

**Hilton Local Development  
Meeting Minutes of September 6<sup>th</sup>, 2011**

Present: Joe Lee, Walt Horylev, Jim Gates, Jim Bimmler & Larry Speer.  
Treasurer Janet Surridge

Mr Lee called the meeting to order at 7:00 pm.

**Purchase & Sale agreement for 35 Hovey Square.**

Mrs Surridge gave the Board an update on this contract. Due to internal conflicts between the partners of the corporation that is buying our property, the sale has been delayed. The contract has been extended through January, 2012 so no action needs to be taken at this time. She will keep the Board apprised on this matter.

**Authority Budget Office**

Mrs Surridge has filed all of the reports and policies with the NYS Authority Budget Office for the period beginning on January 1, 2008 through December 31, 2010. The LDC is now in compliance with that office. She submitted the following policies for review and approval.

**Resolution** to adopt the Responsibilities of Members and Officers policy which reads as follows: Motion was made by Mr Horylev, seconded by Mr Gates. Carried unanimously 5-0

Hilton Local Development Corporation (the Corporation) is a Not-For-Profit Local Development Corporation pursuant to Sections 402 and 1411 of the Not- For-Profit Corporation Law of the State of New York. The Corporation must comply with the provisions of applicable laws. The following guidelines have been prepared in order to assist current and future members and officers of the Corporation to understand and carry out their fiduciary responsibilities. These materials are in addition to applicable laws and offer suggestions for fulfilling the Corporation's mission.

1. The day to day responsibilities of the Corporation for management and operations shall be vested in a separate manager. The Corporation shall employ or contract with the manager and exercise direct oversight of the manager in the effective and ethical management of its operations.
2. The members shall understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Corporation.
3. All individuals appointed to the Board shall participate in state approved training regarding the legal fiduciary financial and ethical responsibilities as directors within one year of appointment to the Board.
4. Board Members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.
5. All members of the Board are encouraged to read the Corporation's Bylaws.

6. Members must fulfill fiduciary duties to the Corporation and the clients it serves. These primary legal duties include the duties of care, loyalty and obedience.

A. Duty of Care. The duty of care requires a member to be familiar with the Corporation's finances and activities and participate regularly in its governance. In carrying out this duty members must act in good faith using the degree of diligence care and skill which prudent people would use in similar positions and under similar circumstances.

B. Duty of Loyalty. In carrying out the duty of loyalty, members are subject to the Corporation's written conflicts of interest policy and are charged with the duty to act in the interest of the Corporation. This duty of loyalty requires that any conflict of interest, real or possible always be disclosed in advance of joining the Board and when they arise. Members should avoid transactions in which they or their family members benefit personally. If such transactions are unavoidable, disclose them fully and completely to the entire

Board. In order to exercise this duty of loyalty members must be careful to examine transactions that involve members or officers. Members must not approve any transactions that are not fair and reasonable and a conflicted member may not participate in the vote. There is an established Code of Ethics that is updated annually.

C. Duty of Obedience. Members have a duty of obedience to ensure that the Corporation complies with applicable laws, regulations and its internal governance documents and policies.

**Resolution** to adopt the following "Mission statement and performance measures:"

Name of Public Authority: Hilton Local Development Corp

Public Authority's Mission Statement: To sustain and promote economic opportunities for businesses and residents, create jobs, improve the quality of life, and promote a healthier community.

Date Adopted: 9/6/11

List of Performance Goals: job creation, job retention and blight elimination

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority? Yes
2. Who has the power to appoint the management of the public authority?

The Board of Directors is the same five people who serve on the Hilton Village Board of Trustees. The management staff are Village of Hilton officials.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority? n/a
4. Briefly describe the role of the Board and the role of management in the implementation of the mission. The role of the Board is to implement policies that serve to fulfill our mission. The role of management is to use those policies to carry out the mission as directed by the Board of Directors.
5. Has the Board acknowledged that they have read and understood the responses to each of these questions? Yes

Motion to adopt was made by Mr Gates, seconded by Mr Speer. Carried unanimously 5-0

**Resolution** to adopt the following Compensation, Reimbursement and attendance policy:

Pursuant to and in accordance with the By-Laws of the Corporation, the members of the Board of the Corporation (the "Board") and the President, Vice President, Treasurer and Secretary shall serve without salary but may be reimbursed for reasonable expenses incurred in the performance of corporate duties at the approval of the Board.

The members of the Board and officers of the Corporation shall be available as required to perform the operations of the Corporation and as set forth within the By-Laws of the Corporation, as may be amended, restated or revised by the Board from time to time. Said members and officers of the Corporation shall put forth their best efforts to perform their respective duties as outlined in the By-Laws of the Corporation and any other directives of the Board relating to same.

