

TOWN OF LANCASTER INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF DUTIES AND RESPONSIBILITIES **OF THE BOARD OF DIRECTORS**

ARTICLE I

Purpose

The purpose of this Statement is to set forth the standards of conduct and responsibilities of the Town of Lancaster Industrial Development Agency (the “Agency”) Board of Directors in furtherance of efficient operations so as to promote and assist economic development in the Town of Lancaster and the villages of Lancaster and Depew within the Town and to fulfill the purposes of the Agency as set forth in the General Municipal Law.

ARTICLE II

Role and Expectations

It is the responsibility of Board members under Section 2824(1) of the New York Public Authorities Law to:

- (a) execute direct oversight of the Agency's CEO and other management in the effective and ethical management of the Agency;
- (b) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Agency;
- (c) establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the CEO and management;
- (d) adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in Section 74 of the New York Public Officers Law;
- (e) establish written policies and procedures on personnel, including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or Board member of the Agency, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services;
- (f) adopt a defense and indemnification policy and disclose such plan to any and all prospective Board members; and
- (g) adhere to the fiduciary duties of care and loyalty which they owe to the Agency.

ARTICLE III
Board Member Duties of Care and Loyalty

A. Duty of Care. A Board member shall perform their duties, including those duties as a member of any committee of the Board upon which they may serve, in good faith and with that degree of care which an ordinarily prudent person in a like position would use under similar circumstances.

B. Duty of Loyalty. Board members are bound by their duty of undivided and unqualified loyalty to the Agency, a duty which encompasses good faith efforts to ensure that their personal profit is not at the expense of the Agency.

C. Exercise and Fulfillment of Duties. Board members may exercise and fulfill their duties of care and loyalty by:

1. understanding the Agency's role in the economic development community;
2. regularly attending and constructively participating in meetings of the Board and related committees;
3. reviewing and understanding the materials provided in advance of meetings and any other materials provided to the Board from time to time;
4. informing oneself prior to making decisions by utilizing material information reasonably available;
5. remaining reasonably accessible to the senior management on specific issues which may not require the attention of the entire Board but where an individual Board member's insight may be helpful; and
6. becoming familiar with and understanding the policies adopted by the Agency and the criteria adopted by the Agency to evaluate projects and using their best efforts to evaluate projects before them in light of the adopted policies and criteria established by the Agency.

D. Acknowledgement of Fiduciary Duty. In accordance with Section 2824(h) of the New York Public Authorities Law, at or about the time that each Board member is appointed to or otherwise becomes a member of the Agency, the Board member shall execute an Acknowledgement of Fiduciary Duties and Responsibilities in the form prescribed by the New York State Authorities Budget Office, in which the Board member acknowledges that they understand their role and fiduciary responsibilities and acknowledges that they understand the duty of loyalty and care to the Agency and commitment to the Agency's mission and the public interest.

ARTICLE IV
Board Member Conduct

A. Conflicts of Interest. Board members are required to conduct themselves in compliance with the conflict-of-interest requirements imposed upon members of industrial development agencies under Article 18 of the General Municipal Law and the requirements of the Agency's Code of Ethics.

B. Personal Loans. Board members must refrain from accepting or approving any personal loan from the Agency.

C. Decorum. Board members are expected to observe proper decorum in the conduct of their duties on behalf of the Agency and should not engage in conduct or make any public statement that harms, defames or otherwise brings discredit upon the Agency.

D. Separation of Board and Management. No Board member may serve as the Agency's CEO, Executive Director, CFO, Comptroller or hold any other equivalent position while also serving as a Board member.

ARTICLE V
Required Filings

The Agency, in compliance with the requirements of the Town of Lancaster and the Public Authorities Accountability Act, requires that all members and employees with executive positions complete an annual disclosure form and that the disclosure form be filed with the Town of Lancaster and the Board of Ethics for the County of Erie.

ARTICLE VI
Board Member Training

A. Training Requirements for New Board Members.

All Board members appointed on or after January 13, 2006 must participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities as Board members of the Agency within one (1) year of their appointment.

B. Training Requirements following Initial Training.

Following completion of initial training, all Board members shall participate in continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance. As a best practice, the New York State Authorities Budget Office recommends that Board members participate in refresher training upon re-appointment to the Board or at least every three (3) years.

C. Documentation.

The Agency shall maintain documentation of Board member participation in required training and to assure that Board members are in compliance with the training requirements set forth in this Article VI.

Adopted: September 9, 2022