

Meeting Notice
LOCAL DEVELOPMENT CORPORATION
Governance and Uniform Policies and Guidelines Committee Meeting
IDA/LDC Offices, Room 234A
350 Front Street, Hempstead, NY 11550

AGENDA
Tuesday, September 20, 2022, 8:50 AM

*Note: Visitors to the Town of Hempstead are encouraged to wear masks and socially distance if unvaccinated.

Members: Eric Mallette, Chairman, Florestano Girardi, Robert Bedford, Edie Longo, John Ryan, Arlyn Eames

- Re-Adoption of the Governance Committee Charter
- Re-Adoption of the Conflict of Interest Policy
- Adoption of a Resolution appointing the Procurement Officer

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TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION

CONFLICT OF INTEREST POLICY

Adopted:

Background

The Town of Hempstead Local Development Corporation (the “Corporation”) is an organization subject to the New York Not-for-Profit Corporation Law with respect to its governance, including dealing with conflicts of interest. The Nonprofit Revitalization Act of 2013 imposes several new requirements with respect to conflicts of interest, in addition to the judge-made common law which deals with these concerns.

This Conflict of Interest Policy (the “Policy”) is intended to contain in a single policy the relevant legal rules and best practices which govern the Corporation and its handling of conflicts of interest.

No policy can anticipate the fullest range of factual circumstances which may entail a conflict of interest. Accordingly, it is important to interpret and apply this Policy in a way which best assist the Corporation governing Board and others in meeting their obligations under the law. Questions arising under this Policy should be forwarded to the Executive Director/Chief Executive Officer for consideration and resolution.

Administration

The Board of Directors shall adopt, oversee and administer this Policy. The Board of Directors shall review this Policy periodically to ensure compliance with applicable state and federal laws. Questions about this Policy may be directed to the Secretary or designated compliance officer at [telephone number] or [e-mail address].

Who is subject to this Policy?

All persons who are Related Parties under Section 102 of the N-PCL are subject to this policy. Related Parties are defined as the following:

- (1) Any individual who currently serves or has served in the following capacities within the past five (5) years:
 - (a) a voting member of the Board of Directors of the Corporation or any Affiliate of the Corporation;
 - (b) an officer of the Corporation or any Affiliate of the Corporation, including, but not limited to (i) the Chair, Chief Executive Officer and any other individual who has ultimate responsibility (individually or shared) for implementing the decisions of the Board or for supervising the management, administration, or operation of the Corporation; and (ii) a Treasurer, Chief Financial Officer and any other individual who has

ultimate responsibility (individually or shared) for managing the finances of the Corporation; or

(c) a Key Employee of the Corporation or any Affiliate of the Corporation.

(2) Any Relative of those persons listed in (1) above. A "Relative" includes: spouse; domestic partner as defined in New York Public Health law Section 2954-A; ancestors; brothers and sisters (whether whole or half-blood); children (whether natural or adopted); grandchildren; great-grandchildren; and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.

(3) Any entity in which an individual listed in (1) or (2) has a controlling interest. A controlling interest is defined as:

- for corporations, ownership (directly or indirectly) of more than 35% of the combined voting power;
- for partnerships or personal service corporations, ownership (directly or indirectly) of more than 5% of the profits interest; and
- for trusts or estates, ownership (directly or indirectly) of more than 35% of the beneficial interest.

Key Employee includes any person who currently has or was, at any time during the past five (5) years, in a position to exercise substantial influence over the affairs of the Corporation. Facts and circumstances indicating that a person in a position to exercise substantial influence include, but are not limited to the following:

- the person is a founder or creator of the Corporation;
- the person is a substantial contributor to the Corporation;
- the person's compensation is based primarily on revenues from the Corporation's activities that the person controls;
- the person has or shares authority to control or determine a substantial part of the Corporation's capital expenditures, operating budget, or compensation for employees;
- the person manages a discrete segment or activity of the Corporation that is a substantial part of the Corporation's activities, assets, income, or expenses;
- the person owns a controlling interest in a corporation, partnership, or trust that is considered a Disqualified Person; and
- the person is a non-stock organization controlled directly or indirectly by one or more Disqualified Person.

Facts and circumstances indicating that a person does not have substantial influence include, but are not limited to the following:

- the person has taken a bona fide vow of poverty as an employee, agent, or on behalf of a religious organization;
- the person is an independent contractor whose sole relationship to the Corporation is providing professional advice and who has no decision-making authority and

will derive no direct or indirect benefit from the transaction except for the customary fees for professional advice;

- the person is the direct supervisor of an individual who is not a Disqualified Person;
- the person does not participate in any management decisions affecting the Corporation as a whole or affecting a discrete segment of the organization that represents a substantial portion of its activities, assets, income, or expenses of the Corporation, as compared to the Corporation as a whole;
- any preferential treatment a person receives based on the size of the person's donation is also offered to all other donors making comparable contributions and offered as a part of a solicitation intended to attract a substantial number of contributions.

The following are **not** considered having substantial influence:

- (a) other organizations that are tax-exempt under Code Section 501(c)(3); and
- (b) any employee who is not highly compensated;¹ and
 - is not otherwise a Related Party;
 - is not considered a substantial contributor taking into account the current fiscal year and the four preceding fiscal years;² or
 - is not otherwise considered a Disqualified Person under this Policy.

Affiliate is any entity controlled by, in control of, or under common control with the Corporation.

What transactions or relationships are subject to this Policy?

All transactions, agreements or other arrangements in which a Related Party has a financial interest and in which the corporation or any affiliate of the corporation is a participant (“Related Party Transactions”) are subject to this policy.

What steps need be taken?

The Related Party that has a financial interest in the Related Party Transaction may not be present during the Board’s deliberations or voting on the matter. However, such Related Party may present information to the Board concerning the Related Party Transaction prior to the commencement of deliberations and voting.

