

**SEVENTH AMENDED BY-LAWS
OF THE
COUNTY OF FRANKLIN SOLID
WASTE MANAGEMENT AUTHORITY WITH AMENDMENTS
AS ADOPTED APRIL 22, 2009**

Pursuant to the authority contained in section 2051-e of Article 8 of the Public Authorities Law of the State of New York (the "Act"), the County of Franklin Solid Waste Management Authority (the "Authority") hereby approves the following by-laws for the regulation of its activities:

1. THE AUTHORITY

- a. **NAME.** The name of the Authority shall be the "County of Franklin Solid Waste Management Authority".
- b. **DESCRIPTION.** The Authority is a body corporate and politic constituting a public benefit corporation, created by and having the powers and functions set forth in the Act.
- c. **MEMBERSHIP.** The membership of the Authority shall consist of such members as is provided for in the Act.
- d. **SEAL.** The official seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year 1988.
- e. **OFFICE.** The principal office of the Authority shall be located at such place in, Franklin County, New York as the Authority shall designate by resolution.

2. OFFICERS AND PERSONNEL

- a. **OFFICERS.** The officers of the Authority shall be a Chairman, Vice Chairman, Secretary, Treasurer, Vice Treasurer, and such other officers as the Authority may determine. The initial officers of the Authority shall be elected by the Authority at a meeting of the Authority and shall serve until the next annual meeting of the Authority and until replaced. Thereafter, officers shall be elected by the Authority at its annual meeting.
- b. **PERSONNEL.** The Authority may from time to time employ such personnel, including private consultants, for professional and technical assistance and advice, as it may deem necessary to exercise its powers, duties and functions as prescribed by law. The selection and compensation of such personnel shall be determined by the Authority, subject to applicable law.

3. TENURE OF OFFICE

- a. **TERM.** Each officer of the Authority shall hold office for one year and each officer shall continue to hold office until such officer's successor is appointed. If the term of an Authority member should be terminated, such member's term of office as an officer shall also terminate and at the regular meeting next succeeding such termination the members of the Authority shall

elect from among their number a successor who shall serve until the next annual meeting of the Authority.

- b. **OFFICERS HOLDING TWO OR MORE OFFICES.** Any two or more offices may be held by the same person, except that the Chairman may not also hold the offices of either the Vice Chairman, Treasurer or Vice Treasurer, and except that the Treasurer may not also hold the office of Vice Treasurer. No officer shall execute or verify any instrument in more than one capacity if such instrument be required by law or otherwise to be executed or verified by any two or more officers.

4. **DUTIES OF OFFICERS**

- a. **CHAIRMAN.** The Chairman shall be a member of the Authority and shall preside at all meetings of the Authority. The Chairman shall sign (manually or by facsimile signature) all agreements, contracts, notes, bonds or other evidences of indebtedness and any other instruments of the Authority on behalf of the Authority when so authorized by the Authority, and shall perform such other duties as may be prescribed for the Chairman by law or by the Authority. The Chairman shall submit to the Authority such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.
- b. **VICE CHAIRMAN.** The Vice Chairman shall be a member of the Authority and shall assume the powers and duties of the Chairman in case of the absence or disability of the Chairman. In the event of the resignation or death of the Chairman, the Vice Chairman shall become Acting Chairman and perform the duties of the Chairman until such times as the Authority shall appoint a new Chairman.
- c. **SECRETARY.** The Secretary shall keep all records of the Authority, record all the votes and record the minutes of the Authority in a journal to be kept for that purpose, attend to the serving of notices of all meetings when required, keep in safe custody the seal of the Authority and have power to affix such seal to all papers or other documents as may be required and to attest (by manual or facsimile signature) such seal, attend to such correspondence as may be assigned and perform such other duties as may be prescribed for the Secretary by law or by the Authority. The Secretary need not be a member of the Authority.
- d. **TREASURER.** The treasurer shall be a member of the Authority and shall have the care and custody of all funds and securities of the Authority and shall deposit the same forthwith in the name of the Authority in such bank or banks in the State of New York as the Authority shall designate. The Authority shall have the power, notwithstanding the provisions of this section, to contract with the holders of any bonds as to the custody, collection, security, investment and payment of any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds and to carry out any such contract notwithstanding that such contract may be inconsistent with the provisions of this section. The

Treasurer shall have charge of the treasury and custody of receipts, deposits and disbursements of all Authority moneys. The Treasurer shall keep full and accurate and separate accounts of the various funds and money in the custody of the Authority. The Treasurer shall at any reasonable time exhibit the books and accounts of the Authority to any member of the Authority upon application at the office of the Authority during business hours, render to the Authority at each regular meeting an account of the financial transactions and the current financial condition of the Authority, and render a full financial report at the annual meeting of the Authority. The Treasurer shall have such other powers and duties as are conferred upon the Treasurer by law or by the Authority. The Treasurer shall give such bond for the faithful performance of the duties of his or her office as the Authority shall determine and the premium therefor shall be paid by the Authority

- e. VICE TREASURER. The Vice Treasurer shall exercise all of the powers and authority of the Treasurer when the Treasurer is unable to or does not exercise such powers and authority. The Vice Treasurer shall give such bond for the faithful performance of the duties of his or her office as the Authority shall determine and the premium therefor shall be paid by the Authority. The Vice Treasurer need not be a member of the Authority.
- f. ADDITIONAL DUTIES. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority, by the by-laws of the Authority, or by the rules and regulations of the Authority.
- g. REMOVAL AND RESIGNATION. Any officer elected or appointed by the Authority may be removed by the Authority with or without cause. In the event of the death, resignation or removal of an officer, the Authority in its discretion may elect a successor to fill the unexpired term of such officer at the next regular meeting of the Authority.

