

**AMSTERDAM URBAN RENEWAL AGENCY**

**PUBLIC AUTHORITIES COMPLIANCE MANUAL**

**Updated: March 23, 2010**

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# **Section 1: General Information**

**Board of Directors:**

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Bob Fetterly, Chariman  
4 Valley View Drive  
Amsterdam, New York 12010

Mr. Michael Dayan  
27 Stewart Street  
Amsterdam, NY 12010

Mr. Anthony Pollotta  
17 Stella Lane  
Amsterdam, New York 12010

Mr. Arthur Cotugno  
54 Wilkes Avenue  
Amsterdam, NY 12010

Mayor Ann Thane  
19 Stewart Street  
Amsterdam, NY 12010

Mr. Michael LaCappola  
326 Locust Avenue  
Amsterdam, New York 12010

Robert Martin  
104 Henrietta Boulevard  
Amsterdam, NY 12010

Ms. Crystal Ricciutti  
23 Catherine Street  
Amsterdam, NY 12010

**Contracting Officer:**

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The Urban Renewal Agency Contracting Officer is:  
Nicholas Zabawsky  
263 Guy Park Avenue  
Amsterdam, NY 12010

**Listing of All Staff:**

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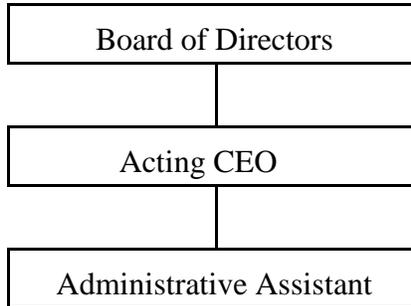
Acting CEO:  
Nicholas Zabawsky

Acting CFO:  
Heather Reynicke

Administrative Assistant:  
Anne DeGroff

**Organization Chart:**

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**Governance Committee:**

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The Governance Committee shall be the entire Board of Directors of the Urban Renewal Agency.

**Audit Committee:**

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The Audit Committee shall be the entire Board of Directors of the Urban Renewal Agency.

## **Agency Bylaws:**

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### **BY LAWS OF THE AMSTERDAM URBAN RENEWAL AGENCY**

#### Article I - the Agency

Section 1. Name of Agency. The Agency shall be known as the Amsterdam Urban Renewal Agency, as established by a special act of the Legislature of the State of New York, known as Chapter 66 of the Laws of 1965, passed on April 2<sup>nd</sup>, 1965, effective April 13<sup>th</sup>, 1965. The Agency thereupon filed a Certificate of Establishment and other required documents with the State of the State of New York and the Commissioner of Housing and Community Renewal in accordance with Article 15 A of the General Municipal Law of the State of New York.

Section 2. Office of Agency. The office of the Agency shall be located at the City Hall, City of Amsterdam, New York, or at such other location within the City of Amsterdam as designated by the Agency.

#### Article II- Personnel

Section 1. Officers. The officers of the Agency shall be a Chairman, a Vice Chairman, A Secretary, an Assistant Secretary, a Treasurer, and an Assistant Treasurer, all of who'll, whom the exception of the Chairman, shall be elected at the annual meeting or until their successors have been elected and qualified so long as they remain members of the Agency, except that the Executive Director, if any, may be appointed Secretary or Assistant Secretary by vote of the Agency.

Section 2. Chairman. The Chairman shall preside at all meetings of the Agency. He shall sign all contracts, deeds and other instruments made by the Agency, and he shall do such other acts as may be required by law. He may approve on his own authority any expenditure not exceeding \$25.00. At each meeting he may submit such recommendations and information as are proper concerning the business, affairs, and policies of the Agency.

Section 3. Vice Chairman. The Vice Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman.

Section 4. Secretary. The Secretary shall keep the records of the Agency including the minutes of all meetings, public hearings and proceedings, in a journal of such meetings, hearings and

proceedings, which journal shall include the names of those members of the Agency present and shall record the vote of each member where a vote is taken. The Secretary shall have the power and authority to certify the records, minutes, proceedings and hearings of the Agency and such other powers and duties as may be delegated to him by the Agency from time to time.

Section 5. Assistant Secretary. The Assistant Secretary shall have the same and equal powers and duties as provided for the Secretary in Section 4 and shall have the power and authority to certify the records, minutes, proceedings and hearings of the Agency, and such other powers and duties as may be delegated to him by the Agency from time to time.

Section 6. Treasurer. The Treasurer shall have the care and custody and be responsible for all the funds of the Agency, and shall deposit all such funds in the name of the Agency in such bank or banks as the Agency may designate. He shall keep at the office of the Agency correct books of account as the Agency may require. He shall do and perform all duties pertaining to the office of Treasurer. He shall render a statement of the condition of the finances of the Agency at each regular meeting of the Agency and a full financial report at the annual meeting of the Agency.

Section 7. Assistant Treasurer. The Assistant Treasurer shall have the same and equal powers and duties as provided for the Treasurer in Section 6, and such other powers and duties as may be delegated to him by the Agency from time to time.

Section 8. Vacancies. Should any office other than the Chairman become vacant, the Agency shall elect a successor from its membership at a regular or special meeting, and such election shall be for the unexpired term of said office so long as a member of the Agency is available for such office.

Section 9. Executive Director. The Executive Director shall be appointed by a vote of the Agency, and shall not be a member of the Agency. He shall have general supervision over the administration and management of the business and affairs of the Agency, subject to the direction of the Agency. He shall receive such compensation, as the Agency shall determine.

Section 10. Additional Personnel. The Agency shall engage, appoint or retain such additional clerical or professional personnel, as it deems necessary for the proper conduct of its business, subject to the laws of the State of New York and ordinances of the City of Amsterdam.

### Article III - Meetings

Section 1. Annual Meeting. The annual meeting of the Agency shall be held on the 2nd Tuesday in January at 7:30 p.m. of said day, at the office of the Agency, unless that date shall be a legal holiday

in which event the annual meeting shall be held on the next succeeding secular day.

Section 2. Regular Meetings. Regular meetings shall be held at the office of the Agency at 7:30 p.m. on the 2<sup>nd</sup> Tuesday of each month, unless that date shall be a legal holiday, in which event the meeting shall be held on the next succeeding secular day.

Section 3. Special Meetings. The Chairman of the Agency may, when he deems it expedient, shall, upon written request of two members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Agency, or may be mailed to the business or the home address of each member of the Agency at least two days prior to the date of such meeting; but at any meeting at which all members of the Agency shall be present, or for which all Agency member not present have waived notice in writing, the giving of notice as above required may be dispensed with.

Section 4. Members' Action Without Meeting. Any action which may be taken at a meeting of the Agency may be taken without a meeting if consent in writing, setting forth the action so taken or to be taken, is signed by all the members of the Agency and filed with the Secretary of the Agency as part of the effect as a unanimous vote of the members of the Agency.

Section 5. Conduct of Meetings. Three members of the Agency shall constitute a quorum for the purpose of conducting business of the Agency or for any other purpose, provided that a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is present and voting, action shall be taken by the Agency only upon a vote of three members of the Agency to take such action.

Section 6. Order of Business. At the regular meeting of the Agency the following shall be the order of business.

- Roll call
  
- Reading and approval of minutes of previous regular and intervening special meetings.
  
- Treasurer's report
  
- Bills and Communications
  
- Report of Executive Director

- Reports of Committees

- Unfinished business

- New business, which shall include at each annual meeting a review of Agency By- Laws and the election of officers

- Adjournment

All resolutions shall be reduced to writing prior to a vote thereon. Such writing may be done at the same meeting where in the resolution is voted upon. A reading of the resolution by the secretary prior to a vote is required.

Section 7. Manner of Voting. The voting on all questions coming before the Agency shall be by roll call of the members, and the yeas and nays or abstains of each member on each question shall be entered upon the minutes of each meeting.

Section 8. Except as otherwise provided by these By-Laws, Roberts Rules of Order shall govern the conduct of all meetings of the Agency.

#### Article IV - Amendments

Amendments to By-Laws. These By-laws may be altered, amended, repealed or added to by an affirmative vote of at least three of the members of the Agency, at an annual or regular meeting or at a special meeting called for that purpose, held after due written notice, setting forth the proposed action and the purpose of the meeting. Only such changes as have been specified in the notice, required to regularly convene the meeting in accordance with these By-laws, shall be made. If, however, all the members of the Agency shall be present at any regular meeting or special meeting, these By-laws may be amended by a unanimous vote, without any previous notice.

#### Article V - Relation to Ordinances

The provision of these By-laws shall be subject to Federal and State laws and regulation and ordinances of the City of Amsterdam may be applicable now or in the future.

# **Section 2: Policies and Guidelines**

## **Procurement Policy:**

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All procurement shall be undertaken in accordance with regulations and procedures prescribed by General Municipal Law, and applicable regulations of State and Federal funding sources.

### **Procurement of Consultants**

Consultants shall be selected by the competitive proposal method. This shall include professional services, lead inspection services, community development consultants, architects, engineers, and accountants.

### **Request for Proposals**

A written Request for Proposals (RFP) shall be prepared and the beginning of the process. The RFP shall contain the following information:

- a. Identifying information that the Amsterdam Urban Renewal Agency is seeking proposals.
- b. A description of the services requested, and the associated project. This will include nature and scope of the project and the services requested, and a time frame for the services.
- c. A description of the qualifications sought in a consultant, in terms of experience, specific skills, education, and particular areas of expertise.
- d. A description of the materials that the consultant is to submit in response to the RFP. This will include resumes, a track record, references, and other relevant information.
- e. A time frame for project completion, along with major milestones.
- f. Method of compensation of the consultant, or options in terms of consultant compensation.
- g. Contact information, name of person coordination RFP process, and address and phone number of person who can answer questions regarding the RFP.
- h. A deadline for response submittal by the consultant.
- i. Method employed for selection of the consultant, and selection criteria.

## **Solicitation of Proposals**

Solicitation of proposals shall be as follows:

- a. Proposals shall be solicited by means of an advertizement in the Amsterdam Recorder, or other newspaper designated as the official paper of the City of Amsterdam.
- b. Any parties responding to the advertizement shall be provided with a copy of the full Request for Proposals.
- c. Consultants shall be permitted at least 2 weeks to respond to Requests for Proposals.

## **Consultant Selection**

Consultants will be reviewed and selected according to the competitive proposal process as outlined in part 24 of the Federal Code of Federal Regulations. The consultant will be selected based upon the technical skills and relevant experience of the individual project staff as follows:

- a. Technical Capability - The relevant education in a closely related field to that proposed in the RFP. Working knowledge of State and Federal funding programs and community development projects.
- b. Experience/Track Record - The number of years and type of experience in working on relevant projects prior employment history, and record of successfully addressing needs of clients.
- c. Administrative Ability - Record of setting up and successfully completing similar projects. Evidence of ability to work with State and Federal programs that were completed in a timely manner, without undue problems or administrative obstacles.
- d. Cost - The total cost of providing consulting services in relation to other factors. Consultant's ability and willingness to comply with procurement and cost documentation requirements as established with State and Federal funding sources.
- e. References - References from previous clients that indicates adequacy of consultants services, including timeliness of work, knowledge of project in question, willingness to work with local staff, and fees in line with original proposals.

## **Consultants Already Under Contract**

Consultants already under multi-year contracts can be utilized, as long as the original procedures were in compliance with the standards as spelled out above.

## **Procurement of Building Contractors**

### **Selection of Contractors - Private Property Owners**

The selection of contractors to perform construction work on privately owned properties shall be done in the following manner:

- a. The Agency will provide copies of work write-ups and specifications to the property owner;
- b. The Agency will, on behalf of the property owner, will secure at least two proposals from contractors who have been approved by the Agency.
- c. All proposals will be received by the Agency and opened at a predetermined time and place; at least one witness shall be present at the bid opening, and a tabulation of bids shall be prepared.
- d. The Contracting Officer will determine which bid is the lowest qualified and will recommend that the homeowner accept the lowest qualified bid. The property owner can choose to accept a bid that is not the lowest qualified, but the owner will be required to pay the difference in cost. In no case will the homeowner be allowed to accept a bid that the Agency deems unqualified.

### **Contractor Qualifications**

A selected contractor shall be of good reputation, financially sound, have adequate financial resources to carry out his bid and proposal and be qualified to do the required work. The contractor shall be required to carry sufficient comprehensive public liability, bodily injury, and workman's compensation insurance for all employees as required by N.Y.S. Law and the City.

