

RESOLUTION

(Public Authorities Accountability Act of 2005)

A special meeting of the Town of Wallkill Industrial Development Agency was convened on March 13, 2019, at 3:30 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 1

RESOLUTION OF THE TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY ADOPTING CERTAIN POLICIES, STANDARDS AND PROCEDURES IN CONNECTION WITH THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law (“GML”) of the State of New York (the “State”), as amended, and Chapter 73 of the Laws of 197- of the State, (hereinafter collectively called the “Act”), the **TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the “Agency”) was created as a public benefit corporation of the State; and

WHEREAS, the Public Authorities Accountability Act of 2005 (the “PAAA”), which was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005, was enacted by the New York State Legislature to insure greater accountability and openness of public authorities throughout the State; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law (“PAL”) of the State, the provisions of the PAAA apply to certain defined “local authorities”, including the Agency; and

WHEREAS, the Agency desires to adopt certain policies, standards and procedures necessary to comply with the provisions of the PAAA.

NOW, THEREFORE, BE IT RESOLVED by the members of the Board of the Agency (the “Board”) as follows:

Section 1. The By-Laws of the Agency, as presented at this meeting are attached hereto as **Exhibit A**.

Section 2. Pursuant to subdivision 2 of Section 2824 of the PAL, any members of the Board appointed on or after January 13, 2006 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 Agency. Further, each Board member appointed on or after January 13, 2006 may be required to execute a certificate of independence pursuant to subdivision 2 of Section 2825 of the PAL as the majority of such members must be independent. Such certificate shall be executed in substantially the form attached hereto as **Exhibit B**.

Section 3. 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.

Section 4. Pursuant to subdivision 3 of Section 2825 of the PAL, all Agency Board members, officers and employees shall file annual financial disclosure statements with the Orange County Board of Ethics. The annual financial disclosure statements so filed shall be substantially in the form attached hereto as **Exhibit C**, or such other form of statement as may be adopted and approved by the Agency.

Section 5. Pursuant to subdivision 4 of Section 2824 of the PAL, an Audit Committee is hereby formed, being comprised of Paul Erickson, James Townsend, Joseph Stewart (Independent Members) for the purpose of recommending to the Board the hiring of a certified independent accounting firm, establishing the compensation to be paid to the accounting firm and providing direct oversight of the performance of the independent audit to be performed on or after fiscal year ending on December 31, 2015 by the accounting firm hired for such purposes.

Section 6. Pursuant to subdivision 7 of Section 2824 of the PAL, a Governance Committee is hereby formed, being comprised of Paul Erickson, James Townsend, Joseph Stewart (Independent Members) for the purpose of keeping the Board informed of current best governance practices, to review corporate governance trends; to update the Agency's corporate governance principles; and to advise appointing the Agency on skills and experiences required of potential Board members.

Section 7. Pursuant to subdivision 2(a) of Section 2800 of the PAL, the Board shall submit to the chief executive officer of the municipality, the chief fiscal officer of the municipality and the chairperson of the legislative body of the County, and the New York State Authority Budget Office within ninety (90) days after the end of the Agency's fiscal year (with the first report due by March 31, 2019 for fiscal year ending December 31, 2018), a complete and detailed report (the "Annual Report") that shall contain:

- (a) the Agency's operations and accomplishments;
- (b) the Agency's receipts and disbursements, or revenues and expenses, during such fiscal year in accordance with the categories or classifications established by the Agency for its own operating and capital outlay purposes;
- (c) the Agency'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;
- (d) a schedule of the Agency'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 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) the projects undertaken by such authority during the past year;
 - (f) a listing of (I) all real property of such authority having an estimated fair market value in excess of fifteen thousand 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 for 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;
 - (g) the Agency's code of ethics; and
 - (h) an assessment of the effectiveness of its internal control structure and procedures.

Once completed, and prior to submission, the Chairman and the Treasurer of the Agency shall certify that the financial information contained in the Annual Report is accurate, correct and does not contain any untrue statements. The Mission Statement and Annual Goals Measurement Report, along with the form certification to be executed shall be in substantially the form attached hereto as **Exhibit D**.

Section 8. Pursuant to subdivision 2 of Section 2801 of PAL, on or before January 31, 1, 2018, the Agency will submit to the chief executive officer of the municipality, the chief fiscal officer of the municipality and the chairperson of the legislative body of the County, along with the New York State Authority Budget Office, the Agency's budget for fiscal year ending December 31, 2018.

Section 9. For the Agency fiscal year ending December 31, 2018 and each year thereafter, the Agency will abide by the following rules relating to audit services:

- (a) the certified independent public accounting firm performing the Agency'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 Agency in each of the five previous fiscal years;
- (b) the certified independent public accounting firm performing the audit shall be prohibited from performing any non-audit services to the Agency 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 Agency, (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 such Agency any audit service if the chief executive officer (Executive Director), comptroller (Treasurer), chief financial officer (Treasurer), chief

accounting officer, or any other person serving in an equivalent position for the agency, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Agency during the one (1) year period preceding the date of the initiation of the audit.

Section 10. The following policies, as presented at this meeting, are hereby adopted and approved:

- (a) The Agency By-Laws;
- (b) The Code of Ethics attached hereto as **Exhibit E**;
- (c) The Whistleblower Policy attached hereto as **Exhibit F**; and
- (d) The Procurement Policy attached hereto as **Exhibit G**;
- (e) The Investment Policy attached hereto as **Exhibit H**.
- (f) The Uniform Tax Exempt Policy attached hereto as **Exhibit "I"**

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Section 11. This resolution shall take effect immediately.

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The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Member	AYE	NAY	ABSENT	ABSTAIN
Mark Coyne (Acting Chairman)	X			
Paul Erickson	X			
James Townsend			X	
Joseph Stewart	X			
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The Resolution was thereupon duly adopted.

EXHIBIT “A”

**BY-LAWS OF
THE TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY**

Article 100 – THE AGENCY

101. NAME. The name of the Agency shall be “Town of Wallkill Industrial Development Agency” hereinafter referred to as the Agency.

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

103. OFFICE OF THE AGENCY. The office of the Agency shall be at 99 Tower Drive, Building A, Middletown, New York 10941 or such other location within the County of Orange as the Agency may from time to time designate by resolution.

Article 200 – MEMBERS

201. AUTHORITY AND RESPONSIBILITIES. The Members of the Board of the Agency shall:

- (a) execute direct oversight over the Agency’s Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive Director, to the extent that such positions exist, (“Management”) in the effective and ethical management of the Agency;
- (b) understand, review and monitor the implementation of fundamental financial and management controls and operation decisions of the Agency;
- (c) establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the Management, if applicable;
- (d) adopt a code of ethics applicable to each officer, board member and employee that, at a minimum, includes the standards established in Section 74 of the Public Officers Law;
- (e) establish written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the Agency, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services; and

(f) adopt a defense and indemnification policy and disclose such policy to any and all prospective board members.

202. TRAINING. Board members appointed to the Agency on or after December 31, 2014, 2006 must participate in New York State approved training regarding their legal, fiduciary, financial and ethical responsibilities as board members of the Agency within one (1) year of appointment to the board of the Agency and shall participate in such 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 the Agency.

