

# **TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY**

## **AUDIT COMMITTEE CHARTER**

This Audit Committee Charter was adopted by the Board of the Town of Colonie Industrial Development Agency (the “Agency”), a public benefit corporation established under the laws of the State of New York.

### **Purpose**

The purpose of the audit committee shall be to (1) assure that the Agency’s Board fulfills its responsibilities for the Agency’s internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication among staff, the independent auditors, and the Board.

### **Powers of the Audit Committee**

It shall be the responsibility of the audit committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Agency employees and staff, all of whom should be directed by the Board to cooperate with committee requests.
- Meet with Agency staff, independent auditors or outside counsel, as necessary.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.

The Agency Board will ensure that the audit committee has sufficient resources to carry out its duties.

### **Composition of Committee and Selection of Members**

The Public Authorities Reform Act of 2009 (“PARA”) requires Agency Board to establish an audit committee to be comprised of not less than three independent members, who must constitute a majority on the committee, and who must possess the necessary skills to understand the duties and functions of the audit committee; provided, however, that in the event that Agency Board has less three independent members, the Agency Board may appoint non-independent members to the audit committee, provided that the independent members constitute a majority of the members of the audit committee.

Audit committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, audit committee members shall not engage in any private business transactions with the Agency or receive compensation

from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

Members of the audit committee must be familiar with corporate financial and accounting practices.

The audit committee shall have access to the services of at least *one financial expert*; whose name shall be disclosed in the annual report of the Agency.

The audit committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of audit committee functions.

### **Meetings**

The audit committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the audit committee are expected to attend each committee meeting, in person or via telephone or videoconference. The audit committee may invite other individuals, such as members of the Agency staff, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The audit committee will meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency.

Meeting agendas will be prepared prior to every meeting and provided to audit committee members along with briefing materials in advance of the scheduled audit committee meeting. The audit committee may act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be taken.

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

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

### **Responsibilities**

The committee is required to recommend to the Agency Board the hiring of a certified independent accounting firm for the Agency, establish the compensation to be paid to the

accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes.

The audit committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of the Agency's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; and (e) miscellaneous issues related to the financial practices of the Agency.

#### **A. Independent Auditors and Financial Statements**

The audit committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit committee. Non-audit services include tasks that directly support the Agency's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

#### **B. Internal Controls, Compliance and Risk Assessment**

The audit committee shall:

- Review staff's assessment of the effectiveness of the Agency's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

### **C. Special Investigations**

The audit committee shall:

- Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation.
- Review all reports delivered to it any investigative body and serve as a point of contact with any such investigative body.

### **D. Other Responsibilities of the Audit Committee**

The audit committee shall:

- Present annually to the Agency's Board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Board of the Agency. The audit committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the Board approval for proposed changes.

Adopted: March 16, 2015

# **TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY**

## **FINANCE COMMITTEE CHARTER**

### **Purpose**

Pursuant to the Town of Colonie Industrial Development Agency (the “Agency”) by-laws, the purpose of the finance committee is to oversee the Agency’s financial transactions and to provide assistance to the Agency board in fulfilling its fiduciary responsibilities relating to accounting, reporting and regulatory practices.

### **Duties of the Finance Committee**

It shall be the responsibility of the finance committee to:

- Review proposals for the issuance of debt by the Agency and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the Agency.
- Meet with and request information from Agency staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the finance committee may deem appropriate.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Agency and its subsidiaries.
- Undertake such other responsibilities as may be requested by the Agency’s board.

### **Composition of Committee and Selection of Members**

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

### **Meetings**

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

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

Meeting agendas shall be prepared prior to every meeting and provided to finance committee members along with briefing materials in advance of the scheduled finance committee meeting. The finance committee may act only on the affirmative vote of a majority of the members or by unanimous consent. Minutes of these meetings shall be taken.

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

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

### **Review the Agency's Annual Budget**

The finance committee shall:

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

### **Oversee the Agency's Investments**

The finance committee shall:

- Annually review the Agency's investment policy and evaluate allocation of assets.
- Review and recommend to the board approval of the Agency's annual investment report.

- Annually review the Agency's audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors, if deemed necessary.

### **Review Financial and Procurement Thresholds**

The finance committee shall:

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

Adopted: March 16, 2015

# **TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY**

## **GOVERNANCE COMMITTEE CHARTER**

This Governance Committee Charter was adopted by the Board of the Town of Colonie Industrial Development Agency (the “Agency”), a public benefit corporation established under the laws of the State of New York.

### **Purpose**

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 their applicability to the Agency;
- Recommending updates to the Agency’s corporate governance principles and governance practices;
- Advising those responsible for appointing members to the Board on the skills and experiences required of potential board members;
- Examining ethical and conflict of interest issues;
- Performing board self-evaluations; and
- Recommending by-laws which include rules and procedures for conduct of board business.

### **Powers of the Governance Committee**

The Board 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 Agency staff.
- Obtain advice and assistance from outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Agency’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 three (3) independent members. The governance committee members shall be appointed by, and will serve at the discretion of the Agency's Board. 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 year to ensure an orderly transition.

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

The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

## **Committee Structure and Meetings**

The governance committee will meet a minimum of twice 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 meeting, in person or via telephone or videoconference.

Meeting agendas will be prepared for every meeting and provided to the governance committee members 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 or by unanimous consent. Minutes of these meetings are to be taken.

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

## **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 functions on an annual basis.

### **Responsibilities**

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

### **Relationship to the Agency's Board**

The Board 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 Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Members 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 Agency's governance process.

### **Evaluation of the Agency's Policies**

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Agency'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 Agency's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to the Agency's equal opportunity and affirmative action policies.

- Develop and recommend to the Board any required updates on the Agency's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.
- 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 Agency, including rules and procedures for conducting the business of the Agency's Board, such as the Agency'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:

- Review on an annual basis the compensation and benefits for Agency staff.
- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.

Adopted: March 16, 2015