A contractor may be denied participation in the program, or be removed from the list of participating contractors in the program for any of the following reasons:

- a. Failure to complete a contract within the deadline specified in the contract.
- b. Repeated complaints from homeowners or the rehabilitation specialist about work quality,

scheduling of work, or oversight of subcontractors.

c. Failure to follow specifications or program procedures in completing work, including but not limited to change order procedures, bidding procedures, or billing procedures.

d. Repeated disputes with Agency staff regarding specifications or completeness of the work.

e. Failure to pay subcontractors or building materials suppliers in a timely manner.

f. Being placed on the Federal List of Debarred Contractors.

g. Violation of any rules or regulations of HUD, including Fair Housing and Equal Employment Opportunity, any acts of discrimination, failure to pay prevailing wage scale on projects involving Davis Bacon requirements, or any other State or Federal regulation.

h. Allowing required insurance coverage to lapse during the performance of a contract.

i. Threatening, abusive, or harassing behavior toward Agency staff, homeowners, or inspectors.

j. Any acts of collusion with any other bidder, or refusal to sign a certification of non-collusion.

k. Any conduct that undermines the efficient operation, effectiveness, or integrity of the program.

l. Charging an owner for work that is already included in the contract specifications.

m. Not following codes, laws, or regulations regarding the use of licensed contractors or subcontractors where such licenses are required.

### **Acceptance of Proposals**

The Contracting Officer will review all proposals to insure that they cover the work specified in the work write-up, the materials and method of work is acceptable, and the price is reasonable for that type of work in the locality. A bid tabulation form will be prepared. After bid opening, contractors are not to contact owners to discuss bids or to coerce homeowners to accept any particular bid over another.

## **Contracts**

A contract will not be awarded until all required submissions are in place and all requirements for insurance, permits, and bonding (if applicable) are in place.

### **Selection of Contractors - Public Projects**

For public owner projects, all of the above provisions will apply, with the following additional requirements.

- a. All public contract work will be awarded by a formal competitive bid, publicly advertized, with a public bid opening at a pre-announced time and place.
- b. All public work shall be bid according to the regulations for public work as established by General Municipal Law, and laws ordinances of the City of Amsterdam.

## **Code of Ethics:**

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This Code of Ethics shall apply to all officers and employees of the Amsterdam Urban Renewal Agency. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Agency's directors and employees and to preserve public confidence in the Agency's mission.

### Responsibility of Directors and Employees

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

responsibility to the Agency without bias and shall support the Agency's mission to the fullest.

8. Directors and employees shall not use Agency property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the Agency's mission and goals.

#### Implementation of Code of Ethics

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

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

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

#### Penalties

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

#### Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Agency to the Chairman, who shall serve as the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by policies adopted by the Agency.

### **Salary & Compensation Policy:**

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The provisions of the Agency Salary and Compensation Policy are as follows:

- a. All salary and compensation matters shall be decided by the Board of Directors of the Urban Renewal Agency.
  
- b. Board members and officers of the Agency shall serve without compensation. Such persons, however, may be compensated for out of pocket costs for expenses incurred in carrying out their duties. Such reimbursement shall be reviewed and approved by the Board of Directors.
  
- c. All salaries shall be commensurate with the duties and responsibilities of the position held. In rendering all compensation decisions, the Board of Directors shall consider comparable salaries in other departments within the City of Amsterdam, as well as similar positions in the private sector.

### **Time and Attendance Policy:**

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All employees will be required to fill out time sheets which document the time worked for the Agency. All such time sheets shall be reviewed and signed off by a person in a supervisory capacity. Employees will be credited only for hours actually worked, consistent with the Personnel Policy. Under no circumstances will employees be credited for time not actually worked, and documented on time sheets.

### **Defense and Indemnification Policy for Board Members:**

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Board Members shall be indemnified for all acts undertaken in good faith on behalf of the Agency. The Amsterdam Urban Renewal Agency indemnifies and holds harmless the members of the Board of Directors of the Urban Renewal Agency, and will defend all members against actions brought against them for any acts undertaken as Board members of the Agency. In addition, the Board members shall be covered by the City of Amsterdam's liability insurance coverage, including Officers and Directors Liability Coverage.

## **Personnel Policy (Including Whistleblower Protection):**

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### **Introduction**

The Amsterdam Urban Renewal Agency is dedicated to fair and consistent treatment of all of its employees. This policy is intended to provide standard procedures for all of the employees. This is not a contract of employment. The Amsterdam Urban Renewal Agency reserves the right to change, interpret, withdraw or add to any of the policies, benefits, or terms and conditions of employment without prior notice to an employee. This policy supercedes all prior personnel policies of the Urban Renewal Agency.

### **Work Hours**

The office of the Amsterdam Urban Renewal Agency will conform to the regular office hours of City Hall as closely as possible. The hours for full time staff will be from 8:00 a.m. to 4:00 p.m., with one hour off for lunch (or any such schedule as deemed by the Board). Part time staff will work a schedule that is established when the employee is hired.

### **Full-time Employees**

An employee who occupies a full-time line item and regularly works 1,560 scheduled hours or more annually (average 30 hours per week) or the hours specified in the job description.

### **Part-time Employees**

An employee who works less than 1,560 hours annually (average 30 hours per week) or the hours specified in the job description.

Since the Urban Renewal Agency serves the public, staff must assume the responsibility for covering the office and telephones during office hours. Accordingly, staff should make arrangements to stagger lunch hours, if necessary, to keep the office open to the public as much as possible.

On occasion, employees may be asked to work extra hours, particularly in the event of a project deadline or an evening meeting. Employees are expected to cooperate with these requests, and will take compensatory time off for the extra hour worked.

## **Overtime & Compensatory Time**

As discussed above, there are times when employees may have to work overtime due to project deadlines, Board meetings, or other reasons. No employee is to incur overtime without prior knowledge and approval of the Executive Director of the Urban Renewal Agency. Compensatory time is to be taken in the same week that it is incurred, if possible.

Any overtime incurred by employees (in excess of 40 hours in one week) is to be compensated by the employee taking time off equal to 1 times the overtime hours worked. This compensatory time is to be taken in the week following the week that the overtime was incurred. Employees are not to work overtime with the expectation of being paid overtime, unless such overtime pay is authorized in writing by the Executive Director of the Agency prior to incurring the overtime.

## **Jury Duty Leave**

Jury duty leave is granted with pay. The pay shall be the difference between the employee's average weekly salary over the past three (3) months and the payment for jury duty. An employee who is excused from jury duty or relieved for the day is required to return to work. To be eligible for payment, an employee must produce evidence of appearance for jury duty and verification of the jury duty payment from the court.

## **Time Sheets**

Due to the fact that the Agency works entirely with public funds, and must be accountable to the public and to the various Agency funding sources, employees must fill out time sheets. These sheets must accurately reflect the hours worked by each employee and the specific projects worked on. Each day, every employee is expected to fill out the appropriate section of a weekly time sheet as designated by the Agency. Review of the time sheets will be undertaken by the Executive Director of the Agency, who will sign the time sheets upon such review.

## **Petty Cash Policy**

The petty cash fund shall not exceed \$100. Petty cash is available to cover small, unexpected, and necessary expenses incurred by an employee or Board member for Agency purposes. Funds may be requested from the secretary, who records all withdrawals from the petty cash fund. The person who withdraws funds will be expected to promptly return cash and receipts totaling the amount of funds withdrawn, and is responsible and liable for the amount of funds withdrawn, until the cash and/or receipts are returned. Petty cash is to be managed on the imprest system, whereby the total amount of cash and receipts combined is always at a constant level.

## **Compensation Policy**

Salaries for all employees is established on a case-by-case basis. Full-time employees will be compensated on an annual salary basis. Part-time employees will be compensated on an hourly basis. Raises will be considered on an annual basis at the time of a performance evaluation.

## **Sexual Harassment Policy**

The Agency does not and will not condone sexual harassment, on any level. Sexual harassment affects both men and women, and may be in a variety of forms. Pursuant to guidelines issued by the Federal Equal Employment Opportunity Commission, the Agency is required to maintain a working environment for its employees that is free from sexual harassment.

Sexual harassment is defined as follows:

Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;

1. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions;
2. Such conduct has the effect of unreasonably interfering with an individual's work performance or creating an intimidating or offensive working environment for other employees.

It is the responsibility of every member of management to insure that this policy is enforced strictly. This responsibility includes insuring that each employee is aware of the Agency's policy and that this facility is free from sexual conduct that causes, or reasonably could be considered to cause, an intimidating or offensive working environment. All employees are responsible to conduct themselves in ways that insure others are enabled to work in an atmosphere free from sexual harassment. An employee has the right and may feel it appropriate to inform the individual directly that they find their conduct personally offensive. Any incident of sexual harassment should be immediately reported to the Executive Director, who will immediately investigate the complaint. If substantiated, appropriate disciplinary action up to and including dismissal will be taken.

## **Performance Evaluation**

A performance evaluation will be conducted on an annual basis to determine if any adjustments should be made regarding the position, job title, responsibilities, or salary of an employee. The performance evaluation will be made by the Executive Director of the Agency. In carrying out this review many factors in the employee's performance will be considered including overall

performance, development of job skills, contribution to completion of goals of the Agency, cooperation with other staff or Board members, effective use of time, problem solving abilities, and work habits.

As part of the performance evaluation, an evaluation session will be held between the Executive Director and the employee, and a written job performance evaluation will be provided to the employee. This evaluation will be maintained as part of the employee's personnel file.

### **Vacation Policy**

Vacation time is earned by each full time employee based on the period of employment with the Agency.

#### **Vacation Schedule**

There is some carry over of vacation time, but it is limited. An employee can carry over up to five days of vacation from a prior year. However, any time in excess of five days of carry over vacation time must be used by the employee. There will be no compensation for vacation time not used by the employee, except by express written approval of the Executive Director and Board of Directors. There will be no reimbursement for unused vacation time in the event of termination of employment. All vacation must be taken in no less than 2 day blocks.

Vacation requests must be:

1. In writing and are subject to approval by the Chairman,
2. Submitted at least two weeks before the start of the requested vacation period, and
3. For no more than the vacation credit at the time the vacation period begins.

Holidays falling within a vacation period are counted as holidays. Any vacation time granted for that day is credited to the employee, and is to be taken at another time.

### **Sick Leave**

Full-time employees are entitled to take time off with pay in the event of personal illness or illness of a member of their household which requires time away from work, subject to the conditions below. Part-time employees are not entitled to paid sick leave.

A new employee is entitled to sick leave after six months of full-time employment. After the first six months, five days of sick time are earned. Thereafter, the employee earns one day of sick time

for each month worked. Up to 30 days of sick leave can be carried over from one year to the next. Any time in excess of thirty days of sick leave cannot be carried over from one year to the next, and is lost. (Days are calculated based on a 30 or 40 hour work week.) There will be no reimbursement for unused sick leave either at the end of a year or in the event of termination of employment. Sick leave must be used in increments of at least 1/2 day.

### **Personal Leave**

Full time employees are entitled to time off for personal leave. Part time employees are not entitled to paid personal leave. A new employee is entitled to personal leave after six months of full time employment. After the first six months, two days of personal time is earned. Thereafter, the employee earns 1/6 day of personal time for each month worked. At the start of each subsequent year of employment, the employee is entitled to three personal days.

Up to two days of personal leave can be carried over from one year to the next. Any time in excess of two days of personal leave cannot be carried over from one year to the next, and it is lost. There will be no reimbursement for unused personal leave either at the end of a year or in the event of termination of employment. Personal leave must be used in increments of at least 1 day.

### **Bereavement Leave**

All full-time and part-time employees of the Agency are eligible for bereavement leave. Bereavement leave is granted for a period of three (3) days with pay following the death in the employee's immediate family. Immediate family is defined as: parents, brother, sister, children, husband, wife, mother or father-in-law, brother or sister-in-law, grandparents, step parents, step brother or sister, and foster parents.

### **Holidays**

Full-time employees are entitled to paid holidays. The holiday schedule will conform to the schedule set up through the City of Amsterdam Holiday Policy. As stated in the Policy, in the event that one of the designated holidays falls on a weekend, the employee shall be entitled to the previous Friday of the following Monday as a paid day off.

