

Orleans Land Restoration Corporation

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Governance Committee Agenda OLRC Board Meeting Friday March 03, 2023 at 9:00 AM Updated: 02/24/23

- **Call OLRC Governance Committee meeting to order**
- **Roll Call** – Calling of Committee members, announcement as to whether a quorum is present
- **Approval of Previous Board Meeting Minutes**
 - *None - (Electronic) - Motion*
- **Legal**
- **Old Business**
 -
- **New Business**
 - **Board Evaluation Summary- Return by March 15**
 - Recommend or not recommend the approval of Guidelines and Policies
 - *Investment Policy – Motion*
 - *Real Property Acquisition - Motion*
 - *Property Disposal Guideline – Motion*
 - *Procurement Policy – Motion*
 - *Recommend or not Recommend the approval of the Governance Committee Charter - Motion*
 -
- **Motion to adjourn**

**2022 Orleans Land Restoration Corporation
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, pressure 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.				

Date Completed: _____

Adopted: April 17, 2009
Amended: August 20, 2010
Amended: February 24, 2012
Amended: February 27, 2015
Amended: February 10, 2017

Amended: February 14, 2020
Reviewed and Approved: March 4, 2022

ORLEANS LAND RESTORATION CORPORATION

INVESTMENT POLICY

I. Scope

This investment policy applies to all moneys and other financial resources available for investment by the Orleans Land Restoration Corporation (the "Agency").

II. Objectives

The primary objectives of the Agency'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 Agency's Treasurer who shall establish procedures for the operation of the investment program consistent with this investment policy. 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 Agency.

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 Agency to diversify its deposits and investments by financial institution such that the Agency's deposits and investments do not exceed FDIC coverage and collateral pledged by such institution.

VI. Internal Controls

It is the policy of the Agency that all moneys collected by any officer or employee of the Agency be transferred to the CFO within 5 days of receipt for deposit into an Agency account.

The CFO 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 are managed in compliance with applicable laws and regulations.

VII. Designation of Authorized Depositories

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

Depository Name
KeyBank National Association

VIII. Collateralizing of Deposits

All deposits of the Agency, 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 Agency'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 Agency to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Agency, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Agency or its custodial bank.

The custodial agreement shall provide securities held by the bank or trust company, or agent of and custodian for, the Agency, 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 Agency a perfected interest in the securities.

X. Authorized Investments

The Agency authorizes the CFO 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;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York

All investment obligations shall be payable or redeemable at the option of the Agency 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 Agency 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 Agency 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 monthly meeting of the Agency's Board of Directors, the CFO shall prepare a report of the Agency'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
- 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 Agency 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 Agency's Board at the time of the annual review and approval of this investment policy is conducted.

The Agency 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 Agency 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 Agency since the last investment report. The investment report shall be submitted to the chief executive officer and chief fiscal officer of Orleans County 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.

APPENDIX A

Schedule of securities eligible for collateralization of Agency deposits:

- i. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- ii. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- iii. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- iv. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- v. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- vi. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- vii. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- viii. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- ix. Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- x. Zero coupon obligations of the United States government marketed as "Treasury strips".

ORLEANS LAND RESTORATION CORPORATION REAL PROPERTY ACQUISITION POLICY

The Orleans Land Restoration Corporation (the “Corporation”), a New York not-for-profit, in compliance with the New York State Public Authorities Law, has established these Guidelines for the Acquisition of Real Property (the “Guidelines”).

These Guidelines shall apply to the acquisition of real property throughout the year following their adoption and until such time as the Agency adopts new or revised Guidelines. The Members 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 Corporation’s CFO 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 Members adopt new Real Property Acquisition 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 acquisition of all interests in real property except for acquisitions of interests in real property where the Corporation is involved for the benefit of a third party. As used in these Guidelines, “property” shall include all interests in real property.

The Corporation shall acquire real property in a prudent manner. All acquisitions of real property shall be made in accordance with the policy and applicable law and shall be approved by the Corporation's Board of Directors.

3. Purpose

The Corporation has adopted these Guidelines to comply with the provisions of New York Public Authorities Law and to protect the interests of the Corporation in the acquisition of real property by the Corporation for its own benefit. The purpose of the acquisition of real property by the Corporation shall be to further the purposes of the Corporation, as authorized by the Corporation’s certificate of incorporation, by-laws, or resolutions adopted by the Board of Directors of the Corporation, or for a purpose otherwise permitted under applicable State law.

