

OPERATION OSWEGO COUNTY, INC.
BOARD OF DIRECTORS MEETING
Lake Ontario Event and Conference Center
26 East First Street, Oswego, New York
May 13, 2019

PRESENT:

ANDERSON
BATEMAN
BEHLING
GALLOWAY
GLASS

HARDY
HOLST
JOYCE
LOBDELL
MERVINE

MURPHY
RANSOM
SHARKEY IV
TASCARELLA
TURNER

Counsel: Kevin Caraccioli, Esq.

Staff: Treadwell, LaMontagne, Wheelock, LiVoti, Woolson and Perwitz

President Bateman called the meeting to order at 3:04 p.m. at 26 East First Street in Oswego. President Bateman reported that the Notice of the Meeting was posted in the Palladium Times on May 1, 2019.

President Bateman listed the items in the Consent Agenda and asked if there were any reports in the Consent Agenda that anyone would like pulled out for further discussion. There were none.

CONSENT AGENDA

On a motion by Mr. Galloway, seconded by Ms. Glass, the Consent Agenda Items were approved, as follows: Board of Directors Minutes of March 18, 2019; Executive Committee Minutes of April 18, 2019; Real Estate Development Committee Minutes of March 21, 2019; Marketing & Development Committee of April 3, 2019 and Business Outreach Committee Minutes of March 26, 2019.

Financial Statements

Treasurer Joyce reviewed the Financial Statements for OOC, Inc. for March, 2019 and for OOC Foundation, Inc. for March 2019. **On a motion by Mr. Behling, seconded by Mr. Anderson, the Financial Statements for January through March 2019 for OOC and January through March 2019 for OOC Foundation were approved.**

Code of Ethics

Mr. Caraccioli reported the requirement for annual review and re-affirmation of the Code of Ethics, as reviewed and recommended by the Executive Committee. **On a motion by Ms. Holst, seconded by Mr. Ransom, the Code of Ethics was unanimously re-affirmed.** Copy attached.

Audit Committee Charter

Mr. Caraccioli reported the requirement for annual review and re-affirmation of the Audit Committee Charter, as reviewed and recommended by the Executive Committee. **On a motion by Mr. Galloway, seconded by Mr. Behling, the Audit Committee Charter was unanimously re-affirmed.** Copy attached.

CFA Round 9

Mr. Treadwell reported a very successful CFA Forum was hosted by OOC on April 4th with good attendance and our staff was complimented. He noted that the application deadline is July 26th at 4 pm. There are 11 State agencies participating with 24 programs.

DRI Round 4

Mr. Treadwell reported that \$10 million will be awarded again this year and the deadline to apply is May 31st. Presentations will be due on June 20th with final decision made at the Regional Council Meeting on July 11th for submission to the State.

NGI 2020

Mr. Wheelock reviewed the 2018 NGI winner, who is growing and up to 50% of their sales projection and 4 employees. The 2020 NGI program will start with a meeting with Shineman Foundation on June 6th and decisions will be made about the program and prize. The 2020 program should be rolled out in January with a March deadline for applications, June for presentations and September for the winner.

SBA 504 Financing

Mr. LaMontagne reported on the Pizza Villa project with a total project cost estimated at \$730,000 at this time. The company plans to expand and double their 11 part-time employees. Pathfinder is the participating bank. **On a motion by Mr. Turner, seconded by Mr. Ransom, it was approved to apply to the U.S. Small Business Administration on behalf of the Pizza Villa and the sale of a debenture not to exceed \$285,000 with similar contingencies as the bank in regard to the appraisal.** Mr. Galloway, Mr. Mervine, Mr. Joyce and Mr. Tascarella recused themselves.

Mr. LaMontagne reported new lower debenture rates for the SBA 504 program and that Thunder Island is set to fund on May 15th. He also updated the board on the following projects pending funding: Man in the Moon Candies, Great Bear Childcare, iFreeze, and Happy Hearts Childcare.

Economic Development Projects

Mr. Treadwell reported on funding received from the County for the Nestle Development Site for a “Spec Building” project. COIDA has committed partial funding for this project and the Fulton DRI and CFA applications will include funding. The City of Fulton Planning Board has reviewed the plans which include a road to be built. The City of Fulton has NBRC grant funds for infrastructure that could be used for the road construction, if financing is approved for the project.

Mr. Treadwell updated the Board on Northland Filter’s proposal to add 15-30,000 sf and 40 jobs; the sale of the building should close in the next month. Mr. Treadwell reported on the 5th solar project for the COIDA in the Town of Richland by Source Renewables of Connecticut, a \$2.6 million project. The other solar projects include two with Solar City (Volney and Scriba), Cypress Creek Renewables (Sandy Creek) and High Peak Solar (Sandy Creek). The CNY RPDB has a proposed solar project for the Town of Albion by Abundant Solar. Mr. Treadwell reported that the former Armstrong/Interface has been bought by Lydall and discussions including possible recommission of the paper machine. The company plans a \$4 million upgrade to the facility to manufacture materials for gaskets and floor backing. Ongoing discussions include their desire to link to the City of Fulton’s municipal WWTS system (not for industrial waste).

