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October 1, 2013

Mr. Todd Rulison
Vice Chair
Fulton County Economic Development Corporation
The Johnstown Professional Office Complex
55 East Main Street, Suite 110
Johnstown, NY 12095

Dear Mr. Rulison and Directors of Fulton County Economic Development Corporation:

In October 2008, February 2009, July, 2010 and September 2010 the Authorities Budget Office (ABO) sent letters to **Fulton County Economic Development Corporation** (EDC) stating our determination that EDC is a local authority as defined in Section 2(2) of Public Authorities Law and subject to the accountability and reporting requirements of that law, and the enforcement authority of the ABO due to EDC's affiliation with Fulton County.

In a March 28, 2013 letter the ABO stated "We expect the FCEDC to be in compliance with its accountability and reporting requirements by June 1, 2013. The failure to do so can result in the ABO taking enforcement action against its board of directors." On August 8, 2013, the ABO sent a letter compelling the board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. The September 3, 2013 response from you indicated that EDC does not intend to comply with the law.

As of October, 1 2013 the Fulton County Economic Development Corporation remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. In addition, our records indicate that the board has failed to meet its statutory obligation to participate in mandatory training that focuses on the governance, accountability and ethical responsibilities of directors. Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law, the ABO is sending this official letter of censure to the board of directors of Fulton County Economic Development Corporation.

As a public authority, Fulton County Economic Development Corporation is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of the board's collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your legal obligations is unacceptable. This behavior demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this censure letter may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Fulton County Economic Development Corporation into compliance, the ABO may take additional steps, including initiating legal action, to access the records, books, and financial documents of the authority.

Sincerely,

David Kiderra
Director

cc: Jack Wilson, Treasurer and Secretary
Michael Bowker, Board Member
Michael Ponticello, Board Member
Dr. Dustin Swanger, Board Member

Michael J. Reese, President and Chief
Executive Officer
William H. Waldron, Chairman Fulton County
Board of Supervisors
Assemblyman Marc Butler
Senator Hugh T. Farley