### **Health Insurance**

Health insurance is available to all full-time employees. In some instances, employees may opt to be covered under a spouse's plan through another employer. The cost of health insurance coverage

is not automatically paid by the Agency. Health insurance arrangements are to be made on a case by case basis at the time a person is hired, and will be negotiated as part of the employee's compensation package at the time of hiring. In the event of termination of employment, the Agency will continue to provide health insurance coverage for thirty days after termination, at the employee's expense.

### **Other Benefits**

The Agency will also provide other benefits as mandated by State and Federal Law including Federal Unemployment Insurance, State Unemployment Insurance, worker's compensation, and disability insurance. The costs of these benefits is paid by the Agency.

### **Retirement Plan**

Full-time employees will be enrolled in the New York State Retirement system for public employees. The details of this plan are available to employees upon request.

### **Business Gifts**

Gifts from vendors are discouraged. A token gift can be accepted provided it is a non-cash item worth less than \$25. Cash or any item valued at more than \$25 must be refused.

### **Termination Policy**

Termination by employee:

It is expected that an employee who leaves the Agency will give at least 2 weeks advance notice prior to leaving the Agency. It is preferred that 30 days notice be given, so that a replacement can be sought to fill the position and ensure a smooth transition without disruption of service to the public. At the time of resignation, arrangements must be made with the Executive Director of the Agency regarding accumulated vacation time and other employee benefits such as health insurance coverage. It is understood that the manner in which an employee handles the termination will be reflected in any recommendation that the Agency gives to a future prospective employer.

Termination by the Agency:

All hiring decisions and staffing will be made in the best interests of the Agency considering its financial condition, workload, and availability of grant funds to support staff. All employees acknowledged that they are employed at the will of the Agency and may be terminated for poor work

habits, violation of personnel policies, failure to complete assigned tasks, conduct detrimental to the interests of the Agency, due to the lack of sufficient funds to continue the employee's salary, or for any other valid reason.

### **Equal Employment Opportunity**

The Amsterdam Urban Renewal Agency is an equal opportunity employer. There will be no discrimination against any employee or prospective employee on the basis of race, color, religion, sex, disability, or national origin. The Agency will take affirmative action to ensure that goal. Such action shall cover employment, upgrading, demotion or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeships. The Agency will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

The Agency will, in all solicitation or advertisements for employees, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, or disability.

### **Section 3 Requirements**

The work to be performed by the Agency under programs providing direct federal financial assistance is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 lu. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of a project area and contracts for work in connection with a project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the areas of a project.

The Agency will comply with the provision of Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, and all applicable rules and orders of the Department issued thereunder.

### **Conflict of Interest**

The Agency and its employees will avoid conflicts of interest in carrying out activities of the Agency. No employee of the Agency shall have any private interest, direct or indirect, in any Agency contract or in its proceeds.

## **Whistle Blower Protection**

Whistleblowers are employees who report fraud, abuse, or any improper activities on the part of the Urban Renewal Agency, its staff, its Board members or other parties with which the Agency transacts business to others, including Board Members, elected officials, or other 3<sup>rd</sup> parties, such as law enforcement or State or Federal officials. Employees shall be protected from any retaliation of any kind whatsoever for any such whistle blowing activities. Employees are encouraged to report any improper activities to the Board of Directors of the Urban Renewal Agency, if an effort to bring such activities to the attention of the Board.

The protections extended under this provision of the Personnel Policy do not cover any acts by an employee to create, report, or disseminate false or misleading information.

## **Summary**

Realizing that every conceivable situation cannot be covered entirely, we have attempted to cover those areas most important to you as an employee.

It may be necessary to make further revisions in our policies and we reserve this right. Any conflicts arising from differences between present and past policies will be settled on an individual basis. If you have any questions or problems in this regard, please refer the matter to the Executive Director of the Agency. It should be noted by employees that this manual is not a binding work contract.

### **Policy Prohibiting Extension of Credit to Board and Staff Members:**

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The Amsterdam Urban Renewal Agency will not provide any advances, loans, or extend credit of any kind to Board Members or employees of the Amsterdam Urban Renewal Agency.

This prohibition against the extension of credit will include any elected officials of the City of Amsterdam, or City of Amsterdam personnel in supervisory or policy making positions, including all City department heads.

All such prohibitions above shall include not only the affected person, but any member of that person's immediate family, or any person having business ties to said affected person.

### **Investment Guidelines:**

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Investments of the Urban Renewal Agency shall be as follows:

All funds shall be placed only in FDIC insured institutions. The Agency will not invest its funds in any type of investment other than checking accounts, savings accounts, and certificates of deposits with FDIC insured institutions. For any deposit with any one financial institution that exceeds the FDIC insurance limit, such institution will be required to collateralize the deposit. Acceptable collateral will be limited to eligible securities as defined by General Municipal Law Section 10 (3), eligible surety bonds, or an eligible letter of credit as defined under Section 10 (1) of General Municipal Law.

### **Travel Policy**

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Employees and Board members shall be entitled for reimbursement for travel costs associated with their duties. Reimbursement for mileage shall be at the rate established by the IRS each year. Travel by common carrier shall be reimbursed at actual cost, and shall be approved by the Agency prior to incurring such costs. All travel costs shall be documented by logs or copies of actual bills for travel costs incurred.

All travel costs shall be necessary, and the most economical means of travel and accommodations shall be utilized. First class travel accommodations shall not be eligible for reimbursement. Any hotel or meal costs shall be approved only on a case-by-case basis by the Agency Board of Directors.

## **Policy Regarding Real Property Transactions:**

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The following shall govern all real estate transactions of the Urban Renewal Agency:

### **Acquisition of Real Estate:**

1. The Agency shall acquire real estate only when such acquisition is necessary to achieve the public benefit purposes of the Agency. All such purchases shall be approved by the Board of Directors, stating the reason for such acquisition.

2. Prior to making any real estate acquisition, efforts will be made to ensure that the property being acquired does not present environmental liability issues. A transaction screening questionnaire (TSQ) will be performed for all realty acquisitions, and if there are indications of environmental issues, a Phase I environmental review will be completed prior to entering into a transaction.

2. All real estate acquired shall be purchased for a fair market price or a better price negotiated between the Agency and the seller. Under no circumstances will the Agency pay more than the appraised fair market value for any real estate acquisition. Such appraisal shall be undertaken by a qualified independent appraiser.

3. All such real estate purchases shall be publicly announced at an Agency Board of Directors meeting, and shall be posted on the State Comptroller's web site, pursuant to State Law, and shall be included in annual reporting by the Agency.

### **Disposition of Real Estate:**

1. Definitions.

"Contracting officer" shall mean the officer or employee of the (hereinafter, the "Agency") who shall be appointed by resolution to be responsible for the disposition of property.

"Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the New York State Public Authorities Law.

"Property" shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and

real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

## 2. Duties.

The Agency shall:

(i) maintain adequate inventory controls and accountability systems for all property owned by the Agency and under its control;

(ii) periodically inventory such property to determine which property shall be disposed of;

(iii) produce a written report of such property in accordance with subsection B herewith; and

(iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 2 below.

(v) publish, not less frequently than annually, a report listing all real property owned in fee by the Agency. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Agency and the name of the purchaser for all such property sold by the Agency during such period; and

(vi) shall deliver copies of such report to the Comptroller of the State of New York.

## 3. Transfer or Disposition of Property.

(i) The Agency shall have the right to dispose of its property for any valid corporate purpose.

(ii) Unless otherwise permitted, the Agency shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Agency and/or contracting officer deems proper. The Agency 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. Provided, however, except in compliance with all applicable law, no disposition of real property, any interest in real property, or any other 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.

(iii) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Agency shall be made after publicly advertising for bids except as provided below.

(iv) Whenever public advertising for bids is required under subsection 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 proposed for disposition; all bids shall be publicly disclosed at the time and place stated in the advertisement; and 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 Agency, price and other factors considered; provided, that all bids may be rejected at the Agency's discretion.

(vi) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to the above provisions, if :

- the personal property involved is of a nature and quantity which, if disposed of under the above provisions, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation; or

- the fair market value of the property does not exceed fifteen thousand dollars (\$15,000.00); or

- bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition; or

- the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or

- the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the

Agency, the state or a political subdivision (to include but not limited to, 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, or where the authority's enabling legislation permits or other economic development initiatives, the purpose and the terms of such disposal are documented in writing and approved by resolution of the board of the Agency; or such action is otherwise authorized by law.

(vii) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

- any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000.00);
  
- any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000.00), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) through (5) of this subparagraph;
  
- any real property disposed of by lease for a term of five (5) years or less, if the estimated fair annual rent is in excess of one hundred thousand dollars(\$100,000.00) for any of such years.
  
- any real property disposed of by lease for a term of more than five (5) years, if the total estimated rent over the term of the lease is in excess of one hundred thousand dollars (\$100,000.00); or
  
- 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.

## **Audit Committee Charter:**

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### Purpose

The purpose of the audit committee shall be to:

1. Assure that the Agency's board fulfills its responsibilities for the Agency's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and
2. Provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors.

### Powers of the Audit Committee

It shall be the responsibility of the audit committee to:

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

The Amsterdam Urban Renewal Agency Board of Directors will ensure that the audit committee has sufficient resources to carry out its duties.

### Composition of Committee and Selection of Members

The audit committee shall be established as set forth herein. The audit committee shall consist of

at least three members of the board of directors who are independent of Agency operations. The Agency's board will appoint the audit committee members and the audit committee chair. Audit committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, audit committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

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 Agency. The audit committee's financial expert should have

1. An understanding of generally accepted accounting principles and financial statements;
2. Experience in preparing or auditing financial statements of comparable entities;
3. Experience in applying such principles in connection with the accounting for estimates, accruals and reserves;
4. Experience with internal accounting controls, and,
5. An understanding of audit committee functions.

### Meetings

The audit committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. Members of the audit committee are expected to attend each committee meeting, in person. 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 Agency's independent auditor at least annually to discuss the financial statements of the Agency. Meeting agendas will be prepared for every meeting and provided to the audit committee members along with briefing materials 5 business days before the scheduled audit committee meeting. The audit committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

## Responsibilities of the Audit Committee

The audit committee shall have responsibilities related to:

- (a) the independent auditor and annual financial statements;
- (b) the Agency'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 Agency.

### A. Independent Auditors and Financial Statements

The audit committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency'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 Agency's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may

have surfaced during the course of the audit.

- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

#### B. Internal Auditors

The audit committee shall:

- Review with management and the internal audit director, the charter, activities, staffing and organizational structure of the internal audit function. The audit committee shall have Agency over the appointment, dismissal, compensation and performance reviews of the internal audit director.
- Ensure that the internal audit function is organizationally independent from Agency operations.
- Review the reports of internal auditors, and have Agency to review and approve the annual internal audit plan.
- Review the results of internal audits and approve procedures for implementing accepted recommendations of the internal auditor.

#### C. Internal Controls, Compliance and Risk Assessment

The audit committee shall:

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

#### D. Special Investigations

The audit committee shall:

- Ensure that the Agency 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 Agency or any persons having business dealings with the Agency or breaches of internal control.

- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

#### E. Other Responsibilities of the Audit Committee

The audit committee shall:

- Present annually to the Agency's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the Agency. The audit committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

## **Governance Committee Charter:**

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### Purpose

Pursuant to the Agency's bylaws, the purpose of the governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Amsterdam Urban Renewal Agency;
- Updating the Agency's corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

### Powers of the Governance Committee

The Board of Directors has delegated to the governance committee the power and Agency necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Agency staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Agency's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities.

The governance committee shall have the power to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

### Composition and Selection

The membership of the committee shall be comprised of at least 3 independent members. The governance committee members shall be appointed by, and will serve at the discretion of the Board

of Directors. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition. Governance committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, governance committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency. The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

### Committee Structure and Meetings

The governance committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person. 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.

### Reports

The governance committee shall:

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

### Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to:

- (a) the Agency's Board;
- (b) evaluation of the Agency's policies; and
- (c) other miscellaneous issues.

#### Relationship to the Agency'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:

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

In addition, the governance committee shall:

- Develop and recommend to the Board the number and structure of committees to be created by the Board.
- 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.
- 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 Agency's governance process.

#### Evaluation of the Agency's Policies

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Agency's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.