5. **GENERAL PROVISIONS**

- a. FISCAL YEAR. The fiscal year of the Authority shall begin July 1 of each year and end on the next succeeding June 30.
- b. ANNUAL MEETING. The annual meeting of the Authority shall be held in January of each year.
- c. COMPOSITION OF BOARD At least one half of the Board shall be “independent” as such term is defined in Public Authorities Law section 2825 as it now exists or is hereafter modified. At a minimum, “Independence” means the following:
 - i. The board member is not currently an employee of the public authority in an executive position, nor was an employee of the public authority in an executive position in the past two years.
 - ii. The board member is not or has not been in the previous two years, employed by an entity that received a payment valued at more than fifteen thousand dollars for goods and services provided to the public authority, as well as any other form of financial assistance valued at more than fifteen

- thousand dollars from the public authority.
- iii. The board member is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate.
 - iv. The board member is not 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 public authority or affiliate.
 - v. In addition, an appointed Board Member may be an employee of a county or local government and have some professional involvement with the public authority and still be independent. However, if a board member (1) is a member of a legislative body, or (2) is the chief executive officer, or (3) holds a policymaking position with a municipal government, that board member would not be independent if the public authority pays the municipal government \$15,000 or more annually for goods and services that are provided to the public authority by the municipal government.
 - vi. As a best practice it is not recommended that a majority of appointed board members have a political or employment relationship to the government for whose purpose the public authority was created.
 - vii. Board members may consult with the individuals who appointed them without losing their independence provided the board member's decisions are made in the interests of the public and consistent with the mission of the authority.
 - viii. If the majority of directors appointed to a public authority do not meet this definition of independence, the official or officials having the authority to appoint or remove board members should take appropriate actions to address this issue.
- d. MEETINGS. Regular meetings of the Authority shall take place at such times and places as from time to time may be determined by the Authority. The Chairman may, when the Chairman deems it desirable, and shall, upon the written request of two members of the Authority, call a special meeting of the Authority for the purpose of conducting any business designated in the call. The call for a special meeting may be delivered to each member of the Authority at least one day before such special meeting or may be mailed to the business or home address of each such member at least three days prior to the date of such special meeting. Pursuant to Article 7 of the Public Officers Law, notice of any meeting shall be given to the news media and posted on a prominent bulletin board in City Hall at the same time. Any regular or special meeting may be adjourned to any other time at the will of a majority of the members of the Authority present and voting at such meeting.
- e. WAIVER OF NOTICE. Failure to give notice of any meeting of the Authority to any member of the Authority may be waived in writing by such member. Notice of an adjourned meeting need not be given to any member present at the time of the adjournment.

- f. QUORUM. No action shall be taken by the Authority except pursuant to the favorable vote of at least four members of the Authority. A majority of the members present, whether or not a quorum is present, may adjourn any meeting to another time or place.
- g. ORDER OF BUSINESS. The order of business at regular meetings shall be:
 - i. Roll call and determination of quorum.
 - ii. Reading of minutes of previous meeting.
 - iii. Approval of the minutes of previous meeting.
 - iv. Reports of committees.
 - v. Bills and communications.
 - vi. Unfinished business,
 - vii. New Business
 - viii. Adjournment.
- h. BOARD DUTIES. Each member of the Board shall have the following duties:
 - i. To attend meetings.
 - ii. To comply with all education requirements under the Public Authorities Law.
 - iii. To read and comply with these By-Laws and all other rules and policies of the Authority, especially the Ethics provisions.
 - iv. To uphold the interests of the taxpayers of the County of Franklin.
- i. COMMITTEES. The Chairman, Vice Chairman and members of all committees shall be appointed by the Chairman of the Authority, who shall be an ex-officio member of each committee. A quorum of any committee shall consist of a majority of the members of that committee.
 - i. The Authority Board shall have at least the following committees:
 - (1) Governance Committee. In consideration of the small size of the Authority, the Authority Board as a whole shall perform the functions of the Governance committee and the Board shall perform those tasks and duties of the Governance Committee as set forth below.
 - (a) Purpose the purpose of the governance committee is to assist the Board by:
 - (i) Keeping the Board informed of current best practices in corporate governance;
 - (ii) Reviewing corporate governance trends for their applicability to the Authority;
 - (iii) Updating the Authority's corporate governance principles and governance practices; and
 - (iv) Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.
 - (b) Powers of the Governance Committee. The Board of

Directors has delegated to the governance committee the power and authority necessary to discharge its duties, including the right to:

- (i) Meet with and obtain any information it may require from authority staff.
 - (ii) Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
 - (iii) Solicit, at the Authority's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities.
- (c) **Composition and Selection** The membership of the committee shall be th entire board . Governance committee members shall be prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, governance committee members shall not engage in any private business transactions with the Authority 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 Authority or receives compensation from an entity that has material business relationships with the Authority. The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.
- (d) **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 at least five days 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 recorded.
- (e) **Reports** The governance committee shall:
- (i) Report its actions and recommendations to the

- Board at the next regular meeting of the Board.
- (ii) Report to the Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- (iii) Provide a self-evaluation of the governance committee's functions on an annual basis.
- (f) Responsibilities To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the Authority's Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.
- (g) Relationship to the Authority's Board. The Board of Directors 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:
 - (i) Develop the Authority's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
 - (ii) Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.
 - (iii) Develop and recommend to the Board the number and structure of committees to be created by the Board.
 - (iv) 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.
 - (v) 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 Authority's governance process.
- (h) Evaluation of the Authority's Policies The governance committee shall:
 - (i) Develop, review on a regular basis, and update as necessary the Authority'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.

- (ii) Develop and recommend to the Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.
 - (iii) Develop and recommend to the Board any required revisions to the Authority's equal opportunity and affirmative action policies.
 - (iv) Develop and recommend to the Board any required updates on the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.
 - (v) Develop and recommend to the Board any required updates on the authority's written policies regarding the disposition of real and personal property.
 - (vi) Develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting the business of the Authority's Board, such as the Authority'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.
- (i) Other Responsibilities The governance committee shall:
 - (i) Review on an annual basis the compensation and benefits for the Managing Director and other senior Authority officials.
 - (ii) Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.
- (2) Audit Committee
 - (a) The purpose of the audit committee shall be to (1) assure that the authority's board fulfills its responsibilities for the authority'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.

- (b) Powers of the Audit Committee It shall be the responsibility of the audit committee to:
- (i) Appoint, compensate, and oversee the work of any public accounting firm employed by the authority.
 - (ii) Conduct or authorize investigations into any matters within its scope of responsibility.
 - (iii) Seek any information it requires from authority employees, all of whom should be directed by the board to cooperate with committee requests.
 - (iv) Meet with authority staff, independent auditors or outside counsel, as necessary.
 - (v) Retain, at the authority's expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.
 - (vi) The Authority board will ensure that the audit committee has sufficient resources to carry out its duties.
- (c) Composition of Committee and Selection of Members Given the small size of the Board of Directors the audit committee shall consist of the entire Board of Directors. Audit committee members shall be prohibited from being an employee of the authority or an immediate family member of an employee of the authority. In addition, audit committee members shall not engage in any private business transactions with the authority 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 authority or receives compensation from an entity that has material business relationships with the authority. 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 authority. 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.

