry will be Discussed in executive session, as well as 1 Corwin Court.

Report from the Administrative Director: Representatives of the City and the IDA met to finalize the EDA grant disbursement and agreed to \$103,000 payment to the IDA out of the \$858,000 grant award. A Resolution will need to be passed by the Council at its April 25 meeting. Mr. Lynch met with a tenant

interested in purchasing property on Wisner Ave. City Corporation Counsel and the City Engineer also discussed the possible PILOT agreement for the acquisition.

Mr. Lynch met with Wm. Mulvey of Sedore regarding the LNA Loan, interest payments and information on city-owned properties. A list of changes in assessed values of properties was sent to the Board. Mr. Lynch had discussions with the recording secretary to ensure that Minutes include signed and dated official actions of the Board. Mr. Lynch visited The Foundry with Steve Hunter from the buildings department. The State Law has changed; therefore current plans need to be amended to comply with the current regulations. The top floor clearance situation can be resolved according to Mr. Hunter and the architect. Active Ventilation will decide by April 27 whether or not to apply for a PILOT. The By-Laws need to be re-adopted because they weren't previously filed

Mr. Curry: Motion to Re-Adopt the By-laws.

Mr. Penney: Motion seconded.

VOTE: Unanimously Re-Adopted. (See Schedule B attached hereto)

Audit Committee: The Audit Committee did not meet. Mr. Curry requested that the Board appoint a CFO in order to comply with the ABO.

Mr. Curry: Motion to name Craig Skelly as Acting CFO.

Mr. Penney: Motion Seconded.

VOTE: Unanimously carried.

Governance Committee: The Committee did not meet. Ms. Waivada explained the new ABO agency reorganization and powers. 2012 reporting to the ABO now requires that the Mission Statement state the Board's goals and quantify the achievements. The annual goals were due March 31. The Board asked for the list of requirements. PILOTS, Bond Indebtedness and other basic IDA activities still need to be compiled. Review County and City tax records. Adopted Budgets are necessary. There was a discussion of how far back the ABO will ask the current board to comply. Ms. Waivada explained that PARIS data reporting can be entered in sections by anyone, but only 1 authorized person can upload the completed file. Mr. Maldonado: given laundry list, can we set a timeline? Ms. Waivada: the next issue is responses from trustees on the bonds for 2010. 2010 will be much easier. Full compliance probably can't be achieved in two months and it is up to the board on how to explain to the ABO. Ms. Waivada recommends simply giving factual accounting for past years where information was incomplete. 2006 – 2008 nothing done. The administrative components of records-keeping were discussed. Records will be consolidated at the Armory. Mr. Penney will purchase a lock for the storage space at the Armory.

City Manager Report: There are many mutual interests (e.g., The Foundry and 1 Corwin Court). The staff is under great pressure. If it is helpful for Corporation Counsel to be at IDA meetings, Mr. Lynch will let Ms. Kelson know when there is a meeting at which her presence will be helpful.

7. Treasurer's Report and Bills & Communications: Mr. Curry distributed the monthly report (see Schedule A attached). The ending balance operating account was \$300,343.28.

Invoices to be paid: \$ 5,575.00 Ms. Waivada
350.63 On The Money accounting services
344.86 C.K. Boyle
9,609.50 Oxman, Tulis
24.25 Federal Express

Mr. Penney: Motion to pay the invoices as presented.

Mr. O'Shea: Motion seconded

VOTE: Unanimously approved.

Mr. Lynch asked the status of school and county taxes that were outstanding. The Treasurer reported that some prior year payments were made in 2009. No late notices or interest notices were received on them and Mr. Whyatt would look at the leases and other materials supplied to him by Mr. Lynch for the telecommunications site to determine whether taxes are owed, or reimbursements due.

A first quarter Budget Assessment will be done during the next Audit Committee meeting.

8. Old Business.

Pilot Update: Carry over to May meeting; important information for reporting.

Revised Tax Assessments on IDA Properties: Market value assessments are done annually.

FOIL Requests: Gemma. Mr. Wyatt received copies of material that confirm the County's legal offices did not perform a legal review of the finance department actions. The IDA's goal has been accomplished, and no further action is required at this point. Bondholders will be litigating for the return of the 3 payments, and possibly to remove the Armory from the mortgage encumbrance. The IDA might become a defendant on that litigation.

