

SCHENECTADY LOCAL DEVELOPMENT CORPORATION

BYLAWS

ARTICLE I - NAME

The name of the organization shall be the Schenectady Local Development Corporation. The Schenectady Local Development Corporation, hereafter known as the SLDC, was incorporated under the New York State Not-for-Profit Corporation Law of 1970 on June 28, 1978, and operates as a 501c3 entity.

ARTICLE II - PURPOSE

The SLDC is organized and chartered for the purpose of furthering the economic development in the City of Schenectady. The primary objective of this corporation shall be to provide low interest loans to businesses with a goal of increasing employment and prosperity as well as attracting new business in the City of Schenectady.

In order to accomplish this purpose, the SLDC will work closely with the City of Schenectady's Department of Development which will provide staff services to the Corporation, and the Schenectady County Community Business Center.

In order to provide greater efficiencies of service, the SLDC may collaborate with other economic development entities in Schenectady County.

ARTICLE III - MEMBERSHIP

The General Membership of the SLDC shall consist of not less than twenty-five (25) members, of which seventy-five percent (75%) must either reside or have a principal place of business in the City of Schenectady. New members are elected to the SLDC at the Annual Membership Meeting. Any membership vacancy that reduces the total number to below twenty-five (25) shall be filled promptly by a majority vote of the Board of Directors.

The Executive Director will serve in an ex-officio capacity.

ARTICLE IV - BOARD OF DIRECTORS, IDEMNIFICATION AND EMERITUS STATUS

IV-A BOARD OF DIRECTORS

The business and affairs of the Corporation shall be managed by a Board of Directors, which shall consist of not less than six (6) nor more than eleven (11) members. Directors shall be nominated by the Board's Nominating Committee and ratified by the entire membership for a term of three (3) years, or until a successor has been elected. A minimum of eighty percent (80%) of the Board members must either live, or have a principal place of business, in the City of Schenectady. Any vacancy on the Board of Directors, including officers, shall be filled promptly by a majority vote of the Board of Directors.

The Board may exercise all such powers of the Corporation and do all such lawful acts as are by statute or by the Articles of Incorporation or by these by-laws directed including, but not limited to, the approval and/or setting terms of loans from funds of the SLDC to businesses applying for such funds.

IV-B INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each person who is made, or threatened to be made, a party in any civil or criminal action or proceeding by reason of the fact that he or she, was a director or officer of the SLDC, or serves or served any other entity in any capacity at the request of the SLDC, shall be indemnified by the SLDC from and against amounts paid in judgment, settlement, and reasonable expenses, including attorney' fees, actually and necessarily incurred in connection with the defense or settlements of such action, or in connection with an appeal therein, except as such indemnification may be proscribed by statute from time to time. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled apart from this By Law, whether by contract or otherwise. Such indemnification shall be authorized by resolution of the Board of Directors or by agreement entered into with individual directors and officers. To the extent not inconsistent with the Not-For-Profit Corporation Law of the State of New York ("N-PCL") and in the discretion of the Board of Directors, the SLDC may purchase and maintain insurance:

(a) to indemnify the SLDC for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of the N-PCL; and

(b) to indemnify directors and officers in instances in which they may be indemnified by the SLDC under the provisions of the N-PCL; and

(c) to indemnify directors and officers in instances in which they may not otherwise be indemnified by the SLDC under the provisions of the N-PCL, provided the contract of insurance covering such directors and officers provides in a manner acceptable to the superintendent of insurance for a retention amount and for co-insurance.

IV-C EMERITUS STATUS

After 15 years (or 5 terms) service on the Board, a Board Director may be elected to emeritus status. This is a non-voting designation that does not have attendance requirements and does not count in the quorum total.

ARTICLE V - OFFICERS

The officers of the SLDC shall be President, Vice-President, Treasurer and Secretary. The President and Vice-President shall be elected by the Board of Directors at an annual organizational meeting of the Board of Directors to be held in January of each year. The Treasurer will be appointed by, and serve at the pleasure of the Board. The elected officers will serve three (3) years in office, or until a successor is elected. The officers shall serve no more than two consecutive full terms in any office.