203. SEPARATION OF BOARD AND MANAGEMENT. No Board member shall serve as the Agency's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Executive Director, comptroller or hold any other equivalent position while also serving as a member of the Board.

204. EXTENSION OF CREDIT. The Board is prohibited from extending or maintaining credit, arranging for the extension of credit, or renewing an extension of credit, in the form of a personal loan to or for any member, officer or employee of the Agency.

205. INDEPENDENCE. Except for board members who serve as members by virtue of holding a civil office of the state, the majority of the remaining members who are appointed to the board on or after January 13, 2006 must be independent. An independent member is one who:

- (a) is not, and in the past two years has not been, employed by the Agency or an affiliate in an executive capacity;
- (b) is not, and 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 public authority or received any other form of financial assistance valued at more than \$15,000 from the Agency;
- (c) is not a relative of an employee of the Agency; and
- (d) 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 public authority or an affiliate.

206. RESIGNATION OF MEMBERS. Any member of the Board may resign from the Board of Directors. Resignation must be by letter directed to the Chairman. A member of the Board may be removed by a majority vote of the Board for serious inefficiency or neglect of duty or for

misconduct in office, after a hearing before the Board where the member has been given an opportunity to respond to the allegation. A record of the proceedings shall be kept by the Board. Failure of a Board member to attend three (3) regular meetings of the Board without good cause shall be cause for removal.

Article 300 — OFFICERS

301. OFFICERS. The officers of the Agency shall be a Chairman (who shall also be the Chief Executive Officer), one or more Vice Chairmen, a Secretary, and a Treasurer. There may be an Assistant Secretary and an Assistant Treasurer. Each of the foregoing offices shall be held by a member of the board of the Agency and except for the offices of Chairman and Vice Chairman; one person may hold more than one office. Officers authorized to sign orders and checks shall give such bond for the faithful performance of the duties of such office as the Agency may determine.

302. CHAIRMAN. The Chairman shall preside at all meetings of the Agency. Except as otherwise authorized by resolution of the Agency, the Chairman shall sign all agreements, contracts, deeds, bonds, mortgages, and other instruments of indebtedness, and any other instrument of indebtedness. At each meeting the Chairman shall submit such recommendations and information as the Chairman may consider proper concerning the business, affairs and policies of the Agency.

303. VICE CHAIRMAN. A Vice Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman; in case of the resignation or death of the Chairman, a Vice Chairman shall perform such duties as are imposed on the Chairman until such time as the Agency shall appoint a successor Chairman.

304. SECRETARY. The Secretary shall keep the records of the Agency, shall act as Secretary of the meetings of the Agency and record all votes and shall keep a record of the proceedings of the Agency in a journal of proceedings to be kept for such purpose and shall perform all duties incident to the office. The Secretary shall keep in safe custody the seal of the Agency and shall have power to affix such seal to all contracts and other instruments authorized to be executed by the Agency. In the absence of the secretary or in the event of the secretary's inability or refusal to act, the Chairman and/or vice chairman may perform the duties and exercise the powers of the

secretary and shall perform such other duties and have such other powers as the Board of Commissioners may from time to time prescribe.

305. ASSISTANT SECRETARY. The Assistant Secretary shall perform the duties of the Secretary in the absence or incapacity of the Secretary; 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 Agency shall appoint a successor Secretary.

306. TREASURER. The Treasurer shall have the care and custody of all funds of the Agency and shall deposit the same in the name of the Agency in such bank or banks as the Agency may select. Unless otherwise provided by resolution, the Treasurer shall sign all orders and all checks for the payment of money; and shall pay out and disburse such moneys under the direction of Agency. If authorized, by resolution, the Chairman and, in the event of the absence or incapacity of the Chairman, a Vice Chairman, shall sign all orders and checks prepared by the Treasurer. The Treasurer shall keep regular books of account showing receipts and expenditures, and shall render to the Agency at regular intervals an account of all transactions and also of the financial condition of the Agency. In the absence of the treasurer or in the event of his or her inability or refusal to act, the Chairman and/or vice chairman may perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Commissioners may from time to time prescribe.

307. ASSISTANT TREASURER. The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer; 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 Agency shall appoint a successor Treasurer.

308. ADDITIONAL DUTIES. The officers of the Agency shall perform such other duties and functions as may from time to time be required by the Agency by the By-Laws of the Agency, or by the rules and regulations of the Agency.

309. APPOINTMENT OF OFFICERS. All officers of the Agency except the first Chairman shall be appointed at the annual meeting of the Agency from among the members of the Agency, and shall hold office for one year or until their successors are appointed.

310. VACANCIES. In the event that any office shall become vacant, the Agency shall appoint a successor from among its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office.

311. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be charged with the management of all projects of the Agency.

312. CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall be appointed by the Agency, and shall be charged with the management of the Agency's financial business and activities, subject to the direction of the Chief Executive Officer and the Board. The Chief Financial Officer shall not be a member of the Board of the Agency.

313. CHIEF OPERATING OFFICER. The Chief Operating Officer shall be appointed by the Agency, and shall be charged with the management of the Agency's day to day business activities, subject to the direction of the Chief Executive Officer and the Board. The Chief Operating Officer shall not be a member of the Board of the Agency.

314. EXECUTIVE DIRECTOR. The Executive Director shall be appointed by the Agency, and shall have general supervision over the administration of the business and affairs of the Agency, subject to the direction of the Chief Executive Officer and the Board.

315. ADDITIONAL PERSONNEL. The Agency 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 Act, as amended, and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel shall be determined by the Agency subject to the laws of the State of New York.

Article 400 – INDEMNIFICATION

401. INDEMNIFICATION. The New York State Legislature has enacted legislation permitting public entities, including industrial development agencies, to provide for the defense and indemnification of officers and employees of those agencies. This Article 400 implements that concept and the statutory intent set forth in Article 2, Section 18 of the Public officers Law of the State of New York.

402. DEFINITION OF EMPLOYEE. The term "employee" shall mean any commissioner, member of a public board or commission, trustee, director, officer, employee, volunteer expressly authorized to participate in a publicly sponsored volunteer program, or any other person holding a position by election, appointment or employment in the service of the Agency whether or not compensated. The term "employee" shall include a former employee, his estate or judicially appointed personal representative.