9. New Business

10. Next IDA Meeting. The next meeting will take place on Monday, May 16, 7:00pm.

11. Adjourn to Executive Session

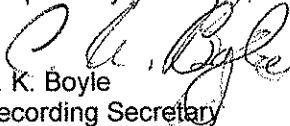
Mr. Penney: Motion to go into executive session for the purpose of (1) discussing possible litigation regarding 1 Corwin Court, and (2) a property transaction regarding the Foundry.

Mr. O'shea: Motion seconded.

VOTE: Unanimously approved.

The regular meeting was adjourned at 9:00pm.

Respectfully submitted,


C. K. Boyle
Recording Secretary

APPROVED BY THE BOARD ON MAY 16, 2011.

SCHEDULE B

May 16, 2011

Motion To Re-Adopt The By-Laws of the City of Newburgh Industrial Development Agency:

The foregoing motion was duly put to vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Joshua Smith	x			
Richard Bedrosian			x	
Michael Curry	x			
Spencer Gulliver			x	
Jerry Maldonado	x			
Sean O'Shea	x			
John Penney	x			

The By-Laws were thereupon duly re-adopted and are as follows:

7/18/11
Schedule B

BY-LAWS
OF
CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

ARTICLE I

THE AGENCY

Section 1. Name

The name of the Agency shall be "City of Newburgh Industrial Development Agency", and it shall hereinafter be referred to in these by-laws as the IDA.

Section 2. Seal

The seal of the IDA shall be in the form of a circle and shall bear the name of the IDA and the year of its organization.

Section 3. Offices of the IDA

The principal office of the IDA shall be located at 83 Broadway, Newburgh, Orange County, State of New York. The IDA may have such other offices at such other places as the IDA may from time to time designate by resolution.

ARTICLE II

MEMBERS

Section 1. Members

The Members of the IDA shall number not less than three or more than seven. All references in these by-laws to Members shall be references to Members of the IDA. Members shall be appointed by the Common Council of the City of Newburgh, New York (the "City") and shall serve at the pleasure of the Common Council. A Member shall continue to hold office until his or her successor is appointed and has qualified. Any one or more of the Members may be an officer or employee of the City; however, at not time may a majority of the IDA Board membership be officers of employees of the City of Newburgh. Members shall not receive any compensation for

their services but shall be entitled to their necessary expenses, including traveling expenses, incurred in the discharge of their duties. Members shall at all times be in compliance with any and all requirements of law concerning their eligibility to hold office.

Section 2. Training

IDA Board members must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors of the IDA within one year of appointment to the Board.

Board members must participate in continuing training as may be required to remain informed of best practices and regulatory and statutory changes relating to effective oversight of management and financial activities of authorities.

Section 3. Separation of Board and Management

No Board member can serve as the IDA's Administrative Director, Chief Executive Officer, Chief Financial Officer, Comptroller, or hold any other equivalent position while also serving as a board member.

Section 4. Board Member Independence and Financial Disclosure

(a) Independent Member Requirements

Except for board members who serve as members by virtue of holding a civil office of the state, the majority of the remaining members must be independent. An independent member is one who:

- i. Is not, and in the past two years has not been, employed by the IDA or an affiliate in an executive capacity;
- ii. Is not, in the past two years has not been, employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the IDA or received any other form of financial assistance valued at more than \$15,000 from the IDA;

- iii. Is not a relative of an executive officer or employee in an executive position of the IDA or an affiliate; and,
 - iv. Is not, and in the past two 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 IDA or an affiliate.
 - v. The new audit committee would be required to make recommendations to the board concerning the engagement of a certified independent accounting firm, compensation to be paid for same, and to provide direct oversight of the engagement.
- (b) Financial Disclosure Requirements: Board members, officers and employees are required to file annual financial disclosure statements as required by the City of Newburgh Ethics Law.

ARTICLE III

MEETINGS

Section 1. Annual Meeting

The annual meeting of the IDA shall be held each year on December 16th at 7:30 P.M., at a regular meeting place of the IDA, or as soon thereafter as possible. In the event that day falls on a Saturday, Sunday or legal holiday, the annual meeting shall be held on the next succeeding day that is not a Saturday, Sunday or legal holiday; or if such meeting is postponed by a force majeure, then on the next available day.

Section 2. Regular Meetings

Regular meetings of the IDA may be held at such times and places as from time to time may be determined by the IDA. The IDA shall meet as a body minimally four times a year.

Section 3. Special Meetings

The Chairman of the IDA may when he deems it desirable, and shall, on written request of two Members, call a special meeting of the IDA for the purpose of transacting any business designated in the notice for that meeting. At that special meeting, no business shall be considered other than as designated in the notice for that meeting, but if all the Members are present at a special meeting, with or without notice thereof, any and all business may be transacted at that special meeting.

