

## CORPORATE ORGANIZATION RESOLUTION

The initial meeting of the Board of Directors of The Sullivan County Infrastructure Local Development Corporation (the "Corporation"), a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, was convened in public session in the Legislative Committee Room, at the Sullivan County Government Center, 100 North Street, Monticello, New York on May 9, 2016 at 10:30 a.m. local time.

The meeting was called to order by Chairman Ira Steingart, and, upon roll being called, the following members of the Corporation were:

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[ √ ]	[ ]
Joseph Perrello	[ √ ]	[ ]
Charles Barbuti, Jr.	[ ]	[ √ ]
Suzanne Loughlin	[ √ ]	[ ]
Sean Rieber	[ ]	[ √ ]
Scott Smith	[ √ ]	[ ]
Carol Roig	[ ]	[ √ ]
Howard Siegel	[ √ ]	[ ]
Paul Guenther	[ ]	[ √ ]

The following persons were also present:

Edward T. Sykes

Steve White

Walter F. Garigliano

Jennifer M. Flad

Julio Garaicoechea

The following resolution was duly offered by Howard Siegel, and seconded by Scott Smith, to wit:

Resolution No. 02 - 2016

RESOLUTION OF THE CORPORATION ADOPTING CERTAIN POLICIES, STANDARDS AND PROCEDURES RELATING TO ITS ORGANIZATION AND IN CONNECTION WITH THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005 AND THE PUBLIC AUTHORITIES REFORM ACT OF 2009 AND PUBLIC OFFICERS LAW SECTIONS 2800 AND 2824

**WHEREAS**, pursuant to Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), hereinafter referred to as the "Act", the Certificate of Incorporation for the Corporation was filed with the Secretary of State on the 10<sup>th</sup> day of February, 2016, as amended by that certain Certificate of Amendment of Certificate of Incorporation filed with the Secretary of State on the 6<sup>th</sup> day of May, 2016; and

**WHEREAS**, on May 9, 2016, the Initial Directors (as hereinafter defined) have approved the By-laws naming the County of Sullivan, New York acting ex-officio by and through its County Manager, Joshua Potosek, as the sole member of the Corporation (the "Member"), and on or about the date hereof, the Member appointed the Board of Directors (the "Board"); and

**WHEREAS**, pursuant to Section 2 of the Public Authorities Law ("PAL") of the State, the provisions of the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009 (collectively, "PAAA") and Public Officers Law Sections 2800 and 2824 apply to certain defined "local authorities", including the Corporation; and

**WHEREAS**, the Corporation desires to take certain initial organizational steps and adopt certain policies, standards and procedures, to comply with the provisions of the PAAA, the Public Officers Law, the Open Meetings Law and the Freedom of Information Law.

**NOW, THEREFORE, BE IT RESOLVED** by the members of the Board as follows:

Section 1. The following persons were appointed by the Member to serve as Directors of the Corporation for the terms set forth in the By-laws:

Appointment
Ira Steingart
Joseph Perrello
Charles Barbuti, Jr.
Suzanne Loughlin
Sean Rieber
Scott Smith
Carol Roig
Howard Siegel
Paul Guenther

Pursuant to and in accordance with the By-laws of the Corporation, the Directors of the Corporation hereby elect the following Directors to service in the respective offices of the Board:

Ira Steingart, Chairman
Suzanne Loughlin, Vice Chair
Sean Rieber, Secretary
Howard Siegel, Assistant Secretary
Charles Barbuti, Jr., Treasurer
Scott Smith, Assistant Treasurer

Pursuant to and in accordance with the By-laws of the Corporation, the Directors of the Corporation hereby appoint the following individuals to serve in the following appointed positions:

Edward T. Sykes, Executive Director
Steve White, Chief Executive Officer
Jennifer M. Flad, Vice-President of Government Affairs and Business Development and Chief Financial Officer

The officers shall enter upon the discharge of their duties as provided in the By-laws of the Corporation.