403. DEFENSE.

(a) Upon compliance by the employee with the provisions of Section 405 hereof, the Agency shall provide for the defense and indemnification of the employee in any civil action or proceeding, state or federal, arising out of any alleged act or omission which occurred or allegedly occurred while the employee was acting during the course of his employment and within the scope of his public employment or duties. This duty to provide for a defense and indemnification shall not arise where such civil action or proceeding is brought by, or at the behest of the Agency;

(b) Subject to the conditions set forth in this Article 400, the employee shall be represented by Counsel to the Agency or an attorney employed or retained by the Agency for the defense of the employee. The Agency shall employ or retain an attorney for the defense of the employee whenever (1) the Agency does not have Agency Counsel, (2) the Agency determines, based upon its investigation and review of the facts and circumstances of the case, that representation by the Agency Counsel would be inappropriate, or (3) a court of competent jurisdiction determines that a conflict of interest exists and that the employee cannot be represented by Agency Counsel. Reasonable attorneys' fees and litigation expenses shall be paid by the Agency to such attorney employed or retained, from time to time, during pendency of the civil action or proceeding, subject to certification by the Chairman that the employee is entitled to representation under the terms and conditions hereof. Payment of such fees and expenses shall be made in the same manner as payment of other claims and expenses of the Agency. Any dispute with respect to representation of multiple employees by Agency Counsel or by an attorney employed or retained for such purposes, or with respect to the amount of the fees or expenses shall be resolved by the court upon motion or by way of a special proceeding; and

(c) Where the employee delivers process and a written request for a defense to the Agency, under Section 405 hereof, the Agency, shall take the necessary steps on behalf of the employee to avoid entry of a default judgment pending resolution of any question pertaining to the obligation to provide for a defense.

404. DEFENSE AND INDEMNIFICATION.

(a) The Agency, shall indemnify and save harmless its employees in the amount of any judgment obtained against such employees in a state or federal court, or in the amount of any settlement of a claim, provided that the act or omission from which such judgment or claim arose occurred while the employee was acting during the course of his employment and within the scope of his public employment or duties; provided further that in the case of a settlement, the

duty to indemnify and save harmless shall be conditioned upon the approval of the amount of settlement by the members of the Board of the Agency, or its insurance company. This obligation by the Agency to indemnify shall not apply to any claims against officers and employees of the Agency, currently outstanding, or reduced to judgment, or settlement;

(b) Except as otherwise provided by law, this duty to indemnify and save harmless prescribed by this section shall not arise where the injury or damage resulted from intentional wrongdoing or recklessness on the part of the employee;

(c) Nothing in this section shall authorize the Agency to defend, indemnify or save harmless an employee with respect to any claims filed, or money recovered from an employee pursuant to Section 51 of the General Municipal Law or for any claims alleging intentional wrongdoing or a reckless act; and

(d) Upon entry of a final judgment against the employee, or upon the settlement of the claim, the employee shall serve a copy of such judgment or settlement, personally or by certified or registered mail within five (5) days of the date of entry or settlement, upon the Chairman of the Agency and Agency Counsel, and if not inconsistent with the provisions of this resolution, the amount of such judgment or settlement shall be paid by the Agency.

405. DUTY TO NOTIFY. The duty to defend or indemnify and save harmless prescribed herein shall be conditioned upon:

(a) Delivery by the employee to Agency Counsel and to the Chairman of the Agency a written request to provide for his defense, together with the original or a copy of any summons, complaint, process, notice, demand or pleading within five (5) days after he is served with such document, and

(b) The full cooperation of this employee in the defense of such action or proceeding and in defense of any action or proceeding against the Agency based upon the same act or omission, and in the prosecution of any appeal.

406. OTHER RIGHTS. The benefits conferred in this Article 400 shall inure only to employees as deemed herein and shall not enlarge or diminish the rights of any other party nor shall any provision of this Article 400 be construed to affect, alter or repeal any provision of the Worker's Compensation Law.

407. NOTICE. This Article 400 shall not in any way affect the obligation of any claimant to give notice to the Agency under Section Ten of the Court of Claims Act, Section 50 (e) of the General Municipal Law, or any other provisions of law.

408. INSURANCE. The Agency is hereby authorized and empowered to purchase insurance from any insurance company created by, or under, the laws of the State of New York, or authorized by law to transact business in this state, against any liability imposed by the provisions of this Article 400 or to act as a self-insurer with respect thereto.

409. PAYMENTS. All payments made under the terms of this Article 400, whether for insurance or otherwise, shall be deemed to be for a public purpose and shall be audited and paid in the same manner as other public charges.

410. INSURER RIGHTS. The provisions of this Article 400 shall not, be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

411. IMMUNITY. Except as otherwise specifically provided in this Article 400, the provisions of this Article 400 shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity to liability available to, or conferred upon, any unit, entity officer or employee of the Agency, by, in accordance with, or by reason of, any other provision of state or federal statutory or common law.

412. OTHER ENACTMENTS. Except as otherwise provided in this Article 400, benefits accorded to employees under this Article 400 shall supplement, and be available in addition to, defense or indemnification protection conferred by any other enactment of the Agency, or common law. Notwithstanding anything contained herein to the contrary, the Agency shall be entitled to contribution and/or indemnification by the employee and/or other agency in the event that such other agency is also obligated to provide a defense for the employee and/or pay any sums of monies by way of indemnification and/or judgment or award.

413. APPLICABILITY. The provisions of this Article 400 shall apply to all actions or proceedings specified herein which have been commenced, instituted or brought on or after the adoption of these By-laws.

414. NO DUTY TO DEFEND AND/OR INDEMNIFY.

(a) Notwithstanding anything to the contrary contained herein there shall be no duty of the Agency to defend or indemnify any employee unless the members of the Board finds (1) that the claim arose during the course of his normal employment and within the scope of his employment in a matter in which the Agency had an interest; (2) the employee was acting in discharge of a duty imposed or authorized by law, and (3) the employee acted in good faith and without malice.

(b) In the event the Agency assumes the duty of defense and in the event a court determines that the employee acted in bad faith or with malice or in a wanton or willful manner so as to cause the claim, or was not acting in a bona fide discharge of his or her municipal duties, the employee shall reimburse the Agency for all expenses incurred for defense of claims arising out of the alleged civil action or civil proceeding. Upon such finding by a court, the Agency shall have no duty to satisfy any judgment or claim against the employee, and in the event the Agency has satisfied or is ordered to satisfy said judgment or claim, the employee must reimburse the Agency for any sum paid for the said satisfaction.

415. SEVERABILITY. If any provisions of this Article 400 or the application thereof to any person or circumstance be held unconstitutional or invalid in whole or in part by any court, such holding of unconstitutionality or invalidity shall in no way affect or impair any other provision of this Article 400, or the application of any such provision to any other person or circumstance.

Article 500 – MEETINGS

501. ANNUAL MEETINGS. The annual meeting of the Agency shall be held in the month of February of each year at the Wallkill Town Hall, 99 Tower Drive, Middletown, New York 10941 or at a meeting place designated by the Agency. If the Agency shall fail to hold an annual meeting in any year the officers shall continue in office until their successors shall be chosen and all proceedings of the Agency shall be regular and valid.

502. REGULAR MEETINGS. Regular meetings of the Agency may be held with such notice as required by law at such times and places as from time to time may be determined by resolution of the Agency.

503. SPECIAL MEETINGS. The Chairman of the Agency may, when the Chairman deems it desirable, and shall, upon the written request of two members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Agency or may be mailed to the business or home address of each member of the Agency on such notice as required by law. E-mail notice of meetings shall be sufficient provided that the Chairman has been provided with the most recent e-mail address of each member. Waivers of notice may be signed by any members failing to receive a proper notice. At such special meeting no business shall be considered other than as designated in the call, but if all the members of the Agency are present at a special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

504. QUORUM. At all meetings of the Agency, a majority of the members of the Agency shall constitute a quorum for the purpose of transacting business. A number smaller than a quorum may meet and adjourn to some other time or until the quorum is obtained.

