



STATE OF NEW YORK
Authorities Budget Office

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October 2, 2012

Mr. Guy Gamello
Chairman
Village of Valatie Local Development Corporation
c/o Village of Valatie
3053 Main Street
Valatie, NY12184

Dear Mr. Gamello:

The **Village of Valatie Local Development Corporation** failed to file a Budget Report for the fiscal year ending 6/30/2013 and Annual and Audit Reports for the fiscal years ending 6/30/2011 and 6/30/2012. As a result, the Village of Valatie Local Development Corporation has, on numerous occasions, been included on published lists of state and local authorities that are out of compliance with state law. These lists were released by the Authorities Budget Office (ABO) in January 2012 and July 2012.

On August 10, 2012, 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. In telephone conversations and emails with this Office, a representative of your authority, Steven Kirk, indicated that the corporation would submit the required reports.

As of October 1, 2012 the Village of Valatie Local Development Corporation remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. 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 the Village of Valatie Local Development Corporation.

As a public authority, the Village of Valatie Local 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 Village of Valatie Local Development Corporation into compliance, the Authorities Budget Office may take additional steps, including initiating legal action, to access the records, books, and financial documents of the Authority.

Sincerely,

David Kidera
Director

Cc: Mr. Jason Nastke, President
Mayor Gary D. Strevell, Village of Valatie
New York State Senator Stephen M. Saland
Assemblyman Steven F. McLaughlin