Section 4. Open Meetings Law

All meetings of Members shall be conducted in accordance with the applicable provisions of the Open Meetings Law of the State of New York.

Section 5. Notice of Meetings

Except as provided in this Section 4 with respect to waivers of notice, written notice stating the place, day and hour of the meeting shall be given for all meetings of Members. Such notice shall state the person or persons calling the meeting. Notices of any special meeting shall state the purpose or purposes for which the meeting is called. Notice of any meeting of Members shall be given by e-mail, personally or by other means predetermined by the IDA not less than three (3) days nor more than (10) days before the date of the meeting, to each Member at his address recorded on the records of the IDA, or at such other address which the Member may have furnished in writing to the Secretary of the IDA. Any meeting of Members may be adjourned from time to time. In that event, it shall not be necessary to provide further notice of the time and place of the adjourned meeting if announcement of the time and place of the adjourned meeting is given at the meeting so adjourned. In the event a new date for an adjourned meeting is given, notice thereof shall be given in the same manner as provided in this Section 5. No notice of any meeting need be given to any Member who executes and delivers a waiver of notice before or after the meeting.

Section 6. Quorum

Except as provided by law, a simple majority of Members shall constitute a quorum for the transaction of any business. In the absence of a majority, the members may adjourn the meeting but shall not conduct any official business.

Section 7. Procedure at Meetings

(a) Meetings of members shall be presided over by the following officers as follows – the Chairman, Vice Chairman or, if neither the Chairman nor the Vice Chairman is in the office or present at the meeting, by a chairman pro tem to be chosen by a majority of the Members in attendance. The Secretary or Assistant of the IDA shall act as Secretary of every meeting of the Members. When neither the Secretary nor Assistant Secretary is available, the presiding officer may appoint a secretary of the meeting..

(b) The order of business at all meetings of Members shall be as follows:

- (1) Roll call;
- (2) Proof of Notice of Meeting;
- (3) Reading and approval of minutes of the previous meeting;
- (4) Bills and communications;
- (5) Report of the Treasurer;
- (6) Reports of the Committees;
- (7) Unfinished business;
- (8) New business;
- (9) Adjournment.

(c) Except as otherwise provided by the Board of Directors, all resolutions shall be in writing and shall be copied in or attached to the journal of the proceedings of the IDA.

(d) The voting on all questions coming before the Members shall be by roll call, and the yeas and nays shall be entered in the minutes of that meeting, except in the case of election of officers when the vote may be by ballot. All votes must be cast in person.

(e) Meetings shall be governed by the same edition of Roberts Rules of Order as utilized by the Newburgh City Council.

Section 8. Code of Conduct and Attendance Policy

(a) Code of Conduct: Each member is hereby required to faithfully and regularly attend the regular and special meetings of the IDA and shall have the following affirmative duties and obligations as a member of same and in order to maintain such membership in good standing:

- i. To attend faithfully the meetings of the body;
- ii. To become familiar and to maintain familiarity with the duties, functions, operations and procedures of the body and with the laws, rules and regulations governing same;
- iii. To become familiar and to maintain familiarity with the items of business which come before such body;
- iv. To participate meaningfully in the conduct of the business of the body, including but not limited to adequate and appropriate preparation, substantive communication with other members and with persons coming before the body, participation in voting and other decision-making actions unless properly recused or excused there from;
- v. To comply with all standards and requirements applicable to members of any such body, including but not limited to taking any such actions as may be appropriate and necessary to maintain membership in good standing; to satisfy any and all requirements

related or pertaining to residency, civil status, age and/or other matters specified in any law, code or rule; to satisfy any and all requirements related or pertaining to qualifications, training and/or continuing education; to satisfy any and all requirements for holding such office as may be required by the Charter, Code, laws or rules of the City of Newburgh; and to satisfy any and all requirements for holding such office as may concern such member's fitness for duty and/or complying with reasonable standards of conduct.

- vi. To remain in compliance and satisfy all the requirements of all State and local ethics laws, codes and rules.