505. ORDER OF BUSINESS. At the regular meetings of the Agency the following shall be the order of business.

- (a) Roll call.
- (b) Reading and approval of the minutes of the previous meeting.
- (c) Bills and communications.
- (d) Reports of the Treasurer.
- (e) Report of the Committees or Administrative Director and staff.
- (f) Old business.
- (g) New business.
- (h) Adjournment.

All resolutions shall be reduced to written form and incorporated in the minutes of the meetings of the Agency.

The voting on all questions coming before the Agency may be by show of hands or calling for the ayes and nays unless a member shall request a roll call vote. In any event, the ayes and nays shall be recorded in the minutes of such meeting. Appointments may be voted upon by ballot.

Article 600 – AMENDMENTS AND REPEAL

601. AMENDMENTS TO BY-LAWS. The By-Laws of the Agency shall be amended only with the approval of at least a majority of all the members of the Agency at a regular or special meeting, but no such amendment shall be adopted unless at least seven (7) days written notice thereof has been previously given to all members of the Agency. The notice by this section cannot be waived.

602. EFFECT OF AMENDMENTS. The By-Laws heretofore in effect are hereby repealed and these By-Laws are intended to replace in their entirety such By-Laws as were heretofore in effect. Nothing contained herein is intended to affect the validity of any action taken by the Agency pursuant to By-Laws heretofore in effect.

Approved and adopted as of December 31, 2018

EXHIBIT “B”

**TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY
CERTIFICATE OF INDEPENDENCE FOR MEMBERS
APPOINTED ON OR AFTER JANUARY 13, 2006**

Pursuant to subdivision 2 of Section 2825 of the Public Authorities Law, the majority of the members appointed on or after January 13, 2006, excluding ex-officio members, must be independent.

The undersigned, having been appointed to serve as a member of the Town of Wallkill Industrial Development Agency (the "Agency") on or after January 13, 2006, hereby certifies, pursuant to subdivision 2 of section 2825 of the Public Authorities Law, as follows:

He or she is not, and in the past two (2) years, has not been, employed by the Agency, or an affiliate in an executive capacity or been employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Agency or received any other form of financial assistance valued at more than \$15,000 from the Agency.

He or she is not a relative of an executive officer or employee in an executive position of the Agency or an affiliate.

He or she 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 Agency of an affiliate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the _____ day of _____, 20____.

Name:

EXHIBIT “C”

**TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL FINANCIAL DISCLOSURE FORM**

I, _____, being a (member/officer/employee) of the Town of Wallkill Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, as follows:

1. This Certificate is being delivered for purposes of complying with the provisions of the Public Authorities Accountability Act of 2005.
2. That I own, directly or indirectly, five percent (5%) or more of the stock or other equity interest of the following companies:

3. That I am an officer or employee of the following companies:

4. That I am a member of the board of directors of the following companies:

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____,
20____.

EXHIBIT “D”

TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY

MISSION STATEMENT

The mission of the Town of Wallkill Industrial Development Agency (“IDA”) is to promote economic growth through a program of incentive-based allocations that assist in the construction, equipping and maintenance of specific types of projects and facilities. The IDA works to advance the health, prosperity and economic welfare of the Town’s citizens by retaining and creating jobs and attracting new businesses.

The Town of Wallkill Industrial Development Agency, a public benefit corporation created by New York State General Municipal Law §891 and organized under Article 18-A of the General Municipal Law, provides assistance to qualified companies through a program of incentives. While the IDA does not lend money, it offers a wide range of incentives to qualifying businesses to encourage job creation and job retention. These incentives include, but are not limited to, sales and mortgage tax exemptions and real property tax abatements.

Dedicated to its mission on of job creation in the Town of Wallkill, the IDA has partnered with federal, regional, state and local agencies to attract numerous companies to The Town of Wallkill. The IDA has also assisted numerous existing companies in the expansion of their businesses, allowing them to become more competitive in the marketplace.

Governed by an all-volunteer five member Board of Directors, the Town of Wallkill Industrial Development Agency operates without any public funds. Rather, the IDA uses fees charged to applicants to carry out its goals to further economic development in The Town of Wallkill.

Recently, the Town of Wallkill IDA has referred numerous applications to the Orange County Industrial Development Agency for processing with letters of support designed to encourage the proposed project while reaffirming the goal of protection of Wallkill’s residents from tax incentives that may be detrimental to the Town.

Adopted by Resolution as of December 31, 2018

TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY

2018 MISSION STATEMENT AND GOALS MEASUREMENT REPORT

Name of Corporation: The Town of Wallkill Industrial Development Agency (TOWDA)

Corporation's Mission Statement:

The mission of the Town of Wallkill Industrial Development Agency ("IDA") is to promote economic growth through a program of incentive-based allocations that assist in the construction, equipping and maintenance of specific types of projects and facilities. The IDA works to advance the health, prosperity and economic welfare of the Town's citizens by retaining and creating jobs and attracting new businesses.

The Town of Wallkill Industrial Development Agency, a public benefit corporation created by New York State General Municipal Law §891 and organized under Article 18-A of the General Municipal Law, provides assistance to qualified companies through a program of incentives. While the IDA does not lend money, it offers a wide range of incentives to qualifying businesses to encourage job creation and job retention. These incentives include, but are not limited to, sales and mortgage tax exemptions and real property tax abatements.

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List of Performance Goals and Measurement of Progress in Meeting Goals.

1. To meet all legal requirements of the Agency.
2. To review project employment goals and the achievement of those goals.
3. To make decisions consistent with the Agency's mission statement.

4. To make decisions that will promote and ensure the prosperity of the inhabitants of the Town of Wallkill.
5. Monitoring PILOT Agreements. By monitoring existing PILOT Agreements for entities operating with the Town of Wallkill, during 2018, the TOWIDA assisted in the retention of jobs within the Town in the manufacturing field and another 20 jobs in the healthcare field.
6. Granting New Applications for Development Within the Town of Wallkill. During 2018, the TOWIDA received and reviewed proposals from certain corporate entities. An application submitted by Dunning Hospitality was granted for the development of a hotel property within the Town as was a similar application submitted by Banta Development. These projects will generate revenue and create new full and part-time jobs within the Town. Both projects were granted sales and mortgage tax exemptions but no PILOT Agreements were approved for these projects.

Additional questions regarding 2018 measurement of TOWIDA progress against mission and performance goals:

1. Have the Board Members acknowledged that they have read and understood the mission of the corporation?

Yes

2. Who has the power to appoint the management of the corporation?

The TOWIDA Board appoints its management.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the corporation?

At present, management is conducted by the Board itself.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

The Board of the TOWIDA sets policies and overall strategy for the organization, appoints and oversees management and financial operations and controls – all in support of its mission and goals. The management of TOWIDA promotes and administers its services, operations, finances, contracts and projects in support of its mission and goals and in accordance with the strategy, direction and policies established by the Board.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

Yes, the Board has read and understood the responses to each of these questions and has approved them for filing with the ABO

6. Do the board members affirm its membership, board, committee, and management structure?

Yes.