- Develop and recommend to the Board any required revisions to the Agency's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to the Agency's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the Agency's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.
- Develop and recommend to the Board any required updates on the Agency's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, such as the Agency'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.

#### Other Responsibilities

The governance committee shall:

- Review on an annual basis the compensation and benefits for the Managing Director and other senior Agency officials.
- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.

# **Section 3: Agency Reports**

### **Annual Investment Report:**

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During 2009, all funds of the Amsterdam Urban Renewal Agency were deposited in FDIC insured accounts at First Niagara Bank. All accounts in excess of \$100,000 were collateralized in compliance with the provisions of Section 10 of General Municipal Law. The Agency had no other investments, and did not invest its funds in any manner other than FDIC insured accounts. As of the close of the fiscal year, the Agency had \$214,782 in cash or cash equivalents.

### **Annual Audit:**

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Note: The Amsterdam Urban Renewal Agency is audited by the City of Amsterdam's auditors, under the provisions of the Federal Single Audit Act. A copy of the audit is presented on the following pages.

### **Management Letter:**

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The management letter is presented as part of the audit on the following pages.

**CITY OF AMSTERDAM, NEW YORK**  
**REGULATORY BASIS FINANCIAL STATEMENTS**  
**and**  
**REPORTS OF INDEPENDENT CERTIFIED**  
**PUBLIC ACCOUNTANTS**

**June 30, 2008**

Richard H. Dinolfo  
Certified Public Accountant  
Queensbury, New York

**CITY OF AMSTERDAM, NEW YORK**  
**REGULATORY BASIS FINANCIAL STATEMENTS**  
**and**  
**REPORTS OF INDEPENDENT CERTIFIED**  
**PUBLIC ACCOUNTANTS**

**June 30, 2008**

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON THE REGULATORY BASIS FINANCIAL STATEMENTS**

Mayor and Members of the Common Council  
City of Amsterdam, New York

We have audited the accompanying combined regulatory basis financial statements of the City of Amsterdam, New York, as of and for the year ended June 30, 2008. These regulatory basis financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the regulatory basis financial statements based on our audit.

As more fully described in Note A to the regulatory basis financial statements, the City prepared these financial statements using regulatory accounting and reporting practices prescribed by the Office of the State Comptroller of the State of New York for submitting annual financial reports to that office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not readily determinable, are presumed to be material.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the regulatory basis financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall regulatory basis financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined regulatory basis financial statements referred to above presents fairly, in all material respects, the financial position of the City of Amsterdam, New York, as of and for the year ended June 30, 2008, in conformity with the regulatory basis of accounting and reporting described more fully in Note A to the regulatory basis financial statements.

In accordance with *Government Auditing Standards*, we have issued our report dated May 26, 2009, on our consideration of the City of Amsterdam, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the Mayor, Members of the Common Council, Controller and management of the City of Amsterdam, New York, and for filing with the applicable New York State and Federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Richard H. Dinolfo  
Certified Public Accountant

Queensbury, New York  
May 26, 2009

	Governmental Fund Types			Fiduciary	Schedules		Total (Memorandum Only)
	General	Special Revenue Funds	Capital Projects	Agency	Non-Current Governmental Assets	Non-Current Governmental Liabilities	
<b>LIABILITIES, OTHER CREDITS, AND EQUITY</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 258,055	\$ 424,440	\$ 120,962	\$ 393,115	\$ -	\$ -	\$ 1,196,572
Accrued liabilities	-	-	-	-	-	-	-
Retained percentages, contracts payable	-	-	2,688	-	-	-	2,688
Bond anticipation notes payable	-	-	5,366,529	-	-	-	5,366,529
Due to other governments	5,762,519	-	-	-	-	-	5,762,519
Due to other funds	30,565	723,113	631,429	480,292	-	-	1,865,399
Deferred revenue	3,926,578	272,782	-	-	-	-	4,199,360
Bonds payable	-	-	-	-	-	4,365,000	4,365,000
State Loans Payable	-	-	-	-	-	4,103,267	4,103,267
Compensated absences	599,065	230,441	-	-	-	710,657	1,540,163
Total liabilities	<u>10,576,782</u>	<u>1,650,776</u>	<u>6,121,608</u>	<u>873,407</u>	<u>-</u>	<u>9,178,924</u>	<u>28,401,497</u>
<b>OTHER CREDITS</b>							
Investment in non-current governmental assets	-	-	-	-	18,808,473	-	18,808,473
<b>FUND BALANCE (DEFICIT)</b>							
Fund balance (deficit)							
Reserved							
Encumbrances	42,380	59,047	-	-	-	-	101,427
Unreserved							
Appropriated for 2008-2009	757,031	249,334	-	-	-	-	1,006,365
Unappropriated	1,964,728	1,132,802	(4,766,385)	-	-	-	(1,668,855)
Total fund balance (deficit)	<u>2,764,139</u>	<u>1,441,183</u>	<u>(4,766,385)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(561,063)</u>
<b>Total liabilities, other credits and fund balances</b>	<u>\$ 13,340,921</u>	<u>\$ 3,091,959</u>	<u>\$ 1,355,223</u>	<u>\$ 873,407</u>	<u>\$ 18,808,473</u>	<u>\$ 9,178,924</u>	<u>\$ 46,648,907</u>

**CITY OF AMSTERDAM, NEW YORK**

**BALANCE SHEET -  
ALL FUND TYPES AND SCHEDULES  
June 30, 2008**

	Governmental Fund Types			Fiduciary	Schedules		Total (Memorandum Only)
	General	Special Revenue Funds	Capital Projects	Agency	Non-Current Governmental Assets	Non-Current Governmental Liabilities	
<b>ASSETS AND OTHER DEBITS</b>							
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,419,318	\$ 967,188	\$ 1,339,223	\$ 133,000	\$ -	\$ -	\$ 3,858,729
Taxes receivable, net	8,966,402	-	-	-	-	-	8,966,402
State and federal receivables	140,862	136,110	-	-	-	-	276,972
Due from other governments	918,384	-	-	693,507	-	-	1,611,891
Due from other funds	1,707,379	95,120	16,000	46,900	-	-	1,865,399
Other receivables, net	79,468	1,864,190	-	-	-	-	1,943,658
Prepaid expenses	109,108	29,351	-	-	-	-	138,459
Capital assets	-	-	-	-	18,808,473	-	18,808,473
Total assets	<u>13,340,921</u>	<u>3,091,959</u>	<u>1,355,223</u>	<u>873,407</u>	<u>18,808,473</u>	<u>-</u>	<u>37,469,983</u>
<b>OTHER DEBITS</b>							
Amount to be provided for retirement of non-current governmental liabilities	-	-	-	-	-	9,178,924	9,178,924
<b>Total assets and other debits</b>	<u>\$ 13,340,921</u>	<u>\$ 3,091,959</u>	<u>\$ 1,355,223</u>	<u>\$ 873,407</u>	<u>\$ 18,808,473</u>	<u>\$ 9,178,924</u>	<u>\$ 46,648,907</u>

**CITY OF AMSTERDAM, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**Year Ended June 30, 2008**

	<u>Governmental Fund Types</u>			<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	
<b>REVENUES</b>				
Real property taxes and tax items	\$ 4,420,174	\$ -	\$ -	\$ 4,420,174
Real property tax items	304,460			304,460
Departmental income	188,735	9,822,636		10,011,371
Intergovernmental charges	67,186	-	5,500	72,686
Use of money and property	134,981	114,920		249,901
Licenses and permits	41,234	9,073		50,307
Fines and forfeitures	232,903	17,800		250,703
Sale of property and compensation for loss	69,202	115,440		184,642
Miscellaneous local sources	47,622	49,090	9	96,721
Interfund revenues	72,043	-		72,043
State aid	3,281,114	204,931	848,444	4,334,489
Federal aid	25,362	666,365		691,727
Total revenues	<u>12,779,591</u>	<u>11,000,255</u>	<u>853,953</u>	<u>24,633,799</u>
<b>EXPENDITURES</b>				
General government support	956,232	302,511		1,258,743
Public safety	5,984,724	21,027	28,055	6,033,806
Health	1,200			1,200
Transportation	1,000,513	530,372	1,041,105	2,571,990
Economic opportunity and development	7,309			7,309
Culture and recreation	418,962	334,360		753,322
Home and community services	58,138	6,333,271	448,332	6,839,741
Employee benefits	3,686,153	2,019,876		5,706,029
Debt service	1,009,527	1,482,432		2,491,959
Total expenditures	<u>13,122,758</u>	<u>11,023,849</u>	<u>1,517,492</u>	<u>25,664,099</u>
Excess (deficiency) of revenues over expenditures	<u>(343,167)</u>	<u>(23,594)</u>	<u>(663,539)</u>	<u>(1,030,300)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond anticipation notes redeemed from appropriations	-	-	656,060	656,060
Interfund transfers in	200,000	140,000	353,256	693,256
Interfund transfers out	(493,256)	(200,000)		(693,256)
Total other financing sources (uses)	<u>(293,256)</u>	<u>(60,000)</u>	<u>1,009,316</u>	<u>656,060</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>(636,423)</u>	<u>(83,594)</u>	<u>345,777</u>	<u>(374,240)</u>
FUND BALANCE, <i>beginning of year, as originally reported</i>	3,391,620	1,522,630	(5,145,505)	(231,255)
Prior period adjustments (See Note C-11)	8,942	2,147	33,343	44,432
FUND BALANCE, <i>beginning of year, as restated</i>	<u>3,400,562</u>	<u>1,524,777</u>	<u>(5,112,162)</u>	<u>(186,823)</u>
FUND BALANCE, <i>end of year</i>	<u>\$ 2,764,139</u>	<u>\$ 1,441,183</u>	<u>\$ (4,766,385)</u>	<u>\$ (561,063)</u>

The accompanying Notes to Regulatory Basis Financial Statements are an integral part of these statements.