¹ Highly compensated employee is defined under Code Section 414(q)(1)(B)(i) and is adjusted annually for inflation. The amount for 2014 is \$115,000. Organizations can choose to set this amount at a hard dollar threshold if they prefer as long as it is equal to or lower than the statutory amount.

² For this element, substantial contributor is any individual who contributed or bequeathed to the Corporation more than the lesser of \$5,000 and such amount is more than 2% of the total contributions/bequests received by the Corporation for the current fiscal year plus the four (4) preceding fiscal years. Contributions by an individual’s spouse are included in the amount.

Prior to entering into any Related Party Transaction, the Board shall consider alternative transactions to the extent that any feasible alternatives are available. The Board shall approve the transaction only where the Board determines that the transaction is fair, reasonable and in the Corporation's best interests. Such determination must be made by at least a majority of Directors present at the meeting. The basis for the Board's determination must be contemporaneously documented in writing with the Corporation's minutes.

Annual Disclosure Statements

Prior to initial election and annually thereafter, all Directors shall complete, sign, and submit to the Secretary a written statement identifying, to the best of the Director's knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee, and with which the Corporation has a relationship, and whether there is a Related Party Transaction. The disclosure of a relationship shall not, by itself, constitute a Related Party Transaction. The governing Board may require the same submission to be made by officers and/or employees. The Secretary shall provide a copy of all completed disclosure statements to the chairperson of the Audit Committee Employee Conflicts of Interest

An employee of the Corporation with a potential conflict of interest in a particular matter shall promptly and fully disclose the potential conflict to his supervisor. The employee shall thereafter refrain from participating in deliberations and discussion, as well as any decisions, relating to the matter and follow the direction of the supervisor as to how the Corporation decisions which are the subject of the conflict will be determined. The Chair shall be responsible for determining the proper way for the Corporation to handle Corporation decisions which involve unresolved employee conflicts of interest. In making such determinations, the Chair may consult with legal counsel.

The Chair shall report to the Board at least annually concerning employee conflicts of interest which have been disclosed and contracts and transactions involving employee conflicts which the Chair has approved.

Adopted:

(ayes)

(nays)

Resolution Number: 028- 2022 LDC

Florestano Girardi
Chairman

TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION

GOVERNANCE and UNIFORM POLICY and GUIDELINES COMMITTEE CHARTER

This Governance and Uniform Policy and Guidelines Committee ("Committee") Charter was adopted by the Board of the Town of Hempstead Local Development Corporation ("Corporation"), a public benefit corporation established under the laws of the State of New York, on this day of

Purpose

Pursuant to Article III, Section 2 of the Corporation's bylaws, 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 Corporation;
- Updating the Corporation's corporate governance principles and governance practices; and
- Advising those responsible for appointing members to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Committee

The Board of the Corporation has delegated to the Committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Corporation staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Committee deems necessary.
- Solicit, at the Corporation's expense, persons having special competencies, including legal, accounting or other consultants as the Committee deems necessary to fulfill its responsibilities. The 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 membership of the committee shall be as set forth in accordance with and pursuant to Article III, of the Corporation's bylaws. The Committee shall be comprised of no less than three (3) independent members. The size of the Committee shall be determined by the Board. The Committee members shall be appointed by, and will serve at the

discretion of, the Corporation's Board. The Board may designate one member of the Committee as its Chair. The members shall service until their resignation, retirement, removal by the Corporation Board or until their successors shall be appointed and qualified. When feasible, the immediate past Committee Chair will continue service as a member of the Committee for at least one year to ensure an orderly transition.

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.

The 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 Committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The Committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings are to be recorded.

Reports

The Committee shall:

- Report its actions and recommendations to the Corporation Board at the next regular meeting of the Corporation Board.
- Report to the Corporation Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the Committee's functions on an annual basis.

Responsibilities

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

Relationship to the Corporation's Board

The Corporation's Board has delegated to the Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Committee has specific expertise, as follows:

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

In addition, the Committee shall:

- Develop and recommend to the Corporation Board the number and structure of committees to be created by the Corporation Board.
- Develop and provide recommendations to the Corporation 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 Corporation Board on performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Corporation's governance process.

Evaluation of the Corporation's Policies

The Corporation's Committee shall:

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

including policies relating to the disclosure of persons who attempt to influence the Corporation's procurement process.

- Develop and recommend to the Corporation Board any required updates on the authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Corporation Board any other policies or documents relating to the governance of the Corporation, including rules and procedures for conducting the business of the Corporation Board, such as the Corporation's by-laws. The Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The Committee shall:

- Review on an annual basis the compensation and benefits of the Executive Director and other senior Corporation officials.
- Annually review, assess and make necessary changes to the Committee charter and provide a self-evaluation of the Committee.

029-2022 LDC

Adopted:

Ayes

Nays

Florestano Girardi
Chairman

RESOLUTION

TOWN OF HEMPSTEAD
Local Development Corporation

APPOINTMENT OF PROCUREMENT OFFICER

WHEREAS, the Local Development Corporation seeks to appoint a Procurement Officer in accordance with the provisions of the Public Authorities Accountability Act and;

WHEREAS, the Procurement Officer is to oversee all contracts of the corporation; and

WHEREAS, by the adoption of this resolution a Procurement Officer for the Town of Hempstead Local Development Corporation shall be appointed;

NOW, THEREFORE, BE IT

RESOLVED, in compliance with the Public Authorities Accountability act: the board of the Local Development Corporation hereby appoints Frederick E. Parola, CEO as the Procurement Officer for the Town of Hempstead Local Development Corporation.

Adopted:

(ayes)

(nays)

Resolution Number: 030-2022 LDC

Florestano Girardi
Chairman