7. Has the agency complied with the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009?

Yes.

8. Does the agency conduct business in an environment that fosters transparency?

Yes.

9. Does the agency install and uphold high ethical conduct within the entire organization?

Yes.

Discussed, reviewed, and approved by Board – as of December 31, 2018.

Authorities must complete this form and submit the entire document to the State Authority Budget Office via email to: info@abo.state.ny.us

Authorities are also required to post and maintain their mission statement and performance report on their website.

**ASSESSMENT OF THE EFFECTIVENESS OF
THE TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY**

INTERNAL CONTROL STRUCTURE & PROCEDURES- 2018

- In 2018 the Town of Wallkill operated in compliance with the NYS General Municipal Law, the Public Authorities Accountability Act and other relevant statutes. All required reports, filings and documentation which has not yet been completed shall be filed no later than March 31, 2019
- The IDA's 2017 Annual Audit was received and submitted as was the IDA's projected 2018 budget. Any cash on hand is maintained in a segregated bank account.
- The IDA website shall be updated to insure that it contains all information required by the Public Authorities Accountability Act.
- The IDA met on an as needed basis as the only applicants for projects within the Town of Wallkill sought approval from the Orange County Industrial Development Agency and only sought resolutions and letters of support from the IDA.
- In summary, the internal control structure and procedures of the Town of Wallkill IDA are adequate for the business being conducted and in compliance with State law.

Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.				
The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.				
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.				
Board members demonstrate leadership and vision and work respectfully with each other.				

Name of Authority: _____

Date Completed: _____

EXHIBIT “E”

**CODE OF ETHICS OF
THE TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY**

The members of the board (the “Board”) of the Town of Wallkill Industrial Development Agency (the “Agency”), a duly established public benefit corporation of the State of New York (the “State”), along with the officers and staff of the Agency, shall comply with and adhere to the provisions of Article 18 of the General Municipal Law of the State.

Further, no director, officer, or employee of the Agency shall (1) accept employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests; (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative or agent of Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

Adopted as of December 31, 2018

EXHIBIT “F”

TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY WHISTLEBLOWER POLICY AND PROCEDURES

It is the policy of the Town of Wallkill Industrial Development Agency (IDA) to afford certain protections to individuals who in good faith report violations of IDA's Code of Ethics or other instances of potential wrongdoing within IDA. The Whistleblower Policy and Procedures set forth below are intended to encourage and enable employees to raise concerns in good faith within IDA and without fear of retaliation or adverse employment action.

Definitions

Good Faith: Information concerning potential wrongdoing is disclosed in "good faith" when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing.

IDA Employee: All board members, and officers and staff employed at IDA whether full-time, part time, employed pursuant to contract, employees on probation and temporary employees.

Whistleblower: Any IDA Employee (as defined herein) who in good faith discloses information concerning wrongdoing by another IDA Employee, or concerning the business of IDA itself.

Wrongdoing: Any alleged corruption, fraud, criminal or unethical activity, misconduct, waste, conflict of interest, intentional reporting of false or misleading information, or abuse of authority engaged in by an IDA Employee (as defined herein) that relates to IDA.

Personnel action: Any action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.

Section I: Reporting Wrongdoing

1. All IDA Employees who discover or have knowledge of potential wrongdoing concerning board members, officers, or employees of IDA; or a person having business dealings with IDA; or concerning IDA itself, shall report such activity in accordance with the following procedures:
2. The IDA Employee shall disclose any information concerning wrongdoing either orally or in a written report to his or her supervisor, or to IDA's ethics officer, general counsel or human resources representative.
3. All IDA Employees who discover or have knowledge of wrongdoing shall report such wrongdoing in a prompt and timely manner.
4. The identity of the whistleblower and the substance of his or her allegations will be kept

confidential to the best extent possible.

5. The individual to whom the potential wrongdoing is reported shall investigate and handle the claim in a timely and reasonable manner, which may include referring such information to the Authorities Budget Office or an appropriate law enforcement agency where applicable.
6. Should an IDA Employee believe in good faith that disclosing information within IDA pursuant to this section would likely subject him or her to adverse personnel action or be wholly ineffective, the IDA Employee may instead disclose the information to the Authorities Budget Office or an appropriate law enforcement agency, if applicable. The Authorities Budget Office's toll free number (1-800-560-1770) should be used in such circumstances.

Section II: No Retaliation or Interference

1. No IDA Employee shall retaliate against any whistleblower for the disclosure of potential wrongdoing, whether through threat, coercion, or abuse of authority; and, no IDA Employee shall interfere with the right of any other IDA Employee by any improper means aimed at deterring disclosure of potential wrongdoing. Any attempts at retaliation or interference are strictly prohibited and:
2. No IDA Employee who in good faith discloses potential violations of IDA's Code of Ethics or other instances of potential wrongdoing, shall suffer harassment, retaliation or adverse personnel action.
3. All allegations of retaliation against a Whistleblower or interference with an individual seeking to disclose potential wrongdoing will be thoroughly investigated by IDA
4. Any IDA Employee who retaliates against or had attempted to interfere with any individual for having in good faith disclosed potential violations of IDA's Code of Ethics or other instances of potential wrongdoing is subject to discipline, which may include termination of employment.
5. Any allegation of retaliation or interference will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate matter.

Section III: Other Legal Rights not impaired

1. The Whistleblower Policy and Procedures set forth herein are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse personnel action.

2. Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law § 75-b, Labor Law § 740, State Finance Law § 191 (commonly known as the “False Claims Act”), and Executive Law § 55(1).

3. With respect to any rights or remedies that an individual may have pursuant to Civil Service Law § 75-b or Labor Law § 740, any employee who wishes to preserve such rights shall prior to disclosing information to a government body, have made a good faith effort to provide the appointing authority or his or her designee the information to be disclosed and shall provide the appointing authority or designee a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. (See Civil Service Law § 75-b[2][b]; Labor Law § 740[3]).

Adopted As Of: December 31, 2018

EXHIBIT “G”

TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY
PROCUREMENT POLICY

A. Introduction

1. Scope - In accordance with Article 18-A of the General Municipal Law (the "IDA Act"), Section 104-b of the General Municipal Law, and the Public Authorities Accountability Act of 2005, the Town of Wallkill Industrial Development Agency is required to adopt procurement policies which will apply to the procurement of goods and services not subject to the competitive bidding requirements of Section 103 of the GML and paid for by an IDA for its own use and account.
2. Purpose- Pursuant to Section 104-b of the GML, the primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procurement Policy

1. Determination Required - Prior to commencing any procurement of goods and services, the Executive Director or an authorized designee shall prepare a written statement setting forth the basis for (1) the determination that competitive bidding is not required for such procurement, and if applicable (2) the determination that such procurement is not subject to any requirements set forth in this policy. Such written statements shall be maintained by the Executive Director or such authorized designee in a specially designated procurement file.
2. Procedure for determining whether Procurements are subject to Competitive Bidding - The procedure for determining whether a procurement of goods and services is subject to competitive bidding shall be as follows:
 - a. The Executive Director or an authorized designee shall make the initial determination as to whether competitive bidding is required. This determination will be based on Section 103 of the GML which requires competitive bidding for expenditures of (1) more than \$35,000 for the performance of any public works contract (services, labor or construction), and (2) more than \$20,000 for any purchase contract (acquisition of commodities, materials, supplies or equipment).
 - b. The Executive Director or such authorized designee shall review the

purchase request against prior years' expenditures and a good faith effort will be made to determine whether it is known or can reasonably be expected that the aggregate purchases of a similar nature will exceed the above competitive bidding procedures shall be followed for said expenditure.