**CITY OF AMSTERDAM, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS TYPES**  
**Year Ended June 30, 2008**

	General Fund				Special Revenue Funds (Capital Projects Fund not Included in Comparison)				Total (Memorandum Only)			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>												
Real property taxes	\$ 4,407,978	\$ 4,407,978	\$ 4,420,174	\$ 12,196	\$ -	\$ -	\$ -	\$ -	\$ 4,407,978	\$ 4,407,978	\$ 4,420,174	\$ 12,196
Real property tax items	182,200	182,200	304,460	122,260	-	-	-	-	182,200	182,200	304,460	122,260
Nonproperty taxes	3,940,300	3,940,300	3,894,575	(45,725)	-	-	-	-	3,940,300	3,940,300	3,894,575	(45,725)
Departmental income	27,000	27,000	188,735	161,735	9,666,334	9,749,227	9,822,636	73,409	9,693,334	9,776,227	10,011,371	235,144
Intergovernmental charges	154,700	199,442	67,186	(132,256)	-	-	-	-	154,700	199,442	67,186	(132,256)
Use of money and property	42,000	42,000	134,981	92,981	81,200	86,981	114,920	27,939	123,200	128,981	249,901	120,920
Licenses and permits	40,500	40,995	41,234	239	9,000	9,000	9,073	73	49,500	49,995	50,307	312
Fines and forfeitures	231,500	231,500	232,903	1,403	-	17,800	17,800	-	231,500	249,300	250,703	1,403
Sale of property and compensation for loss	-	122,109	69,202	(52,907)	51,000	111,549	115,440	3,891	51,000	233,658	184,642	(49,016)
Miscellaneous local sources	39,000	50,742	47,622	(3,120)	7,391	11,182	49,090	37,908	46,391	61,924	96,712	34,788
Interfund revenues	70,000	70,000	72,043	2,043	-	-	-	-	70,000	70,000	72,043	2,043
State aid	3,151,212	3,265,979	3,281,114	15,135	125,000	143,711	204,931	61,220	3,276,212	3,409,690	3,486,045	76,355
Federal aid	-	-	25,362	25,362	103,000	653,000	666,365	13,365	103,000	653,000	691,727	38,727
<b>Total revenues</b>	<b>12,286,390</b>	<b>12,580,245</b>	<b>12,779,591</b>	<b>199,346</b>	<b>10,042,925</b>	<b>10,782,450</b>	<b>11,000,255</b>	<b>217,805</b>	<b>22,329,315</b>	<b>23,362,695</b>	<b>23,779,846</b>	<b>417,151</b>
<b>EXPENDITURES</b>												
General government support	1,164,357	1,050,936	956,232	94,704	323,698	319,946	302,511	17,435	1,488,055	1,370,882	1,258,743	112,139
Public safety	5,244,530	6,079,200	5,984,724	94,476	-	46,107	21,027	25,080	5,244,530	6,125,307	6,005,751	119,556
Health	1,200	1,200	1,200	-	-	-	-	-	1,200	1,200	1,200	-
Transportation	923,047	1,017,010	1,000,513	16,497	425,417	445,709	530,372	(84,663)	1,348,464	1,462,719	1,530,885	(68,166)
Economic opportunity and development	9,200	10,129	7,309	2,820	-	-	-	-	9,200	10,129	7,309	2,820
Culture and recreation	356,383	420,991	418,962	2,029	404,307	376,261	-	376,261	760,690	797,252	418,962	378,290
Home and community services	57,645	60,002	58,138	1,864	5,554,079	6,381,252	6,333,271	47,981	5,611,724	6,441,254	6,391,409	49,845
Employee benefits	3,901,558	3,726,056	3,686,153	39,903	2,209,835	1,774,275	1,905,870	(131,595)	6,111,393	5,500,331	5,592,023	(91,692)
Debt service	981,529	1,009,527	1,009,527	-	1,480,356	1,932,179	1,371,302	560,877	2,461,885	2,941,706	2,380,829	560,877
<b>Total expenditures</b>	<b>12,639,449</b>	<b>13,375,051</b>	<b>13,122,758</b>	<b>252,293</b>	<b>10,397,692</b>	<b>11,275,729</b>	<b>10,464,353</b>	<b>811,376</b>	<b>23,037,141</b>	<b>24,650,780</b>	<b>23,587,111</b>	<b>1,063,669</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(353,059)</b>	<b>(794,806)</b>	<b>(343,167)</b>	<b>451,639</b>	<b>(354,767)</b>	<b>(493,279)</b>	<b>535,902</b>	<b>1,029,181</b>	<b>(707,826)</b>	<b>(1,288,085)</b>	<b>192,735</b>	<b>1,480,820</b>
<b>OTHER FINANCING SOURCES (USES)</b>												
Operating transfers in	200,000	200,000	200,000	-	140,000	140,000	140,000	-	340,000	340,000	340,000	-
Operating transfers out	(140,000)	(525,406)	(493,256)	32,150	(200,000)	(200,000)	(200,000)	-	(340,000)	(725,406)	(693,256)	32,150
<b>Total other financing sources (uses)</b>	<b>60,000</b>	<b>(325,406)</b>	<b>(293,256)</b>	<b>32,150</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>-</b>	<b>-</b>	<b>(385,406)</b>	<b>(353,256)</b>	<b>32,150</b>
<b>Excess of revenues and other financing sources over expenditures and other financing uses</b>	<b>(293,059)</b>	<b>(1,120,212)</b>	<b>(636,423)</b>	<b>483,789</b>	<b>(414,767)</b>	<b>(553,279)</b>	<b>475,902</b>	<b>1,029,181</b>	<b>(707,826)</b>	<b>(1,673,491)</b>	<b>(160,521)</b>	<b>1,512,970</b>
<b>FUND BALANCE, beginning of year, as originally reported</b>	<b>293,059</b>	<b>1,120,212</b>	<b>3,391,620</b>	<b>2,271,408</b>	<b>414,767</b>	<b>553,279</b>	<b>1,324,381</b>	<b>771,102</b>	<b>707,826</b>	<b>1,673,491</b>	<b>4,716,001</b>	<b>3,042,510</b>
Prior period adjustments (See Note L)	-	-	8,942	8,942	-	-	1,586	1,586	-	-	10,528	10,528
<b>FUND BALANCE, beginning of year, as restated</b>	<b>293,059</b>	<b>1,120,212</b>	<b>3,400,562</b>	<b>2,280,350</b>	<b>414,767</b>	<b>553,279</b>	<b>1,325,967</b>	<b>772,688</b>	<b>707,826</b>	<b>1,673,491</b>	<b>4,726,529</b>	<b>3,053,038</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,764,139</b>	<b>\$ 2,764,139</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,801,869</b>	<b>\$ 1,801,869</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,566,008</b>	<b>\$ 4,566,008</b>

The accompanying Notes to Regulatory Basis Financial Statements are an integral part of these statements.

# CITY OF AMSTERDAM, NEW YORK

## NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Amsterdam, New York (City) was established within the County of Montgomery (County), was incorporated during 1804, and is governed by its Charter, the General City Law, other general laws of the State of New York, and various local laws. The Mayor is responsible for overall operations and serves as Chief Executive Officer. The City Controller serves as Chief Fiscal Officer. All legislative power of the City is vested in the Common Council whose powers are specified in the City Charter. The Common Council consists of five separately elected officials.

The City provides the following basic services: general government support, police and fire protection, streets and public works, bus transportation, water, sewer, sanitation and other home and community services, community development, and recreation, including operation of a golf course.

The financial statements of the City have been prepared using the regulatory basis of accounting and reporting as prescribed by the Office of the State Comptroller of the State of New York for submitting the Annual Financial Report Update Document (AUD) to that office. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The regulatory basis of accounting referred to above is considered an Other Comprehensive Basis of Accounting (OCBOA), which differs from accounting principles generally accepted in the United States of America, primarily because it does not reflect the adoption of GASB Statements Number 34 and 45. Consequently, the accompanying regulatory basis financial statements are not intended to present financial position or results of operations in accordance with accounting principles generally accepted in the United States of America.

The financial statement presentation contained in the City's AUD generally consist of separate balance sheets, statements of revenues, expenditures and changes in fund balances, and a summary of the subsequent year's annual budget for each fund reported. The financial statements in the AUD also include separate schedules of non-current governmental assets and non-current governmental liabilities. The financial statement presentation in this report present all fund types and schedules in combined statements, with additional combining statements for the special revenue funds.

In preparing financial statements in conformity with the regulatory basis of accounting referred to above, City management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the regulatory basis financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The following is a summary of the City's significant accounting policies consistently applied in the preparation of the accompanying regulatory basis financial statements.

#### *1. Financial Reporting Entity*

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the regulatory basis of accounting and reporting, which contains reporting entity criteria similar to accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly,

## CITY OF AMSTERDAM, NEW YORK

### NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the City and/or its citizens, or whether the activity is conducted within the geographic boundaries of the City and is generally available to its citizens. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Based on the application of these criteria, a brief review of each potential component unit addressed in defining the City's reporting entity follows:

#### Included In the Reporting Entity:

##### Amsterdam Urban Renewal Agency

The Amsterdam Urban Renewal Agency (Agency) was created by Chapter 66 of the New York State Laws of 1965 as a governmental agency. The Agency administers both the City's Urban Renewal and Community Development Block Grants. Significant factors for the inclusion of the Agency as part of the City's reporting entity are as follows: Agency members are appointed by the Mayor; the Agency's plan must be approved by the Common Council; and deficits that may occur are financed by the City. Federal audit disallowances are the responsibility of the City, and the Agency's activities are solely for the benefit of the City and its residents.

#### Excluded From the Reporting Entity:

Although the following organizations, functions, or activities are related to the City, they are not included in the City reporting entity for the reasons noted:

##### Amsterdam Industrial Development Agency

The Amsterdam Industrial Development Agency (AIDA) is a public benefit corporation created by New York State legislation to promote the economic welfare, recreational opportunities, and prosperity of the City's inhabitants. Members of AIDA are appointed by the Mayor and Common Council, which exercise no oversight responsibility. AIDA members have complete responsibility for management of AIDA and accountability for fiscal matters. The City is not liable for AIDA bonds or notes.

##### Amsterdam Housing Authority

The Amsterdam Housing Authority (AHA) is a public corporation created in 1957 by the New York State legislature under Section 438 of the Public Housing Law of New York State. Members of AHA are appointed by the Mayor. AHA members are responsible for management of financial matters and operations of the AHA in accordance with the applicable state and federal guidelines. The City is not responsible for AHA bonds, notes, financial operations, or other AHA matters, and the Mayor and City Council exercise no oversight responsibilities for AHA activities.

##### Greater Amsterdam School District

The Greater Amsterdam School District (District) was created by New York State legislation that designates the School Board as the governing authority. School Board members are elected by the qualified voters of the District. The School Board designates management and exercises complete responsibility for all fiscal matters. The Common Council exercises no oversight over District operations. The School Board has responsibility for adopting budgets, levying property taxes, and

## CITY OF AMSTERDAM, NEW YORK

### NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

hiring and firing of employees. The operating, debt service, and capital expenditure budgets are financed by taxes levied by the School Board.

#### Amsterdam Florida Glen Economic Development Zone

The Amsterdam Florida Glen Economic Development Zone (EDZ) is a not-for-profit corporation created by New York State legislation to improve and assist economic development in the City and Towns of Florida and Glen. EDZ members are appointed by the Mayor of the City and management of the Towns of Florida and Glen. Members have responsibility for the management of EDZ and accountability for fiscal matters. The City is not liable for EDZ bonds or notes.

#### 2. *Fund Accounting*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The activities of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The accounts of each fund are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. Fund accounting The City's fund types are as follows:

#### Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The City's governmental fund types are as follows:

- a. General Fund is the principal operating fund of the City and accounts for the general tax revenues, miscellaneous receipts not allocated by law or contractual agreement to another fund, and general operating expenditures. This fund operates within the financial limits of an annual budget adopted by the Common Council.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than revenues generated for major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds of the City include the following:

Water Fund is used to report operations of the City's water treatment and supply facilities that provide drinking water to all city residents and organizations, as well as to certain other local communities outside the City's corporate boundaries.

Sewer Fund is used to report operations of the City's wastewater treatment facilities and sanitary sewer system that is provided to all City residents and organizations.

Sanitation Fund is used to report operations of the City's refuse collection and disposal services provided to City residents and organizations.

Golf Fund is used to report operations of the Amsterdam Arthur Carter Municipal Golf Course, which is a public golf course owned and operated by the City.

## CITY OF AMSTERDAM, NEW YORK

### NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

Urban Renewal Fund is used to account for federal and state grants received through the Amsterdam Urban Renewal Agency under Community Development and other Housing and Urban Development programs.

Special Grant Fund is used to account for miscellaneous state and federal grants received by the City for specific purposes other than those grants received through the Amsterdam Urban Renewal Agency.

Bus Fund is used to account for the City's bus operations, which are financed in part by user charges to passengers and by state and federal grants for mass transportation purposes.

Confiscated Moneys Fund is used to account for moneys received from the Federal Equitable Sharing program involving the proceeds of crime from Drug Enforcement Agency cases and certain moneys confiscated during police actions. This money is restricted to certain law enforcement activities.

Miscellaneous Revenue Fund is used to account for donations from various sources to be used for governmental activities, such as building restorations, celebrations, and other applicable activities.

- c. Capital Projects Funds are used to account for financial resources generated for the acquisition or construction of major capital assets for governmental activities. Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds.

Fiduciary Funds are used to report resources that are held by the City in a trustee or agency capacity for others, and cannot be used to support the City's own programs. Fiduciary funds include pension and other employee benefit trust funds, investment trust funds, private purpose trust funds, and agency funds. The City does not maintain any local pension funds, investment trust funds, or private purpose trust funds, but does maintain the following:

Agency Funds are used to account for moneys and property held by the City as agent for others pending disposition to the applicable parties.

### 3. Schedules

Schedules are not funds, but are reporting devices used to establish accounting control and accountability for capital assets and long-term liabilities for governmental activities. The two schedules used by the City are as follows:

Schedule of Non Current Governmental Assets is used to account for capital assets, such as land, buildings, improvements other than buildings, and equipment utilized for the City's various governmental activities.

Schedule of Non Current Governmental Liabilities is used to account for bonds, installment purchase contracts, compensated absences, judgments and claims, landfill post-closure costs, and other long-term governmental liabilities that are intended to be paid from future resources.