Section 2. A copy of the Certificate of Incorporation of the Corporation, as filed by the Department of State on February 10, 2016, together with the filing receipt therefore, as amended by that certain Certificate of Amendment of Certificate of Incorporation filed with the Secretary of State on May 6, 2016, each of which shall be filed in the minute book of the Corporation.

The By-laws, in the form adopted by the initial directors, (collectively, the "Initial Directors") and the Member are hereby adopted by the Board as and for the By-laws of the Corporation and the Secretary is instructed to insert a copy of the By-laws in the minute book of the Corporation.

Section 3. The Corporation shall engage the services of the professionals and institutions, as follows:

Certified Public Accountant/Auditor:  
Cooper Arias, LLP

General Counsel:  
Garigliano Law Offices, LLP

Bond Counsel:  
Harris Beach PLLC

Bank:  
First Niagara Bank

Section 4. The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its organization. The use of the Corporation seal shall not be required for the validity of any action of the Corporation. A facsimile seal or use of the word seal may also be used if deemed appropriate.

Section 5. All acts and transactions of any director, including the Initial Directors, or the persons named herein as officers of the Corporation that were taken or made prior to and including the date of the creation of the Corporation and all acts and

transactions (if any) of any director, and the persons named herein as officers of the Corporation that were taken or made from the date of creation of the Corporation to the date of this resolution are hereby ratified and approved.

Section 6. A bank account and a banking relationship for the Corporation shall be established at First Niagara Bank. The corporate banking resolutions, if any, will be set forth on the printed form annexed to these resolutions as Exhibit 6 and made a part hereof, are hereby adopted in their entirety. All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, must be signed on behalf of the Corporation by two of following persons: Executive Director, Chief Executive Officer, Chief Financial Officer, Treasurer and Assistant Treasurer.

Section 7. The Officers and the Directors and other authorized representatives of the Corporation are hereby authorized, empowered and directed to do all things, and acts and to execute all documents as may be necessary, or advisable and proper, to carry on the business of the Corporation, for and on behalf of the Corporation, including, but not limited to, establishing a federal Employer Identification Number ("EIN") for the Corporation and applying to the Internal Revenue Service and to the New York Department of Taxation and Finance for tax-exempt status and recognition.

Section 8. The Executive Director, with the assistance of the Directors and other officers of the Corporation, is hereby directed to develop a budget for the Corporation, with such budget to be reviewed, and if necessary, modified, for acceptance and approval at the next meeting of the Board.

Section 9. Pursuant to subdivision 2 of Section 2824 of the PAL, all members of the Board shall participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors within one (1) year of their appointment to the Corporation. Pursuant to subdivision 2 of Section 2824 of the PAL, all members of the Board 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. Further, each Board member shall execute (i) a Certification of No Conflict of Interest and (ii) an Acknowledgement of Fiduciary Duties and Responsibilities. Such certifications shall be executed in substantially the form attached hereto as Exhibit 9.1 and Exhibit 9.2, respectively.

Section 10. As early as practicable but in no event later than ninety days after the end of its fiscal year, the Corporation shall prepare, adopt and submit to the Authorities Budget Office an authority mission statement and proposed measurements including the following components: a brief mission statement expressing the purpose and goals of the Corporation, a description of the stakeholders of the Corporation and their reasonable expectations from the Corporation, and a list of measurements by which performance of the Corporation and the achievement of its goals may be evaluated. The Corporation shall reexamine its mission statement and measurements on an annual basis, and publish a self-evaluation based on the stated measurements unless the Corporation

obtains a waiver to the requirement to conduct such re-examination from the Authorities Budget Office pursuant to the PAL.

Section 11. Pursuant to subdivision 3 of Section 2825 of the PAL, on or before May 15 of each year, all Board members, officers and employees shall file annual financial disclosure statements with the County's Board of Ethics pursuant to Article 18 of the GML of the State. The annual financial disclosure statements so filed shall be substantially in the form provided for such purpose, from time to time, by the County.

Section 12. An Audit Committee was appointed by the Chairman and is comprised of Sean Rieber, Committee Chairman, Carol Roig and Scott Smith. As contemplated by Subdivision 4 of Section 2824 of the PAL, the Audit Committee shall recommend to the Board the hiring of a certified independent accounting firm for the Corporation, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes.