4. Fair Market Value

Prior to acquiring any parcel of real property except for property being gifted to the Corporation, the Contracting Officer shall take reasonable measures to determine the fair market value of the property to be acquired. Fair market value of property that is unique in nature and therefore not subject to fair market value pricing shall be determined through an appraisal by a qualified professional. Prior to its acquisition, the fair market value of all real property shall be established by an appraisal conducted by a qualified professional. In the case of real property donated to the Corporation, an appraisal shall not be required. The Corporation shall negotiate the purchase price after determination of the fair market value.

The Corporation shall endeavor not to pay more than fair market value for any property being acquired. Where the property is such that it is required for Corporation purposes and other property will not suffice, the Corporation may under such circumstances pay such reasonable amount in excess of what it has determined to be fair market price in order to purchase the property. In such case the Corporation shall document the reasons why it is necessary to acquire such property for a price in excess of what it determined to be fair market price and shall include in its annual report required by Section 2800(2) of the Public Authorities Law, a detailed explanation of the justification for making the purchase for a price in excess of fair market value and a certificate by the Corporation's CEO and CFO that they have reviewed the terms of the acquisition and determined that it complies with applicable law and this policy.

5. Environmental and Title Review

Prior to the acquisition of any interest in real property covered by this policy, the Corporation shall take necessary steps to determine whether there are any environmental concerns including, if appropriate, obtaining a Phase I Environmental Report or conducting other environmental due diligence. The Agency shall comply with the New York State Environmental Quality Review Act, to the extent applicable to any property purchase.

The Corporation shall have its General Counsel review the title documents supplied in connection with the acquisition and shall require fee title insurance unless the General Counsel shall determine that title insurance should not be required.

The General Counsel shall handle the purchase on behalf of the Corporation and the Corporation shall pay such reasonable fees as are required in connection with such purchase.

6. Yearly Property Report

Each year the Contracting Officer shall publish a report listing all real property acquired by the Corporation during the previous twelve-month period.

The report shall contain a full description of parcel of real property purchased, the price paid by the Authority, and the name of the individual(s) or entity that sold 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.

ORLEANS LAND RESTORATION CORPORATION PROPERTY DISPOSAL GUIDELINES

The Orleans Land Restoration Corporation (the “Corporation”), a New York not-for-profit corporation, in compliance with the New York State Public Authorities Law, to the extent that the same applies to the Corporation, 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 Members 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 Chief Financial Officer 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 Members 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, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, but shall exclude an interest securing a loan or other financial obligation of another party. 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. Prior to its disposal, the fair market value of all real property shall be established by an appraisal conducted by a qualified independent appraiser and 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 Treasurer 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 Orleans County Legislature and the transfer is of property obtained by the Corporation from Orleans 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.
- (d) In the event property is disposed of for less than fair market value, the Corporation shall include in its annual report required under Section 2800(2) of the Public Authorities Law a detailed explanation of the justification for making the sale without competitive bidding and a certification by the CEO and CFO of the Corporation that they have reviewed the terms of the sale and determined that it complies with applicable law and these guidelines.

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

Adopted: April 17, 2009
Amended: August 20, 2010
Amended: February 10, 2017

Reviewed and Approved: March 4, 2022

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 Authority, 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.

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Amended: February 10, 2017
Amended: October 13, 2017

Reviewed and Approved: March 4, 2022

ORLEANS LAND RESTORATION CORPORATION PROCUREMENT POLICY

A. Introduction

1. **Scope** - In accordance with the Public Authorities Accountability Act of 2005, the Orleans County Land Restoration Corporation (the "Corporation") is required to adopt procurement policies which will apply to the procurement of goods and services not subject to other competitive bidding requirements and paid for by the Corporation for its own use and account.
2. **Purpose** - The primary objectives of this policy are to assure the prudent and economical use of the Corporation's monies 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 CFO 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 CFO 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 CFO or an authorized designee shall make the initial determination as to whether competitive bidding is required. This determination will be based on the following criteria: competitive bidding shall be required (1) for expenditures of more than \$35,000 for the performance of any public works contract (services, labor or construction), (2) for expenditures of more than \$20,000 for any purchase contract (acquisition of commodities, materials, supplies or equipment) or (3) if otherwise required by any source of funding for the expenditure.
 - b. The CFO 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.