## CITY OF AMSTERDAM, NEW YORK

### NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

#### *4. Measurement Focus and Basis of Accounting*

The accounting and financial reporting treatment applied to specific funds is determined by its measurement focus and basis of accounting. Measurement focus is the determination of what is measured, i.e., current assets and liabilities, or all assets and liabilities. Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

The City's governmental funds are accounted for using the current resources measurement focus and the modified accrual basis of accounting. With the current resources measurement focus, only current assets and current liabilities are included on the balance sheet of each governmental fund. Capital assets and long-term liabilities are reported in the separate schedules. The statement of revenues, expenditures, and changes in fund balances presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

Under this basis of accounting, revenues are recorded when they become susceptible to accrual, which is when they are both measurable and available. Measurable means the amounts can be reasonably determined and available means the cash resources are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues from real property taxes are considered to be available if collected within sixty (60) days of the end of the fiscal year. A similar availability period is used to recognize other governmental fund revenues that are susceptible to accrual. Revenues susceptible to accrual include certain non-property taxes, water rents, sewer rents, state aid, and federal aid. Various other revenues, such as fines, recreation fees, licenses, permits, and miscellaneous fees for services are generally measurable when received, and accordingly, are recorded on a cash basis.

The City also reports deferred revenues on its combined regulatory basis balance sheet. Deferred revenues arise when potential revenues do not meet both the "measurable and available" criteria for recognition in the current period. Deferred tax revenues represent collectible real property taxes that have not been received by the City within 60 days of the end of the fiscal year. Deferred revenues also arise when resources are received before the City has met all eligibility requirements, or when grants are received prior to the budget period for the occurrence of related expenditures. Deferred revenues in the urban renewal fund include the unpaid principal balances on community development loans.

Expenditures are recorded when related liabilities are incurred except that:

- a. Payments for certain prepaid expenses and most inventory-type items are recognized as expenditures at the time of purchase (purchase method) rather than over the time period the applicable time period or when consumed (consumption method).
- b. Payments of principal on indebtedness are recognized as expenditures when the principal payments are due. Payments of interest on indebtedness are recognized as expenditures when the interest payments are due.
- c. Compensated absences, such as sick leave which vest or accumulate, and are not expected to be paid from current resources, are charged as expenditures during the applicable payroll period when paid.
- d. Costs of acquiring or improving capital assets are recorded as expenditures when applicable liabilities are incurred.

CITY OF AMSTERDAM, NEW YORK

NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

- e. Pension costs payable to the New York State and Local Retirement Systems are recognized as expenditures when billed by the Systems.

5. *Budgetary Data*

Budgets are adopted by the Common Council in accordance with charter provisions and on a basis consistent with the prescribed regulatory basis of accounting and reporting. Annual budgets are adopted for the general fund and certain other funds (see Note B). Budgets for individual capital project funds are adopted on a project-by-project basis, and for certain special revenue funds on a grant-by-grant basis. Capital project budgets extend for the life of the project, rather than on an annual basis, and certain grant programs are required to be reported on a fiscal year different from the City's main operating funds. For these reasons, no budgetary comparison has been provided for the capital project funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, or other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is used in the governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

6. *Cash and Cash Equivalents*

Cash and cash equivalents include amounts in demand deposits and time deposits, including short-term temporary investments.

7. *Allowance for Uncollectible Accounts*

The City provides for uncollectible accounts for governmental funds based on a review of accounts by the Controller's office. The accounts provided as uncollectible at June 30, 2008, are as follows:

Real property taxes	\$ 602,884
Water rents	3,957
Sewer rents	2,402
Sanitation charges	<u>343</u>
Total allowances for uncollectible accounts	<u>\$ 609,586</u>

8. *Interfund Transactions*

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered, temporary loans, and/or operating transfers. Receivables and payables from these transactions are classified as "due from other funds" or "due to other funds" in the balance sheets of the fund financial statements. Interfund services provided by one fund and used by another fund are accounted for as revenues in the provider fund and as expenditures in the user fund. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as

## CITY OF AMSTERDAM, NEW YORK

### NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

reductions of expenditures in the fund that is reimbursed. Transfers of resources from one fund to be used in another fund are reported in the fund financial statements as interfund transfers under other financing sources and uses.

#### *9. Accumulated Leave Credits*

The City provides its employees various types of compensated absences, which are generally determined through bargaining agreements. Vested or accumulated vacation leave, holiday leave, compensatory time and other leave credits that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liabilities of the governmental fund that will pay it. Amounts of vested or accumulated leave credits that are not expected to be liquidated with expendable available financial resources of the governmental funds are reported as non-current governmental liabilities. No expenditure is reported in the fund financial statements for these amounts. No liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

### **NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### *1. Budgetary Information*

The City employs the following budgetary procedures as required by its charter and general laws of the State of New York:

- a. No later than April, the Mayor submits a tentative budget to the Common Council for the fiscal year beginning the following July 1. The tentative budget includes proposed expenditures and the proposed means of financing for the City's main operating funds: general, water, sewer, sanitation, bus, and golf.
- b. After public hearings are conducted to obtain taxpayer comments, the Common Council adopts the City budget.
- c. All revisions that alter appropriations of any department or fund must be approved by the Common Council. The budgeted amounts shown in the basic financial statements for the General Fund reflect certain amendments legally adopted by the Common Council during the fiscal year.
- d. Budgets for the City's main operating funds are adopted annually on a basis consistent the prescribed regulatory basis of accounting and reporting. Appropriations for governmental funds authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. All unencumbered and unexpended appropriations lapse at year-end.
- e. Budgetary controls are established for the capital projects fund through adoption of resolutions by the Common Council that specify the estimated costs of each project and the various financing sources. Capital project budgets are not part of the annual budget process, but occur only when a project is authorized. The capital project budget remains in effect for the life of the project, which could be several years for major construction projects. The Common Council may amend project budgets by adopting resolutions to add, modify, or abandon projects or to change the method of financing.

## CITY OF AMSTERDAM, NEW YORK

### NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS

June 30, 2008

f. Budgetary controls for the urban renewal fund and special grant fund are established in accordance with the applicable grant agreements, which may cover periods different from the City's fiscal year. Budgetary controls for the confiscated moneys fund and the miscellaneous revenue fund are established when potential revenues are received or anticipated, and are subsequently appropriated by the Common Council for the intended purpose.

#### 2. *Excess of Expenditures Over Appropriations*

Certain appropriation accounts in the General Fund were over expended during the year ended June 30, 2008. However, the City generated sufficient additional revenues to cover these overexpended appropriations.

#### 3. *Deficit Fund Balances*

The Capital Projects Fund reported a fund deficit of \$4,766,386, which resulted from the temporary financing of capital improvements with short-term bond anticipation notes. This deficit will be eliminated when the City issues permanent financing or pays off the notes from appropriations.

#### 4. *Other Compliance Issues*

The City's compliance with finance related legal and contractual provisions is discussed in a separate "Compliance Report on based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

### NOTE C – DETAILED NOTES ON ALL FUNDS AND ACCOUNTS

#### 1. *Cash and cash equivalents*

Cash and cash equivalents include amounts in demand deposits and time deposits in the City's various depositories. New York State statutes require the City to collateralize its cash deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$500,000 (\$250,000 on demand deposits and \$250,000 on time deposits). This collateral can be in the form of federal, state, and local government securities held by the City's bank trust department and can be pledged to secure the City's deposits. The City's deposits were fully insured and collateralized as of June 30, 2008.

#### 2. *Investments*

The City's temporary cash investments, totaling \$756,110 are reported at cost, which approximates fair market value. These investments are in the Cooperative Liquid Asset Security System (CLASS) of pooled municipal investments. These investments are fully collateralized by repurchase agreements for U.S. Treasury obligations and other U.S. government guaranteed agencies. The cash amounts temporarily invested in CLASS are available to the City in less than 24 hours. Since these temporary cash investments are liquid and routinely available to the City, the City reports such investments in its financial statements as part of cash and cash equivalents.

**CITY OF AMSTERDAM, NEW YORK**

**NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS**

**June 30, 2008**

**3. Interfund transactions**

As indicated in Note A8 above, numerous transactions occur among the City's various funds. The following is a summary of the interfund receivables and payables due from and to other funds at June 30, 2008, and the transfers made during the year:

<u>Fund</u>	Due From	Due To
General	\$ 1,707,379	\$ 30,565
Water	45,455	212,488
Sewer	25,388	383,165
Sanitation	9,573	64,056
Golf	-	18,860
Bus	-	44,214
Urban renewal	9,290	330
Confiscated moneys	5,030	-
Miscellaneous revenue	384	-
Capital projects	16,000	631,429
Agency	<u>46,900</u>	<u>480,292</u>
Totals	<u>\$ 1,865,399</u>	<u>\$ 1,865,399</u>

Fund	Transfer In	Transfer Out
General	\$ 200,000	\$ 493,256
Water	-	200,000
Bus	140,000	-
Capital projects	<u>353,256</u>	<u>-</u>
Totals	<u>\$ 693,256</u>	<u>\$ 693,256</u>

**4. Capital assets**

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, and work in progress, are reported in the schedule of non-current governmental assets. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Additions are recorded at cost and donated assets are recorded at their estimated fair value as of the date of donation.

In accordance with the prescribed regulatory basis of accounting and reporting, the City does not record depreciation for its capital assets in the schedule on non-current governmental assets. The City estimates the useful lives of capital assets as follows:

<u>Class</u>	<u>Life in Years</u>
Buildings	50
Improvements other than buildings	30
Machinery and equipment	5-10

CITY OF AMSTERDAM, NEW YORK

NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS  
June 30, 2008

The City reported the following capital assets as of June 30, 2008:

Land	\$ 871,137
Buildings	10,456,353
Improvements other than buildings	1,214,451
Machinery and equipment	<u>6,266,532</u>
Total capital asset	\$ <u>18,808,473</u>

5. *Retirement system*

Plan Description:

The City participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (GTLI) (collectively, the Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds.

Financial Report:

The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

Funding Policy:

The Systems are noncontributory except for employees who joined the ERS after July 28, 1976, who contribute 3% of their salary for the first ten years of membership. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed used in computing the employers' contributions.

During 2000, the City opted to provide certain benefits to Fire personnel for past services under Section 384E of the PFRS plan. The total past service costs was \$740,000. The City opted to pay for this program over a five-year term with interest starting the second year at approximately 7.5% per annum. In the fiscal year ended June 30, 2006, the City paid the fifth of five installments of \$170,000, which included interest.

Employers are billed for contributions based on the Systems' plan year April 1 to March 31, with the payment becoming due on the December 15 prior to the end of the Systems' plan year. Recent legislation allowed employers to delay payment until the following February 1 with additional interest. The required contributions billed to the City for the current year and the two preceding years were:

**CITY OF AMSTERDAM, NEW YORK**

**NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS  
June 30, 2008**

<u>Due Date</u>	<u>ERS</u>	<u>PFRS</u>	<u>384-E</u>	<u>Total</u>
December 15, 2007	\$ 349,331	\$586,650	\$	\$ 935,981
December 15, 2006	474,913	680,587		1,155,500
December 15, 2005	435,189	476,858	170,000	1,082,047

Contributions made to the Systems were equal to 100% of the contributions required for each year.

