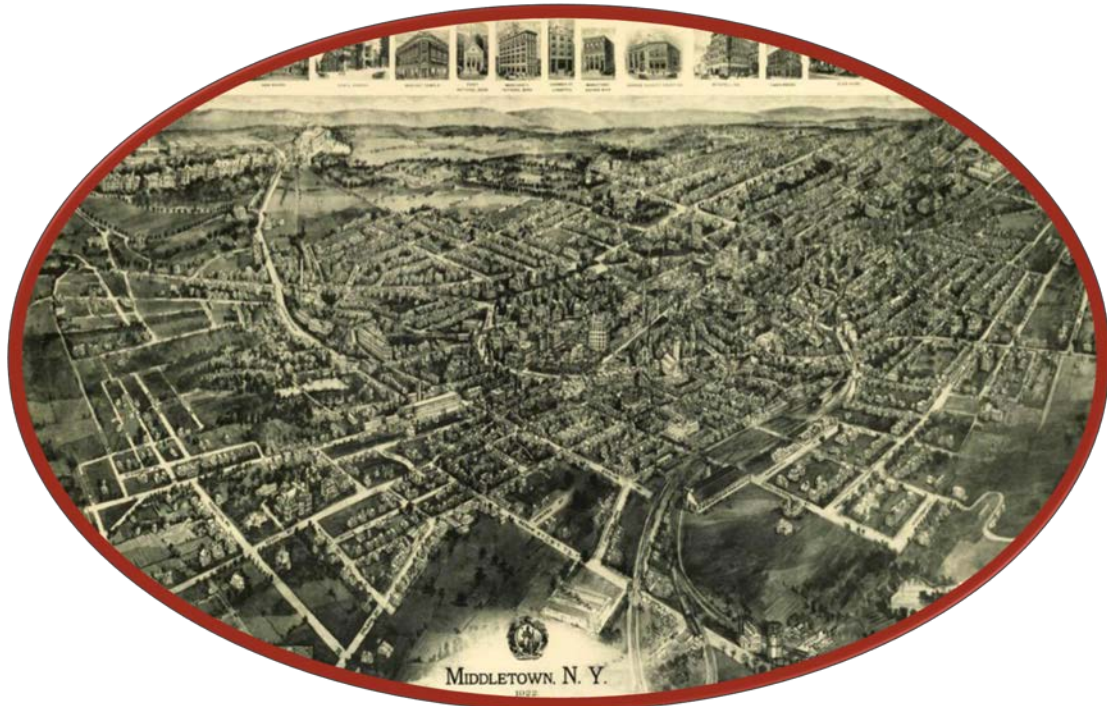


**City of Middletown
Community Development Agency
Bylaws – Policies - Mission**



Adopted:

City of Middletown Community Development Agency _____

Mission Statement:

The Middletown Community Development Agency's purpose is to plan and implement programs involving the rehabilitation and revitalization of both the residential and commercial sectors of the City of Middletown, foster economic growth, provide assistance to public service organizations, eliminate blight, promoted neighborhood stabilization, and improve housing opportunities for low- and moderate-income residents of the City of Middletown.

The Middletown Community Development Agency will implement its mission by undertaking initiatives principally geared toward the elimination of blighted and deteriorated conditions existing among the City's residential and commercial properties. The Middletown Community Development Agency will acquire blighted properties, provide resources for rehabilitation of acquired properties, and will create financing mechanisms to allow for the acquisition of and rehabilitate properties for homeownership by low- and moderate-income residents.

Funding:

The Middletown Community Development Agency will be capitalized with municipal resources as well as other state and federal financial resources.

History:

The City of Middletown Community Development Agency is a public benefit corporation which has been authorized to be reestablished by New York State legislation on July 18, 2012 at the request of the City of Middletown. It functions as an "Urban Renewal Agency" under Articles 15, 15-A, and Section 633 of Article 15-B of the General Municipal Laws of the State of New York and was enacted into law as Chapter 200 of the Laws of 2012, While it is an independent entity from the City of Middletown government, the City of Middletown Common Council and Mayor are the members of the Middletown Community Development Agency Board of Directors pursuant to Section 601-a of the New York General Municipal Law. The Common Council has adopted the City of Middletown Urban Renewal Plan which will guide the operation of the Middletown Community Development Agency.

Middletown Community Development Agency Performance Goals: (Adopted June 03, 2014)

- Operate in a fiscally conscientious and responsible manner.
- To continually assess the needs of the City's residents, and to strive to apply the Agency's services where they will create the most benefit and community vitality.
- To meet the needs of the community by working to secure state and federal funding for City and community priorities.
- To cultivate community trust and engagement by operating in a transparent and easily accessible manner.
- To meet the needs of the residents of the City of Middletown by supporting local public service agencies and programs.
- Assist City of Middletown municipal departments including Code Enforcement, Office of Economic and Community Development and the Department of Public Works to identify blighted properties and assist in the rehabilitation and repositioning of subject properties through funding programs aimed at the removal of blight in residential neighborhoods and improve the economic development of the City.