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procurement.

- f. It may be in the best interests of the Corporation to consider only one vendor who has previous expertise with respect to a particular procurement.

8. Documentation

- a. For each purchase made the CFO 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 CFO or such authorized designee, and filed with the purchase order or 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 criteria of this Policy; 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.
- f. Procurements are intended to be made for no greater than fair market value of the asset procured. In the event the circumstances exist in which the acquisition of an asset is made where the contract price to be paid by the Corporation exceeds the fair market value of the asset, the Corporation shall include in its annual report required by Section 2800 (2) of the Public Authorities Law a detailed explanation of the justification for making the purchase without competitive bidding and a certificate by the CEO and CFO that they have reviewed the terms of the acquisition and determined

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- a. The CFO is authorized to procure goods and services in an amount up to \$1,000.
 - b. The CFO is also authorized to procure goods and services greater than \$1,000, but not in excess of \$5,000, provided that prior to procuring such goods or services, the CFO confers with the Finance Committee Chair to confirm that the proposed expenditure is within budgetary limits. The CFO shall report the procurement of goods and services at the next Board of Directors meeting following the date of procurement.
 - c. The Finance Committee may authorize the procurement of goods and services greater than \$5,000, but not in excess of \$20,000, provided that prior to procuring such goods or services, the CFO confers with the Finance Committee Chair to confirm that the proposed expenditure is within budgetary limits. The Chair of the Finance Committee or CFO shall report the procurement of goods and services authorized by the Finance Committee at the next Board of Directors meeting following the date of procurement.
 - d. The procurement of goods and services in an amount greater than \$20,000 shall require the approval of the Board of Directors. By resolution, the Board may delegate to the CFO or a committee of the Board the authority to procure goods or services in an amount greater than \$20,000 without Board approval.
12. Input from members of the Corporation - Comments concerning the procurement policy shall be solicited from the members of the Corporation from time to time.
 13. Annual Review - the Corporation shall annually review its policies and procedures.
 14. Unintentional Failure to Comply - The unintentional failure to comply with the provisions of this Policy shall not be grounds to void action taken or give rise to a cause of action against the Corporation or any officer thereof.

ORLEANS LAND RESTORATION CORPORATION GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors of the Orleans Land Restoration Corporation (the "Authority"), a not-for-profit corporation established under the laws of the State of New York, on this 20th day of August 2010.

Purpose

Pursuant to Article III of the Authority's by-laws, the Authority's Board may appoint committees to consist of three (3) or more Directors as the Board may from time to time determine. The Authority's Board has voted to create a governance committee which shall be constituted and shall have the purposes, powers and responsibilities as set forth in this Governance Committee Charter. The purpose of the governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance.
- Reviewing corporate governance trends for the applicability to the Authority.
- Updating the Authority's corporate governance principles and governance practices.
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.
- To examine ethical and conflict issues.
- To perform Board self-evaluations.
- To recommend by-laws which include rules and procedures for the conduct of Board business.

Powers of the Governance Committee

The Board of Directors has delegated to the governance committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Authority staff.
- Obtain advice and assistance from outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Authority's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per

Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The governance committee shall be comprised of not less than three (3) members who are "independent members" within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time. The governance committee members shall be appointed by, and will serve at the discretion of, the Authority's Board of Directors. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one (1) year to ensure an orderly transition.

Governance committee members shall be prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, governance committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance and shall have the necessary skills to understand the duties and functions of the governance committee.

Committee Structure and Meetings

The governance committee will meet a minimum of once a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each committee meeting in person or via videoconference.

Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five (5) days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings are to be recorded.

Reports

The governance committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.

- Report to the Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the governance committee's and Board's function on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the Authority's Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.

Relationship to the Authority's Board

The Board of Directors has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Authority's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the governance committee shall:

- Develop and recommend to the Board the number and structure of committees to be created by the Board.
- Develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Authority's governance process.
- Examine ethical and conflicts of interests.
- Perform Board self-evaluations.

Evaluation of the Authority's Policies

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Authority's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as

the laws, rules, regulations and policies applicable to state officers and employees.

- Develop and recommend to the Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required updates on the Authority's written policies regarding procurement of goods and services.
- Develop and recommend to the Board any required updates on the Authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including committee charters and rules and procedures for conducting the business of the Authority's Board, such as the Authority's by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The governance committee shall annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.