- (d) **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 here. 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 authority's independent auditor at least annually to discuss the financial statements of the authority. 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.
- (e) **Responsibilities** The audit committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Authority'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 Authority.
- (f) **Specific Duties:** The audit committee shall:
 - (i) As to external audits:
 - 1) Appoint, compensate and oversee independent auditors retained by the authority and pre-approve all audit services provided by the independent auditor.
 - 2) Establish procedures for the engagement of the independent auditor to provide permitted audit services. The authority'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 authority's operations, such as bookkeeping or other

- services related to the accounting records or financial statements of the authority, 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.
- 3) Review and approve the authority's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
 - 4) 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.
 - 5) 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.
 - 6) 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.
- (ii) As to internal audits:
- 1) 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 authority over the appointment, dismissal, compensation and performance reviews of the internal audit director.
- (iii) Ensure that the internal audit function is organizationally independent from authority operations.
- (iv) Review the reports of internal auditors, and have authority to review and approve the annual internal audit plan.
- (v) Review the results of internal audits and approve

- procedures for implementing accepted recommendations of the internal auditor.
- (g) As to internal controls, compliance and risk assessment:
 - (i) Review management's assessment of the effectiveness of the authority's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.
 - (h) As to special investigations
 - (i) Ensure that the authority 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 authority or any persons having business dealings with the authority or breaches of internal control.
 - (ii) Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
 - (iii) 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.)
 - (iv) Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.
 - (i) As to other matters:
 - (i) Present annually to the authority's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
 - (ii) 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.
 - (iii) Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the authority. The audit committee

charter will be updated as applicable laws, regulations, accounting and auditing standards change.

- (iv) Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the enabling statute and by-laws and request the board approval for proposed changes.

- j. EXECUTION OF INSTRUMENTS. All Authority instruments and documents shall be signed or countersigned, executed, verified or acknowledged by such officer or other person or persons as provided in these by-laws or as the Authority may from time to time designate.

6. ETHICS

- a. **Purpose.** The purpose of this Article is to create a Code of Ethics and to require disclosure of facts tending to show Prohibited Interests. The residents of the County of Franklin are entitled to the expectation of exemplary ethical behavior from the officers, employees and appointed officials of the County of Franklin Solid Waste Management Authority (the "Authority").
- b. **Definitions.**
 - i. CONTRACT means any claim, account or demand against or agreement with the Authority, express or implied, and shall include the designation of a depository of public funds and the designation of a newspaper, including but not limited to an official newspaper, for the publication of any notice, resolution, ordinance, or other proceeding where such publication is required or authorized by law. The term includes application to the Authority or any of its officials for any permit or permission, except any such permit or permission which is non-discretionary.
 - ii. INTEREST means a direct or indirect pecuniary or material benefit accruing to a Subject Individual as the result of any Contract or any action or determination by the Authority which such Subject Individual serves. For the purposes of this resolution a Subject Individual shall be deemed to have an Interest in the Contract of or any action or determination concerning (a) his or her spouse, minor children and dependents, except a contract of employment with the Authority which such Subject Individual serves, (b) a firm, partnership or association of which such Subject Individual is a member or employee, (c) a corporation of which such Subject Individual is an officer, director or employee and (d) a corporation any stock of which is owned or controlled directly or indirectly by such Subject Individual.
 - iii. PROHIBITED INTEREST An Interest of a Subject Individual if the Subject Individual, individually or as a member of any board, has the power to duty to:

- (1) negotiate , prepare, authorize or approve the Contract or the action or determination or authorize or approve payment thereunder;
 - (2) audit bills or claims under the Contract or action or determination; or
 - (3) appoint a person who has any of the powers or duties set forth above.
- iv. AUTHORITY-The Authority or any department, board, office, commission agency or authority thereof.
 - v. SUBJECT INDIVIDUAL. The following persons are Subject Individuals: Authority CEO and Financial Officer, Authority Board Members, Authority Clerk, Authority Attorney or Attorney for Authority, Authority Engineer, all other Authority officers and all Authority employees.
 - vi. RECUSAL. The abstaining from all consideration, deliberation, determination, voting, review, audit or enforcement of a Contract with the Authority or an action or determination by the Authority or its officers by any Subject Individual who would otherwise have such authority, either individually or as a member of a board.
- c. **Code of Ethics.**
- i. **Conflicts of Interest and Appearances of Conflict.** It is the policy of the Authority that all Subject Individuals must avoid Prohibited Interests or the appearance of a conflict of Interest.
 - ii. **Contracts or Business With Authority. Certain Contracts Prohibited.** No Subject Individual shall take action or participate in any manner whatsoever in his or her official capacity in the discussion, negotiation or awarding of any Prohibited Interest or in any business or professional dealings with the Authority or any department thereof in which the Subject Individual has or will have a Prohibited Interest. Any such Subject Individual shall Recuse himself or herself from all matters having to do with such Prohibited Interest unless there is an applicable exception. Public Authorities Law section 2051-q makes it a misdemeanor for any Board Member to be interested in (directly or indirectly) the furnishing of any work, materials, supplies or labor required by the Authority.
 - iii. **Outside Employment.** No Subject Individual shall engage in, solicit, negotiate for or promise to accept private employment or render services for his or her personal benefit when such employment or service creates a Prohibited Interest or impairs the proper discharge of his or her official duties.
 - iv. **Gifts.** No Subject Individual shall solicit or receive any gift, whether financial or in any other form from any person who is doing or seeking a Contract or who seeks to do business of any kind with the Authority including applications for permits or approvals; or who has had a Contract with the Authority during the last twelve months; or from a lobbyist representing a person before a Authority agency. A Subject Individual

may not solicit or receive any gift or payment as a reward for exercise of official duties. Generally, a Subject Individual may not receive or solicit any gift creating the appearance that official duties may be influenced or that the responsibility to make impartial decisions solely in the public interest is compromised.