(b) Attendance Policy: Each member shall be and is hereby required to faithfully and regularly attend the regular and special meetings thereof. As used and defined herein every member shall comply with the following standard for attendance in order to maintain their membership on such body in good standing:

- i. No member shall have accumulated four (4) or more unexcused absences amounting to no less than thirty-three (33%) percent of the total number of regularly-scheduled and properly-noticed meetings of such body within the immediately preceding twelve (12) month period. For the purposes of this section, the term "unexcused absence" shall mean the failure of such member to attend such a meeting without having given advance notice to the Chairperson or Vice Chairperson that such member would be absent and without having received approval of such absence of the presiding officer of such body. Such approval shall be granted

upon reasonable grounds and shall not be unreasonably withheld.

- ii. Any member of the City Council, the City Manager and/or any member of the body may petition in writing that a member of such body be terminated as a member for failure to comply with this local law, including this attendance policy. Such petition shall specifically state the grounds including facts and circumstances upon which the request for termination is based. The petition shall be served by mail or in person upon the presiding officer of the body with a copy to the Corporation Counsel of the City of Newburgh. The presiding officer shall ensure that a copy of the petition is promptly provided to the member whose termination is sought.
- iii. Upon the filing of such petition the member whose termination is sought may request a hearing. At such hearing the petitioner and the subject member may testify, produce evidence and witnesses, and examine and cross-examine any witnesses and evidence. The Mayor as presiding officer of the body which is the appointing IDA shall preside at such hearing and shall render a decision as to whether the subject member shall remain on or be terminated from such body.

Section 9. Action by Telephone

One or more Members may participate in a meeting of the Members by means of conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. All votes must be cast in person, however, and participants joining by telephone shall not be considered part of a quorum.

ARTICLE IV

OFFICERS

Section 1. Officers

The officers of the IDA shall be a Chairman, a Vice Chairman, a Secretary, and a Treasurer. The IDA may also have as officers an Assistant Secretary and an Assistant Treasurer. Any two or more offices, except that offices of Chairman and Secretary may be held by the same person.

Section 2. Chairman

The Chairman shall preside at all meetings of the IDA. Except as otherwise authorized by resolution of the IDA, the Chairman shall execute (manually or by facsimile signature) all agreements, contracts, deeds, bonds or other evidences of indebtedness, and other instruments of the IDA on behalf of the IDA. At each meeting the Chairman shall submit such recommendations and information as he may consider proper concerning the business, affairs and policies of the IDA. The Chair will be charged with setting the board's agenda, facilitating the flow of information to the board, coordinating the work of the board's committees and serving as the primary liaison between the members and the IDA's Administrative Director.

Section 3. Vice Chairman

The Vice Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman, and in case of the resignation or death of the Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman until such time as the IDA shall appoint a new Chairman.

Section 4. Secretary

The Secretary shall keep the records of the IDA, shall act as secretary at meetings of the IDA and record all votes, shall keep a record of the proceedings of the IDA in a journal of proceedings to be kept for such purpose, and shall perform all duties

incident to that office. The Secretary shall keep in safe custody the seal of the IDA and shall have power to affix such seal to all contracts and other instruments authorized to be executed by the IDA.

Section 5. Assistant Secretary

The Assistant Secretary shall perform the duties of the Secretary in the absence or incapacity of the Secretary, and in case of the resignation or death of the Secretary, the Assistant Secretary shall perform such duties as are imposed on the Secretary until such time as the IDA shall appoint a new Secretary.

Section 6. Treasurer

The Treasurer shall have the care and custody of all funds of the IDA and shall deposit those funds in the name of the IDA in such bank or banks as the IDA may select. Except as otherwise authorized by resolution of the IDA, the Treasurer shall sign all instruments of indebtedness, all orders, and all checks for the payment of money, and shall pay out and disburse such moneys under the direction of the IDA. Except as otherwise authorized by resolution of the IDA, all such instruments of indebtedness, order and checks shall be countersigned by the Chairman. The Treasurer shall keep regular books of account showing receipts and expenditures and shall render to the IDA at each regular meeting an account of all financial transactions and also of the financial condition of the IDA. The Treasurer shall give such bond for the faithful performance of his duties as the IDA may determine.

Section 7. Assistant Treasurer

The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer, and in case of the resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the IDA shall appoint a new Treasurer. The Assistant Treasurer shall give such bond for the faithful performance of his duties as the IDA may determine.

Section 8. Additional Duties

All officers of the IDA shall perform such other duties and functions as may from time to time be authorized by resolution of the IDA or be required by the IDA, by these by-laws, or by the rules and regulations of the IDA.

Section 9. Appointment of Officers

All Officers of the IDA, except the first Chairman, shall be appointed at the annual meeting of the IDA from among the Members, and each officer shall hold office for one year until his successor is appointed. The first Chairman of the IDA shall be designated by the Common Council of the City.