Mr. LaMontagne reported on Design Concepts in the Town of Hastings who manufacture surgical needles, sutures and the machines to attach the needles for the Medical Industry. The company does a lot of R&D and designs machines as needed for specific applications. The renovations are nearing completion of the building they acquired 6 years ago and plan to move one of the business lines to the newly renovated building. OOC Executive Committee approved a \$200,000 loan contingent on underwriting. He noted that the company has a lot of international sales.

OOC Annual Meeting

Mr. Treadwell noted that the Annual Meeting is scheduled for Friday, June 14th at 8 am. The award winners will be the following: United Wire Technologies for Business Excellence; Cayuga Community College Fulton Campus for Ally Award; EJ USA for Jobs Award; Anthony Pauldine for Dee Heckethorn Entrepreneur Award and David Dano for the Martin Rose Economic Developer Merit Award. The Key Note will be Carla DeShaw, Executive Dean of Cayuga Community College for Community Education and Workforce Development, who will speak about the new ACT Work-Ready Initiative. Congressperson Katko is scheduled to attend.

Other Business

Mr. Treadwell noted that on May 16th the CNY Regional Economic Development Council will be holding their Regional Council meeting at the Kallet Theater.

ADJOURNMENT

On a motion by Mr. Behling, seconded by Ms. Glass, the meeting was adjourned at 4:07 p.m.

Respectfully submitted,

Eric Behling
Secretary

OPERATION OSWEGO COUNTY, INC.

CODE OF ETHICS

This Code of Ethics shall apply to all officers and employees of the OPERATION OSWEGO COUNTY, INC. (the Company). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Company's directors and employees and to preserve public confidence in the Company's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
3. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. Gifts could be presented in the form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Company.
4. Directors and employees shall not use or attempt to use their official position with the Company to secure unwarranted privileges for themselves, members of their family or others, including employment with the Company or contracts for materials or services with the Company.
5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Directors and employees shall manage all matters within the scope of the Company's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Company without bias and shall support the Company's mission to the fullest.
8. Directors and employees shall not use Company property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the Company's mission and goals.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Counsel in confidence Company directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Executive Director or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Compliance with the Oswego County Board of Ethics

All Company directors shall be required to comply with the policies prescribed by the Oswego County Board of Ethics and provide the OOC written proof that all disclosures have been filed.

Penalties

In addition to any penalty contained in any other provision of law, a Company director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Company to the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Company.

This policy has been reviewed and approved by the Executive/Governance Committee at its meeting held on April 18, 2019, and ratified by the Board of Directors at its meeting held on May 13, 2019.

Eric Behling
Secretary

[END OF POLICY]

OPERATION OSWEGO COUNTY, INC.

AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Operation Oswego County, Inc. (the Corporation), a public benefit corporation established under the laws of the State of New York, on this 22nd day of September, 2015.

Purpose

Pursuant to Article IV, Section 1(c) of the Corporation's By-Laws, the purpose of the audit committee shall be to (1) assure that the Corporation's board fulfills its responsibilities for the Corporation'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 between management, the independent auditors, the internal auditors, and the board of directors.

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 Corporation.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Corporation employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with Corporation staff, independent auditors or outside counsel, as necessary.
- Retain, at the Corporation's expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.

The Corporation's board will ensure that the audit committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The audit committee shall be established as set forth in and pursuant to Article IV, Section 1(c) of the Corporation's bylaws. The audit committee shall consist of at least three members of the board of directors who are independent of Corporation operations. The Corporation's board will appoint the audit committee members and the audit committee chair.

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

Ideally, all members on the audit committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

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 Corporation.

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 management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

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

Meeting agendas will be prepared for every meeting and provided to the audit committee members along with briefing materials 5 business days before the scheduled audit committee meeting. The audit committee will 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 recorded.

Responsibilities

The audit committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Corporation's internal auditors; (c) oversight of management'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 Corporation.

A. Independent Auditors and Financial Statements

The audit committee shall:

- Appoint, compensate and oversee independent auditors retained by the Corporation 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 Corporation'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 Corporation's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Corporation, 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 Corporation'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 Auditors

The audit committee shall:

- Review with management and the internal audit director, the charter, activities, staffing and organizational structure of the internal audit function. The audit

committee shall have Corporation over the appointment, dismissal, compensation and performance reviews of the internal audit director.

- Ensure that the internal audit function is organizationally independent from Corporation operations.
- Review the reports of internal auditors, and have Corporation to review and approve the annual internal audit plan.
- Review the results of internal audits and approve procedures for implementing accepted recommendations of the internal auditor.

C. Internal Controls, Compliance and Risk Assessment

The audit committee shall:

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

D. Special Investigations

The audit committee shall:

- Ensure that the Corporation 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 Corporation or any persons having business dealings with the Corporation 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 (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

E. Other Responsibilities of the Audit Committee

The audit committee shall:

- Present annually to the Corporation'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 internal audits and 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 Corporation. 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.

This Policy has been reviewed and re-affirmed by the Audit Committee/Executive Committee on April 18, 2019 and ratified by the Board of Directors on May 13, 2019.

Eric Behling
Secretary

[END OF CHARTER]