

**ERIE CANALWAY NATIONAL HERITAGE CORRIDOR
COMMISSION ANNUAL MEETING**

**June 6, 2007
WNED, Buffalo**

Minutes

Call to Order

Commission Chairman Eric Mower called the meeting to order at 10:00 a.m.

Welcoming Remarks

Charles Rosenow, President of Erie Canal Harbor Development Corporation, welcomed the Commission to Buffalo. The mission of his organization is to help stimulate private development that will take advantage of the reestablishment of the terminus of the Erie Canal in downtown Buffalo.

Chairman Mower's Opening Remarks

Chairman Mower anticipated a busy day with the Commission meeting in the morning and a press conference to follow, then a meeting with editorial board of the Buffalo News. He noted that the business of the day included the culmination of the grants process and he welcomed the opportunity to contribute financially to the communities within the corridor.

Attendance

Attendance was taken (see attached list), and it was determined that a quorum was present.

Approval of Meeting Minutes

Copies of the minutes from the November 16, 2006 meeting had been previously approved by Secretary Alan Vincent and distributed to the Commissioners for review. Peter Welsby made a motion to accept the minutes of the meeting of November 16, 2006 and was seconded by Tom Grasso. The motion was approved unanimously.

Budget Report

Commission Treasurer Peter Welsby discussed the worksheet for FY 2007 Commission Operations (see attached). He noted that Federal appropriations were \$768,524 and with \$100,000 still available from HUD, the total budget for FY 2007 was \$868,524. Expected expenditures include office rental of \$5,000, some of the \$201,000 for grants and the state heritage development conference at \$5,000. Regarding expenditures to date, he noted that the \$10,000 in "Projects: Other" includes \$4,000 for vehicle repair, \$2,500 for Web & email services and \$1,700 for audio recording of Commission meetings. Regarding the HUD funds, the process is under way to print the approved management plan for an estimated \$33,000.

Joe Callahan made a motion to approve the budget, seconded by Lynn Herzig and the motion was passed unanimously.

Audit Report:

Mark Hettler of Beard Miller Company (BMC, formerly TFG CPAs), presented the auditor's

report. The auditors gave Erie Canalway an unqualified report, meaning that the books and records were in accordance with generally accepted accounting principles. He drew the Commission's attention to the auditors' management letter, which contains recommendations intended to help the Commission move forward.

Tom Grasso made a motion to approve the audit report and Russ Andrews seconded. The motion was approved unanimously.

Resignation of Commissioner Meg Levine

Chairman Mower announced that Commissioner Meg Levine resigned from the Commission effective April 25, 2007. She accepted a position in the New York State Attorney General's office which created a potential conflict of interest, so resigned with much regret. Eric took the opportunity to recognize publicly her hard work and excellent counsel throughout her tenure. He will draft a formal letter of appreciation on behalf of Commission to be signed by himself and Frank Dean.

Introduction of New Staff Members

Frank Dean introduced two new staff members of the Erie Canalway National Heritage Corridor. Rosemary Button, hired April 11, is the new Administrative Assistant and Jean Mackay, hired June 4, is the Director of Communications & Outreach.

Ratification of 2007 Pilot Grant Awards

Grants Committee Chair Stuart Stein presented the final recommendations for grant awards (see attached) to the Commission. He expressed his appreciation of fellow committee members Alan Vincent, Carol Greenough and Pieter Smeenk for their hard work and noted the assistance of three advisors, Marcia Kees and Lucy Breyer of the Office of Parks Recreation and Historic Preservation, and Sharon Leighton of the New York State Canal Corporation.

Staff member Hannah Blake noted that the list of 13 recommendations was culled from a total of 35 applications which requested a total of \$521,927. The types of recommended projects include seven with a signage element, one with an educational component, one for web site development, one for an event, one for a plan, four with brochure components, one for training and one for an exhibit. The recommendations reflect geographic distribution throughout the Corridor, have local municipal support and represent local needs. Chairman Mower pointed out that the recommendations have unanimous grant committee and unanimous executive committee approval.

Committee Chair Stuart Stein made a motion to approve the recommendations and was seconded by Pieter Smeenk and the motion was passed unanimously. Pieter Smeenk commented that the level of staff involvement required by the projects was a contributing factor to choices. Peter Wiles inquired how the committee planned to monitor the projects to evaluate program effectiveness. Hannah replied that reports would be submitted by grantees. Stuart Stein reminded the Executive Committee of the need to decide whether a second grants program would be initiated and if so, what the level of funding would be.

***Lois McClure* “Grand Canal Journey” Update**

Staff member Lori Duell presented an overview of the project planned for the upcoming summer, the *Lois McClure* Grand Canal Journey. Outreach efforts to date include community meetings throughout the Corridor and production and distribution of brochures and posters. Upcoming outreach includes media advisories and press releases throughout the journey and an exhibit booth to be at each port of call. The \$300,000 needed for the journey has been raised in a very short time, thanks to partnerships. Sponsors of the voyage are New York State Canal Corporation, Pride of New York (Department of Agriculture and Markets), Cabot/McCadam Cheese, Brookfield Power, National Grid, Keyspan, and Saratoga Water.