Section 10. Vacancies

If any office becomes vacant, the IDA shall appoint a successor from among its Members at the next regular meeting, and that appointment shall be for the unexpired term of that office.

Section 11. Administrative Director

An Administrative Director shall be appointed by the IDA. The Administrative Director shall have general supervision over the administration of the business and affairs of the IDA and shall work at the direction of the Board. The Administrative Director shall be charged with the management of all projects of the IDA.

Section 12. Additional Personnel

The IDA may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the New York State Industrial Development IDA Act, as amended, and all other laws of the State of New York applicable to the IDA. The selection and compensation of all personnel shall be determined by the IDA, subject to the laws of the State of New York.

**ARTICLE V
COMMITTEES**

Section 1. Standing Committees

Standing committees shall be established by Members and shall include the following: A Governance Committee and Finance Committee. The Board may from time to time, by resolution adopted by a majority of Members, establish other standing committees. The Chairman shall appoint the chairpersons of the standing committees.

Section 2. Governance Committee

(a) The responsibilities of the governance committee shall include establishing policies to promote honest and ethical conduct by IDA directors, officers and employees and enhance public confidence in the IDA.

(b) The governance committee shall review and regularly update the IDA's ethics policy and written policies regarding conflicts of interest. Such policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.

(c) The governance committee shall review and regularly update the IDA's written policies regarding procurement of goods and services and the acquisition of real property or interests therein, including policies relating to the implementation of Executive Order No. 127 and the disclosure of persons who attempt to influence the IDA's procurement process.

(d) The governance committee shall review and regularly update the IDA's written policies regarding the disposition of real and personal property.

(e) The governance committee shall review and regularly update the IDA's written policies regarding the protection of whistleblowers from retaliation.

(f) The responsibilities of the Governance Committee shall include keeping up-to-date with current governance practices; continually reviewing corporate governance trends and best practices; and updating the IDA's corporate governance documents accordingly.

Section 3. Finance/Audit Committee

(a) The responsibilities of the finance/audit committee shall include:

1. Reviewing and approving the IDA's financial statements;
2. Overseeing the IDA's internal controls and compliance systems;
3. Appointing, compensating and overseeing outside auditors retained by the IDA;
4. Resolving disagreements with respect to, and overseeing compliance with accounting policies and principles;
5. Reviewing management reports on internal controls and the attestation of such reports by the IDA's outside auditors; and
6. Investigating compliance with the IDA's policies and/or referring instances of non-compliance to the State Inspector General for investigation.

(b) The finance/audit committee shall establish procedures for the receipt, retention, investigation, and/or referral to the State Inspector General of complaints received by the IDA regarding accounting, internal controls, and auditing.

(c) The finance/audit committee shall establish policies and procedures to ensure that every director, officer and employee of the IDA shall report promptly to the State Inspector General any information concerning allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the IDA or any persons having business dealings with the IDA. The finance/audit committee shall review all reports and draft reports delivered by the State Inspector General (or, where applicable, the IDA's Inspector General) to the IDA and shall serve as a point of contact with such Inspector General.

- i) The IDA shall ensure that the finance/audit committee has access to sufficient resources to carry out its duties.
- ii) Insofar as practicable, at least one member of the finance/audit committee should be a 'financial

expert' and this shall be disclosed in the annual report of the IDA. Each member of the finance/audit committee shall have financial experience and, if possible at least one member who qualifies as a financial expert. The Model Governance Principles originally only required that one member of the finance/audit committee be a "financial expert," in so far as possible.

ARTICLE VI

MISCELLANEOUS

Section 1. Ethics Policy

(a) Conflicts of Interest: The NYS and City laws and Code of Ethics apply to all members and staff. Such persons should not have any interest in or engage in any business or activity "in substantial conflict" with the discharge of their public duties.

This restriction prohibits members from:

- a. disclosing confidential information acquired in the course of official duties or using such information to further personal interests;
- b. using or attempting to use official positions to secure unwarranted privileges or exemptions for individual members or others;
- c. giving reasonable basis for the impression that any person can improperly influence members and staff or unduly enjoy favor in the performance of their official duties, or that members are affected by the kinship, rank, position or influence of any party or person.

(b) Members and staff Members of the IDA should endeavor to pursue a course of conduct, which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of public trust.

Section 2. Whistleblower Protection and Code of Ethics Policy

The IDA shall adopt a whistleblower protection and code of conduct policy, which shall be reviewed annually by its Governance Committee. Such policy shall be amended hereto these by-laws.