**6. *Indebtedness***

The City issues bond anticipation notes to temporarily finance capital improvements and other authorized acquisitions before permanent, long-term financing is sought. A summary of the City's bond anticipation notes recorded in the capital project funds for the year ended June 30, 2008 is as follows:

Bond anticipation notes payable, beginning of year	\$ 5,104,778
Notes issued	1,126,500
Notes redeemed from capital project cash – bus purchase	(208,689)
Notes redeemed from appropriations	<u>(656,060)</u>
 Bond anticipation notes payable, end of year	 <u>\$ 5,366,529</u>

The City issues serial bonds to finance capital improvements and other authorized acquisitions. A summary of the City's serial bond transactions for the year ended June 30, 2008, is as follows:

Bonds payable, beginning of year	\$5,205,000
Bonds retired	<u>(840,000)</u>
 Bonds payable, end of year	 <u>\$4,365,000</u>

The City entered into loan agreements with the New York State Environmental Facilities Corporation (EFC) to finance certain water and sewer capital improvements, and with the New York State Department of State (DOS) to finance acquisition of firefighting equipment. A summary of the City's state loan transactions are as follows:

State loans payable, beginning of year	\$ 4,434,972
Loans paid	<u>(331,706)</u>
 State loans payable, end of year	 <u>\$ 4,103,266</u>

The following is a summary of the City's indebtedness by type of debt:

<u>Bond Anticipation Notes Payable</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Balance June 30, 2008</u>
Various purposes	10/17/07	10/09/08	4.49%	\$ 270,000
Bucket loader	05/23/08	05/22/09	2.86%	78,400
Four wheel drive vehicles	05/23/08	05/22/09	2.86%	48,518
Various purposes	08/24/07	08/21/08	4.75%	164,800
Ford F350	07/27/07	07/25/08	4.80%	30,000

**CITY OF AMSTERDAM, NEW YORK**

**NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS**

**June 30, 2008**

Chalmers building demolition	12/28/07	12/26/08	3.30%	1,000,000
Single axle dump truck	12/28/07	12/26/08	3.23%	96,500
Water and sewer use truck	12/21/07	11/20/08	4.15%	42,000
Bus purchase	04/03/08	04/02/09	2.35%	31,311
Sludge plant litigation	03/28/08	03/27/08	2.03%	2,800,000
Mohasco building demolition	03/20/08	03/20/09	2.03%	<u>805,000</u>
Total bond anticipation notes				<u>\$5,366,529</u>

<u>Serial Bonds Payable</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Balance June 30, 2008</u>
Consolidated issue - 1998	10/15/98	10/15/12	4.200%	565,000
Consolidated issue - 1999	07/15/99	02/15/14	5.500%	370,000
Consolidated issue - 2001	04/10/01	07/01/15	4.875 - 5.000%	310,000
Consolidated issue - 2002	09/15/02	12/01/16	3.400 - 4.000%	900,000
Consolidated issue - 2003	07/15/03	07/15/18	3.750- 5.000%	640,000
Consolidated issue - 2005	10/01/05	10/01/20	5.000- 5.250%	<u>1,580,000</u>
Total serial bonds payable				<u>\$4,365,000</u>

<u>State Loans Payable</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Balance June 30, 2006</u>
New York State DOS Emergency Services Revolving Loan Fund - Fire Truck	03/26/96	03/26/16	2.5%	\$ 68,992
New York State EFC - DWSRF #15818	06/15/99	06/15/10	0.0%	39,275
New York State EFC - DWSRF #16658	02/05/01	05/15/20	3.48% - 5.13%	2,895,000
New York State EFC - CWSRF Sludge Plant	02/05/01	05/15/20	3.48% - 5.13%	<u>1,100,000</u>
Total State loans payable				<u>\$4,103,267</u>

The City's total outstanding debt consists of the following:

Bond anticipation notes	\$ 5,366,529
Serial bonds	4,365,000
State loans	<u>4,103,267</u>
Total outstanding long-term debt	<u>\$ 13,834,796</u>

Of the total outstanding debt, \$7,165,614 was subject to the statutory debt limit and represented 26.81% of the City's \$26,725,547 statutory debt limit.

**CITY OF AMSTERDAM, NEW YORK**

**NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS**

**June 30, 2008**

Aggregate minimum annual maturities of the serial bonds and state loans payable are as follows:

For the year ending June 30,	2009	\$ 1,391,346
	2010	1,311,411
	2011	1,220,612
	2012	1,145,852
	2013	1,017,864
For the period June 30, 2014 through 2021		<u>4,594,667</u>
Total principal and interest payments due		<u>\$ 10,681,752</u>

**7. Real property taxes**

City real property taxes are levied annually on July 1, and are payable in four quarterly installments. The City's annual tax levy includes current charges for water, sewer and sanitation services, as well as relevy of certain delinquent charges.

In addition to the City tax levy, the City is responsible for collecting school taxes levied on property within the City, which have been certified as being uncollected by officials from the Greater Amsterdam School District. The City is responsible for enforcing collection of these taxes and remitting such collections to the District. After a two year period, the City is required to pay the District the amount of taxes remaining uncollected for the applicable school tax levy.

The City also collects real property taxes for the County of Montgomery for county taxes levied within the City. The City is responsible for enforcing collection of county taxes and remitting such collections to the County.

Real property tax receivables include city taxes, county taxes, and school taxes. The following is a summary of real property tax receivables as of June 30, 2008:

City taxes	\$ 4,975,539
County taxes	3,526,475
School taxes	<u>1,067,272</u>
Total real property taxes receivable	\$ 9,569,286
Less allowance for uncollectible accounts	<u>(602,884)</u>
Real property taxes receivable, net	<u>\$ 8,966,402</u>

**8. Other receivables**

The City reports state and federal receivables, amounts due from other governments and various other receivables. The following is a summary of these receivables as of June 30, 2008:

State and federal receivables	\$ 276,972
Amounts due from the County of Montgomery and other local governments	1,611,891

**CITY OF AMSTERDAM, NEW YORK**

**NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS**

**June 30, 2008**

**Other receivables:**

General accounts receivable	\$	79,468
Water rents and charges		587,731
Sewer rents and charges		758,891
Sanitation charges		242,529
Golf course fees		4,597
Bus fees		4,362
Community development loans		<u>272,782</u>
Total other receivables		1,950,360
Less allowance for uncollectible accounts		<u>(6,702)</u>
Other receivables, net	\$	<u>1,943,658</u>

**9. Prepaid expenses**

Prepaid expenses pertain to payments of workers compensation insurance premiums and certain liability insurance premiums allocated over policy periods different from the City's fiscal year. Prepaid expenses also include certain year-end payroll period adjustments.

**10. Post employment benefits**

In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The City recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid. During the year ended June 30, 2008, approximately \$1,500,000 was paid on behalf of 174 retirees and 98 dependents.

**11. Prior period adjustments**

The City made certain adjustments to amounts reported in its prior year financial statements. The adjustments pertained to errors in reporting certain payroll transactions and retained percentages. The following prior period adjustments are reported in the regulatory basis financial statements for the year ended June 30, 2008:

General fund	\$	8,942
Water fund		1,586
Golf fund		561
Capital projects		<u>33,343</u>
Total prior period adjustments	\$	<u>44,432</u>

**CITY OF AMSTERDAM, NEW YORK**

**NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE D – OTHER INFORMATION**

*1. Grants*

The City has received grants that are subject to audit by certain agencies of New York State and the United States Government. Such audits could result in disallowances and a request for return of funds. The City administration believes disallowances, if any, will be immaterial.

*2. Lawsuits and Claims*

The City is involved in certain suits and claims arising from a variety of sources. It is the opinion of the administration and its legal counsel that the liabilities which may arise from such actions would not result in losses that would materially affect the financial position of the City.

*3. Risk management and insurance*

The City assumes the liability for most risk, including, but not limited to, property damage and personal injury liability, for which it obtains insurance coverage. Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Liabilities for judgments and claims, if any, would be recorded when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated.

*4. Subsequent events*

In October 2008, the City issued \$3,877,651 in public improvement serial bonds, 2008 to finance several different projects. The bonds are dated October 1, 2008 with principal payments due August 15, 2009 through August 15, 2017. Interest at rates ranging from 4.375% to 4.500% is payable August 15, 2009 and semi-annually thereafter on February 15 and August 15.

On February 17, 2009 the Common Council adopted a resolution authorizing the issuance of \$3,000,000 in bonds to pay the cost of improvements to the City's wastewater treatment plant. The resolution also indicated that the amount of bonds to be issued would be reduced by possible grants from the Dormitory Authority of the State of New York.

In June 2008, the property involved in the defaulted 2002 Section 108 loan guarantee program was sold, and the City received \$85,159 from the sale proceeds. This money has been placed in a Trust & Agency fund to be used to reimburse certain City incurred expenses, with the balance set aside to make a loan payment to the United States Department of Housing and Urban Development (HUD) in July 2009. After the proceeds have been paid out, the City will no longer be required to make loan payments to HUD, and the balance of the unpaid loan will continue to be paid by the New York State Office of Community Renewal using certain HUD funds allocated to the State of New York.

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON  
SUPPLEMENTAL INFORMATION**

Mayor and Members of the Common Council  
City of Amsterdam, New York

Our audit was made for the purpose of forming an opinion on the combined regulatory basis financial statements of the City of Amsterdam, New York as of June 30, 2008, which are presented in the preceding section of this report. The supplemental information listed in the contents of this report is presented for purposes of additional analysis and is not a required part of the combined regulatory basis financial statements. Such information has been subjected to the audit procedures applied in the audit of the regulatory basis financial statements and, in our opinion, is fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole.

Richard H. Dinolfo CPA

Queensbury, New York  
May 26, 2009

**CITY OF AMSTERDAM, NEW YORK**

**COMBINING BALANCE SHEET - SPECIAL REVENUE FUND TYPES  
June 30, 2008**

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Golf</u>	<u>Bus</u>	<u>Urban Renewal</u>	<u>Special Grant</u>	<u>Confiscated Money</u>	<u>Miscellaneous Revenue</u>	<u>Total</u>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 192,854	\$ 55,195	\$ 182,959	\$ 253,521	\$ 453	\$ 202,770	\$ 64,826	\$ 11,579	\$ 3,031	\$ 967,188
State and federal receivables	-	-	-	-	113,300	22,810	-	-	-	136,110
Due from other funds	45,455	25,388	9,573	-	-	9,290	-	5,030	384	95,120
Other receivables, net	583,774	756,489	242,186	4,597	4,362	272,782	-	-	-	1,864,190
Prepaid expenses	8,984	9,424	6,782	1,418	2,743	-	-	-	-	29,351
<b>Total assets</b>	<b>\$ 831,067</b>	<b>\$ 846,496</b>	<b>\$ 441,500</b>	<b>\$ 259,536</b>	<b>\$ 120,858</b>	<b>\$ 507,652</b>	<b>\$ 64,826</b>	<b>\$ 16,609</b>	<b>\$ 3,415</b>	<b>\$ 3,091,959</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$ 122,107	\$ 166,052	\$ 80,646	\$ 16,412	\$ 14,961	\$ 24,262	\$ -	\$ -	\$ -	\$ 424,440
Due to other funds	212,488	383,165	64,056	18,860	44,214	330	-	-	-	723,113
Deferred revenue	-	-	-	-	-	272,782	-	-	-	272,782
Compensated absences	82,789	91,890	35,676	7,641	12,445	-	-	-	-	230,441
<b>Total liabilities</b>	<b>417,384</b>	<b>641,107</b>	<b>180,378</b>	<b>42,913</b>	<b>71,620</b>	<b>297,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,650,776</b>
<b>Fund balances</b>										
<b>Reserved</b>										
Encumbrances	9,187	8,276	19,106	-	22,478	-	-	-	-	59,047
<b>Unreserved</b>										
Appropriated for 2008-2009	96,011	10,821	94,879	47,623	-	-	-	-	-	249,334
Unappropriated	308,485	186,292	147,137	169,000	26,760	210,278	64,826	16,609	3,415	1,132,802
<b>Total fund balances</b>	<b>413,683</b>	<b>205,389</b>	<b>261,122</b>	<b>216,623</b>	<b>49,238</b>	<b>210,278</b>	<b>64,826</b>	<b>16,609</b>	<b>3,415</b>	<b>1,441,183</b>
<b>Total liabilities and fund balances</b>	<b>\$ 831,067</b>	<b>\$ 846,496</b>	<b>\$ 441,500</b>	<b>\$ 259,536</b>	<b>\$ 120,858</b>	<b>\$ 507,652</b>	<b>\$ 64,826</b>	<b>\$ 16,609</b>	<b>\$ 3,415</b>	<b>\$ 3,091,959</b>

**CITY OF AMSTERDAM, NEW YORK**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - SPECIAL REVENUE FUND TYPES  
Year Ended June 30, 2008**