Commissioner Clint Brown discussed the city of Buffalo’s plans for the *Lois McClure* visit. Buffalo Place will be organizing local events in partnership with several local organizations including the Buffalo Erie County Historical Society, and the Buffalo/Niagara Convention and Visitors Bureau. The event will be called Buffalo Heritage Days, which will feature various local ethnic groups, many of whom arrived in Buffalo via Erie Canal.

Commissioners Vicky Daly and Judy Schmidt-Dean both expressed the enthusiasm already evident in their local communities, with eager participation from merchant groups as well as heritage organizations. Frank Dean encouraged all the commissioners to take advantage of this opportunity to further promote the identity and presence of the Corridor.

Public Comment Period

During the period for public comment, the following presentations were made:

- Doug Farley, the Chair of the Erie Canal Task Force discussed the revitalization of the canal district in Lockport, focused around the Erie Canal Discovery Center as the start of an Erie Canal heritage district which includes restoration of buildings, landscape improvement, and interpretive tours of the Flight of Five restoration.
- David Kinyon of City of Lockport and the Flight of Five Committee presented more information regarding the restoration of the Flight of Five as a significant part of the Erie Canal experience. It is a ten million dollar project, sponsored by the city of Lockport, which is part of the operating system of New York State Canal Corporation providing the unique perspective of the historic and the modern side by side.
- Tim Tielman, Executive Director of the Campaign for Greater Buffalo History, Architecture and Culture, spoke of the emerging cultural landscape at the Commercial Slip which was the result of public effort and his group’s concerns regarding the recent agreement for development within the bounds of this archeological district, that the planned commercial presence will overwhelm the historic substance of the area.

Erie Canalway Heritage Fund, Inc. Update

Staff member Beth Sciumeca reminded the Commission that in 2006, the Erie Canalway Heritage Fund was created and incorporated in New York State. The next steps are to establish non-profit status with the IRS and establish a board of directors. A consultant has been retained to expedite these tasks. The Fund’s by-laws, mission statement and conflict of interest policy have been drafted and approved by two of the three original incorporators (see attached). Beth discussed specific aspects of the language contained in the Fund’s by-laws which are unique to the Fund’s circumstances and organizational requirements, particularly in relationship to the

Commission, and explained the reasons for that language.

Mark Hettler reminded the Commission that a 2006 tax return needs to be filed for the Fund, since it was incorporated in 2006, even though there is no income to report. The Fund will also need to arrange Errors and Omissions insurance for its officers.

Chairman Mower instructed the Commission to take the draft by-laws, mission statement and conflict of interest policy to review and submit any written comments within 30 days. The Executive Committee will then meet to review the comments and vote on the documents. Beth reminded the Commission that the consultant will also help to recruit board members, and suggested that a possible opportunity for this could be event on the *Lois McClure* when the schooner is in Albany in September.

Rochester Aqueduct Presentation

Commissioner Tom Grasso presented a proposal to re-water the Rochester Aqueduct. The effect of the proposal would unite neighborhoods with business, sports venues, hotels, and attract new development. A feasibility study has been completed and shows the idea to be possible. He offered examples of other similar, successful projects from around world including Providence, RI, and Ottawa, Ontario. He said there are no detailed studies yet as to cost, but very early estimates range between \$100-200 million.

Executive Director's Report:

Frank Dean mentioned the following highlights from the Staff Report (see attached):

- On March 3, the Corridor received the Canal Society Peter Wiles Sr. Award.
- The House of Representatives' Appropriations Sub-committee approved \$20 million for FY2008, a significant increase over FY2007.
- The Erie Canalway highway signs are being fabricated and the Department of Transportation plans to have the majority of them installed by Labor Day.

In addition, Frank noted the following items:

- He and other staff will be attending the International Heritage Development Conference in Detroit, June 18-21.
- The Corridor is partnering with the Canal Corporation to present CanalSplash, August 10-12, which highlights activities throughout whole corridor.
- The second annual Photo Contest has been initiated. The deadline is August 17.
- He has been appointed to the role of advisor regarding Heritage Areas to the NPS Director.
- Tom Grasso is going to the World Canals Conference in Liverpool, England and will present a bid to host that event in Rochester in 2010.

Frank called staff member Duncan Hay to make a presentation regarding the Corridor's participation in the Erie Canal Harbor interpretive exhibits. Duncan reported that his role included advising on content of the Empire State Development Corporation's exhibits for the site. He also helped design a special kiosk composed of three panels, one featuring the role of the canal in Buffalo, one discussing the canal throughout New York State and the third featuring the Corridor.

Election of Commission Officers

Nominating Committee of Judy Schmidt-Dean, Russell Andrews and Peter Welsby presented the following slate of nominees: Eric Mower as Chairman, Joseph Callahan as Vice Chairman, Alan Vincent as Secretary and Peter Welsby as Treasurer. The floor was opened for further nominations, of which there were none. Tom Grasso moved to close the nomination process. Motion was seconded and passed unanimously. Stuart Stein made a motion to accept slate of nominees. Motion was seconded and unanimously approved to elect the slate as presented.