Adopted and approved this ____ day _____, 20__.

**BY-LAWS OF THE
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY**

**ARTICLE I
THE AGENCY**

SECTION 1 – NAME OF AGENCY: The name of this agency is the Middletown Community Development Agency (MCDA).

SECTION 2 – MEMBERSHIP ON THE MCDA BOARD: The MCDA Board of Directors will consist of ten (10) members, being the Mayor and all the members of the City of Middletown Common Council. The Mayor and members of the City of Middletown Common Council serve as members of the MCDA pursuant to Section 601-a of the New York General Municipal Law.

SECTION 3 – SEAL OF THE AGENCY: The seal of the MCDA is in the form of a circle bearing the inscription “Middletown Community Development Agency.”

**ARTICLE II
OFFICERS AND EMPLOYERS**

SECTION 1 – OFFICERS: The officers of the MCDA Board are the Chairperson and Vice Chairperson. The Chairperson shall be the Mayor pursuant to Section 601-a of the New York General Municipal Law. The Vice Chairperson shall be elected at the annual meeting of MCDA from among the members of the MCDA Board.

The Vice Chairperson will hold the office for one (1) year thereafter or until her/his successor is elected and qualified.

SECTION 2 - CHAIRPERSON: The Chairperson will preside at all meetings of the MCDA, appoint committees, and perform such other duties as may be required by law or as instructed by the MCDA Board. Except as otherwise authorized by resolution of MCDA, the Chairperson will sign all contracts and other instruments made by MCDA, except that checks will require the signature of two persons, as set forth below.

SECTION 3 - VICE CHAIRPERSON: The Vice Chairperson will act as Chairperson when the Chairperson is absent and will perform all the duties of the Chairperson, including the signing of the documents, as provided above, in the absence or incapacity of the Chairperson and during a vacancy in the office of Chairperson.

SECTION 4 – EMPLOYEES: MCDA will appoint or contract for the following positions:

1. Executive Director
2. Attorney
3. Secretary
4. Treasurer
5. Other employees or contractors as determined by the MCDA Board.

As authorized by New York General Municipal Law, any such employees and/or contractors may also be employees of the City of Middletown, New York.

SECTION 5 – EXECUTIVE DIRECTOR: The Executive Director will be the administrative officer of MCDA who will see that the plans, orders, directives, rules, and contracts of MCDA are faithfully executed. She/he will attend all meetings of MCDA. She/he shall carry out all official correspondence and is authorized to prepare, sign, and submit all applications, reports, forms, documents, and records required or authorized by MCDA.

The Executive Director will serve at the pleasure of the MCDA Board and will receive compensation as fixed by the Board. She/he may be bonded if the Board deems it necessary.

SECTION 6 - ATTORNEY: MCDA shall appoint or contract for an Attorney who will be responsible to MCDA. She/he will be the legal advisor to the Board, the Executive Director, and MCDA. The Attorney will furnish opinions or written reports on any question of law involving the agency, if requested. She/he will draw or approve all contracts, deeds, or other legal instruments to which MCDA is a party or has an interest. She/he will represent the MCDA in any litigation involving the MCDA.

SECTION 7 - SECRETARY: The Secretary will keep the records of MCDA, record attendance at meetings, and record all proceedings and votes in a minute book to be kept for such purpose. She/he will have the power to affix the seal of MCDA, which is kept in the MCDA office, to any and all documents authorized to be executed by MCDA. The Secretary will attest to the authenticity of all authorized documents and perform other duties required by the MCDA Board.

SECTION 8 - TREASURER: The treasurer will be responsible for the funds of MCDA and oversee the disbursement of funds. She/He, and the officers of MCDA, have the authority to issue and sign checks when in the receipt of payment vouchers certified by the Executive Director. All checks require the signature of two persons, one of whom must be the Treasurer or such other official as designated by the MCDA Board. A monthly report of the expenditures of MCDA will be presented by the Treasurer at each Board meeting.

SECTION 9 - OTHER EMPLOYEES AND/OR CONTRACTORS: Such other employees and/or contractors as the MCDA Board shall determine as necessary for the proper administration of MCDA.

