

Frank S. Venezia
Chairman
Joseph P. Richardson
Secretary
Sam NeJame
Assistant Secretary

Brian T. Stenson
Treasurer
Victoria Stanton Sweeney
Member
Mark Hennessey
Member

Stephen P. Rosenblatt
Member

TOWN OF BETHLEHEM
Albany County - New York
INDUSTRIAL DEVELOPMENT AGENCY

445 DELAWARE AVENUE
DELMAR, NEW YORK 12054
Telephone: (518) 439-4955
Fax: (518) 439-5808
Email: info@bethlehemida.com
www.bethlehemida.com

Terrence W. Ritz
*Executive Director and
Chief Executive Officer*
Ext. 1139

Suzanne Traylor
*Chief Financial Officer and
Contracting Officer*
Ext. 1123

Thomas P. Connolly, Esq.
*Assistant Executive Director,
Assistant Secretary and
Agency Counsel*
518-447-3303

Robin Nagengast
*Assistant to the Executive
Director and Clerk*
Ext. 1158

MINUTES
FINANCE COMMITTEE MEETING
January 26, 2011

A meeting of the Town of Bethlehem Industrial Development Agency Finance Committee was convened in public session in the Bethlehem Town Hall, 445 Delaware Ave., Delmar, NY at 7:50 a.m., on Wednesday, January 26, 2010.

Attendance was recorded as follows:

<u>Committee Members Present</u>	<u>Committee Members Absent</u>	<u>Counsel Present</u>	<u>Town Staff Present</u>	<u>Auditors Present</u>
Frank Venezia Victoria Stanton Sweeney	Brian Stenson		Suzanne Traylor Thomas Connolly Terry Ritz Robin Nagengast	Katherine Doran

Chairman Venezia called the meeting to order at 7:54a.m.

Finance Committee Background and Model Charter

The purpose of the Finance Committee is to review proposals for the issuance of debt. Mr. Connolly presented the Model Charter as provided by the Authorities Budget Office (ABO). (Attachment) The ABO tries to bring good governance to public authorities. Several revisions to the model were suggested and it was agreed to create a draft of the first two pages for the next meeting, which was scheduled for February 3 at 3:30p.m.

Meeting was adjourned at 8:04am.

Respectfully submitted,
Robin Nagengast

Public authorities that issue debt are required to have a finance committee. This committee should be active at the time an Agency is contemplating or planning a debt issuance, is in the process of issuing debt, or has outstanding debt. This model Finance Committee Charter reflects current best practices and incorporates the statutory requirements of the 2009 Public Authorities Reform Act. This document is intended for use by public authorities as a guide for formulating and/or revising their own charters. No sample charter can encompass all activities that might be appropriate for a specific Agency's finance committee. Given the differences in purpose, statutory authorizations and resources that exist among public authorities, all the activities identified in this model charter may not be relevant to every Agency's finance committee. Therefore, this charter should be modified to address the needs and governing rules of each individual Agency.

=====

MODEL FINANCE COMMITTEE CHARTER

Purpose

Pursuant to Article __, Section __ of the Agency's bylaws, the purpose of the finance committee is to oversee the Agency's debt and debt practices and to recommend policies concerning the Agency's issuance and management of debt.

Duties of the Finance Committee

It shall be the responsibility of the finance committee to:

- Review proposals for the issuance of debt by the Agency and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the Agency.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Agency, and to oversee the work performed by these individuals and firms on behalf of the Agency.
- Meet with and request information from Agency staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the Agency's expense, such outside counsel, experts and other advisors as the finance committee may deem appropriate.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Agency and its subsidiaries.
- Annually review the Agency's financing guidelines and make recommendations to the board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a

- pledge of revenues, financial covenants or debt service reserves.
- Report annually to the Agency's board how it has discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

Composition of Committee and Selection of Members

The finance committee shall consist of not less than three independent members of the board of directors, who shall constitute a majority on the committee. If the board has less than three independent members, non-independent members may be appointed to the committee provided that the independent members constitute a majority of the committee. The Agency's board shall appoint the finance committee members and the finance committee chair. Members shall serve on the committee at the discretion of the board. Members appointed to the committee shall have the background necessary to perform its duties.

Meetings

The finance committee shall meet at such times as deemed advisable by the chair, but not less than twice a year. The committee must meet prior to any debt issuance planned to be undertaken by the Agency.

Members of the finance committee are expected to attend each committee meeting, in person or via telephone or videoconference. The finance committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present or participating through telephone or videoconference shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to finance committee members along with briefing materials five (5) business days before the scheduled finance committee meeting. The finance committee may act only on the affirmative vote of a majority of the members or by unanimous consent. Minutes of these meetings shall be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

In addition to these duties and responsibilities, the board may wish to authorize the finance committee to perform the following additional duties:

Review the Agency's Annual Budget

The finance committee shall:

- Review the Agency's proposed annual operating budget as presented by Agency management for the upcoming fiscal year.
- Recommend the annual budget to the board for approval after incorporating necessary amendments.
- Monitor and report to the board on the Agency's compliance with its adopted budget during the fiscal year (actual verses estimated budget) on a monthly/quarterly basis.

Oversee the Agency's Investments

The finance committee shall:

- Annually review the Agency's investment policy and evaluate allocation of assets.
- Review and recommend to the board approval of the Agency's annual investment report.
- Annually review the Agency's audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors.
- Monitor the economic performance of the Agency's pension plans.

Assess the Agency's Capital Requirements and Capital Plan The

finance committee shall:

- Assess the financial requirements of the Agency's capital plans. The assessment is to include current and future capital needs, a justification of why such capital expenditure is required and an explanation of funding sources for capital projects such as grants, issuance of debt or specified pay-as-you-go resources.
- Review the financial aspects of major proposed transactions, significant expenditures, new programs and services, as well as proposals to discontinue programs or services and making action recommendations to the board.

Review Financial and Procurement Thresholds

The finance committee shall:

- Review and make recommendations to the board regarding any proposed

- procurements submitted to the committee by the Agency's procurement officer.
- Review and recommend changes to the Agency's thresholds for procuring goods and services and procurement policy.
 - Review and recommend changes to the Agency's uniform tax exemption policy that includes general provisions for entering into payment-in-lieu-of-taxes (PILOT) agreements and allowing tax exemptions.
 - Review and recommend changes to the Agency's fee schedules.
 - Review the scope and terms of the Agency's insurance policies and liability coverage on an annual basis.