New Business

There was no new business.

Marcia Kees of the Office of Parks, Recreation and Historic Preservation announced that a new round of Environmental Protection Fund grants had been initiated and applications are due by the end of June. Marcia reminded the Commission that 2007 is the 25th Anniversary of the State Heritage Area program and that there will be a Heritage Development Forum on November 13, 2007.

Venue and Date

A venue and date for the next Commission meeting were not determined. Possibilities include Geneva and Albany to coincide with the Lois McClure visit. Frank Dean informed the Commission that the Champlain and Hudson Valley Heritage Areas would like a joint meeting with the Erie Canalway National Heritage Corridor at the Saratoga National Historic Park in November.

Wrap up and Adjourn:

A question was raised regarding progress on the Pier A project. Frank Dean reported that he, Eric Mower and Duncan Hay made a presentation to the developers in March which was positive in atmosphere, but no decision was made due to uncertainties regarding the ferry service negotiations with the National Park Service.

Meeting was adjourned at 1:04 p.m.

Prepared by: Rosemary Button Date: July 31, 2007

Approved by: Commissioner Alan Vincent Date: September 21, 2007

**ERIE CANALWAY NATIONAL HERITAGE CORRIDOR
COMMISSION ANNUAL MEETING**

**June 6, 2007
WNED, Buffalo**

Attendance

ECNHC Commission Members

Eric Mower, Chair
Joe Callahan, Vice Chair
Peter Welsby, Treasurer
Russell S. Andrews
Clint Brown
Victoria Daly
Thomas Grasso
Lynn Herzig
Christopher Lindley
Ken Lynch
Judith Schmidt-Dean
Robert Shibley
Pieter Smeenk
Stuart Stein
Peter Wiles, Jr.

Proxies held for absent Commission members (as needed)

Proxy held by Stuart Stein for Carol Greenough

Liaisons to the Commission

Marcia Kees, NYS OPRHP
Brian Rusk, NYS Canal Corporation
John Feltman, NYS DEC
Tim Doolittle, NYS ESDC

Guests

Charles Rosenow, President, Erie Canal Harbor Development Corp.
Mark Hettler, Beard Miller Co.
Tim Tielman, WECA & the Campaign for Greater Buffalo
Dave Kinyon, City of Lockport
Doug Farley, Erie Canal Discovery Center
Cynthia Conides, Buffalo & Erie County Historical Society
Steve Bell, EMA
Peggy Beardsley, Buffalo Place

ECNHC Staff

Frank Dean
Hannah Blake

Duncan Hay
Lori Duell
Jean Mackay
Beth Sciumeca
Rosemary Button

Applicant Name Project Name Project Type	Location County Canal	Project Description	Award Amount
Canal Society of New York Port Byron Old Erie Canal Heritage Park Interpretive Signage	Village of Port Byron Cayuga County Erie Canal	The project will develop and implement interpretive exhibitry in the 1898 mule-boarding barn and blacksmith shop located at the Port Byron Old Erie Canal Heritage Park (National Register structures within the Erie Canal Lock 52 complex) in Port Byron, NY.	\$ 25,000
The Corn Hill Waterfront & Navigation Foundation Erie Canalway Cultural Heritage Interpretive Narratives in Monroe Co. Educational Program and Directional Signage	City of Rochester Region Monroe County Erie Canal	Corn Hill Navigation (CHAN) will create new cultural heritage interpretive narrative scripts featuring Monroe Co. Erie Canalways for each of its two vessels, targeted for its three major passenger constituencies: The general public; school groups; and tour groups coming from outside Monroe County. CHN will also produce signage designed to publicize its live narrated cruising experience.	\$ 11,704
Village of Fairport Historic Interpretive Signs and Information Kiosk Interpretive Signage	Village of Fairport Monroe County Erie Canal	This program will tell the story of Fairport's rich and authentic history as an Erie Canal village. An integral part of our Main Street Streetscape Plan, the signage and kiosk will educate residents, boaters and visitors alike, stimulating interest in the canal corridor, enhancing the sense of place and community and contributing to ongoing efforts to make the Erie Canal a more widely known and better understood world-class heritage tourism destination.	\$ 13,000
Valley Community Association Buffalo River Historical District Park Project Interpretive Signage	City of Buffalo Erie County Erie Canal	The project will provide interpretive signage and exhibits to document Buffalo's history as the grainmilling capital of the world, its connection to the Erie Canal and for the historic E.M. Cotter Fireboat which has been protecting them for the past 100 years.	\$ 25,000
Erie Canal Museum Interpretive Weighlock Exhibit Exhibit	City of Syracuse Onondaga County Erie Canal	An interpretive computer simulation of a Weighlock building is being planned as a major component of a newly renovated exhibition area. A software program will be designed that enables students to virtually steer canal boats through the lock systems, enter the Weighlock Building, be weighed and collect tolls. This program will ultimately be on the Museum's website.	\$ 25,000
Chamber of Schenectady County Lock 7-12 Canalfest Event	Multiple locations Schenectady & Montgomery Counties Erie Canal	Lock 7-12 Canalfest is a 2-day festival held at multiple locations along a 32-mile stretch of the Erie Canal in Montgomery and Schenectady Counties. The event offers a multitude of activities including historic tours, a music festival, classical concert, boat parade, canoe race, concerts, photography contest, barn dance, and of course fireworks!	\$ 12,500
Parks & Trails New York Creating an Interactive Online Gateway for Outdoor Visitors to the ECNHC Website	Erie Canalway Trail All counties All canals	Creating a user-friendly web site to attract cyclists and other outdoor recreationists to the Erie Canalway Corridor	\$ 25,000