SECTION 10 – POWERS AND DUTIES OF THE MEMBERS OF THE BOARD: The powers and duties of the members of the MCDA Board are set forth in Article Fifteen A (15A) of the General Municipal Law of the State of New York. The members of the Board shall perform such duties as are incumbent upon them by reason of their office and such other duties as are incidental to the office and which may from time to time be authorized by resolution of the MCDA. The MCDA Board may create such committees, and delegate to those committees powers, as it deems appropriate or as otherwise required by New York State law.

ARTICLE III

MEETINGS

SECTION 1 – ANNUAL MEETING: The annual meeting of the agency shall be held on the third Tuesday in January for the purpose of receiving the Annual Report from the Executive Director, election of Vice Chairperson, and for the conduct of such other business as may come before the meeting.

SECTION 2 – REGULAR MEETING: Regular meetings of the MCDA Board will be held on the first Tuesday of each month. In the event that the date of the regular meeting shall fall on a legal holiday, the meeting will be held on a day as close thereto as possible, as determined by the Chairperson of MCDA, and notice of such meeting, with an agenda, shall be delivered to the Board members at least four (4) days in advance of such meeting.

SECTION 3 – SPECIAL MEETINGS: Special meetings may be called by the Chairperson when she/he deems it necessary or at the request of any three members of the MCDA Board for the purpose of transacting specific items of business for which the meeting is called. At the special meeting, the items of the business must be only those specified in the agenda of the special meeting. Other items of business can only be added to the agenda with the unanimous consent of all of the members of the Board.

The call for a special meeting may be delivered to any member of MCDA, left at his/her place of residence or place of business, or mailed to his/her business or home address. Notice of the special meeting must be delivered or mailed at least two (2) days prior to the date of the meeting, if possible. Notice of the special meeting must be delivered via fax, e-mail or other means to the media at least two (2) days prior to the date of the meeting, if possible, and must be posted on the City of Middletown's website.

SECTION 4 – QUORUM: At all meetings of the MCDA Board, a majority of the members attending in person, and not by proxy, shall constitute a quorum.

SECTION 5 – ORDER OF BUSINESS: At the regular meetings of the MCDA Board, the following shall be the order of business:

- A. Roll Call
- B. Minutes
- C. Financial Report
- D. Executive Director's Report
- E. Bills and Communications
- F. Old Business
- G. New Business
- H. Adjournment

ARTICLE IV
AMENDMENTS

The Bylaws may be amended at any regular or special meeting by a majority of the members of the MCDA Board provided the proposed amendment shall have been submitted in writing to the members of the MCDA Board at least five days prior to the regular or special meeting at which a vote is taken on said proposed amendment.

ARTICLE V
INDEMNIFICATION

The MCDA may, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that she/he was a director, officer, employee or agent of the MCDA, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees. The MCDA may purchase or obtain such insurance as the MCDA Board determines to be reasonably necessary.

ARTICLE VI
MISCELLANEOUS

SECTION 1 – BOOKS AND RECORDS: The MCDA shall keep at the principal office of the MCDA complete and correct records and books of account of the MCDA, including a minute book, which shall contain a copy of the MCDA's organizational documents, a copy of these By-Laws and all minutes of meetings of the Board, or any committee thereto.

SECTION 2 – FISCAL YEAR: The fiscal year of the MCDA shall be a calendar year.

SECTION 3 – DEPOSITORIES AND CHECKS: The MCDA Board is authorized to select such depositories as it shall deem proper for the funds of the MCDA and shall determine who shall be authorized on the MCDA's behalf to sign bills, notes, receipts, checks and the like.

SECTION 4 – FUNDS AND ASSETS: The funds and assets of the MCDA may be retained in whole or in part in depository accounts at a bank or financial institution appropriately insured or be invested and reinvested from time to time in such property, real, personal or otherwise, including mortgages, as the MCDA Board may deem desirable or advisable, or as otherwise required by law.

SECTION 5 – AUDIT: The MCDA Board will cause an audit to take place yearly in accordance with the requirements of New York State law.

Approved and adopted this ___ day of _____ 20__

CODE OF ETHICS
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY

The members of the Board of Directors (the “Board”) of the Middletown Community Development Agency (the “Agency”), along with the officers and employees of the Agency, shall comply with and adhere to the provisions of Article 18 of the General Municipal Law of the State, entitled Conflicts of Interest of Municipal Officers and Employees.

In addition, no member of the Board, officer, or employee of the Agency shall:

(1) Accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties for the Agency;

(2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority with the Agency;

(3) disclose confidential information acquired by him or her in the course of his or her official duties with the Agency nor use such information to further his or her personal interests;

(4) Use or attempt to use his or her official position with the Agency to secure unwarranted privileges or exemptions for himself, herself or others;

(5) Engage in any transaction as a representative or agent of Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties with the Agency;

(6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties with the Agency, or that he or she is affected by the kinship, rank, position or influence of any party or person;

(7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her official duties with the Agency and his or her private interest; and

(8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in or that are in violation of his or her trust in connection with his or her official duties with the Agency.