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Golf</u>	<u>Bus</u>	<u>Urban Renewal</u>	<u>Special Grant</u>	<u>Confiscated Money</u>	<u>Miscellaneous Revenue</u>	<u>Total</u>
<b>REVENUES</b>										
Departmental income	\$ 3,492,268	\$ 3,694,860	\$ 1,730,094	\$ 563,673	\$ 190,591	\$ 151,150	\$ -	\$ -	\$ -	\$ 9,822,636
Use of money and property	56,408	35,781	7,203	5,131	13	10,384	-	-	-	114,920
Licenses and permits	9,073	-	-	-	-	-	-	-	-	9,073
Fines and forfeitures	-	-	-	-	-	-	-	17,800	-	17,800
Sale of property and compensation for loss	106,295	265	-	3,200	5,680	-	-	-	-	115,440
Miscellaneous	5,823	3,791	22,832	5,305	2,014	9,325	-	-	-	49,090
State aid	-	-	-	-	204,931	-	-	-	-	204,931
Federal aid	-	-	-	-	113,300	553,065	-	-	-	666,365
<b>Total revenues</b>	<u>3,669,867</u>	<u>3,734,697</u>	<u>1,760,129</u>	<u>577,309</u>	<u>516,529</u>	<u>723,924</u>	<u>-</u>	<u>17,800</u>	<u>-</u>	<u>11,000,255</u>
<b>EXPENDITURES</b>										
General government support	302,511	-	-	-	-	-	-	-	-	302,511
Public safety	-	-	-	-	-	-	-	21,027	-	21,027
Transportation	-	-	-	-	530,372	-	-	-	-	530,372
Culture and recreation	-	-	-	334,360	-	-	-	-	-	334,360
Home and community service	1,992,923	2,252,524	1,384,108	-	-	703,716	-	-	-	6,333,271
Employee benefits	706,252	797,995	401,623	114,006	-	-	-	-	-	2,019,876
Debt service	487,010	827,379	29,157	111,130	27,756	-	-	-	-	1,482,432
<b>Total expenditures</b>	<u>3,488,696</u>	<u>3,877,898</u>	<u>1,814,888</u>	<u>559,496</u>	<u>558,128</u>	<u>703,716</u>	<u>-</u>	<u>21,027</u>	<u>-</u>	<u>11,023,849</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Interfund transfers in	-	-	-	-	140,000	-	-	-	-	140,000
Interfund transfers out	(200,000)	-	-	-	-	-	-	-	-	(200,000)
<b>Total other financing sources (uses)</b>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
<b>Net change in fund balances</b>	<b>(18,829)</b>	<b>(143,201)</b>	<b>(54,759)</b>	<b>17,813</b>	<b>98,401</b>	<b>20,208</b>	<b>-</b>	<b>(3,227)</b>	<b>-</b>	<b>(83,594)</b>
<b>FUND BALANCE, beginning of year as originally reported</b>	<b>430,926</b>	<b>348,590</b>	<b>315,881</b>	<b>198,249</b>	<b>(49,163)</b>	<b>190,070</b>	<b>64,826</b>	<b>19,836</b>	<b>3,415</b>	<b>1,522,630</b>
<b>Prior period adjustments (See Note C-11)</b>	<b>1,586</b>	<b>-</b>	<b>-</b>	<b>561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,147</b>
<b>FUND BALANCE, beginning of year as restated</b>	<u>432,512</u>	<u>348,590</u>	<u>315,881</u>	<u>198,810</u>	<u>(49,163)</u>	<u>190,070</u>	<u>64,826</u>	<u>19,836</u>	<u>3,415</u>	<u>1,524,777</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 413,683</u>	<u>\$ 205,389</u>	<u>\$ 261,122</u>	<u>\$ 216,623</u>	<u>\$ 49,238</u>	<u>\$ 210,278</u>	<u>\$ 64,826</u>	<u>\$ 16,609</u>	<u>\$ 3,415</u>	<u>\$ 1,441,183</u>

See Report of Independent Certified Public Accountants on Supplemental Information.

## Annual Report:

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### Annual Report Contents

#### Part 1

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##### 1. Accomplishments

The Amsterdam Urban Renewal Agency has achieved the following accomplishments during the 2009 year:

- Rehabilitation of 18 units of housing across the City under the HOME rental rehab program, representing \$458,000 in total private and public sector investments in those buildings
- Completion of to the City's storm and sanitary sewer systems on a City-wide basis. This includes the elimination of cross connections between storm and sanitary sewers in 13 locations around the City, upgrades to the West End pump station, and installation of a emergency generator system for the West End station. Total project cost is \$685,000 of which \$400,000 is being paid for with a Community Development Block grant. This project was 100% complete as of year end.
- Rehabilitation of 2 commercial and 2 residential buildings along West Main Street under the NY Main street program. This undertaking represents a combined \$ 62,000 in public and private sector investment in upgrading properties along West Main Street.
- Management its small business loan portfolio during the year. The portfolio includes 4 active loans, with a total outstanding principal balance of approximately \$238,000.
- Rehabilitation of 8 units of housing in 4 houses along Division Street, as part of a HUD funded neighborhood revitalization program. This work represented a tota of over \$180,000 in combined public and private sector investment.
- Receipt of a \$400,000 HUD Small Cities grant for the comprehensive reconstruction of Bridge Street on the City's South Side, and burial of utility lines. This project is an integral part of the Via Ponte plan to redevelop the City's South Side.
- Continuing the role as grant administrator for City grants. In this role, the Agency is

playing a major role in the planning and development of a wide range of projects including the Bridge Street reconstruction, environmental cleanup and redevelopment of the Chalmers property, redevelopment of the Mohasco site, upgrading City parks, the Via Ponte and North Side BOA's, Riverlink Park Phase II, and City web site development.

## 2. Assessment of Internal Controls

An assessment of internal controls was completed. See the audit report in this manual.

3. Has the independent auditor changed within the last 5 years ? Yes

4. Has an independent audit been performed ? Yes, See audit in manual.

5. Has an organizational chart been prepared ? Yes, see section 1 of this manual.

6. Are any staff employed by other government agencies?

The administrative assistant is not employed by other agencies. The agency consultant/CEO is employed by several other government agencies.

## Part 2

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1. Has a Governance Committee been established ? Yes

2. Has and Audit Committee been established? Yes

3. Does Authority have a URL link to post a list of Board committees ? Yes

4. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL? Yes

5. Does the URA have a URL link to post the minutes of the Board and committee meetings held during the covered fiscal year? No, minutes are available at the URA offices upon request.

6. Has the Board adopted a statement of Board duties and responsibilities? Yes

7. Has the Board adopted bylaws and made them available to Board members and staff? Yes

8. Has the Board adopted a code of ethics for Board members and staff? Yes

9. Does the Board review and monitor the authority's implementation of financial and management controls? Yes

10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL? Yes

11. Is there a separation of the Board and CEO/Senior Management positions in accordance with Section 2824(3) of PAL? Yes

12. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL:

Salary and Compensation? Yes

Time and Attendance? Yes

Whistleblower Protection? Yes

Defense and Indemnification of Board Members? Yes

13. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL? Yes

14. Are the authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?

No, the Board Members are not required to submit financial disclosures because the City of Amsterdam has a population of less than 50,000 so the State Law does not apply, and the City has no ethics law that requires disclosure.

### Part 3

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1. Board of Directors Listing - The Board of Directors is provided, see section 1 of this manual.

### Part 4

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1. Staff Listing - The staff listing is provided, see section 1 of this manual.

## Part 5

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1. Benefits - Benefits for staff are as provided in the Personnel Policy, see section 2 of this manual.

## Part 6

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1. The Amsterdam Urban Renewal Agency has no subsidiaries. It is affiliated with the City of Amsterdam, as the City's Urban Renewal Agency.

## Part 7

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1. Financial Information - A Balance Sheet and Statement of Revenues and Expenditures are included in the manual, as part of the audit report.

## Part 8

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1. Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period? No.

2. Has the Authority issued any debt during the reporting period? No.

## Part 9

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Real Property Transactions - Provide information on any real property of the authority having an estimated fair market value in excess of \$15,000 that the authority either acquired or disposed of during the reporting period.

There were no real property transactions during the reporting period.

## Part 10

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Personal Property Transactions - Provide information on any personal property of the authority having an estimated fair market value in excess of \$5,000 that the authority disposed of during the reporting period.

There were no personal property transactions in excess of \$5,000 during the reporting period.

## Part 11

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1. In accordance with Section 2896(3) of PAL, the authority is required to prepare a report at least annually of all real property of the authority. Has this report been prepared? Yes
2. Has the authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property? Yes
3. In accordance with Section 2896(1) of PAL, has the authority named a contracting officer who shall be responsible for the authority's compliance with and enforcement of such guidelines? Yes

### **Assessment of Internal Controls:**

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The audit report, included in this manual, includes an assessment of internal controls by a third party auditor.

### **Board and Committee Meetings Minutes:**

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Note: Minutes of the Amsterdam Urban Renewal Agency are maintained in a separate minutes book.

### **Statement of Assets and Liabilities:**

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A statement of assets and liabilities is included in the audit report in the manual.

### **Statement of Revenues, Expenses, and Change in Net Assets :**

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A statement of revenues, expense, and change in net assets is included in the audit report in this manual.

### **Real Property Transaction Report:**

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During the 2009 year, there were no real property transactions as defined under the Public Authorities Accountability Act.

### **Financial Disclosure for Board Members:**

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Financial disclosures are not required by law, as the City of Amsterdam has a population under 50,000 such disclosure is not required. See ABO Policy Guidance 07-02 on the following page.

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## Authority Budget Office Policy Guidance



**No.** 07-02

**Date Issued:** May 1, 2007

**Supercedes:** New

**Subject:** Financial Disclosure by Local Public Authority Board Members

**Statutory Citation:** Section 2825(3), Public Authorities Law

**Provision:** Board members, officers, and employees of a local public authority are to file annual financial disclosure statements with the appropriate local board of ethics (county or municipal) in which the local public authority has its primary office pursuant to Article 18 of the General Municipal Law.

**Authority Budget Office Policy Guidance:** Only a political subdivision that is required to adopt a financial disclosure policy under Article 18 of the General Municipal Law is required to establish and follow a financial disclosure policy under the Public Authorities Accountability Act.

Article 18 applies to a county, city, town or village with a population of 50,000 or more. These political subdivisions are to adopt a local law, ordinance or resolution setting forth the form of financial disclosure required and identifying the positions and offices to which this disclosure requirement applies. For purposes of financial disclosure, members, officers and employees of a local public authority are considered to be employees of the political subdivision.

Public authorities established to benefit a political subdivision with a population of 50,000 or less are exempt from the requirements of Article 18, although such a political subdivision may voluntarily adopt a financial disclosure policy. Since Section 2825 of the Public Authorities Law requires local public authorities to follow the disclosure practices established by the political subdivision and county board of ethics, board members, officers and employees of local public authorities established in these exempt political subdivisions may not be required to submit financial disclosure statements.

Political subdivisions subject to the financial disclosure requirements of Article 18 should already have policies and disclosure formats in place and covered individuals of local public authorities should be submitting financial disclosure statements annually to the board of ethics. If a political subdivision is subject to these disclosure requirements and has not adopted policies and procedures, it should take immediate action necessary to comply with the statute.

## **Annual Budget:**

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The annual budget for the Amsterdam Urban Renewal Agency is presented on the following page.

**Amsterdam Urban Renewal Agency  
2010 Budget**

<u>Revenue</u>	<u>URA Format</u>		<u>OSC Format</u>	
Grants:	2009 CDBG	\$200,000		
	2007 HOME	\$120,000		
	2008 Main St	\$250,000		
	2008 CDBG	\$150,000	Federal Grants:	\$570,000
	2004 Main St	\$0	State Grants:	\$150,000
Grant Administrative Fees:		\$20,000	Other Earned Inc	\$20,000
Program Income:		\$5,000	Non- Operating Inc.	\$5,000
<b>Total Revenue</b>		<b>\$745,000</b>		<b>\$745,000</b>
<u>Expenditures</u>	<u>URA Format</u>		<u>OSC Format</u>	
Administrative Costs:	Payroll	\$14,000	Salaries & Wages	\$14,000
	Worker's Comp	\$800		
	Other Fringe	\$1,200	Other Emp. Benefits	\$2,000
	Consulting Fees	\$38,000	Professional Services	\$38,000
	Office Supplies	\$2,600	Supplies & Materials	\$2,600
	Advertisizing & Legal Notices	\$900		
	Audit & Bookkeeping	\$8,000		
	Legal & Filing Fees	\$2,000	Other Operating Expenses	\$10,900
Total Administrative		\$67,500		
Project Costs				
	Public Works - Bridge St	\$200,000	Capital Asset Outlay	\$200,000
	Rehab Grants - Division St	\$135,000		
	Rehab Grants - Rental Prog	\$100,000		
	Rehab Grants- Main Street	\$200,000	Grants and Donations	\$435,000
	Engineering Fees	\$0		
	Rehab Specialists Fees	\$23,500		
	Project Management Fees	\$10,000		
	Lead Inspectors	\$7,000		
	Lab Fees	\$2,000	Other Non-Operating	\$42,500
Total Project Costs		\$677,500		
<b>Total Expenditures</b>		<b>\$745,000</b>		<b>\$745,000</b>