Applicant Name Project Name Project Type	Location County Canal	Project Description	Award Amount
Village of Fort Ann/Town of Fort Ann Village and Town of Fort Ann Plan	Village & Town of Fort Ann Washington County Champlain Canal	Research the components and feasibility of suggested improvements to the waterfront area along the Champlain Canal. Develop a waterfront map and plan for the area along the Champlain Canal in the Village and Town of Fort Ann	\$ 20,000
Landmark Society of Western New York Enhancing the Visitor Experience Training Initiative Training	Western New York Wayne, Monroe, Orleans, Erie & Niagara Counties Erie Canal	Enhancing the Visitor Experience Training Initiative will cover the areas of hospitality and interpretation and be targeted to small businesses and museums respectively in the Western Erie Canal Heritage Corridor. The hospitality training will involve both development and delivery of a curriculum that is customized for Erie Canal communities and includes segments titled The Canal Experience, Fundamentals of Tourism, Creating the Canal Experience, and Delivering the Canal Experience. Interpretation training will utilize a curriculum developed by the National Association for Interpretation and will be targeted to small museums with canal-related collections	\$ 15,625
Historic Palmyra Heritage Walking Tours and Museum Brochures Brochure	Village of Palmyra Wayne County Erie Canal	The writing and compiling of historic information, historic and current photographs, with maps and descriptions to offer assistance and guidance to students, teachers, visitors and residents, with access to historic information for the cemetery, community, which includes architecture and history as well as Historic Palmyra's four museums. Place these tours and brochure on the Web pages.	\$ 4,200
Village of Phoenix Lock Island Pedestrian Access Improvement Project Interpretive Signage and Brochure	Village of Phoenix Oswego County Oswego Canal	Lock Island is an underutilized community asset in the Village of Phoenix, on the Oswego River Canal System. This project proposes the creation of a recreational trails brochure and map, the installation of signage, and improvements to pedestrian crosswalks.	\$ 10,000
Village of Jordan Erie Cana Heritage Walking Tour – Jordan Interpretive Signage and Brochure	Village of Jordan Onondaga County Erie Canal	Create a walking tour beginning on the original Erie Canal towpath taking visitors on a tour through the National Heritage District of Jordan. The tour will include a walk in the canal bed, up stone stairs to street level which will lead to the Jordan Historical Society Erie Canal Museum. There will be approximately 30 historic sites on the tour clearly marked by signs and on a brochure map	\$ 4,600
Tompkins County Chamber of Commerce Foundation Guide to the Ithaca Waterfront: Southern Gateway to the Erie Canal Panel Interpretive Signage and Brochure	City of Ithaca Tompkins County Cayuga Lake	The Cayuga Waterfront Trail Initiative is proposing to produce two products. First, a Guide to the Ithaca Waterfront including a map and information about the Waterfront Trail and numerous waterfront destinations. Second, CWTI would like to produce an interpretive panel and kiosk to highlight Ithaca as the Southern Gateway to the Erie Canal	\$ 10,000
TOTAL AWARDS			\$ 201,629

Erie Canalway Heritage Fund, INC.
Mission Statement

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The mission of the Erie Canalway Heritage Fund, Inc. is to work cooperatively and in partnership with the Erie Canalway National Heritage Corridor Commission to assist in efforts to provide for and assist in the identification, preservation, promotion, maintenance and interpretation of the historical, natural, cultural, scenic, and recreational resources of the Erie Canalway in ways that reflect its national significance for the benefit of current and future generations; to promote and provide access to the Erie Canalway's historical, natural, cultural, scenic and recreational resources; to provide a framework to assist the State of New York, its units of local government, and the communities within the Erie Canalway in the development of integrated cultural, historical, recreational, economic, and community development programs in order to enhance and interpret the unique and nationally significant resources of the Erie Canalway.

To accomplish these goals the Erie Canalway Heritage Fund will raise funds for these stated purposes, serve as a partner capable of providing administrative, financial and personnel services for Corridor programs; and develop and implement programs and strategies that are coordinated with the Erie Canalway National Heritage Corridor Commission and are consistent with the goals of the Canalway Corridor's Preservation and Management Plan approved by the Governor of the State of New York and the Secretary of the Interior.

Erie Canalway Heritage Fund, Inc.
Bylaws

DRAFT v4

Adopted unanimously (date)

ARTICLE I. NAME AND PURPOSE

Section 1. Name. The name of the Corporation shall be the Erie Canalway Heritage Fund, Inc.