- v. **Disclosure of Confidential Information.** No Subject Individual shall disclose confidential information acquired in the course of official duties or use such information to further any personal interest.
 - vi. **Self Interest.** No Subject Individual shall take action on a matter before the Authority or any instrumentality thereof when, to his or her knowledge, the performance of that action would provide a pecuniary or material benefit to himself or herself.
 - vii. **Authority Property and Resources.** No Subject Individual may use Authority-owned property, assets or any resources for personal purposes or profit or to benefit any person. Use of these resources is restricted to the conduct of official business, for the benefit of all residents and to further an authorized public purpose.
 - viii. **Nepotism.** The Authority maintains a separate nepotism policy to which reference is hereby made.
 - ix. **Representation.** A Subject Individual shall not appear on behalf of, or represent a person in any matter before a municipal agency except on his own behalf.
 - x. **Requests For Political Contributions From Subordinates.** No Subject Individual shall solicit political contributions from subordinates or request that they attend political functions or engage in any political activity.
 - xi. **Revolving Door.** No Subject Individual who has left municipal service shall appear before or receive compensation in a matter before his or her former agency for a period of 1 year after departure. Such person is permanently barred from appearing or receiving compensation regarding a matter in which he or she was personally involved as a Authority official.
 - xii. **Incompatible Positions.** A Subject Individual is prohibited from:
 - (1) Holding more than one position with the Authority when one is subordinate to the other.
 - (2) Holding more than one position with the Authority when the duties of the positions conflict
- d. **Exceptions to Code of Ethics Requirements.** The foregoing Code of Ethics requirements shall not apply to:
- i. The designation of a bank or trust company as a depository, paying agent, registration agent or for investment of funds of the Authority except when the chief fiscal officer, treasurer, or his deputy or employee, has an interest in such bank or trust company;
 - ii. An action or determination by an Authority official or board or a Contract with a person, firm, corporation or association in which a Subject

- Individual has a Prohibited Interest which is prohibited solely by reason of employment as an officer or employee thereof, if the remuneration of such employment will not be directly affected as a result of such action or Contract and the duties of such employment do not directly involve the procurement, preparation or performance of any part of such action or Contract;
- iii. The designation of a newspaper, including but not limited to an official newspaper, for the publication of any notice, resolution, ordinance or other proceeding where such publication is required or authorized by law;
 - iv. The purchase by the Authority of real property or an interest therein, provided the purchase and the consideration therefor is approved by order of the supreme court upon petition of the Authority Board;
 - v. The acquisition of real property or an interest therein, through condemnation proceedings according to law;
 - vi. A Contract with a not for profit corporation or other voluntary non-profit corporation or association;
 - vii. The sale of bonds and notes pursuant to section 60.10 of the local finance law;
 - viii. A Contract in which a Subject Individual has a Prohibited Interest if such Contract was entered into prior to the time he or she was elected or appointed, but this paragraph shall in no event authorize a renewal of any such Contract;
 - ix. Purchases or public work by the Authority pursuant to a Contract in which a Subject Individual has a Prohibited Interest, where:
 - (1) the Subject Individual is elected and serves without salary;
 - (2) the purchases, in the aggregate, are less than five thousand dollars in one fiscal year and the governing body or board has followed its duly adopted procurement policies and procedures and the procurement process indicates that the Contract is with the lowest dollar offer; and
 - (3) the Contract for the purchases or public work is approved by resolution of the body or board by the affirmative vote of each member of the body or board except the interested member who shall abstain.
 - x. An action or determination by the Authority or any officer or a Contract with a corporation in which a Subject Individual has a Prohibited Interest by reason of stockholdings when less than five per centum of the outstanding stock of the corporation is owned or controlled directly or indirectly by such Subject Person;
 - xi. A Contract for the furnishing of public utility services when the rates or charges therefor are fixed or regulated by the public service commission;
 - xii. A Contract for the payment of a reasonable rental of a room or rooms owned or leased by a Subject Individual when the same are used in the

performance of his or her official duties and are designated as an office or chamber;

- xiii. A Contract for the payment of a portion of the compensation of a private employee of a Subject Individual when such employee performs part time service in the official duties of the office held by the Subject Individual;
- xiv. A Contract in which a Subject Individual has a Prohibited Interest if the total consideration payable thereunder, when added to the aggregate amount of all consideration payable under Contracts in which such person had a Prohibited Interest during the fiscal year, does not exceed the sum of seven hundred fifty dollars.
- xv. A Contract or action by the Subject Individual which is required to be made by law and which cannot otherwise be accomplished without action by the Subject Individual. As an example, it is permissible for a Sole Appointed Assessor who is a property owner in the Authority to assess his or her own property or that of a spouse or family member.

e. **Disclosure of Interest.**

- i. Disclosure of Prohibited Interest by Subject Persons Making Decisions. Any Subject Individual who has a Prohibited Interest shall publicly disclose such interest on the official record of the Authority and shall Recuse himself or herself.
 - ii. Disclosure of Interest by Subject Person Giving Advice or Recommendation. Any Subject Individual who has, will have or intends to acquire an Interest in any action or determination of the Authority or its officers or a Contract being considered by the Authority and who participates in the discussion before or who gives an opinion or gives advice to any board, department or individual considering the same shall publicly disclose on the official record of the Authority the nature and the extent of such interest.
 - iii. Disclosure of Interest by all other Subject Persons. Any Subject Individual who has knowledge of any matter being considered by any board, department, officer or employee of the Authority, in which matter he or she has or will have or intends to acquire any Interest, shall be required immediately to disclose, in writing, his or her Interest to such board, department, officer or employee and the nature and the extent thereof.
- f. **Review.** Every Subject Person is required to attest, on an annual basis, that he or she has reviewed the Code of Ethics of the Authority, to be made on or before March 31 of each year.
- g. **Repeal of Prior Resolutions.** All prior inconsistent resolutions of the Authority are hereby revoked.

7. **NEPOTISM**

- a. Rationale: The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In

addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

- b. Definitions.
 - i. "Relative" means spouse, child, parent, sibling, grandparent, grandchild, aunt, uncle, nephew, niece, first cousin, corresponding in-law, "step" relation or any member of the employee's household.
 - ii. "Hire" means the act of initial employment of a person for a full or part time position of employment with the CFSWMA. It does not include appointment to the CFSWMA Board.
- c. Anti Nepotism Policy.
 - i. The following people are not eligible for hire by the CFSWMA:
 - (1) Relatives of CFSWMA Board Members or Officers,
 - (2) Relatives of members of the Board of Legislators of the County of Franklin,
 - (3) Relatives of the Franklin County Treasurer or the Franklin County Attorney.
 - ii. Relatives of persons currently employed by CFSWMA may be hired only if they will not be working in the chain of command of a relative. This rule applies equally to subordinates and superiors. CFSWMA employees cannot be transferred into such a reporting relationship.
 - iii. If the relative relationship is established after employment, the individuals concerned will decide who is to be transferred. If that decision is not made within 30 calendar days, management will decide.
 - iv. In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

8. **WHISTLEBLOWER PROTECTION POLICY**

- a. The County of Franklin Solid Waste Management Authority hereby reaffirms its commitment to the protection of employees who report behaviors or events which are reasonably believed to be illegal or contrary to the best interests of the people of the County of Franklin.
- b. The County of Franklin Solid Waste Management Authority reaffirms and acknowledges that the terms and provisions of Civil Service Law section 75-b are applicable to it.
- c. Civil Service Law section 75-b provides as follows:

§ 75-b Civ. Serv. Retaliatory action by public employers.

