



STATE OF NEW YORK
Authorities Budget Office

P O Box 2076
Albany, NY 12220-0076
WWW.ABO.NY.GOV

e-mail address:
info@abo.ny.gov

Local:518-474-1932
Toll Free: 1-800-560-1770

October 1, 2013

Mr. Doug Gulotty
President
Otsego County Development Corporation
242 Main Street
Oneonta, NY 13820

Dear President Gulotty and Trustees of the Otsego County Development Corporation:

The **Otsego County Development Corporation** failed to file Annual and Audit Reports for the fiscal years ending May 31, 2012 and May 31, 2013 and a Budget Report for the fiscal year ending May 31, 2014. As a result, the Otsego County Development Corporation was 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 July 2012, January 2013, and July 2013. On February 27, 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. Otsego County Development Corporation responded in a March 19, 2013 letter that it did not believe that the corporation met the definition of a local authority as found in Public Authorities Law (PAL). In an April 4, 2013 letter the ABO restated its position that Otsego County Development Corporation is subject to PAL because of its affiliation with Otsego County and the Otsego County Industrial Development Agency.

As of October 1, 2013 the Otsego County 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 the Otsego County Development Corporation.

As a public authority, the Otsego County 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 Otsego County 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:

Mr. Rob Robinson, Vice President
Mr. Jamie Reynolds, Treasurer
Mr. Len Marsh, Secretary
Mr. Robert A. Harlem, Jr., Trustee
Mr. James M. Jordan, Trustee
Mr. Michael Pentaris, Trustee
Mr. Joseph Bernier, Trustee

Ms. Kathleen Clark, Chair, Otsego County Board of
Representatives
Assemblyman William Magee
Senator James L. Seward
Mr. Christopher M. Martell, Hodgson Russ LLP