Approved and adopted this ___ day of March, 20__.

**COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY**

Pursuant to and in accordance with Sections 553 and 601-A of the General Municipal Law (“GML”) of the State of New York, the members of the Board of Directors of the Middletown Community Development Agency (the “Board”) shall serve without salary but may be reimbursed for reasonable expenses incurred in the performance of the Agency duties upon the approval of the Board.

The officers, employees and agents of the Agency shall serve at the pleasure of the Agency at such compensation levels as may be approved by the Board from time to time and may be reimbursed for reasonable expenses incurred in the performance of Agency duties upon the approval of the Board. If officers, employees or agents of the Agency are also employees or agents of the City of Middletown, the Agency shall pay to the City of Middletown the Agency’s agreed proportion of the compensation or costs in accordance with Section 554 of the GML.

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

Approved and adopted this __ day of March, 20__

**DISPOSITION OF REAL PROPERTY GUIDELINES ADOPTED
PURSUANT TO SECTION 2896 OF THE PUBLIC AUTHORITIES LAW
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY**

SECTION 1. DEFINITIONS

A. “Contracting officer” shall mean the officer or employee of the Middletown Community Development Agency (“the Agency”) who shall be appointed by resolution or the By-Laws to be responsible for the disposition of the property.

B. “Dispose” or “disposal” shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.

C. “Property” shall mean personal property in excess of five thousand dollars (\$5000.00) in value, 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, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

A. The Agency shall:

1. maintain adequate inventory controls and accountability systems for all property owned by the Agency and under its control;

2. periodically inventory such property to determine which property shall be disposed of;

3. produce a written report of such property in accordance with subsection B herewith; and

4. transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

B. The Agency shall:

1. publish, not less frequently than annually, a report listing all real property owned in fee by the Agency. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The

report shall contain the price received by the Agency and other relevant terms and conditions of the sale and the name of the purchaser for all such property sold by the Agency during such period and

2. deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of the State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature (via distribution to the majority leader of the Senate and the Speaker of the Assembly).

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the “Contracting Officer”) shall have supervision and direction over the disposition and sale of property of the Agency, upon the approval of the Board of Directors of the Agency (“the Board”). The Agency shall have the right to dispose of its property for any valid corporate purpose and/or in accordance with the Agency’s Urban Renewal Plan, as the same may be amended from time to time. To the extent the Guidelines contained herein are in conflict with the Urban Renewal Plan, the terms of the Urban Renewal Plan shall govern.

B. Custody and Control. The custody and control of Agency property, pending its disposition, and the disposal of such property, shall be under the auspices of the Board.

C. Method of Disposition. Unless otherwise permitted by the Urban Renewal Plan, the Agency *may dispose of property for less than its fair market value by sale*, exchange or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Board deems proper. The Agency may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable laws, no disposition of real property, any interest in real property, or any other property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal for the value of such property has been made by an independent appraiser and included in the record of the transaction or such other documentation is provided as may be required or recommended by the Urban Renewal Plan. (italics is the amended November 3, 2014 version)

D. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Agency, purporting to transfer title or any other interest in property of the Agency in accordance herewith shall be conclusive evidence

of compliance with the provisions of these guidelines and all applicable law insofar as may concern title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of the lack of such compliance prior to the closing.

E. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

1. Except as permitted by applicable law or the Urban Renewal Plan, all disposals or contracts for disposal of property made or authorized by the Agency shall be made after publicly advertising for bids except as provided in subsection 3 of this Section E.

2. Whenever public advertising for bids is required under subsection 1 of this Section E:

a. the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;

b. all bids shall be publicly disclosed at the time and place stated in the advertisement; and

c. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Agency, price and other factors considered; provided, that all bids may be rejected at the Agency's discretion.

3. Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections 1 and 2 of this Section E but subject to obtaining such competition as is feasible under the circumstances, if:

a. the personal property involved is of a nature and quantity which, if disposed of under subsections 1 and 2 of this Section E, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

b. the fair market value of the property does not exceed fifteen thousand dollars;

c. bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

d. the disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;

e. the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal for the property is intended to further the public health, safety or welfare or an economic development interest of the Agency, the state or a political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the authority's enabling legislation permits or other economic development initiatives), the purpose and the terms of such disposal are documented in writing and approved by resolution of the Board; or

f. such action is otherwise authorized by law.