Section 2. Purpose. The Corporation is organized exclusively for charitable, educational and civic purposes. Primarily, the Corporation will focus its activities on implementing the vision formed by the citizens of the Erie Canalway National Heritage Corridor during the management planning process. The Corporation shall

A. work cooperatively and in partnership with the Erie Canalway National Heritage Corridor Commission to assist in efforts to provide for and assist in the identification, preservation, promotion, maintenance and interpretation of the historical, natural, cultural, scenic, and recreational resources of the Erie Canalway in ways that reflect its national significance for the benefit of current and future generations; to promote and provide access to the Erie Canalway's historical, natural, cultural, scenic and recreational resources; to provide a framework to assist the Commission, the State of New York, its units of local government, and the communities within the Erie Canalway in the development of integrated cultural, historical, recreational, economic, and community development programs in order to enhance and interpret the unique and nationally significant resources of the Erie Canalway.

B. In illustration of the foregoing and not in limitation, the Corporation shall raise funds for these stated purposes, serve as a partner capable of providing administrative, financial and personnel services for Commission programs; develop and implement projects, programs, and strategies, that are coordinated with the Erie Canalway National Heritage Corridor Commission and are consistent with the goals of the Erie Canalway Preservation and Management Plan approved by the Governor of the State of New York and the Secretary of the Interior.

ARTICLE II. BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall have general power to control and manage the affairs and property of the Corporation, and shall have full power, by majority vote, to adopt rules and regulations governing the action of the Board of Directors and shall have full authority to enter into contracts with respect to the distribution and payment of the moneys received by the Corporation from time to time; provided, however, that the Board of

Directors shall not permit any part of the net earnings or capital of the Corporation to inure to the benefit of any private individual.

Section 2. Number, Election, Term of Office, Geographic Requirement and Removal.

The number of initial Directors shall be not less than three (3). The initial elected Board of Directors may range from 3 to 15 members and remain in that range until changed by an amendment to these Bylaws.

The Directors shall be elected for a term of three years at the annual meeting of the Board of Directors by a majority of the Directors then in office except that for the first two years of the Corporation's existence approximately one-third of the Directors shall be elected for a one-year term and approximately one-third of the Directors shall be elected for a two-year term, and thereafter approximately one-third of the Directors shall be elected each year.

A majority of the Board of Directors shall reside within the geographic area of the Erie Canalway National Heritage Corridor.

The Board shall determine a process for evaluating the performance of a Director. Any Director may be removed, with or without cause, by a vote of a majority of the Directors then in office. When a vote has been taken to remove a Director, written notice shall be given.

Section 3. Ex-officio Directors, Term of Office, Voting. The Board of Directors shall elect Ex-officio Directors, whose public or voluntary service or professional positions, such as Erie Canalway National Heritage Corridor Commissioners, significantly support or otherwise impact the mission, programs or processes of the Erie Canalway Heritage Fund, Inc.. Ex-officio Directors are limited to no more than one-third of the total Board directorship positions. Ex-officio Directors are voting members of the Board of Directors and may serve for up to three consecutive three-year terms.

Section 4. Vacancies. Any vacancy in the Board of Directors arising at any time and from any cause, including the authorization of an increase in the number of Directors, may be filled at any meeting of the Board of Directors by a majority of the Directors then in office. Any Director elected to fill a vacancy between annual meetings shall serve until the next annual meeting at which time a successor is to be elected to fill the remainder of the term.

Section 5. Annual Meeting; Notice. The annual meeting of the Board of Directors shall be held at the principal office of the Corporation or at such other place as the Board of Directors shall designate on such date as the Board of Directors shall designate. Notice of the time and place of such annual meeting shall be given by the Secretary by mailing or emailing a copy thereof or delivering the same to each Director not less than ten days before such annual meeting.

Section 6. Special Meetings; Notice. Special meetings of the Board of Directors may be held upon the call of the Chair or of at least 25% of the Directors at the principal office of the Corporation or at such other place as may be designated in the notice of such meeting. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by

the Secretary by mailing or emailing a copy thereof or delivering the same to each Director at least seven days before such meeting.

Section 7. Regular Meetings; Notice. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors shall designate and notice of such regular meetings need not be given.

Section 8. Quorum; Adjournments of Meetings. At all meetings of the Board of Directors, a majority of the Directors then in office shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Directors present may, without giving notice other than by announcement at the meeting, adjourn the meeting from time to time until a quorum is obtained. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Except as otherwise provided, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board.

Section 9. Organization. The Chair of the Corporation shall preside at all meetings of the Board of Directors or, in the absence of the Chair, the Vice Chair shall preside. In the absence of the Chair and the Vice Chair the Directors present shall choose a Chairman. The Secretary of the Corporation shall act as Secretary at all meetings of the Board of Directors. In the absence of the Secretary the presiding officer may appoint any person to act as Secretary of the meeting.

Section 10. Participation by Telephone or Video. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or video or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 11. Compensation. No Director or officer of the Corporation shall receive, directly or indirectly, any salary, compensation there from for his or her service as director, officer or in any other capacity, unless authorized by the concurring vote of all the Directors.

