



## **HERKIMER LOCAL DEVELOPMENT CORPORATION**

### **FINANCE COMMITTEE CHARTER**

This Finance Committee Charter was adopted by the Board of Directors (the “Board”) of the Herkimer Local Development Corporation (“Corporation”), a not-for-profit local development corporation duly organized and existing pursuant to Section 1411 of the Not For Profit Corporation Law of the State of New York (the “Act”), on this 27<sup>th</sup> day of February, 2024.

#### **Purpose**

Pursuant to Article II, Section 13 of the Corporation’s bylaws, the purpose of the finance committee of the Corporation (the “Finance Committee”) shall be to oversee the financial affairs of the Corporation, to review proposals for the issuance of debt and review and make recommendations to the Board about the financial affairs and policies of the Corporation.

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

It shall be the responsibility of the Finance Committee to:

- Review proposals for the issuance of debt by the Corporation and to make recommendations concerning those proposals to the Board.
- Make recommendations to the Board concerning the level of debt and nature of debt issued by the Corporation.
- Review and file the annual budget of the Corporation.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Corporation, and to oversee the work performed by these individuals and firms on behalf of the Corporation.
- Meet with and request information from Corporation staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the Finance Committee.
- Retain, at the Corporation’s expense, such outside counsel, experts and other advisors as the Finance Committee may deem appropriate.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Corporation.

- Annually review the Corporation’s financing guidelines and make recommendations to the Board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a pledge of revenues, financial covenants or debt service reserves.
- Report annually to the Corporation’s Board how it has discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the Board approval for proposed changes.

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

The Finance Committee shall consist of at least **three (3)** independent members of the Board, who shall constitute a majority on the Finance Committee. If the Board has less than three independent members, non-independent members may be appointed to the Finance Committee provided that the independent members constitute a majority of the Finance Committee. The Corporation’s Board will appoint the Finance Committee members and the Finance Committee chairman.

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

Ideally, all members of the Finance Committee shall possess or obtain a basic understanding of governmental financial reporting and financing.

### **Meetings**

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

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

Meeting agendas will be prepared for every meeting and provided to the Finance Committee members along with briefing materials five (5) calendar days before the scheduled Finance Committee meeting. The Finance 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 and filed in the records of the Corporation, and posted to the Corporation’s website.

A report of each Finance Committee meeting shall be prepared and presented to the Board at its next scheduled meeting following the meeting of the Finance Committee.

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

**Review of the Corporation's Annual Budget.** The Finance Committee shall:

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

**Oversight of Corporation Investments.** The Finance Committee shall:

- Annually review the Corporation's investment policy and evaluate allocation of assets.
- Review and recommend to the board approval of the Corporation's annual investment report.
- Annually review the Corporation's audit of investments as provided by independent auditors.
- Recommend to the Board the selection of investment advisors.

**Review of Financial and Procurement Thresholds.** The Finance Committee shall:

- Review and make recommendations to the Board regarding any proposed procurements submitted to the committee by the Corporation's procurement/contracting officer.
- Review and recommend changes to the thresholds for procuring goods and services in the Corporation's procurement policy.
- Review and recommend changes to the Corporation's fee schedules, if any. Review the scope and terms of the Corporation's insurance policies and liability coverage on an annual basis.