4. A. An explanatory statement shall be prepared regarding the circumstances of each disposal of property by negotiation of:

1. any personal property which has an estimated fair market value in excess of fifteen thousand dollars;

2. any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses 3 through 5 of this subparagraph;

3. any real property disposed of by lease for a term of five years or less, if the estimated fair annual rent is in excess of one hundred thousand dollars for any of such years;

4. any real property disposed by lease for a term of more than five years, if the total estimated rent over the terms of the lease is in excess of one hundred thousand dollars; or

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

B. Each such statement shall be transmitted to the persons entitled to receive copies of the report required under all applicable law not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Agency making such disposal.

These Guidelines are subject to modification and amendment at the discretion of the Board and shall be filed annually with all local and state agencies as required under applicable law.

The designated Contracting Officer for the Agency is the Executive Director.

Approved and adopted this ___ day of March, 20__

**DEFENSE AND INDEMNIFICATION POLICY
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY**

Pursuant to the By-Laws of the Middletown Community Development Agency (the “Agency”), the Agency shall indemnify all members of the Board of Directors of the Agency (“the Board”) and each officer and employees thereof, in the performance of their duties, and to the extent authorized by the Board, each other person authorized to act for the Agency or on its behalf, to the fullest extent to which indemnification is permitted under the General Municipal Law of the State of New York. The Agency may purchase such insurance policy or policies to effectuate this purpose as the Board may from time to time determine to be appropriate.

Approved and adopted this ___ day of March, 20__

INVESTMENT POLICY
Middletown Community Development Agency
(As adopted by the City of Middletown)

CHAPTER 65 INVESTMENT POLICY

§ 65-1 SCOPE

This investment policy applies to all monies and other financial resources available for investment on its own behalf or on behalf of any other entity or individual.

§ 65.2 OBJECTIVES

The primary objectives of the city of Middletown's investment activities are, in priority order,

- ✓ **Legal:** to conform with all applicable federal, state and other local requirements;
- ✓ **Safety:** to adequately safeguard principal;
- ✓ **Liquidity:** to provide sufficient liquidity to meet all operating requirements; and
- ✓ **Yield:** to obtain reasonable rate of return.

§ 65.3 DELEGATION OF AUTHORITY

The governing board's responsibility for administration of the investment program is delegated to the Treasurer who shall establish written 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 data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

§ 65.4 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 City of Middletown to govern effectively.

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 the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

§ 65.5 DIVERSIFICATION

It is the policy of the City of Middletown to diversify its deposits and investments by financial institutions, by investment, and by maturity scheduling.

§ 65.6 INTERNAL CONTROLS

It is the policy of the City of Middletown for all monies collected by any officer or employee of the government to transfer those funds to the Treasurer within one day of deposit, or within the time specified in law, whichever is shorter.

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 are managed in compliance with applicable laws and regulations.

§ 65.7 DESIGNATION OF DEPOSITORIES

The bank and trust companies authorized for the deposit of monies up to the maximum amounts are:

Depository Name	Maximum Amount
JP Morgan Chase	\$18,000,000
TD Banknorth	\$18,000,000
Sterling Bank	\$18,000,000
Orange County Trust Co.	\$ 5,250,000
Key Bank	\$ 5,250,000

§ 65.8 COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, §10, all deposits of the City of Middletown, including certificates of deposits and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

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

§ 65.9 SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by a third party or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses rising out of 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 will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with the City of Middletown, or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, 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 shall 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 or release 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.

§ 65.10 PERMITTED INVESTMENTS

As authorized by General Municipal Law, §11, the City of Middletown authorizes the Treasurer to invest monies 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 authorized to do business in New York State;
- ✓ Certificates of deposit;
- ✓ Obligations of the United States of America;
- ✓ Obligations guaranteed by the 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;
- ✓ Obligations issued pursuant to LFL §24.00 or 25.00 (with the approval of the State Comptroller) by any municipality, school district or district corporation other than the City of Middletown;
- ✓ Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.
- ✓ Certificates of Participation (COPs) issued pursuant to GML §109-b.
- ✓ Obligations of this local government, but only with any monies in a reserve fund established pursuant to GML §6-c, 6-d, 6-g, 6-h, g-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the City of Middletown within such times as the proceeds will be needed to meet expenditures for purposes for which the monies 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 City of Middletown within two years of the date of purchase. The designated depository will confirm all purchases and transactions in writing to the City of Middletown.

§ 65.11 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The City of Middletown shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments, which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credited worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the City of Middletown. Security

dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank as primary dealers. The Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

§ 65.12 PURCHASE OF INVESTMENTS

The Treasurer is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board.
3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the City of Middletown by the bank or trust company. Any obligations held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

The custodial agreement shall provide the securities held by the bank or trust company, as agent and of custodian for, the City of Middletown, 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 shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the City of Middletown a perfected interest in the securities.

