



STATE OF NEW YORK  
**Authorities Budget Office**

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October 1, 2013

Mr. Gregory J. Hartz  
Chair  
Tompkins County Area Development, Inc.  
401 East State Street/East MLK Jr. St.  
Suite 402B  
Ithaca, NY 14850

Dear Mr. Hartz and Directors of Tompkins County Area Development, Inc:

In October 2008, January 2009, August 2011, February 2013, March 2013, and September 2013 the Authorities Budget Office (ABO) sent letters to **Tompkins County Area Development, Inc.** (TCAD) stating our determination that TCAD 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 TCAD's affiliation with Tompkins County and the Tompkins County Industrial Development Agency. The ABO's March 2013 letter stated "TCAD has until April 30, 2013 to come into compliance with state law. Should the board of directors of TCAD fail to bring TCAD into compliance by that date, the ABO will publicly censure the board of directors." The ABO's September 2013 letter stated "Pursuant to our authority under Section 6(2)(f) of Title 2 of the Public Authorities Law, the ABO is prepared to send an official letter of censure to each of the board members of TCAD in October 2013 should TCAD not do so."

As of October, 1 2013 the TCAD 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 Tompkins County Area Development, Inc.

As a public authority, Tompkins County Area Development, Inc. 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 Tompkins County Area Development, Inc. 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 Kidera  
Director

cc: John Rudd, Vice Chair  
Andrew Sciarabba, Secretary/Treasurer  
Charles Trautmann, Board Member  
Donald Barber, Board Member  
Larry F. Baum, Board Member  
James Brown, Board Member  
Dr. Luvelle Brown, Board Member  
Will Burbank, Board Member  
Laura Cima, Board Member  
Phyllisa DeSarno, Board Member  
Tony Eisenhut, Board Member  
Gregory Galvin, Board Member  
Holly Hardie, Board Member  
Dr. Carl E. Haynes, Board Member  
Stephen Johnson, Board Member  
Mary Kane, Board Member  
Tom LiVigne, Board Member  
Laurie Linn, Board Member

Joe Mareane, Board Member  
Edward Marx, Board Member  
Julia Mattick, Board Member  
Jean McPheeters, Board Member  
Svante Myrick, Board Member  
Mary Opperman, Board Member  
Martha Robertson, Board Member  
Tom Schryver, Board Member  
Carl Sgrecci, Board Member  
Herman Sieverding, Board Member  
Steve Snyder, Board Member  
Michael Talarski, Board Member  
Gary Woloszyn, Board Member

Michael B. Stamm, President  
Robert J. Ryan, Harris Beach PLLC  
Assemblywoman Barbara Lifton  
Senator Thomas F. O'Mara