1. For the purposes of this section the term:

(a) "Public employer" or "employer" shall mean (i) the state of New York, (ii) a county, city,

town, village or any other political subdivision or civil division of the state, (iii) a school district or any governmental entity operating a public school, college or university, (iv) a public improvement or special district, (v) a public authority, commission or public benefit corporation, or (vi) any other public corporation, agency, instrumentality or unit of government which exercises governmental power under the laws of the state.

(b) "Public employee" or "employee" shall mean any person holding a position by appointment or employment in the service of a public employer except judges or justices of the unified court system and members of the legislature.

(c) "Governmental body" shall mean (i) an officer, employee, agency, department, division, bureau, board, commission, council, authority or other body of a public employer, (ii) employee, committee, member, or commission of the legislative branch of government, (iii) a representative, member or employee of a legislative body of a county, town, village or any other political subdivision or civil division of the state, (iv) a law enforcement agency or any member or employee of a law enforcement agency, or (v) the judiciary or any employee of the judiciary.

(d) "Personnel action" shall mean an action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.

2. (a) A public employer shall not dismiss or take other disciplinary or other adverse personnel action against a public employee regarding the employee's employment because the employee discloses to a governmental body information: (i) regarding a violation of a law, rule or regulation which violation creates and presents a substantial and specific danger to the public health or safety; or (ii) which the employee reasonably believes to be true and reasonably believes constitutes an improper governmental action. "Improper governmental action" shall mean any action by a public employer or employee, or an agent of such employer or employee, which is undertaken in the performance of such agent's official duties, whether or not such action is within the scope of his employment, and which is in violation of any federal, state or local law, rule or regulation.

(b) Prior to disclosing information pursuant to paragraph (a) of this subdivision, an employee shall have made a good faith effort to provide the appointing authority or his or her designee the information to be disclosed and shall provide the appointing authority or designee a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. For the purposes of this subdivision, an employee who acts pursuant to this paragraph shall be deemed to have disclosed information to a governmental body under paragraph (a) of this subdivision.

3. (a) Where an employee is subject to dismissal or other disciplinary action under a final and binding arbitration provision, or other disciplinary procedure contained in a collectively negotiated agreement, or under section seventy-five of this title or any other provision of state or local law and the employee reasonably believes dismissal or other disciplinary action would not

have been taken but for the conduct protected under subdivision two of this section, he or she may assert such as a defense before the designated arbitrator or hearing officer. The merits of such defense shall be considered and determined as part of the arbitration award or hearing officer decision of the matter. If there is a finding that the dismissal or other disciplinary action is based solely on a violation by the employer of such subdivision, the arbitrator or hearing officer shall dismiss or recommend dismissal of the disciplinary proceeding, as appropriate, and, if appropriate, reinstate the employee with back pay, and, in the case of an arbitration procedure, may take other appropriate action as is permitted in the collectively negotiated agreement.

(b) Where an employee is subject to a collectively negotiated agreement which contains provisions preventing an employer from taking adverse personnel actions and which contains a final and binding arbitration provision to resolve alleged violations of such provisions of the agreement and the employee reasonably believes that such personnel action would not have been taken but for the conduct protected under subdivision two of this section, he or she may assert such as a claim before the arbitrator. The arbitrator shall consider such claim and determine its merits and shall, if a determination is made that such adverse personnel action is based on a violation by the employer of such subdivision, take such action to remedy the violation as is permitted by the collectively negotiated agreement.

(c) Where an employee is not subject to any of the provisions of paragraph (a) or (b) of this subdivision, the employee may commence an action in a court of competent jurisdiction under the same terms and conditions as set forth in article twenty-C of the labor law.

4. Nothing in this section shall be deemed to diminish or impair the rights of a public employee or employer under any law, rule, regulation or collectively negotiated agreement or to prohibit any personnel action which otherwise would have been taken regardless of any disclosure of information.

9. POLICIES CONCERNING AUTHORITY PROPERTY

a. Policies on acquisition of property

i. General Rules

- (1) General Municipal Law section 103 is generally applicable to the purchase of goods and services by the Authority.
- (2) Property may not be acquired from an Authority Board Member or officer or employee, or their immediate family members. Public Authorities Law section 2051-q makes it a misdemeanor for any Board Member to be interested in (directly or indirectly) the furnishing of any work, materials, supplies or labor required by the Authority.
- (3) The Authority's designated contracting officer for the purchase and sale of personal and real property is the Executive Director
 - (a) Every officer, employee, consultant, agent, or other

representative of the Authority who contacts a potential contractor or representative of a potential contractor with regard to a bid or proposal, or who receives a contact from a potential contractor or representative of a potential contractor shall report such contact to the Authority's designated contracting officer, who shall maintain a written record of such contacts.