- c. The Executive Director or such authorized designee shall present any legal issues regarding the applicability of the competitive bidding requirement stated herein to the Agency's Counsel.
3. Methods of Competition to be used for Non-Bid Procurements and Procurements Exempt by Statute - Alternative proposals or quotations for goods and services shall be secured by use of written requests for proposals or written quotations, verbal quotations or any other method of procurement which furthers the purposes of this Section except for items excepted herein (see 7 below) or procurements made pursuant to:
 - a. GML, Section 103 (3) (through county contracts), or
 - b. GML, Section 104 (through state contracts), or
 - c. State Finance Law, Section 175-b (from agencies for the blind or severely handicapped), or
 - d. Correction Law, Section 186 (articles manufactured in correctional institutions).
 4. Procedures for the Purchase of Commodities, Equipment or Goods under \$20,000.
 - a. Up to \$2,500. The discretion of the Executive Director or authorized designee.
 - b. \$2,501 - \$9,999: Documented verbal quotations from at least three vendors.
 - c. \$10,000 - \$20,000 Written/fax quotations from at least three vendors.
 5. Procedures for the Purchase of Public Works or Services under \$35,000.
 - a. Up to \$2,500 The discretion of the Executive Director or authorized designee.
 - b. \$2,501 - \$5,000 Documented verbal quotations from at least three vendors.

- c. \$5,001 - \$35,000 Written/fax quotations from at least three vendors.
6. Basis for the Award of Contracts - Contracts will be awarded to the lowest responsible vendor who meets the specifications.
7. Circumstances justifying an Award to other than the Lowest Cost quoted.
- a. Delivery requirements.
 - b. Quality requirements
 - c. Quality
 - d. Past vendor performance
 - e. The unavailability of three or more vendors who are able to quote on a procurement.
 - f. It may be in the best interests of the Agency to consider only one vendor who has previous expertise with respect to a particular procurement.
8. Documentation
- a. For each purchase made the Executive Director or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
 - b. The basis for any determination that competitive bidding is not required shall be documented, in writing, by the Executive Director or such authorized designee, and filed with the purchase order of contract therefore.
 - c. For those items not subject to competitive bidding such as professional services, emergencies, purchased under city contracts or procurements from sole sources, documentation should include a memo to the files which details why the procurement is not subject to competitive bidding and include, as applicable:
 - (1) a description of the facts giving rise to the emergency and that they meet the statutory criteria; or
 - (2) a description of the professional services; or
 - (3) written verification of city contracts; or
 - (4) opinions of Counsel, if any; or
 - (5) a description of sole source items and how such determinations were made.
 - d. Whenever an award is made to other than the lowest quote the reasons for doing so shall be set forth in writing and maintained in

the procurement file.

- e. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

9. Exceptions to Bidding

- a. Emergency Situation - An emergency exists if the delay caused by soliciting quotes would endanger the health, welfare or property of the municipality or of the citizens. With approval by the Executive Director such emergency shall not be subject to competitive bidding or the procedures stated above.
- b. Resolution Waiving Bidding Requirements - The Agency may adopt a resolution waiving competitive bidding requirements whenever it is determined to be impracticable.
- c. Sole Source - Defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown that the item needed has unique benefits, the cost is reasonable for the product offered and there is no competition available. In this situation, a request for a resolution waiving bidding requirements, as described above, is required.
- d. True Lease - Prices will be obtained through quotations whenever possible. The award shall be made on the basis of goods and/or services to be provided, ability to meet the specifications desired and price.
- e. Insurance - All insurance policies shall be procured in accordance with the following procedures:
 - (1) Premium less than \$10,000 - documented telephone quotations from at least three agents (if available).
 - (2) Premium over \$10,001 - written quotations/fax or proposals from at least three agents (if available).
- f. Professional Services - This category includes services which require special education and/or training, license to practice or are creative in nature. Examples of professional services are: lawyers, doctors, accountants, engineers, artists, etc. For the procurement of professional services, the procedures set forth in Exhibit B shall apply.

10. Minority and Woman Business Enterprises - The Agency shall comply with all applicable legal requirements relating to the hiring of such businesses.
11. Input from members of the Agency - Comments concerning the procurement policy shall be solicited from the members of the Agency from time to time.
12. Annual Review - the Agency shall annually review its policies and procedures.
13. Unintentional Failure to Comply - The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Agency or any officer thereof.

Approved and adopted as of the 31st day of December, 2018.

EXHIBIT “H”

**TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT POLICY**

INTRODUCTION:

Pursuant to §39 of the General Municipal Law (GML) the Town of Industrial Development Agency (TOWIDA) Board, hereby adopts the following policy as it pertains to the investment and deposit of all TOWIDA monies.

OBJECTIVES:

The objectives of this policy are:

- To conform with all applicable state, federal and other legal requirements
- To adequately safeguard the funds invested or deposited
- To provide sufficient liquidity of invested and deposited funds in order to meet all operating requirements
- To obtain a rate of return commensurate with market conditions

AUTHORIZATION:

The Board hereby delegates the authority to make day-to-day investment decisions, within all applicable laws and the guidelines and limitations of this policy to the Chairman and the Chief Executive Officer.

DESIGNATION OF DEPOSITORIES:

For the purposes of investments, the Board authorized the use of all commercial banks and trust companies located and authorized to do business in New York State in accordance with all applicable laws. Pursuant to General Municipal Article 5-G, §119-0, investment in the MBIA-Municipal Investors Service Corporation's Cooperative Liquid Assets Securities System (CLASS) is also authorized. Depositories shall be as designated at the Annual Organizational Meeting of the Town of Wallkill Industrial Development Agency.