Section 3. Procurement Policy

The IDA shall adopt a procurement policy, which shall be reviewed annually by its Governance Committee. Such policy shall be amended hereto these by-laws.

Section 4. Books and Records

The IDA shall keep, at the principal office of the IDA, complete and correct records and books of account, and shall keep minutes of the proceedings of the Members or any committee appointed by the Members, as well as a list or record containing the names and addresses of all members.

Section 5. Annual Report

Within 90 days after the end of the fiscal year, the IDA must submit an annual report to the Common Council of the City of Newburgh and the New York State Budget IDA Office. Required report contents include:

1. IDA's operations and accomplishments;
2. IDA's receipts and disbursements, or revenues and expenses, during such fiscal year;
3. IDA's 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;

4. A schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the accounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance;
5. A compensation salary schedule, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such IDA;
6. The projects undertaken by such IDA during the past year;
7. Listing of:
 - a. all real property of such that the IDA intends to dispose of;
 - b. all such property held by the authority at the end of the period covered by the report; and,
 - c. all such property disposed of during such period.
8. IDA's code of ethics; and an assessment of the effectiveness of its internal control structure and procedures.

Every financial report submitted in the annual report must be approved by the board and must be certified in writing by the CEO and the CFO of such IDA, or other authorized persons serving in those capacities.

Section 6. Independent Audit Report

The finance/audit committee shall present to the board upon its completion an annual independent audit performed by a certified public accounting firm in accordance with generally accepted government auditing standards. The report should include the following:

1. The assets and liabilities, including the status of the reserve, depreciation, special or other funds including the receipts and payments of such funds, of the IDA, as of the end of the fiscal year;
2. the principal changes in assets and liabilities, including trust funds, during said fiscal year;

3. the revenue or receipts of the IDA, both unrestricted and restricted to particular purposes during said fiscal year;
4. the expenses or disbursement of the IDA for both general and restricted purposes during said fiscal year;
5. a schedule of the bonds and notes of the IDA outstanding during said fiscal period, including all refinancing, calls, refunding, and interest rate exchanges or other such agreements; and for any debt issued during the fiscal year, including the date of issuance, term amount, interest rate, means of repayment and cost of issuance.

Section 7. Property Disposition

(a) Property Disposal Guidelines: The IDA must adopt comprehensive guidelines with detailed policies regarding property disposal contracts and appoint a Contracting Officer to be responsible for compliance and enforcement of such guidelines. The guidelines should be annually reviewed and approved by the board. The guidelines should be filed with the Comptroller and posted on the IDA's website.

(b) Property Disposition Report: the IDA shall publish, not less frequently than annually, a report listing all real property of the IDA. The report shall describe all property disposed of during the reporting period. The report must contain the price paid by the IDA and the name of the purchaser for all property sold by the IDA during the reporting period.

Section 8. Investment Guidelines

The IDA shall adopt and review comprehensive investment guidelines which detail the IDA's operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the corporation. These guidelines must be annually reviewed and approved.

Section 9. Transparency and Public Communications

To the extent practicable, the IDA shall post its mission, current activities, approved minutes, meeting agenda, most recent annual financial report, current year budget and its most recent independent audit report online.

Section 10. Indemnification

To the extent permitted by law, the IDA shall indemnify any person, made a party to an action by or in the right of the IDA to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was an officer of the IDA, against the reasonable expenses, including attorneys' fee, actually and necessarily incurred by him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such officer is adjudged to have breached his fiduciary duty to the IDA. The foregoing rights of indemnification shall not be exclusive of other rights to which such an officer may be entitled.

Section 11. Amendments

The by-laws of the IDA may be amended only with the approval of a majority plus one of all the Members at a regular or special meeting, but no such amendment shall be adopted unless at least seven (7) days written notice of that meeting has been previously given to all Members.

**CERTIFICATE
OF
APPOINTMENT
OF MEMBERS OF THE
CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY**

THIS IS TO CERTIFY that the following persons have been appointed as members of the City of Newburgh Industrial Development Agency, which was duly established by Chapter 577 of the Laws of 1982:

Spencer Gulliver, Chair
Joshua Smith, Vice Chair
John Penney, Secretary
Michael Curry, Treasurer
Richard Bedrosian
Jerry Maldonado
Sean O'Shea

THE CITY CLERK OF THE
CITY OF NEWBURGH

BY:



4/18/10

(SEAL)