- (b) All bids or proposals for contracts with the Authority must include the name, address, telephone number, place of principal employment and occupation of all persons who will contact the public authority on behalf of the proposed contractor; provided, however, that no more than 10 persons shall be listed by a proposed contractor for such purpose. All bids or proposals for such contracts shall also include a listing of the names of all persons who participated in the preparation of such bid or proposal. The contracting officer shall make a record of any correspondence from any other such person and shall report such contact to the Authority Board.
- (4) Subject to paragraphs 1 through 13 of subdivision c of section 1-c of the Legislative Law, during the pendency of a procurement process (the time beginning with the issuance of a request for proposals, an invitation for bids, or solicitation of proposals, or any other method for soliciting a response from potential contractors intending to result in a contract with the Authority and ending with the tentative award of a contract by the Authority), no communication concerning a potential contract shall be directed by, or on behalf of, a potential contractor to any representative of the Authority other than the contact person designated by the Authority.
- (5) Upon notice or discovery of prohibited contact or an attempt at prohibited contact, the designated contracting officer shall immediately investigate such notice or discovery and shall give the contractor or potential contractor an opportunity to be heard in response thereto. The designated contracting officer shall report any allegations of prohibited contact or attempted prohibited contact immediately to the NY State public authorities inspector general and the head of the Authority. If prohibited contact or attempted prohibited contact is found to have occurred, the Authority may find the contractor or potential contractor to be non-responsible and may eliminate the bid or proposal from further consideration for a contract award. Any determination made by the Authority shall be reported to the NY State public authorities

- inspector general.
- (6) The Authority, prior to making an award of a contract, shall make a determination of responsibility of the potential contractor. The Authority shall require that every bid or contract proposal disclose any findings of non-responsibility made within the previous five years by any state agency or public authority. In making a determination of responsibility, the Authority shall take into account any such prior finding and, on the basis of such prior finding, may decide not to award a contract to such potential contractor. The failure of a potential contractor to timely disclose accurate and complete information or to otherwise cooperate with the Authority shall be considered by the Authority in its determination of the responsibility of such potential contractor.
 - (7) Every contract shall contain a certification by the contractor that all information provided to the Authority is complete, true and accurate and shall contain a provision reserving the right of the Authority to terminate such contract in the event such certification is found to be intentionally false or intentionally incomplete.
- ii. Real Property
 - (1) No specific regulations.
 - iii. Personal Property
 - (1) No specific regulations.
- b. Policies on sale or conveyance of property
- i. General Rules
 - (1) The Authority and its designated contracting officer must comply with the requirements of Public Authorities Law Article 5-A with respect to the disposition of all property.
 - (2) Property may not be sold to an Authority Board Member or officer or employee, or their immediate family members, except upon petition to the New York State Supreme Court and an appropriate order.
 - (3) Section 2897(6)(d) of Public Authorities Law requires public authorities to submit to the Authority Budget Office a written explanation of the circumstances involving the disposal of property through a negotiated transaction not less than 90 days prior to the scheduled date of that transaction. This requirement applies to the following property:
 - (a) Personal property having an estimated fair market value greater than \$15,000;
 - (b) Real property having an estimated fair market value greater than \$100,000, except that any real property disposed of by lease or exchange;
 - (c) Real property disposed of by lease for a term of five years

- or less, having estimated fair annual rent greater than \$100,000 for any of such years;
 - (d) Real property disposed of by lease for a term of more than five years, if the total estimated rent over the term of the lease greater than \$100,000;
 - (e) Real property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property;
 - (f) Related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
- (4) Subject to sections 2896 and 2898 of the Public Authorities Law, the Authority may dispose of property for not less than the fair market value of such property by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the contracting officer deems proper, and it 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.
- (5) Bids for disposal; advertising; procedure; disposal by negotiation; explanatory statement.
- (a) All disposals or contracts for disposal of property of the Authority shall be made after publicly advertising for bids except as provided in paragraph c of this subdivision.
 - (b) Whenever public advertising for bids is required under paragraph a of this subdivision:
 - (i) 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;
 - (ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
 - (iii) 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 state, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.
 - (c) Disposals and contracts for disposal of property may be negotiated without regard to paragraphs a and b of this subdivision but subject to obtaining such competition as is feasible under the circumstances, if:
 - (i) the personal property involved is of a nature and

quantity which, if disposed of under paragraphs a and b of this subdivision, would adversely affect the state or local markets for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

- (ii) the fair market value of the property does not exceed fifteen thousand dollars;
 - (iii) bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
 - (iv) 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;
 - (v) the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by negotiation, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the state or a political subdivision (such as 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), the purpose and the terms of such disposal are documented in writing and approved by resolution of the Board of the Authority, and the contract is approved by the comptroller if required pursuant to section 2898 of the Public Authorities Law; or
 - (vi) such action is otherwise authorized by law.
- (6) Written Explanation of Disposal.
- (a) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
 - (i) any personal property which has an estimated fair market value in excess of fifteen thousand dollars;
 - (ii) 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 (iii) through (v) of this subparagraph;
 - (iii) 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;
 - (iv) any real property disposed of by lease for a term of more than five years, if the total estimated rent over the term of the lease is in excess of one hundred thousand dollars; or
 - (v) 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 section 2896 of the Public Authorities Law not less than 90 days in advance of such disposal, and a copy thereof shall be preserved in the files of the Authority.
- ii. Real Property
 - (1) No disposition of real property or any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.
- iii. Personal Property
 - (1) No disposition of any property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.

10. **INDEMNIFICATION**

- a. **GENERAL SCOPE OF INDEMNIFICATION.** The Authority shall, to the fullest extent permitted by law, provide for and indemnify any person (and his/her testator or intestate) made, or threatened to be made, a party to any action or proceeding, whether civil or criminal in nature, by reason of the fact that such person is or was a member or an officer or employee of the Authority or served, at the request of the Authority, as an officer or employee of any subsidiary of the Authority, against judgments, penalties, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such action or proceeding (including any appeal therein), provided such member, officer or employee acted in good faith for a purpose which such person reasonably believed to be in the best interest of the Authority and, in criminal actions or proceedings, had no reasonable cause to believe that any action taken by or conduct of such person was unlawful.
- b. **PRESUMPTION.** The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such member, officer or employee did not act in good faith for a purpose which such person

reasonably believed to be in the best interests of the Authority or that such person had reasonable cause to believe that any such action or conduct was unlawful.

- c. DEFENSE AND INDEMNIFICATION OF MEMBERS, DIRECTORS, OFFICERS, AND EMPLOYEES OF THE AUTHORITY PURSUANT TO THE PROVISIONS OF SECTION 18 OF THE PUBLIC OFFICERS LAW OF THE STATE OF NEW YORK. The Authority hereby confers (1) all of the benefits authorized by Section 18 of the Public Officers Law of the State of New York (the "Section 18") upon its employees, as such term is defined in Paragraph 1 of Section 18, subject to the requirements and limitations set forth therein and (2) agrees to be held liable for the costs incurred under Section 18.