§ 65.13 REPURCHASE AGREEMENTS

Repurchase agreements are authorized subject to the following restrictions:

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

§ 65.14 OPERATIONS, AUDIT AND REPORTING

The Treasurer, having custody of money, shall authorize the purchase and sale of all securities and execute contracts on behalf of the City of Middletown. Oral directions concerning the purchase, transaction, or sale of securities shall be confirmed in writing. The City of Middletown shall pay for purchased securities upon delivery.

The City of Middletown will encourage the purchase and sale of securities through a competitive or negotiated process involving solicitations of at least three bids for each transaction.

At the time independent auditors conduct the annual financial audit of the accounts and affairs of the City of Middletown, the auditors shall audit compliance with the Investment Guidelines.

The legislative body of the City of Middletown shall review and approve the annual investment report at its Annual reorganization meeting.

The provisions of these Investment Guidelines and any amendments hereto, shall take effect prospectively, and shall not invalidate the prior selection of any custodial bank or prior investment.

APPENDIX A

Schedule of Eligible Securities

- 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 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.

Revised 01/18

Based on City of Middletown Revised 01/18 and adopted January 2, 2018

Approved and adopted Middletown Community Development Agency this ___ day of March, 201_

PROCUREMENT POLICY
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY

CHAPTER 104 PROCUREMENT POLICY

§ 104-1 Adoption of procedures.

The following procedures are adopted for procurement of goods and services.

§ 104-2 Purchases.

For purchases, the following procedures are to be followed:

A.

For purchases of items costing over \$20,000, competitive bidding in accordance with applicable laws and regulations is required.

B.

For purchases of items costing between \$5,000 and \$19,999.99, three or more written price quotes from suppliers are required.

C.

For purchases of items costing between \$2,000 and \$4,999.99, three or more verbal quotes from suppliers are required.

D.

For purchases of items costing between \$0 and \$1,999.99, appropriate verbal quotes from suppliers, in the discretion of the department head undertaking the purchasing, are required.

§ 104-3 Public works contracts.

For public works contracts, the following procedures are to be followed:

A.

For contracts over \$35,000, competitive bidding in accordance with applicable laws and regulations is required.

B.

For contracts between \$5,000 and \$34,999.99, three or more written quotes from qualified contractors are required.

C.

For contracts between \$2,000 and \$4,999.99, three or more verbal quotes from qualified contractors are required.

D.

For contracts between \$0 and \$1,999.99, appropriate verbal quotes from qualified contractors, in the discretion of the department head who wishes to enter into the contracts, are required.

§ 104-4 Other services.

In the event it can be anticipated that a particular service (e.g., painting services) may be required by the City for various projects which, in total, are expected to exceed \$35,000 for the year, then the procurement of those services will be subject to competitive bidding.

§ 104-5 Verbal quotes.

Whenever this policy allows for verbal quotes, the department head must maintain a written log which lists appropriate information from each supplier or contractor supplying such verbal quotes.

§ 104-6 Exceptions.

[Amended 4-23-2007 by L.L. No. 1-2007]

Exceptions to the above procurement processes are to be allowed in purchases or public work contracts which involves emergencies, true leases, and sole source purchases. In such events, the responsible department head must document the circumstances allowing the exception to the above procurement processes and should, whenever possible, attempt to make purchases and secure public works contracts at the lowest possible cost and should obtain at least three verbal quotes, to the extent possible under the circumstances.

§ 104-7 Requests for proposals.

Whenever possible, professional services are to be obtained through requests for proposals (RFPs) issued by the Board of Estimate and Apportionment. All responses to RFPs are to be reviewed by the Board of Estimate, which must make a recommendation to the Common Council for final approval.

§ 104-8 Award to other than lowest bidder.

Whenever any contract is awarded to other than the lowest bidder or proposer, the reasons are to be set forth in writing and filed with the appropriate department or board.

§ 104-9 Effect on other procedures.

Nothing in these procurement processes changes any administrative procedures required by the Charter of the City of Middletown, such as the approval of the Board of Estimate and Apportionment for purchases and contracts.

§ 104-10 Contracts Awarded Based on a “Best Value” Analysis.

Notwithstanding anything else contained in this Chapter to the contrary, the Common Council, after approval of the Board of Estimate and Apportionment, may award purchase contracts and service contracts that have been procured pursuant to competitive bidding or otherwise under New York General Municipal Law Section 103(1) or this Chapter by either the lowest responsible bidder standard or the “best value” standard.