The position of Secretary will be filled ex-officio by the Executive Director.
PRESIDENT

The President shall preside at the annual meeting of the Membership and at all Board meetings. The President shall see that all orders and resolutions of the Corporation and the Board are carried into effect. The President shall, with the consent of the Board of Directors, have the authority to appoint standing or ad-hoc committees as deemed necessary to effectuate the purpose and responsibilities of this Corporation.

VICE-PRESIDENT

The Vice-President shall perform all such duties as from time to time may be assigned by the SLDC or the Board or the President. At the request of the President, or in case of the President's absence or inability to act, the Vice-President shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President.

TREASURER

The Treasurer shall have charge and custody and be responsible for all the funds and securities of the SLDC. The Treasurer shall keep full and accurate accounts of assets, liabilities, receipts and disbursements and other transactions of the SLDC. The Treasurer shall report at each Board meeting the current financial status of the SLDC. The Treasurer shall present the books for an annual audit to be done by the SLDC's accounting firm and shall deposit all monies and other valuable effects in the name of and to the credit of the SLDC in such banks or other depositories as may be designated by the SLDC or by the Board, taking proper vouchers for such disbursement, and shall render to the President and to the Directors at the meeting of the SLDC or the Board, or whenever they may require it, a statement of all the transactions as Treasurer and an

account of the financial condition of the SLDC.

EXECUTIVE DIRECTOR

The Board of Directors shall appoint an Executive Director and Secretary who shall serve at the pleasure of the Board and assume the duties of Board Secretary.. The Executive Director shall oversee the day-to-day operation of the SLDC by and at the direction of the President and/or the Board of Directors. The Executive Director will be empowered to carry-out the purposes, policies, program and special projects of the SLDC by, with, and for the President and Board of Directors. The Executive Director will be an ex-officio, non-voting member of the SLDC.

The Executive Director acting as Secretary of the SLDC shall keep the minutes of all Board and Membership meetings; shall give notice of all Membership and Directors meetings; shall be custodian of the seal of the Corporation and shall affix the seal, to all documents authorized by the Corporation or the Board; shall have charge of the records of Members and also of the other books, records, and papers of the Corporation and shall see that the reports, statements and documents required by law are properly kept or filed; and shall in general perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned by the SLDC, the Board or the President.

The Executive Director shall see that all orders and resolutions of the SLDC or of the Board are carried into effect in the day-to-day operation of the SLDC. In general, the Executive Director shall perform all duties incidental to the office of Executive Director and such other duties as may from time to time be assigned by these by-laws, the SLDC, or the Board.

ARTICLE V.1 – STANDING COMMITTEES

The following standing committees shall be appointed by the President and ratified by the Board. These committees may be augmented from time to time depending upon the work to be done.

Executive Committee – to consist of the President, Vice President, Executive Director and Treasurer. Its purpose is to interact with other Local Development Corporations and with Economic Development Agencies in order to provide a cohesive approach to small loans in the City of Schenectady and keep up-to-date on new developments.

Finance Committee – Its purpose is to create the annual budget for approval by the Board before the end of the calendar year, review the draft audit, and to monitor the finances of the SLDC.

Loan Committee – its purpose is to make recommendations on new loans to the Board of Directors.

Loan Review Committee – its purpose is to meet on a regular basis to review the status of existing loans.

Long Range Planning Committee – its purpose is to seek new sources of loan funds and to consider their feasibility, to review procedures and programs of the SLDC and to offer changes, to provide direction for the SLDC.

Nominating Committee – to consist of 3 Board members. Its purpose is to recommend prospective candidates to serve on the Board and the general membership. In addition, to recommend a slate of officers to the Board and to fill vacancies as rapidly as possible.