AUTHORIZED INVESTMENT INSTRUMENTS:

Pursuant to General Municipal Law §11, monies not required for immediate expenditure for terms not to exceed projected cash needs, may be invested in the following:

- Savings Accounts
- NOW Accounts
- Super NOW Accounts
- 7-31- Day Accounts
- MBIA-Municipal Investors Service Corporation's Cooperative Liquid Assets Securities System (CLASS)
- Repurchase Agreements

TOWIDA Investment Policy, cont. 2

- Certificates of Deposit
- Obligations of the United State of America, agencies of the United States of America where payment of principal and interest are guaranteed by the United States of American, State of New York, any municipality, school district or district cooperation (other than the Town of Wallkill Industrial Development Agency) authorized within the State
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorized such investments
- Certificate of Participation (COPs) issued pursuant to General Municipal Law, §109-b
- Obligations of the Town of Wallkill Industrial Development Agency, but only with any monies in a reserve fund established pursuant to General Municipal Law §6-c, d, e, g, h, j, k, l, m, or n

COLLATERALIZATION OF DEPOSITS:

Pursuant to General Municipal Law §10, all deposits of the Town of Wallkill Industrial Development Agency in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- By a pledge of “eligible securities” with an aggregate “market value”, or provided by General municipal Law, §10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy;
- By an eligible “irrevocable letter of credit” issued by a qualified bank, other than the bank with the deposits in favor of the government, for a term not to exceed 90 days, with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization, or by a bank that is in compliance with applicable federal minimum risk-based capital requirements;
- Eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

SAFEKEEPING:

Eligible securities used for collateralizing deposits shall be held by the depository and/or a third party bank or trust company subject to security and collateral agreements, at the discretion of the Town of Wallkill Industrial Development Agency. The security agreement shall provide that eligible securities are being pledged to secure Town deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for the Town of Wallkill Industrial Development Agency, will be kept separate and apart from the general assets of the custodial bank or trust company.

OPERATING PROCEDURES:

Investments will generally be made based upon competitive bids solicited by telephone and shall be awarded to the highest bidder who has and is willing and able to pledge sufficient and acceptable collateral as defined in this policy. Deposit of the investment proceeds shall be made by or on behalf of the Town of Walkill Industrial Development Agency for obligations of New York State, obligations the principal and interest of which are guaranteed by the United States, United States Obligations, certificates of deposit and other purchased securities upon the delivery thereof to the trust department, or the custodial bank, or, in the case of a book-entry transaction, when the purchased securities are credited to the custodial bank's Federal Reserve Bank account. All transactions shall be confirmed in writing.

Where practical, written contracts are to be completed for repurchase agreements, certificates of deposit, and custodial undertakings. With respect to the purchase of obligations of United States, New York State, or other governmental entities, etc., in which monies may be invested, the interests of the Town of Walkill Industrial Development Agency will be adequately protected by conditioning payment on the physical delivery of purchased securities to the custodian's Federal Reserve Bank account. All purchases will be confirmed in writing to the Town.

The Town of Walkill Industrial Development Board specifically authorized the designated officials to turn over the physical custody of certificates of deposit, and other evidences of investment, for "safekeeping: possession to the winning bank, as provided in Section 11 (3) of the General Municipal Law, to facilitate access to funds at maturity and to eliminate having live certificates in the Town offices.

Repurchase agreements will be purchased subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement
- Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers
- Obligations shall be limited to obligations of the United States of America, and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America
- No substitution of securities will be allowed
- The custodian shall be a party other than the trading partner

Adopted by Board Resolution as of December 31, 2018

EXHIBIT “I”

**UNIFORM TAX EXEMPT POLICY OF
THE TOWN OF WALLKILL INDUSTRIAL DEVELOPMENT AGENCY**

ARTICLE 100 – DEFINITIONS

Unless the context requires a different meaning, the following terms shall have these definitions:

101. “Agency” shall mean the Town of Wallkill Industrial Development Agency.
102. “County” shall mean the County of Orange.
103. “State” shall mean the State of New York.
104. “Affected taxing jurisdiction” shall mean any municipality or school district, in which a project is located, which will fail to receive full real property tax payments or other tax payments which would otherwise be due, except for the tax exempt status of the Agency involved in the project.
105. “Financial Assistance” shall mean straight leases, or exemption from taxation claimed by a project occupant as result of the Agency taking title, possession or control (by lease, license or otherwise) to the property or equipment of such project occupant acting as agent of the Agency.
106. “Tax Exemption” shall mean the financial assistance granted to a project which is based upon all or a portion of the taxes which would be levied and assessed against the project but for the involvement of the Agency.
107. “PILOT” shall mean any payment made to the Agency, or an affected tax jurisdiction equal to the amount, or a portion of, the real property taxes, or other taxes, which would have been levied by or on behalf of an affected tax jurisdiction if the project was not exempt because of Agency involvement. A PILOT payment shall not include payments on account of the “Buy-back fee.”
108. “Straight Lease” shall mean a transaction in which the Agency takes title, possession or control (by lease, license, or otherwise) to the property or the equipment of a project occupant, entitling such property or equipment to be exempt from taxation according to the provisions of GML§874, and no financial assistance in the form of proceeds of bonds issued by the Agency is provided to the project occupant.

109. "GML" shall mean the General Municipal Law of the State of New York.

110. "Project Occupant" shall mean a person under contract with the Agency who is receiving financial assistance as provided by law. The term project occupant shall include project developer, project tenant or any other similarly situated person.

ARTICLE 200 – TAX POLICIES AND PROCEDURES

201. Chapters 356 and 357 of the New York State laws of 1993, and Section 874 of the New York State General Municipal Law amended in 1997, require that the Agency adopt Uniform Tax Exemption Policies. This policy shall apply to the granting of a tax exemption for real estate, sales and mortgage taxes, the requirements for the payment in lieu of taxes and policies which may be carried out to modify such policies.

202. The general policy of the Town of Wallkill Industrial Development Agency is to grant applicants real property tax abatements and exemptions from sales, use and mortgage recording taxes as described below. The Agency may grant enhanced benefits on a case by case basis for a project expected to have a significant economic impact on the Town of Wallkill as determined by the Agency's Board.

203. Considered factors: In approving a project and granting tax exemption, the Agency shall consider:

- a. Permanent private sector job creation and retention, and business retention. The Agency will consider the number of permanent jobs created or retained in the private sector and also business retention when it considers approval of a project.
- b. Estimated value of the tax exemption. The Agency will consider the value of all the tax exemptions when it considers approval of a project.
- c. Whether the affected tax jurisdiction shall be reimbursed by project occupant if the project does not fulfill the purposes for which exemption was granted. The Agency will consider the recapture of tax exemptions granted in appropriate cases. The Agency will require reduction or revocation of any tax exemption granted or increase in or cancellation of any PILOT payment where the use of a project is substantially changed or abandoned or agreed upon goals are not satisfied because of the fault of the project occupant.

- d. Impact of project on existing and proposed business or economic development projects. The Agency will consider the needs of the community and the impact on existing and proposed businesses or economic development projects when it considers approval of a project for the particular area where the project is located.
- e. The amount of private sector investment generated or likely to be generated by the proposed project. The Agency will consider and favor projects which are likely to generate substantial private investment in the project and in related businesses in the area where the project is located.
- f. Demonstrated public support for the proposed project. The Agency will consider the needs of the community and the demonstrated support for the proposed project by the public, government agencies and private organizations when it considers approval of a project. The Agency will accommodate in its consideration of an application for financial assistance those industries that apply for financial assistance and desire to locate in areas which are evidenced by high unemployment, high commercial real estate vacancies or other adverse economic conditions, or are industries which fulfill a need of such community or location.
- g. Likelihood of accomplishing the proposed project in timely fashion. The Agency will consider the capital available to a project occupant and the ability of the project occupant to complete the project in a timely fashion.
- h. Environmental impact. The Agency shall comply with all applicable laws related to determining the impact of a proposed project on the environment.
- i. Extent to which the proposed project will require additional services including but not limited to educational, police, transportation, EMS, and fire. The Agency will consider the impact of the project on community services and may require payment of other taxes, fees and charges where a project will require such additional services arising from such project.
- j. Extent to which proposed project will provide additional revenues. The Agency shall consider the size of the project and the revenues otherwise paid to the Agency or any other agency or organization.
- k. A Cost Benefit Analysis. To be submitted by the applicant, the Agency shall consider an overall analysis of the costs and benefits of the proposed project as it affects the effected taxing jurisdictions.