(A) “Best value” is defined in State Finance Law Section 163 to mean “the basis for awarding contracts for services to the offerer which optimizes quality, cost and efficiency, among responsive and responsible offerers. Such basis shall reflect, wherever possible, objective and quantifiable analysis. Such basis may also identify a quantitative factor for offerers that are small businesses or certified minority- or women-owned business enterprises as defined in subdivisions one, seven, fifteen and twenty of section three hundred ten of the [New York] Executive Law to be used in evaluation of offers for awarding of contracts for services.” For purposes of this § 104-10, the Common Council adopts the above definition of “best value,” as the same may be modified from time to time by the State Legislature.

(B) Pursuant to New York General Municipal Law Section 103(1), the “best value” standard may be used for purchase contracts, including contracts for service work, but it excludes and may not be used for any purchase contracts necessary for the completion of public works contracts pursuant to New York Labor Law Article 8.

(C) If the monetary thresholds of New York General Municipal Law Section 103 are increased or decreased in the future by the State Legislature, the monetary thresholds set forth herein will be deemed simultaneously amended to match the new General Municipal Law thresholds.

(D) Whenever any contract is awarded by the Common Council (after approval of the Board of Estimate and Apportionment) on the basis of “best value” instead of the lowest responsible bidder, the basis for determining “best value” will be thoroughly and accurately documented. Such documentation may include, but is not necessarily limited to, the cost of maintenance; durability; availability of replacement parts or maintenance contractors; longer product life; product performance criteria; quality of craftsmanship; or compatibility with existing City buildings or property.

Section 4. Severability of Provisions.

Should any section or provision of this Local Law be declared, ordered or adjudged null, void, voidable or invalid by a court of competent jurisdiction, such finding of invalidity shall not affect the validity of the remaining portions of this Local Law.

§ 104-11 Standards for federal CDBG-DR Procurement Actions

Notwithstanding anything else contained in this chapter to the contrary, eligible Community Development Block Grant – Disaster Recovery (CDBG-DR) expenditures and procurement actions undertaken on or after January 1, 2017, shall comply with the procurement standards as set forth in 2 CFR Parts 200.317 through 200.326, as the same may be amended from time to time. In the event of a conflict between State or local laws and regulations and the procurement requirements of 2 CFR Part 200, the more stringent requirements will apply

Revised 11/16

Based on City of Middletown Revised 11/16 and adopted January 2, 2018

Approved and adopted this __ day of March, 20__

TRAVEL POLICY
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY

Section 1. **APPLICABILITY**

This policy shall apply to every member of the Board or Directors (the “Board”) of the Middletown Community Development Agency (the “Agency”) and its officers and employees.

Section 2. **APPROVAL OF TRAVEL**

All official travel for which a reimbursement will be sought must be approved by the Board prior to such travel.

Section 3. **PAYMENT OF TRAVEL**

The Agency will reimburse all reasonable expenses related to meals, travel and lodging that were incurred by any Board member, officer or employee as a result of the performance of their official duties. All official travel shall be properly organized, reported and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by the Agency. It is the traveler’s responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this policy.

Section 4. **TRAVEL EXPENSES**

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. The traveler will be reimbursed at a standard mileage reimbursement rate.

Meals will be reimbursed at actual expense or per diem rate as established by the City of Middletown, whichever is less. Lodging will be reimbursed at actual expense up to certain daily rate caps established for various locations. The applicability of such caps shall be determined on a case by case basis taking into consideration availability of lodging and other extenuating circumstances.

Reimbursement for miscellaneous expenses shall be determined on a case by case basis. Mileage rates, per diem allowances and lodging caps will be established and from time to time amended by the Board.

Approved and adopted this ___ day of March, 20__.

**WHISTLEBLOWER POLICY
MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY**

Every member of the Board of Directors (the “Board”) of the Middletown Community Development Agency (the “Agency”) and all officers and employees thereof, in the performance of their duties shall conduct themselves with honesty and integrity and observe the highest standards of business and personal ethics as set forth in the Code of Ethics of the Agency (the “Code”).

Each member, officer or employee is responsible to report any violation of the Code (whether suspected or known) to the Agency’s Executive Director. If the suspected or known violation is by the Executive Director, the report must be made to the Chairman of the Board. Reports of violations will be kept confidential to the extent possible. No individual, regardless of his or her position with the Agency, will be subject to any retaliation for making a good faith claim and, any Board member, officer or employee who chooses to retaliate against someone who has reported a violation, shall be subject to disciplinary action which may include termination of membership on the Board or employment. Regardless, any claim of retaliation will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate offense.

The Executive Director is responsible for immediately forwarding any claim to the Agency’s counsel who shall investigate and handle the claim in a timely manner and who will report his or her findings to the Board for appropriate action, if any.