Motion to adopt was made by Mr Bimmler, seconded by Mr Speer. Carried unanimously 5-0.

**Resolution** to adopt the following Property Disposal Guidelines:

The Hilton Local Development Corporation (the "Corporation"), a New York not-for-profit corporation, in compliance with the New York State Public Authorities Law, has established these Guidelines for the Disposal of Property (the "Guidelines").

These Guidelines shall apply to the disposal of real property and personal property throughout the year following their adoption and until such time as the Corporation adopts new or revised Guidelines.

The Board of Directors of the Corporation shall review and approve of these Guidelines, with any necessary modifications and revisions, on a no less than annual basis.

### **1. Designation of Contracting Officer**

The Corporation hereby designates the Treasurer of the Corporation as the Corporation's Contracting Officer, in compliance with the provisions of New York State Public Authorities Law. The Contracting Officer shall hold this position until the Members of the Corporation designate a new Contracting Officer or until such time as the Directors adopt new Property Disposal Guidelines. The Contracting Officer shall be responsible for the administration and implementation of these Guidelines. The Contracting Officer shall cause these Guidelines to be posted on the Corporation's website so that they are available to the general public.

### **2. Application of Guidelines**

The procedures outlined in these Guidelines shall apply to the Corporation's disposal from time to time of all personal property having a fair market value at the time of disposal of more than five thousand dollars (\$5,000) and all interests in real property. As used in these Guidelines, "property" shall include personal and real property. Personal and real property are distinguished from each other as appropriate in some Sections of these Guidelines. The Corporation shall endeavor to dispose of personal property with a fair market value at the time of disposal of Five Thousand Dollars (\$5,000.00) or less for at least fair market value.

### **3. Purpose**

The Corporation has adopted these Guidelines to comply with the provisions of NYS Public Authorities Law and to realize a favorable return on the disposal of Corporation property.

#### **4. Fair Market Value**

Before disposing of property, the Contracting Officer shall take reasonable measures to determine the fair market value of the property to be disposed of. Fair market value of property which, because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property and therefore not subject to fair market value pricing, shall be determined through an appraisal by a qualified independent appraiser which shall be included in the record of the transaction.

#### **5. Advertised Bid**

All disposals of Corporation property shall be made after public advertisement for bids for the purchase of Corporation property. The Contracting Officer shall order the advertising for bids in such a manner and in such publications as the Contracting Officer deems reasonably necessary to permit full and fair competition for the property consistent with the fair market value and nature of the property. All advertisements for soliciting bids on Corporation property shall state the method, place and deadline for the submission of bids, and request any other information the Contracting Officer deems necessary to evaluate bids being solicited. All advertisements and announcements soliciting bids shall state the place and time at which the content of all bids received for the property advertised shall be publicly disclosed. The content of all bids received shall be publicly disclosed as announced in the solicitation for bids.

#### **6. Award of Property Subject to Bid**

Award of the property for which bids have been solicited shall be made within a timeframe reasonable for the evaluation of the bids received. The Contracting Officer shall evaluate the bids and select the bid most advantageous to the Corporation based upon (a) conformance with the invitation for bids, (b) the terms, including but not limited to the price offered, and (c) any other factors that warrant consideration. Notwithstanding the foregoing, the Corporation may reject as inadequate all bids received in response to a particular solicitation for bids if the Contracting Officer deems that it is in the best interest of the Corporation to reject all bids.

#### **7. Notification of Successful Bid**

The Corporation shall notify the successful bidder in writing of the Corporation's acceptance of the bid. This notice shall contain a description of the property, the amount of the successful bid and any other material terms of the bid. The bidder shall be required to make payment to the Corporation in a form and on terms acceptable to the Corporation before taking possession of the property. The Corporation shall gather the following information regarding any successful bidder: name, address, and telephone number. The Corporation shall provide to the successful bidder a deed, bill of sale, lease or other appropriate instrument adequate to transfer to the successful bidder the interest in the property.

#### **8. Contracts to Dispose of Property**

The Corporation may solicit bids for contracts to dispose of the Corporation property covered by these Guidelines. In the event that the Corporation determines that the services of a company are necessary to assist the Corporation in disposing of certain of its property, the Corporation shall follow the same procedures in selecting an organization to dispose of property as the Corporation follows under these Guidelines for disposal of property through advertised bid.

#### **9. Disposal of Property by Negotiation**

The Corporation may dispose of property through negotiation or by public auction without regard to the above-described procedures if the Contracting Officer determines that any of the following conditions exist:

- (a) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality or similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were sold through public bidding, it would adversely affect the local market for that kind of property, and the estimated fair market price and other terms for the sale of the personal property can be obtained through negotiation;
- (b) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000);
- (c) prices for the property that were obtained by advertised bid were not reasonable or the bid process did not generate open competition;
- (d) disposal of the property will be to the State or any political subdivision and the estimated fair market value and other satisfactory terms of disposal are arranged through negotiation;
- (e) under circumstances permitted under Section 10 of these Guidelines; or
- (f) such action is otherwise authorized by law.