204. Application for financial assistance from the Agency shall be made on applications supplied by the Agency and shall contain such information as may be requested. The applicant shall describe the proposed project and type of assistance sought. Agency assistance can take the form of real property tax abatement through a Straight Lease Agreement, Sales and Use Tax Exemption, and/or Mortgage Tax Exemption. Most of the policies herein stated are deemed to be guidelines and not rules of law. The intent of any Agency assistance is to promote economic development and growth of the Town of Wallkill economy.

ARTICLE 300 – REAL PROPERTY TAX EXEMPTION POLICY AND PAYMENT IN LIEU OF TAXES

301. The Agency maintains this policy for the provision of real property tax abatements for qualified projects. Only facilities that qualify as a “project,” as defined in the New York State Industrial Development Agency Act, may be approved by the Agency. These include both industrial and non-industrial projects. Applicants can qualify for Real Property Tax Exemption through Straight Lease Agreements with the Agency. The project must be shown to serve a public purpose by creating or retaining employment. Additionally, State restrictions on applicants include prohibitions to projects that are extraterritorial (GML Section 854(4)), governmental projects (GML Section 854(B)), projects raided from outside the Town of Wallkill except as allowed under GML Section 862(1), and the limitations on the Agency’s ability to provide assistance to retail projects (GML Section 862(2)).

The following are the Abatement Programs adopted by the Town of Wallkill Industrial Development Agency.

a. General Abatement Program

The General Abatement Policy used by the Town of Wallkill IDA is that real estate taxes on the increased value resulting from improvements are abated at fifty (50%) percent for year one (1) with the abatement decreasing two and one-half (2½%) percent per year for years two (2) through twenty (20). This type of abatement program provides benefits similar to benefits that are available under New York Real Property Tax Law (RPTL) Section 485-b, but over a twenty (20) year period versus the ten (10) or less period provided for in the RPTL. Sales tax abatements are provided in connection with all taxable items purchased under this program. Mortgage tax on loans financing projects under this program is abated. Minimum employment goals are established for projects receiving benefits under this program. Employment goals are determined on a project by project basis. Real property tax abatements are reduced in future years if the project’s employment goals are not met.

b. Retail Sales Program

Requirements for assistance to retail projects are set forth in Section 862 of the New York General Municipal Law.

Real estate taxes on the increased value resulting from improvements are abated at fifty (50%) percent for year one (1) with the abatement decreasing by five (5%) percent per year for years two (2) through ten (10). This abatement mirrors Section 485-b of the New York Real Property Tax Law. For years eleven (11) through fourteen (14), PILOT payments are equal to “full taxes”; although the value of the project for PILOT purposes remains fixed. Sales tax abatements are provided in connection with all taxable items purchased in connection with the targeted manufacturing projects. All mortgage tax on loans necessary for those manufacturing projects is abated. There are no minimum employment goals associated with this program.

302. Each project receiving a real property tax exemption will be subject to a Payment in Lieu of Tax Agreement (“PILOT Agreement”) in a form acceptable to the Agency. The Agency may consider project factors, similar to those described in Paragraph 203 herein, when determining the amounts to be paid under the PILOT Agreement.

The abatement shall generally apply to value added by construction or renovation and the existing parcel involved. In most situations the involvement by the Agency will not result in revenue to the affected taxing jurisdictions in any tax year being less than the revenues received in the tax year preceding involvement by the Agency. The period of the exemption will not exceed the period of the respective financing or lease, and under no circumstances will the period of the exemption exceed twenty (20) years. The Agency’s Policy results in a tax schedule for an approved project starting at a base amount and increasing over the full period of the exemption up to 100% payment of the assessed value of the project. The PILOT is applicable to County, Municipal, and School Taxes.

Such payments shall be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt due to the status of the agency involved in the project.

ARTICLE 400 – SALES AND USE TAX EXEMPTION POLICY

401. Purchases. All purchases of construction materials and equipment rentals and purchases of project related equipment and furnishings are made as agent for the Agency, and are therefore

afforded full exemption from local and New York State Sales and Use Taxes, as limited by Article 300 above. Operating and maintenance expenses of projects are not incurred as agent of the Agency, and no sales tax exemption is provided for those expenses. Letters of Sales Tax Exemption will be issued by the Agency for a predetermined length of time, or until the project certificate of occupancy is issued, whichever is a shorter period.

402. Filing. All project applicants must agree to file with the New York State Department of Taxation, in form and at times required, an annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 874(8) of the NYS General Municipal Law.

ARTICLE 500 – MORTGAGE TAX EXEMPTION POLICY

501. The Agency's Policy is to permit mortgage recording tax exemptions on all project related financing to the full extent permitted by New York State Law.

502. The Agency may, in its sole discretion, permit mortgage recording tax exemptions on non-project related financing (i.e. second mortgages on the project to secure subordinated indebtedness of the project applicant). In determining whether to permit such exemptions on non-project related financing, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of the employment and the economic condition of the areas in which the facility is located.

ARTICLE 600 – PROCEDURE FOR DEVIATION FROM TAX POLICIES

601. In addition to the foregoing, the Agency may determine, on a case by case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have a significant impact in the locality where the project will be located. Any deviation from the guidelines set forth above requires the written notification by the Agency to the chief executive officer of each affected taxing jurisdiction as required by law. The Agency may consider any or all of the factors stated in Paragraph 203 herein in making such determinations.

ARTICLE 700 – RECAPTURE OF BENEFITS

701. The Agency, at its sole discretion and on a case-by-case basis, may determine, (but shall not be required to do so) with respect to a particular project, that the project has failed to meet its intended goals and to require the project applicant to agree to the recapture by the Agency of the

value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. Events that the Agency may determine will trigger recapture may include, but is not limited to:

- 1) Sale or closure of facility;
- 2) Significant employment reduction;
- 3) Significant change in use in facility;
- 4) Significant change in business activities or project applicant or operator; or
- 5) Material noncompliance with or breach of terms of Agency transaction documents or of zoning or land use laws or regulations or federal, state, or local environmental laws or regulations.

If the Agency determines to provide for the recapture with respect to a particular project, the Agency also shall, in its sole discretion, and on a case-by-case basis, determine the timing and percentage of recapture.

ARTICLE 800 – AMENDMENTS

The Agency, by resolution of its members, and upon notice to all affected taxing jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.

ARTICLE 900 – EFFECTIVE DATE

This Uniform Tax Exemption Policy shall apply to all projects for which the Agency adopts an Inducement Resolution since its inception, and as amended in 2018.