Section 12. Resignation. Any Director may resign at any time by giving written notice to the Chair of the Corporation. Such resignation shall take effect at any time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE III. OFFICERS

Section 1. Officers. The initial officers of the Corporation shall be a Chair, a Vice-Chair, a Secretary, a Treasurer and such other officers and assistant officers as the Board of Directors may from time to time appoint or elect. One person may hold more than one office in the Corporation, except that one person may not hold both the offices of Chair and Secretary. No

instrument required to be signed by more than one officer shall be signed by one person in more than one capacity.

Section 2. Election, Term of Office and Removal. The officers of the Corporation shall be elected at the annual meeting of the Board of Directors and each shall continue in office for a period of one year. An officer may be elected to the same office for a second consecutive one-year term. Following two consecutive one-year terms, an officer must take a one-year hiatus from that office. Any officer of the Corporation may be removed, with or without cause, by a vote of a majority of the Directors then in office.

Section 3. Employees, Authority, Conditions. The Board of Directors may employ such persons as may be necessary to carry out the work of the Corporation and shall designate any titles, duties, compensation, and expenses appropriate for the positions created.

Section 4. Vacancies. Any vacancy in any office may be filled at any meeting of the Board of Directors by a majority of the Directors then in office. Any Director elected to fill a vacancy between annual meetings shall serve until the next annual meeting at which time a successor is to be elected to fill the remainder of the term.

Section 5. Chair: Powers and Duties. The Chair shall preside at all meetings of the Board of Directors; shall generally manage and supervise the affairs of the Corporation; shall keep the Board of Directors fully informed, and shall freely consult with them concerning the activities of the Corporation; shall have the power to sign alone, unless the Board of Directors shall specifically require an additional signature, in the name of the Corporation, all contracts authorized either generally or specifically by the Board of Directors; and shall perform all duties incident to the office of Chair, subject however to the control of the Board of Directors, and such other duties as shall from time to time be assigned to her or him by the Board of Directors. The Chair may, from time to time, assign additional duties to any Director.

Section 6. Vice Chair: Powers and Duties. The Vice Chair shall have such powers and duties as the Chair or the Board of Directors may assign. In the absence of the Chair, the Vice Chair shall, in general, have the powers and perform the duties of the Chair.

Section 7. Secretary: Powers and Duties. The Secretary shall act as secretary of all meetings of the Board of Directors, and shall keep the minutes of all such meetings in the books proper for that purpose; shall attend to the giving and serving of all notices of the Corporation; shall keep in safe custody the seal of the Corporation and affix it to any instrument when authorized by the Board of Directors; and shall perform all duties incident to the office of Secretary, subject however to the control of the Board of Directors, and such other duties as shall from time to time be assigned to him or her by the Chair or the Board of Directors.

Section 8. Treasurer: Powers and Duties. The Treasurer shall have the custody of all funds and securities of the Corporation which may come into his or her hands; shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Corporation, and shall deposit all moneys and other valuable effects of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board of Directors

may designate; whenever required by the Board of Directors, shall render a statement of his or her accounts; shall at all reasonable times exhibit such books and accounts to the Chair, Vice Chair or any Director of the Corporation; and shall perform all duties incident to the office of Treasurer, subject however to the control of the Board of Directors, and such other duties as shall from time to time be assigned to her or him by the Chair or the Board of Directors. The Treasurer shall, if required by the Board of Directors, give such security for the faithful performance of his or her duties as the Board of Directors may require.

ARTICLE IV. COMMITTEES

Section 1. Authority, Term, Composition. The Chair shall appoint the Chair of every committee. Committees shall have a term of office of one year or less if sooner terminated by the action of the Board of Directors. The Chair and President, if appointed, shall serve as ex-officio members of all committees. The Board of Directors may from time to time confirm members to a committee who are not Directors of the Corporation except that Executive and Governance Committees shall be comprised solely of Directors of the Corporation.

Section 2. Standing Committees. There shall be the following Standing Committees of the Board: Executive, Finance, and Audit.

Section 3. Charges to Standing Committees.

- a. The Executive Committee shall be comprised of the officers of the corporation and shall oversee the fiscal, personnel, infrastructure and governance functions of the organization. The Executive Committee shall have the power of the full Board to act on behalf of the Corporation between regular meetings of the Board of Directors. The Secretary shall notify all members of the Board and invite their attendance at any regular, special or emergency meeting of the Executive Committee.
- b. The Finance Committee shall oversee the checks, notes, contracts, bank accounts and investments of the Corporation; ensure that generally accepted accounting principles are consistently applied and written internal controls adhered to in these functions. The Finance Committee shall oversee the timely filing of required documents related to finances and contracts and shall ensure appropriate reports are distributed to the Board of Directors, including an annual financial statement. The Treasurer shall serve as the Chair of the Finance Committee.
- a. The Audit Committee shall consist of three (3) or more Directors or previous Directors who are not currently serving on the Finance Committee and may include additional non-Directors, subject to the approval by the Board. The Chair and the Vice-Chairs(s) shall not be members of the Audit Committee. The Audit Committee shall periodically appraise the internal controls, reporting and accounting systems of the corporation and recommend any changes it deems appropriate. It shall cause to be prepared and submitted to the Board of Directors at least once a year an audited statement of the financial condition of the Corporation as of the close of the fiscal year and of the receipts and expenditures for each year. This statement shall be prepared by an independent auditor. The Audit Committee shall review any special audits by federal, state or local governmental units or agencies. The Audit Committee may request any independent