#### **10. Disposal of Property for Less Than Fair Market Value**

- (a) No asset owned, leased or otherwise in the control of the Corporation may be sold, leased or otherwise alienated for less than its fair market value except if:
  - (i) The transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;
  - (ii) The purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
  - (iii) In the event the Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the Governor, the Speaker of the Assembly and the temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty (60) days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty (60) days of January first of the following year. If no such resolution or certification is performed within sixty (60) days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Corporation may effectuate such a transfer. Any of the foregoing notwithstanding, with respect to a below market transfer by the Corporation that is not within the purpose, mission or governing statute of the Corporation, if the New York Not-For-Profit Corporation Law provides for the approval of such transfer by the Monroe County Legislature and the transfer is of property obtained by the Corporation from Monroe County, then such approval shall be sufficient to permit the transfer.
- (b) In the event a below fair market value asset transfer is proposed, the following information must be provided to the Corporation's Board and the public:
  - (i) A full description of the asset;
  - (ii) An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Board;
  - (iii) A description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as

required by the transfer, and the benefits, if any, to the communities in which the asset is situated

as are required by the transfer;

(iv) A statement of the value to be received compared to the fair market value;

(v) The names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and

(vi) The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

(c) Before approving the disposal of any property for less than fair market value, the Board of the Corporation shall consider the information described in paragraph (b) of this Section and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

## **11. Documentation of Disposal by Negotiation**

The Contracting Officer shall cause to be prepared an explanation of the circumstances of the disposal when property is disposed of through the negotiation process described in Section 9, and any of the following are true:

(a) personal property disposed of has an estimated fair market value in excess of fifteen thousand dollars (\$15,000);

(b) real property disposed of has an estimated fair market value in excess of one hundred thousand dollars (\$100,000.00), except that real property disposed of by lease or exchange shall only be subject to clauses (c) and (d) below;

(c) real property leased if the estimated annual fair market rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00);

(d) any real property or real and related personal property disposed by exchange, regardless of value, or any property any part of the consideration for which is real property.

The Contracting Officer shall cause any and all explanatory statements required under this Section 11 to be transmitted at least ninety (90) days in advance of disposal by negotiation to the recipients of the yearly report of dispositions required under Section 12 of these Guidelines and shall maintain a copy of such statement in the Corporation's file.

## **12. Yearly Property Report**

Each year the Contracting Officer shall publish a report listing all real and personal property disposed of by the Corporation during the previous twelve-month period. The report shall contain a full description of each item of property disposed of, the price received by the Corporation, and the name of the individual(s) or entity that purchased the property. The Contracting Officer shall cause the report to be delivered to the Comptroller, the Director of the Budget, the Commissioner of General Services, and the New York State Legislature c/o the Speaker of the House and the Senate Majority Leader. The Contracting Officer shall cause the report to be published on the Corporation's website.

Motion to adopt was made by Mr Gates, seconded by Mr Speer. Carried unanimously 5-0

**Resolution** to adopt the following investment policy:

## **I. Scope**

This investment policy applies to all moneys and other financial resources available for investment by the Hilton Local Development Corporation (the "Corporation").

## **II. Objectives**

- The primary objectives of the Corporation's investment activities are, in priority order.
- To conform with all applicable federal, state and other legal requirements;
  - To adequately safeguard principal;
  - To provide sufficient liquidity to meet all operating requirements; and
  - To obtain a reasonable rate of return.

## **III. Delegation of Authority**

The responsibility for administration of the investment program is delegated to the Corporation's Treasurer who shall establish procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information.

## **IV. Prudence**

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Corporation. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived. All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **V. Diversification**

It is the policy of the Corporation to diversify its deposits and investments by financial institution such that the Corporation's deposits and investments do not exceed FDIC coverage and collateral pledged by such institution.

## **VI. Internal Controls**

It is the policy of the Corporation that all moneys collected by any officer or employee of the Corporation be transferred to the Treasurer immediately upon receipt for deposit into corporate account. The Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and is managed in compliance with applicable laws and regulations.

## **VII. Designation of Authorized Depositories**

The banks authorized for the deposit of monies, up to the amounts which are collateralized:

### Depository Name

HSBC Bank USA, National Association  
First Niagara Bank

## **VIII. Collateralizing of Deposits**

All deposits of the Corporation, including certificates of deposit and special time deposits, 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 equal to at least 102% of the aggregate amount of such deposits (a list of eligible collateral securities are included as Appendix A to this policy).