11. INVESTMENT POLICY

- a. Title. These guidelines shall be known as the "Guidelines for Investments by the County of Franklin Solid Waste Management Authority, " or the "Investment Guidelines".
- b. Purpose. The purpose of these Investment Guidelines is to establish comprehensive guidelines which detail the operative policy and instructions to officers and staff of the County of Franklin Solid Waste Management Authority regarding the investing, monitoring and reporting of Funds. Its purpose is to comply with Title VII of the New York Public Authorities Law, and to create a reasonable rate of return to the Development Authority in accordance with sound investment practices.
- c. Definitions
 - i. "Funds" means all monies and other financial resources available for investment by CFSWMA on its own behalf or on the behalf of any other entity or individual. Funds shall not include pension funds, which are separately administered pursuant to State and Federal law.
 - ii. "Board" means the Board of Directors of CFSWMA.
 - iii. "CFSWMA" means the County of Franklin Solid Waste Management Authority.
 - iv. "State" means the State of New York.
- d. Permitted Investments. The following is a list of the permitted investments that may be made by CFSWMA with the Funds, all of which investments must be made in a manner and upon such terms as are consistent with the appropriate provisions of law relating to CFSWMA, Board policy directives, and the limitations contained in contracts with bond or note holders:
 - i. Obligations of the United States of America or the State;
 - ii. Obligations, the principal and interest of which are guaranteed, or insured by the United States of America or the State;
 - iii. Obligations of local governments or school districts within the State of New York;
 - iv. Government Agency Bonds;
 - v. Bankers' acceptances of, or certificates of deposit or other interest bearing

- depository accounts issued by, or time deposits with, any bank or trust company or national banking association secured by obligations of the United States or the State, of a market value equal at all times to or greater than the amount of the investment;
- vi. Repurchase agreements with any bank or trust company, national banking association or government bond broker dealer reporting to, trading with, and recognized as a primary government securities dealer by the Federal Reserve Bank of New York (listed on the then-current "List of the Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve of Bank of New York"), which agreement is secured by obligations of the United States or the State of a market value equal at all times to the amount of the investment.
- e. Security of Investments The following procedures shall be followed in order to fully secure CFSWMA's financial interest in investment:
 - i. Investments shall be guaranteed or insured by the United States of America or the State, or be secured with the securities of the same.
 - ii. Investments may also be made with such security as may be permitted to be made by agencies and public benefit corporations of the State from time to time.
 - iii. An investment of Funds may be less than fully secured in the event that any one of the following occurs:
 - (1) in the opinion of the Board, the yield on the investment outweighs the risk of loss;
 - (2) it is not the customary business practice for the type of investment that the investment be fully secured;
 - (3) it involves an investment of less than \$25,000;
 - (4) it is an investment with a duration of less than one (1) week
 - f. Written Contracts and Procedures. The Authority shall enter into written contracts pursuant to which investments are made, except if the Executive Director shall determine that:
 - i. a written contract is not practical; or
 - ii. there is no regular business practice of executing written contracts with respect to a particular investment or transaction.
 - iii. In situations where there is no written contract for a particular investment, CFSWMA shall follow such procedures as are appropriate to protect its financial interest.
 - iv. Such written contracts or procedures shall include provisions so that
 - (1) CFSWMA's financial interest in an investment or transaction is secured in an appropriate manner;
 - (2) The use, type and amount of collateral or insurance is established;
 - (3) There is an established method for valuation of collateral and procedures for monitoring such valuation on a regular basis;
 - (4) There is an established mechanism for the monitoring, control,

deposit and retention of investments and collateral including, in the case of a repurchase agreement, that obligations purchased be physically delivered for retention to CFSWMA or its agent (which shall not be an agent of the party with whom CFSWMA enters the repurchase agreement), unless such obligations are issued in book-entry form, in which case CFSWMA shall take such other action as may be necessary to obtain title to, or a perfected security interest in, such obligations. "Open" or continuing agreements shall not be made.

- g. Collateral: Insurance and Valuation of Collateral
 - i. The use, type and amount of collateral or insurance for each investment shall equal or exceed the amount of such Investment, except upon resolution by the Board.
 - ii. Collateral held by CFSWMA or its agent shall be valued either at its current value on regularly traded money market or stock market exchange and shall be one year or less in maturity. The valuation of such collateral shall be monitored on a regular basis, as determined by the Executive Director or Finance Director of CFSWMA.
 - iii. All investments and collateral shall be controlled and managed by the Executive Director of CFSWMA and shall, if practicable, be deposited and secured in fire-proof or other safe locations.
 - iv. Except where such an arrangement is impractical or not done in the ordinary course of business for investment transactions of that kind, payment of Funds should only be made against the delivery of collateral or other acceptable form of security, the delivery of government obligations when such obligations are purchased outright, or the delivery of the underlying securities when a repurchase agreement is involved. Custodians should be required to report periodically as appropriate on transactions involving CFSWMA, and must have the written consent of CFSWMA to transfer collateral. Telephonic communications should be confirmed in writing within a commercially acceptable period of time.
 - v. On a monthly basis, staff designated by the Executive Director or Finance Director shall verify the status of investments (and collateral if necessary) to determine that the financial interests of CFSWMA are adequately protected.
 - vi. Where appropriate, specific guidelines regarding margin maintenance should be established, taking into consideration (1) the size and terms of the transaction, (2) the type of underlying security, (3) the maturity of the underlying collateral, (4) the capitalization, financial status and type of purchaser and/or seller and (5) the method by which additional margin will be maintained.
- h. Standards for Diversification of Investments
 - i. Investments of CFSWMA shall be reasonably diversified, as shall the

investment firms or banks with which CFSWMA transacts investment business. This Section shall not be construed so as to mandate absolute diversification in the event that the Board or Executive Director of CFSWMA considers, in a certain instance, that diversification is not in the best interests of CFSWMA.