auditor, expert, officer, director, agent or employee of the Corporation to appear before it to report on the financial condition of the Corporation and answer any questions the Committee might have. The Audit Committee shall meet at such times and places upon such notice as it may determine, at least twice per year.

Section 4. Special Committees. The Chair may from time to time appoint special committees and prescribe their duties and term. The Chair of a special committee shall be a Director of the Corporation.

ARTICLE V. CHECKS, NOTES, CONTRACTS, BANK ACCOUNTS, INVESTMENTS, ETC.

Section 1. Checks, Notes, Contracts, Bank Accounts, etc. The Board of Directors is authorized to select such banks or depositories, as it shall deem proper for the funds of the Corporation. The Board of Directors shall determine who, if anyone, in addition to the Chair and the Treasurer, shall be authorized from time to time on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts, or to execute and deliver other documents and instruments.

Section 2. Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board of Directors in its uncontrolled discretion may deem desirable, without regard to the limitations, if any, now imposed or which may hereafter be imposed by law regarding such investments.

ARTICLE VI. CONFLICT OF INTEREST

Section 1. Duty of Care, Loyalty & Obedience.

- a. All members of the Board of Directors shall exercise that same care that a reasonable person, with similar abilities, acumen & sensibilities, would exercise under similar circumstances at all times. A Director, an officer or agent will undertake to understand all, or substantially all of the consequences of their actions or the omissions of their actions.
- b. No officer, Director or agent shall engage in, or condone, any conduct that is disloyal, disruptive, or damaging to, or competes with the Corporation. No officer, Director or agent shall take any action, or establish any interest, that compromises his/her ability to represent the Corporation's best interest.
- c. No officer, Director or agent shall disobey a majority decision of the Board of Directors.
- d. All members of the Board of Directors, all officers of the Corporation and agents of the Corporation are hereby bound by a fiduciary duty to the Corporation. All members of the Board of Directors, all officers of the Corporation and all agents shall exercise their fiduciary duty at all times, especially when making a decision on behalf of the Corporation.

Section 2. Conflict of Interest.

- a. **Definition.** A conflict of interest does exist when a matter to be acted upon by the Board of Directors confers a direct, substantial benefit to any Director of the Board, or business or agency from which such a Director derives an income or has authority in governance.
- b. **Conflict of Interest Policy.** The Board shall adopt a Conflict of Interest Policy consistent with the recommended policy provided by the IRS in Instructions for Form 1023, Appendix A, Conflict of Interest Policy as the same may be amended from time to time.

ARTICLE. VII OFFICE AND BOOKS

Section 1. Office(s). The principal office of the Corporation shall be located at such place as the Board of Directors may from time to time determine. The Board of Directors may decide to establish more than one office for the Corporation.

Section 2. Books. There shall be kept at the principal office of the Corporation correct books of account of the activities and transactions of the Corporation, including a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these Bylaws, and all minutes of meetings of the Board of Directors.

ARTICLE VIII. CORPORATE SEAL

The seal of the Corporation shall be circular in form and shall bear the name of the Corporation and words and figures showing that it was incorporated in the State of New York in 2006.

ARTICLE IX. FISCAL YEAR

The fiscal year of the Corporation shall be determined by the Board of Directors.

ARTICLE X. INDEMNIFICATION

The Corporation shall, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action, suit or proceeding by reason of the fact that she or he (or a person of whom she or he is the legal or personal representative or heir or legatee) is or was a Director, officer, employee or other agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees.

ARTICLE XI. NON-DISCRIMINATION

In all activities of the Corporation there shall be no unlawful discrimination on the basis of age, sex, race, creed, color, religion, nationality, place of origin or political affiliation.

ARTICLE XII. AMENDMENTS

These Bylaws may be amended at any meeting of the Board of Directors by a vote of two-thirds of the entire Board of Directors, provided that the Secretary gives notice of proposed changes to the Bylaws to every Director by mail or email or in person at least ten days prior to the meeting.

ARTICLE XIII. PARLIAMENTARY AUTHORITY

The Board of Directors may adopt by simple majority, at any meeting of the full Board where a quorum is present, the rules contained in the then current edition of *Robert's Rules of Order Newly Revised*. Adoption of such rules shall not supersede any statutes applicable to this organization.

ARTICLE XIV. DISSOLUTION

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future Federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County in which the principal office is then located, exclusively for such purposes or to such organizations as said Court shall determine which are organized and operated exclusively for such purposes.