## **IX. Safekeeping and Collateralization**

Eligible securities used for collateralizing deposits shall be held by the depository’s trust department and/or a third party bank or trust company subject to security and custodial agreements. The security agreement shall provide that eligible securities are being pledged to secure the Corporation’s deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank. The custodial agreement shall provide securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

## **X. Authorized Investments**

The Corporation authorizes the Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;

All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within one year of the date of purchase.

## **XI. Other Requirements**

Anything contained in this Policy to the contrary notwithstanding, to the extent any funding source of the Corporation imposes requirements with respect to the deposit, collateralization or investment of funds received from such source which are more restrictive or stringent than the provisions of this Policy, then the requirements of such funding source shall control.

## **XII. Monthly Reporting Requirements**

At each regularly scheduled meeting of the Corporation's Board of Directors, the Treasurer shall prepare a report of the Corporation's cash and investments balances as of the last day of the preceding month. At a minimum such report shall contain:

- The name of each financial institution holding the Corporation's deposits
- Type of account (checking, savings, certificate of deposit, etc.)
- Any new investments since the last report
- Current rate of interest
- Account balances as of the last day of the previous month
- Maturity date in the case where funds are not currently available
- Information regarding the selection of investment bankers, brokers, agents, dealers or auditors since the last report

## **XII. Annual Monitoring and Reporting**

On an annual basis, the Corporation will obtain an independent audit of its financial statements, which shall include an audit of its investments. The results of the independent audit of its investments shall be available to the Corporation's Board at the time of the annual review and approval of this investment policy is conducted. The Corporation shall annually prepare and approve an investment report, which shall include this investment policy and any amendments to the policy since the last investment report, an explanation of the policy and any amendments, the result of the independent audit, the investment income record of the Corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering associated investment services to the Corporation since the last investment report. The investment report shall be submitted to the Board of Directors and to the New York State department of audit and control. Copies of the report shall be made available to the public upon reasonable request therefor.

Motion to adopt this policy was made by Mr Horylev, seconded by Mr Bimmler. Carried unanimously 5-0.

**Resolution** to adopt the following Internal Controls & Financial Accountability policy:

1. Hilton Local Development Corporation (the Corporation) is a Not-For-Profit Local Development Corporation pursuant to Sections 402 and 1411 of the Not-For-Profit Corporation Law of the State of New York. The Corporation must comply with the provisions of applicable laws, including the New York Public Authorities Law. The Corporation's Board Members and its Officers have a fiduciary duty to protect its assets.
2. Board Members and Officers shall ensure that the Corporation is accountable for its programs and finances to its customers and the public. Accordingly, the Corporation shall comply with all applicable laws and ethical standards; adhere to its public mission; create and adhere to policies regarding conflicts of interest, ethics, personnel and accounting; prepare and file annual financial data with required federal and state regulatory authorities; and make its annual financial report available to all Members and any member of the public who requests it.
3. Internal controls are systems of policies and procedures that protect and manage the assets of the Corporation, create reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations.
4. The following internal controls, policies and procedures shall apply to the Corporation:
  - A. **Budget.** An annual income and expense budget will be prepared and periodic reports will be presented to the Board. The report will compare actual receipts and expenditures to the budget with timely variance explanations.
  - B. **Expenditures.** Checks and balances are essential to make embezzlement more difficult. All checks shall require one signature as designated by the Board of Directors.

**C. Expenditures-Approval.** No expenditures shall be made or incurred except in accordance with the purchasing policy and the duly adopted budget. The Board shall designate an individual to authorize all other expenditures. That individual shall insure that no single person is permitted to authorize, request, verify, and record expenditures.

**D. Receipts-Checks.** All receipts by check shall be duly entered in the books of the Corporation with a copy made of each check received and attached to the invoice and bank deposit.

**E. Accounts Receivable.** All accounts receivables shall be maintained on a current basis to the extent practicable. Account receivables which are more than 90 days old shall be reported to the Board on a monthly basis. The Board may direct such action as may be appropriate as to said receivables.

**F. Data.** Electronic data regarding financial records and reports shall be preserved.

**G. Audit Committee.** The audit committee shall have oversight over the annual audit process.

**H. Reports.** Periodic reports on the finances and programs shall be submitted to the Board. Annual financial report shall be filed as required by law and made available to the public.

**I. Management.** The day to day activities of the Corporation shall be managed by a person or entity designated by the Board of Directors and subject to its oversight.

Motion to adopt was made by Mr Gates, seconded by Mr Speer. Carried unanimously 5-0.

### **Financial Report**

Mrs Surridge distributed a financial report that contained the following data:

- Balance on hand
- Monthly revenue and expenses
- Outstanding debt totals
- 5 year lease overview with current tenant

The meeting adjourned at 7:15 pm

Janet Surridge  
Treasurer