Section 13. A Governance Committee was appointed by the Chairman and is comprised of Ira Steingart, Committee Chairman, Charles Barbuti, Jr. and Suzanne Loughlin. It shall be the responsibility of the members of the Governance Committee to keep the Board informed of current governance practices; to review corporate governance trends; to recommend updates to the Corporation's governance principals; to advise the Member on the skills and experiences required of potential board members; to examine ethical and conflict of interest issues; to perform Board self-evaluations; and to recommend By-laws which include rules and procedures for conduct of Board business.

Section 14. A Budget and Finance Committee was appointed by the Chairman and is comprised of Joseph Perrello, Committee Chairman, Paul Guenther and Howard Siegel. It shall be the responsibility of the members of the Budget and Finance Committee to assist with the preparation of the annual budget of the Corporation and to review proposals for the issuance of debt by the Corporation and make recommendations related thereto.

Section 15. An Investment Committee was appointed by the Chairman and is comprised of Howard Siegel, Committee Chairman and Paul Guenther. It shall be the responsibility of the members of the Investment Committee to invest the funds of the Corporation in accordance with the Corporation's Investment and Deposit Policy.

Section 16. Pursuant to subdivision 2(a) of Section 2800 of the PAL, the Board shall submit to the Chief Executive Officer, the Chief Fiscal Officer, the Chairperson of the County Legislature, the County Manager and the New York State Authority Budget Office within ninety (90) days after the end of the Corporation's fiscal year (with the first report due by March 31, 2017 for fiscal year ending December 31, 2016), a complete and detailed report (the "Annual Report") that contains:

- (a) the Corporations operations and accomplishments;
- (b) the Corporations financial reports, including (i) audited financials in accordance with all applicable regulations and following generally

accepted accounting principles as defined in subdivision ten of section two of the State Finance Law, (ii) grants and subsidy programs, (iii) operating and financial risks, (iv) current ratings if any, of its bonds issued by recognized municipal bond rating agencies and notice of changes in such ratings, and (v) long-term liabilities, including leases and employee benefit plans;

- (c) the Corporation's mission statement and measurements including its most recent measurement report;
- (d) a schedule of the Corporation's 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 refinancing, calls, refunding, 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 the Corporation whose salary is in excess of One Hundred Thousand dollars (\$100,000);
- (f) biographical information, not including confidential personal information, for all directors and officers and employees for whom salary reporting is required under subparagraph (e);
- (g) the projects undertaken by the Corporation during the past year;
- (h) a listing and description of all real property of the Corporation having an estimated fair market value in excess of Fifteen Thousand dollars (\$15,000) that the Corporation acquires or disposes of during such period, which such report shall contain the price received or paid by the Corporation and the name of the purchaser or seller for all such property sold or bought by the Corporation during such period;
- (i) the Corporation's code of ethics;
- (j) an assessment of the effectiveness of the Corporation's internal control structure and procedures;
- (k) a copy of the legislation that forms the statutory basis of the Corporation;
- (l) a description of the Corporation and its board structure, including (i) names of committees and committee members, (ii) lists of board meetings and attendance, (iii) descriptions of major Corporation units and subsidiaries, (iv) number of employees, and (v) organizational chart;
- (m) the Corporation's by-laws;
- (n) a listing of material changes in operations and programs during the reporting year;

- (o) at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;
- (p) the Corporation's board performance evaluations;
- (q) a description of the total amounts of assets, services or both assets and services bought or sold without competitive bidding, including (i) the nature of those assets and services, (ii) the names of the counterparties, and (iii) where the contract price for assets purchased exceeds fair market value, or where the contract price for assets sold is less than fair market value, a detailed explanation of the justification for making the purchase or sale without competitive bidding, and a certification by the Chief Executive Officer and Chief Financial Officer of the Corporation that they have reviewed the terms of such purchase or sale and determined that it complies with applicable law and procurement guidelines; and
- (r) a description of any material pending litigation in which the Corporation is involved as a party during the reporting year.