CERTIFICATION

I, _____, certify that at a regularly called meeting of the Board of Directors of Erie Canalway Heritage Fund, Inc., on the ____ day of _____, 2007 the foregoing Bylaws were duly adopted, all Board members being present and unanimously voting in favor thereof; that they have not since that time been amended; and that they are presently the Bylaws of the Corporation.

Secretary

Printed Name of Secretary

Erie Canalway Heritage Fund, Inc.

Conflict of Interest Policy

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Article I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. Interested Person

Any Director, officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each Director, officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Staff Report – Erie Canalway National Historical Heritage Corridor – May 2007

Topics of Special Attention

Lois McClure The full size replica canal schooner will travel the canal system in the summer of 2007 as a major signature event to promote the heritage corridor and canal system. The *Lois McClure* will visit numerous canal communities and festivals over a 3 month voyage. The Commission is the main sponsor and we have raised over \$300,000 to underwrite the voyage expenses and marketing from state and corporate sources.

Heritage Areas Budget The FY2007 budget for the heritage area program was finally released by the NPS under a new formula that resulted in a \$100,000 increase over 2006 levels. The formula used has been controversial as it did result in other national heritage areas losing over \$100,000. The 2008 budget will be further complicated by the addition of at least 10 new heritage areas and limited funding.

Canalway Grants The Commission is ready to approve over \$200,000 in grants to community partners throughout the corridor. Projects will include wayside exhibits, brochures, and site planning.

Canal Society Award The Erie Canalway was awarded their annual Peter Wiles Sr. Award for excellence in canal education and preservation at their meeting on March 3rd. This is a significant acknowledgement of our programs ongoing efforts by one of our key partners.

New Governor We have been meeting with Governor Spitzer's new administration in Albany and have briefed agency heads about our program and opportunities with our Commission. We have gained state interest and support for the Erie Canalway and the NPS Centennial project opportunities by matching with state funds.

General Topics

Foundation The Commission's new Erie Canalway Heritage Fund was established as a non profit under New York State law and is now in the process of gaining 501 c (3) status with the Internal Revenue Service. The board for the foundation is being recruited with the goal of raising additional funds to augment the commission's federal appropriation to benefit the corridor.

Erie Canal DOT Signs DOT and NYS Thruway have agreed to place approximately 150 brown gateway signs with the Erie Canalway National Heritage Corridor name and color NPS arrowhead logo on major state highways at the boundary of the corridor this summer. The signs will be paid for from a SAFETEA LU grant that Congressman James Walsh provided us.

Alliance of National Heritage Areas Commission and staff attended the Alliance annual meeting in Washington DC in late February and later met with our congressional delegation and their staff. They offered great support and encouragement for our efforts. At the evening

reception in the House of Representatives, Executive Director Frank Dean was publicly recognized by NPS Director Mary Bomar and selected to be her advisor on national heritage area issues.

Erie Canal Museum At our suggestion, the museum applied for and was awarded \$1.2M in state DOT funds to purchase an adjacent building and remodel it for additional gallery and classroom space. Another Canal Corporation grant of \$225,000 was awarded in addition to the \$400,000 SAFETEA-LU grant they received in 2005 with our assistance to revamp the exhibits in the existing museum. The museum is one of our primary partners.

Pier A, New York City Commissioner Eric Mower, Erie Canalway staff Frank Dean and Duncan Hay met with the NYC Pier A developer in late March to discuss the possibility of placing a full size replica canal boat at Pier A in Manhattan. The developer and Mayor Bloomberg have been receptive and are awaiting the final agreement between the National Park Service and the developer on using the dock for the Statue of Liberty ferry service. The critical location has nearly 8 million people walk past annually.

MV Day Peckinpaugh The historic canal motor ship *Day Peckinpaugh* continued to receive rehabilitation and repairs and quality on-deck exhibits have been added for interpreting the story of the vessel to visitors. The ship will be moved to its new home port adjacent to the Erie Canalway headquarters this week. The ship will be docked at the last remaining Erie Canal shipyard of which the main building is slated for some stabilization this summer with the assistance of the National Park Service, Canal Corporation and NYS Parks.

Erie Canal Harbor, Buffalo Duncan Hay of our staff and the NPS Harper's Ferry Center negotiated and designed a series of beautiful wayside exhibits to be installed this fall at the Erie Canal's original terminus in downtown Buffalo in a partnership with the state of New York.

New Logo We have made significant progression on our new logo with our consultants in New York City and will be moving into the final design phase. It is a big improvement over earlier versions and has been well received by Commission and staff.

PBS Film on Erie Canal We are working with the upstate New York public television stations to develop a high definition PBS film on the Erie Canal. The film is slated for completion later in the fall. Collateral products from the footage include new school curriculum films and museum or visitor center orientation films in the corridor.

Commission Retreat The Commission had a successful retreat in February during which we welcomed the 6 new commissioners and planned for the coming year. The Conservation Study Institute made a presentation on measuring success in heritage areas.

New Staff After an extensive process in which we received over 200 applicants, we have hired Jean Mackay as our first Communication and Outreach Director and Rosemary Button as our new Administrative Assistant. We are looking forward to their participation in our programs!