Approved and adopted this __ day of March, 20__

appendix

Authorities Budget Office Policy Guidance



No. 10-01

Date Issued: March 1, 2010

Supersedes: New

Subject: Acknowledgement of Fiduciary Duty

Statutory Citation: Public Authorities Law Section 2824(1)(h)

Provisions: Section 6(i) of Public Authorities Law, as amended by Chapter 506 of the Laws of 2009 (“The 2009 Public Authorities Reform Act” or “PARA”), requires the Authorities Budget Office (ABO) to “develop and issue” a written acknowledgement that all board members must execute as part of their duties and responsibilities under Section 2824 of Public Authorities Law. By signing this acknowledgement a board member is stating “that he or she understands his or her role and fiduciary responsibilities” as well as his or her “duty of loyalty and care to the organization and commitment to the authority’s mission and the public interest.”

Pursuant to PARA, every board member of a Public Authority is required to sign an acknowledgement of fiduciary duty at the time he or she takes the oath of office. The effectiveness of the acknowledgement will be deemed applicable throughout the duration of such board member's term and/or for as long as such director continues to serve in such capacity. Board members appointed to their positions prior to the effectiveness of PARA and the implementation of this new requirement are required to execute an acknowledgement by May 1, 2010.

Authorities Budget Office Policy Guidance: The primary responsibility of a board member is to understand the mission and public purpose of the Authority and to act in the best interests of the Authority, its mission, and the public. The intent of this written acknowledgement is to re-affirm the importance of this duty to board members.

The ABO is directing all state and local public authorities to use the attached acknowledgement form to satisfy this statutory requirement. Public authorities are to maintain signed copies of the acknowledgement throughout the official term of each active board member. State and local authorities will also be expected to certify as part of the Annual Report submission that these statements were executed in accordance with Section 2824 of Public Authorities Law. The failure to execute this acknowledgment will be considered a failure to comply with the requirements of Public Authorities Law. The failure to act in accordance with the principles stated in this acknowledgment can be considered a breach of fiduciary duty and could result in a recommendation that the board member be sanctioned.

A board member is to sign a new acknowledgement document at the start of each new term to which the board member is appointed.



Acknowledgement of Fiduciary Duties and Responsibilities

As a member of the Authority's board of directors, I understand that I have a fiduciary obligation to perform my duties and responsibilities to the best of my abilities, in good faith and with proper diligence and care, consistent with the enabling statute, mission, and by-laws of the Authority and the laws of New York State. The requirements set forth in this acknowledgement are based on the provisions of New York State law, including but not limited to the Public Authorities Reform Act of 2009, Public Officers Law, and General Municipal Law. As a member of the board of directors:

I. Mission Statement

I have read and understand the mission of the Authority; and the mission is designed to achieve a public purpose on behalf of the State of New York. I further understand that my fiduciary duty to this Authority is derived from and governed by its mission.

I agree that I have an obligation to become knowledgeable about the mission, purpose, functions, responsibilities, and statutory duties of the Authority and, when I believe it necessary, to make reasonable inquiry of management and others with knowledge and expertise so as to inform my decisions.

II. Deliberation

I understand that my obligation is to act in the best interests of the Authority and the People of the State of New York whom the Authority serves.

I agree that I will exercise independent judgment on all matters before the board.

I understand that any interested party may comment on any matter or proposed resolution that comes before the board of directors consistent with the laws governing procurement policy and practice, be it the general public, an affected party, a party potentially impacted by such matter or an elected or appointed public official. However, I understand that the ultimate decision is mine and will be consistent with the mission of the Authority and my fiduciary duties as a member of the Authority's board of directors.

I will participate in training sessions, attend board and committee meetings, and engage fully in the board's and committee's decision-making process.

III. Confidentiality

I agree that I will not divulge confidential discussions and confidential matters that come before the board for consideration or action.

IV. Conflict of Interest

I agree to disclose to the board any conflicts, or the appearance of a conflict, of a personal, financial, ethical, or professional nature that could inhibit me from performing my duties in good faith and with due diligence and care.

I do not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of my duties in the public interest.

Signature: _____

Print Name: _____

Authority Name: Middletown Community Development Agency

Date: March 20, 2018

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: March 20, 2018 - CDA

CITY OF MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY
CERTIFICATE OF INDEPENDENCE FOR MEMBERS
2018

The undersigned having been appointed to serve as a member of the City of Middletown Community Development Agency (the "Agency") hereby certifies, pursuant to subdivision 2 of Section 2825 of the Public Authorities Law, as follows:

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

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

He or she is not, and in the past two (2) years, has not been a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency or an affiliate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the 20th day of March 2018.

Signature

Name (print)