- ii. In making permitted investments, selection of investment shall be competitively based. A complete and continuous record of all bids or quotes, both solicited and unsolicited, shall be maintained. Not less than three (3), if possible, investment options with similar risk and term should be considered, and the investment should be made in the one offering the highest yield.
 - iii. The process of initiating, reviewing and approving requests to buy and sell investments shall be documented by the Executive Director of CFSWMA. Telephonic communications must be confirmed in writing within a commercially acceptable period of time.
- i. Standards for the Qualification of Investment Bankers, Brokers, Agents, Dealers and Other Investment Advisors and Agents Transacting Business with CFSWMA; Conflicts of Interest.
- i. CFSWMA shall transact business only with qualified, certified or licensed investment bankers, brokers, agents, dealers and other investment advisors and agents. CFSWMA shall consider the quality, reliability, experience, capitalization, size and any other appropriate factors that, in the judgment of CFSWMA, make an individual or firm qualified to transact business with CFSWMA on investment matters.
 - ii. Specifically, but without limitation, the following shall be considered qualified:
 - (1) As investment bankers, brokers, agents and dealers: any bank or trust company organized under the laws of the State or the United States of America, or any government bond broker dealer reporting to, trading with, and recognized as a primary government securities dealer by the Federal Reserve Bank of New York (listed on the then current "List of the Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York".
 - (2) As investment advisors: any bank or trust company organized under the laws of the State or the United States of America, and any person, firm or corporation that is: (a) Registered with the Securities and Exchange Commission under the Investment Advisor Act of 1940, (b) Registered with the Secretary of State as an Investment Advisor, and (c) A member in good standing of the Investment Counsel Association of America.
 - (3) As Custodian: any bank or trust company organized under the laws of the State or the United States of America.

- iii. An approved list of dealers may be established by the Board.
 - iv. Investment business may not be transacted with any institution or dealers of which a Board member, a senior CFSWMA officer, or any other officer or employee of CFSWMA authorized to participate in the selection of such institutions or dealers is an officer, director, stockholders, member or partner, if such transaction would violate the prohibitions of Section 73 of the New York Public Officers Law or other applicable provisions of law or the provisions of the Authority's Ethics Policy.
- j. Operations and Management.
- i. Within the Authority, the Executive Director approves, in writing, all investment transactions. The Treasurer or Assistant Treasurer executes the approved transactions. The Assistant Treasurer, reconciles and records entries to the General Ledger on a monthly basis and reconciles the bank statements on a monthly basis. The Executive Assistant is reconciling the Checking Account as an additional control. The Treasurer or Assistant Treasurer or the Executive Director reviews in detail, the deposits and withdrawals of each of the reconciled bank statements and supporting documentation, on a monthly basis, and approves. Custodial functions shall be separately maintained. The Executive Director and the Assistant Treasurer are the management staff that has board authorization as bank signatories.
 - ii. All investment transactions, including (1) the disbursement of Funds for investment, (2) the delivery of securities, and (3) the corresponding receipt of securities or Funds, shall be approved in writing, by the Executive Director, and the actual, approved transfer, completed by the Treasurer or Assistant Treasurer.
 - iii. The Investment Policy hereby prohibits any and all Third Party transactions from any of the Authority investment accounts. Inter-company transfers and bond indenture requirements will be permitted.
 - iv. Testing of the investment practices and controls (including proper execution and completion of required documentation) shall be periodically done by the Executive Director, or designee and independent auditors.
 - v. Collateral should be verified at least annually by the Executive Director or Assistant Treasurer.
 - vi. The investment policy or policies of CFSWMA should be subject to continual review and revised as necessary to reflect changes in market conditions.
 - vii. Review of compliance with investment policy and related procedures should be part of the annual certification by independent auditors. This should include confirmation letters from each bank verifying the obligations securing CFSWMA deposits.
 - viii. The Investment Manager is required to provide the Finance & Budget Committee with the actual costs associated with managing the Authority

- accounts upon request and no more frequently than annually.
- ix. The Executive Director or Assistant Treasurer is required to disclose the turnover on the Authority accounts on an annual basis.
 - x. The Executive Director or the Assistant Treasurer shall provide the Finance & Budget Committee with Benchmarks and Index comparisons on at least an annual basis and on a quarterly basis if the Finance and Budget Committee so directs.
 - xi. The Management Staff is required to complete an annual comparison of costs.
 - xii. The Management Staff is required to review turnover to determine if there is excessive buying and selling which would increase costs.
 - xiii. An examination of the market is required every five years to determine if the costs associated with managing the Authority's accounts is in line.
- k. Annual Audit of Investments. CFSWMA shall annually engage a firm qualified to conduct an independent audit of all investments. The results of the audit shall be made available to the Board at the time that the annual review and approval of these Investment Guidelines is conducted. The Authority's financial statements should contain note disclosures on deposits with financial institutions and investments, as required by Government Accounting Standards Board Statement No. 3.
 - l. Semi Annual Reports. On a semi annual basis a formal presentation will be made to the Board by the Treasurer or Assistant Treasurer as to the current investment status.
 - m. Annual Investment Report.
 - i. CFSWMA shall prepare and approve an annual, investment report that shall include:
 - (1) These Investment Guidelines as then currently amended.
 - (2) A description of any amendments to these Investment Guidelines since the last annual investment report.
 - (3) An explanation of these Investment Guidelines as amended.
 - (4) The results of the annual independent audit.
 - (5) The investment income record of CFSWMA.
 - (6) The maximization/performance of investments
 - (7) The inventory of existing investments
 - (8) The selection of investment bankers, brokers, agents, dealers or auditors, if appropriate, since the last report.
 - (9) A list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor that or who rendered investment associated services to CFSWMA since the last annual investment report. The annual investment report may be a part of any other annual report that CFSWMA is required to make.
 - n. Submission of Annual Investment Report. The annual investment report described above shall be submitted to the Coordinator of Public Authority

Programs, Office of the State Comptroller, 110 State Street, Albany, NY 12236. A copy shall also be filed with the Chair of the Franklin County Legislature, the Franklin County Manager and the Franklin County Treasurer. Copies of each report shall be made available to the public upon reasonable request therefore.

- o. Third Party Rights; Validity of Contracts; etc
 - i. These Investment Guidelines are intended for the guidance of the Board, officers and employees of CFSWMA only, and nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of any requirement or provision hereof.
 - ii. Nothing contained in these Investment Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of these Guidelines.
 - iii. Where applicable federal, state or local laws or regulations contain requirements that are in conflict with, or that impose greater obligations upon CFSWMA than these Investment Guidelines, then such laws or regulations shall take precedence over those contained herein.
- p. Annual Review. These Investment Guidelines shall be reviewed and approved on an annual basis by the Board.

12. **AMENDMENTS**

- a. **AMENDMENTS TO BY-LAWS.** The by-laws of the Authority may be amended only with the approval of at least a majority of all of the members of the Authority at a regular or a special meeting, but no such amendment shall be adopted unless at least seven days written notice thereof has been previously given to all members of the Authority.
- b. **FILING OF AMENDMENTS.** In compliance with Public Authorities Law section 2051-e, these By-Laws and any amendments thereto shall be filed in the office of the Authority and also in the office of the Clerk of the Franklin County Legislature.