ARTICLE VI - MEETINGS

ANNUAL MEMBERSHIP MEETING

The annual meeting of the SLDC's membership for the transaction of such business as may be set forth in the notice of meeting, shall be held at a location within the City of Schenectady designated by the Board of Directors, during the month of May of each year. The day and time of said meeting will be determined by the Board of Directors and be made known at least 2 weeks prior to that meeting.. At the Annual Meeting, a quorum shall consist of no less than 13 voting members from the general membership roster.

ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS

An annual organizational meeting of the Board of Directors in which the slate of Board officers is elected and the budget is adopted will be held in the fourth quarter of each year.

SPECIAL MEETINGS

Special meetings of the membership may be called at any time by the President or the Executive Director. Special meetings require a 48 hour written notice to the Membership and may be done by e-mail.

BOARD OF DIRECTORS MEETINGS

The Board of Directors shall meet on a regular basis to transact the business of the SLDC.. Notice of such meeting shall be made at least one week prior by the Secretary. Additional meetings may be called on an as needed basis with notification being made a minimum of 24 hours prior.

QUORUM

A quorum shall consist of a simple majority of the existing Board membership
CONFLICT OF INTEREST

From time to time a conflict of interest may exist when the interests of a Director, Officer, or Staff Member, or that of members of their immediate family or any party, group or organization to which said person has allegiance, may be viewed as competing with the interests or concerns of the SLDC. When this disclosure occurs, it is incumbent upon the Director, Officer or Staff Member affected to make this conflict of interest known to the Board of Directors. In all instances, they are not permitted to vote on the matter and, depending upon the circumstances, may be asked to leave the room during pertinent discussions. To insure that each Board Member understands and accepts this policy, a statement to this effect will be signed and kept on record.

PHONE SURVEY

In those instances, where the President of the Board or the Executive Director determines that immediate action is necessary to further the interests of the SLDC, a survey of the Board of Directors may be conducted by telephone, explaining the situation and recording the vote of each Director. The Executive Director can act upon the results of the survey if a majority of the Directors so indicate. Formal action affirming the survey shall be taken at the next meeting of the Board of Directors.

ARTICLE VII - FORFEITURE OF POSITION

Any Member, Director, or Officer may be removed from the Corporation by a majority vote of the Board of Directors if they fail to attend three (3) consecutive meetings, annual or special. the Board may consider a request from a member for a leave of absence from the Board for a stated period of time. The member shall be notified in writing at least five days prior to the meeting at which the vote will take place and shall have the right to appear at the meeting and present reasons why membership should not be so terminated. In addition, any Member, Director, or Officer may be removed from the SLDC by a majority vote of the entire membership on the grounds that the best interests of the SLDC would be served. The Executive Director shall give written notice to the membership of the request for termination of that member's membership, and the President shall appoint one or more persons to conduct a preliminary investigation of the charges. The results of the preliminary investigation shall be made by written notice to the complaining members and a copy of the preliminary report and charges shall be delivered to the member or members in question. Unless the complaining members withdraw the charges or the charged member voluntarily resigns by written resignation delivered to the Executive Director, the request for termination of membership shall be placed on the agenda of the next annual meeting of the members at least ten (10) days in advance of the date thereof. At such meeting, the President, or the next highest officer not directly involved shall preside over the termination question. If none of the aforesaid officers is eligible to preside, the members shall choose a presiding officer

by majority vote.

ARTICLE VIII - AMENDMENTS

These by-laws may be amended by a two-thirds vote of the Board of Directors ~~membership~~. Notification of all changes must be given in writing to each Board member at least two weeks prior to this vote.

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ARTICLE IX – BY-LAW REVIEW

A by-law review should occur every two years to ensure that the bylaws are up to date and in compliance.

ARTICLE X - PARLIAMENTARY AUTHORITY

Where not superseded by these by-laws, Robert's Rules of Order and Parliamentary Procedures shall apply.

Revised and adopted – June 15, 2007
September, 1990
January; August; October, 1991
September 1993
September 1994
April 21, 1995
November 7, 1997
April 24, 1998