TOWN OF MALONE
COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION NO. 20-2015

CONFLICT OF INTEREST POLICY

WHEREAS, Section 2824(7) of the Public Authorities Law stipulates that the Governance Committee of a state and local public authority is to examine ethical and conflict of interest issues. Article 18 of General Municipal Law requires officers and employees of industrial development agencies to disclose conflicts of interest and specifies conflicts of interests that are prohibited. Section 74 of Public Officers Law restricts officers and employees of state public authorities from having direct or indirect interest or engage in business or activities that may conflict with their proper discharge of duties; and

WHEREAS, Conflict of Interest Policy shall apply to all officers and employees of the Town of Malone, County of Franklin, Industrial Development Agency. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission; and

WHEREAS, a Conflict of Interest Policy has been established in accordance with the Public Authorities Law; and

NOW THEREFORE BE IT RESOLVED: The Town of Malone, County of Franklin, Industrial Development Agency, Board of Directors has accepted the Conflict of Interest Policy as written.

MOTION MADE BY: Board Member Louise Taylor

SECONDED BY: Board Member Mary Scharf

APPROVED BY BOARD ON: November 18, 2015

Denice A. Hudson

Denice A. Hudson, Secretary

TOWN OF MALONE
INDUSTRIAL DEVELOPMENT AGENCY

CONFLICT OF INTEREST POLICY

Article 1 – Purpose

The purpose of the conflict of interest policy is to protect the Town of Malone Industrial Development Agency (IDA) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of IDA or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II – Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, as an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any entity with which IDA has a transaction or arrangement,
b. A compensation arrangement with IDA or with any entity or individual with which IDA has a transaction or arrangement, or
c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual which IDA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III – Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, any interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing body or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether IDA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in IDA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the members, response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV – Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V – Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from IDA for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from IDA for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from IDA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI – Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person has:

a. Received a copy of the conflicts of interest policy,
b. Read and understands the policy, and
c. Agreed to comply with the policy.

Article VII – Periodic Reviews

To ensure IDA operates in a manner consistent with its corporate purposes and does not engage in activities that could jeopardize its tax status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations confirm to IDA's written policies, are properly recorded, reflect reasonable investment or goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII – Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

AFFIRMED this 18th day of November, 2015, by action of the IDA Board.

Denice A. Hudson

Denice A. Hudson, Secretary