Once completed, and prior to submission, the Chief Executive Officer and the Chief Financial Officer of the Corporation shall certify that the information contained in the Annual Report (i) is accurate, correct and does not contain any untrue statements of material fact, (ii) does not omit any material information which, if omitted, would cause the Annual Report to be misleading in light of the circumstances under which such statements are made, and (iii) fairly presents in all material respects the financial condition and results of operation of the Corporation as of, and for, the periods presented in the Annual Report. The certification executed shall be in substantially the form attached hereto as Exhibit 16.

Section 17. Pursuant to subdivision 2 of Section 2801 of PAL, as soon as practicable, the Corporation will submit to the Chief Executive Officer and the Chief Fiscal Officer of the County, along with the New York State Authority Budget Office, the Corporations budget for fiscal year ending December 31, 2017, and thereafter on or before November 1<sup>st</sup>, the Corporation will submit to the Chief Executive Officer and the Chief Fiscal Officer of the County, along with the New York State Authority Budget Office, the Corporations budget for fiscal year ending December 31 of each year thereafter.

Section 18. For the Corporation fiscal year ending December 31, 2016 and each year thereafter, the Corporation will abide by the following rules relating to audit services:

- (a) the certified independent public accounting firm performing the Corporation's audit will be prohibited from providing audit services if the lead (or coordinating) audit partner responsible for reviewing the audit, has performed audit services for the Corporation in each of the five (5) previous fiscal years;

- (b) the certified independent public accounting firm performing the audit shall be prohibited from performing any non-audit services to the Corporation contemporaneously with the audit, unless receiving previous written approval by the audit committee including: (i) bookkeeping or other services related to the accounting records or financial statement of the Corporation, (ii) financial information systems design and implementation, (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (iv) actuarial services, (v) internal audit outsourcing services, (vi) management functions or human services, (vii) broker or dealer, investment advisor, or investment banking services and (viii) legal services and expert services unrelated to the audit; and
- (c) it shall be prohibited for any certified independent public accounting firm to perform for the Corporation any audit service if the chief executive officer, comptroller, chief financial officer, chief accounting officer, or any other person serving in an equivalent position for the Corporation, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation during the one (1) year period preceding the date of the initiation of the audit.

Section 19. The following policies, as presented at this meeting, are hereby adopted and approved:

- (a) The Compensation, Reimbursement and Attendance Policy attached hereto as Exhibit 19(a);
- (b) The Code of Ethics attached hereto as Exhibit 19(b);
- (c) The Whistleblower Policy attached hereto as Exhibit 19(c);
- (d) The Investment Policy attached hereto as Exhibit 19(d);
- (e) The Travel Policy attached hereto as Exhibit 19(e);
- (f) The Disposition of Property Guidelines, attached hereto as Exhibit 19(f);
- (g) The Procurement Policy attached hereto as Exhibit 19(g); and
- (h) The Defense and Indemnification Policy attached hereto as Exhibit 19(h).

Section 20. The Board hereby designates the Executive Director as the FOIL Officer. All documents subject to FOIL shall be filed with the Secretary of the Corporation.

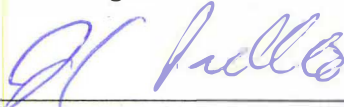


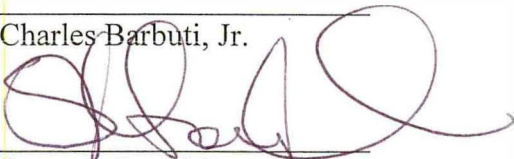
Section 21. The Board hereby designates the Executive Director as the Contracting Officer for property disposition purposes. The Contracting Officer shall also serve as the Corporation's Procurement Officer.

Section 22. This resolution shall take effect immediately.

Dated: May 9, 2016

  
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Ira Steingart

  
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Joseph Perrello

  
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Charles Barbuti, Jr.

  
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Suzanne Loughlin

  
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Sean Rieber

  
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Scott Smith

  
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Carol Roig

  
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Howard Siegel

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Paul Guenther