



Governance Committee Meeting Agenda December 20, 2018

Committee Members

Richard A. Gerentine, Chairman
Roger P. Higgins
Henry J. Stanton

1. Adopt the Minutes of the January 18, 2018 meeting
2. Authorize the Annual Confidential Survey of Commissioners regarding the Board Performance.
3. Review of the Governance Committee Charter and the Authority's Mission Statement and Performance Measurements
4. Review Annual Report of the Governance Committee
5. Other Business
6. Adjourn

**New York State Bridge Authority Governance Committee
Meeting Minutes of January 18, 2018**

The New York State Bridge Authority's Governance Committee met at the Authority's Headquarters in Highland, New York, at 3:11 p.m. on January 18, 2018.

In addition to Governance Committee Chairman Richard Gerentine and Committee members Roger Higgins and Henry Stanton, those in attendance included:

Roderick Dressel
Joseph Ruggiero
Tara Sullivan
Brian Bushek
Carl G. Whitbeck, Jr., Esq.
Thomas Scaglione

Upon a motion made by Chairman Gerentine and seconded by Mr. Stanton, the minutes of the December 21, 2017 meeting were approved unanimously.

Mr. Scaglione made a report to the Committee regarding the Authority Budget Office (ABO) Self-Evaluation Survey. Mr. Scaglione noted that he compiled the confidential results and requested the Committee's authorization to send them to the Authority Budget Office. Mr. Scaglione noted that the results, while although positive, changed slightly from 2017. Mr. Scaglione provided updated orientation packets to all Board members as well as training seminars provided by the ABO. Chairman Gerentine made a motion to recommend to the Committee that the results be filed with ABO, seconded by Mr. Higgins the motion was approved unanimously.

Having no other business, the meeting adjourned at 3:25 pm.

Confidential Evaluation of Board Performance for 2018

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority, comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The policies, practices and decisions of the Board are always consistent with this mission.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that employ sustainable practices in the maintaining the Authority's mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.				
Individual Board members have the opportunity to communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports of the Board prior to public release and is confident that the information being presented is accurate and complete.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff.				
The Board has identified areas of risk to the operation, revenue and security of the Authority and works with management to implement risk mitigation strategies.				
Board members demonstrate leadership and vision and work respectfully with each other.				

Adopted June 17, 2010

NEW YORK STATE BRIDGE AUTHORITY GOVERNANCE COMMITTEE CHARTER

The Governance Committee Charter was adopted by the Board of the New York State Bridge Authority (the "Authority Board"), a public benefit corporation established under the laws of the State of New York, on this 21st day of June, 2007 and revised on January 21, 2010 in accordance with amendments made to the Public Authorities Law by Chapter 506 of the Laws of 2009.

Pursuant to Section 2824(7) of the Public Authorities Law, the Authority has established a governance committee.

Purpose

The purpose of the governance committee is to assist the Authority Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Authority;
- Recommending updates to the Authority's corporate governance principles and governance practices;
- Advising those responsible for appointing members of the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members;
- Examining ethical and conflict of interest issues;
- Performing board self-evaluations; and
- Recommending by-laws which include rules and procedures for conduct of Board business.

Powers of the Governance Committee

The Authority Board has delegated to the governance committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Authority staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Authority's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Authority Board's adopted

Adopted June 17, 2010

procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The governance committee shall be comprised of at least three (3) independent members who constitute a majority on the committee and who possess the necessary skills to understand the duties and functions of the committee. In the event that the Governance Committee has less than three (3) independent members, the Authority Board may appoint non-independent members to the governance committee, provided that the independent members constitute a majority of the members of the governance committee.

The governance committee members shall be appointed by, and will serve at the discretion of the Authority Board. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure and orderly transition.

In addition to the guidelines set forth in Section 2825 of the Public Authorities Law, a member shall be deemed "independent" if he or she is: (a) not employed by the Authority; (b) not employed by a state or local government; and (c) not employed by an entity, public or private, that is doing, or is likely to do, business with the Authority. Furthermore Governance committee members shall be prohibited from being an immediate family member of an employee of the Authority. In addition, governance committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

Committee Structure and Meetings

The governance committee will meet a minimum of twice a year, with the expectations that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting. The Committee shall fix its own time and place of meetings and shall prescribe its own rules of procedure.

Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five (5) days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings are to be recorded.

Reports

The governance committee shall:

- Report its actions and recommendations to the Authority Board at a regular meeting of the Board.

Adopted June 17, 2010

- Report to the Authority Board, at least annually, regarding any proposed changes to the governance charter, the governance guidelines, or the Authority Board bylaws.
- Provide a self-evaluation of the governance committee's functions on an annual basis.
- Provide an examination of ethical and conflict of interest issues.
- Obtain advice or assistance from outside consultants, as the Committee deems necessary or appropriate, with full Board approval.
- Seek any information it requires from Authority officers or employees, all of whom are directed to fully cooperate with all Committee requests, as well as external parties.

The Authority Board shall ensure that the Committee has access to sufficient resources to carry out its responsibilities as hereinafter defined.

Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the Authority Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.

Relationship to the Authority's Board

The Board has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Authority's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of members of the Authority Board to assist those authorized to appoint such members in identifying qualified individuals.
- Develop and recommend to the Authority Board an oath of office whereby members acknowledge that they understand their roles and fiduciary duties as Board members.

In addition, the governance committee shall:

- Develop and recommend to the Authority Board the number and structure of committees to be created by the Board.

Adopted June 17, 2010

- Develop and provide recommendations to the Authority Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Authority Board on performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Authority's governance process.

Evaluation of the Authority's Policies

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Authority's code of ethics, Board member code of ethics and written policies regarding conflicts of interest. Such codes of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Authority Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Authority Board any required revisions to the Authority's equal opportunity and affirmative action policies.
- Develop and recommend to the Authority Board any required updates of the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.
- Develop and recommend to the Authority Board any required updates on the Authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Authority Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting business of the Board, such as the Authority's by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The governance committee shall:

- Review on an annual basis the compensation and benefits for the Executive Director and other senior management.
- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.

2. **Goal: Fiscal Prudence.** The Authority will control expenditures to the extent consistent with prudent stewardship and responsible administration.

Performance Measures:

- Obtain an Independent Auditors' audit of the Authority's financial statements
- Prepare and annually update a five year financial plan based on capital funding needs and a fiscally prudent operating budget
- Annually review and approve a budget for operating and capital expenditures
- Annually evaluate compliance with the Authority's procurement policy
- Provide periodic budget to actual report to enable moderation of controllable expenses throughout the year.

3. **Goal: Limit Toll Rates.** Consistent with the financial plan, implement the lowest possible toll rates necessary to enable the Authority to meet its obligations including providing for adequate and necessary reserves.

Performance Measures:

- Annually review toll revenue projections taking into account annual receipts
- Include in the five year financial plan a schedule of toll revenue increases based on capital needs and taking into consideration the impact on the travelling public
- Plan and approve new toll schedules as required by the financial plan
- Periodically evaluate service levels and associated costs
- Periodically evaluate shared service opportunities
- Promote the use of EZPass services in the interests of fiscal prudence and the convenience of the travelling public
- Evaluate and implement methods to obtain additional revenue sources such as conduit leases.

4. **Goal: Maintain Access to Capital Markets.** Maintain access to capital markets in order to provide for the lowest possible tolls necessary to support Bridge maintenance.

Performance Measures:

- Provide for timely and comprehensive financial reporting
- Maintain compliance with coverage factors required by bond resolution

5. **Goal: Maintain Transparency.** The Authority will operate in a fiscally transparent and open manner.

Performance Measures:

- Annually evaluate communications with the public regarding the Authority's programs and services and prompt responses to public inquiries
- Provide website access to the annual audit report
- Provide website access to required financial and operating documents as well as other documents of interest to the travelling public
- Coordinate with overlapping municipal, state and federal agencies regarding local construction projects, emergency planning, and other initiatives relevant to authority operations.

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority? Yes.
2. Who has the power to appoint the management of the public authority? The Board of Commissioners.
3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority? The Board has no formal policy and considers the recommendation of the Governor's Office regarding the appointment of senior management.
4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

The Board determines the policies, established overall objectives, decides on a budget and capital plan, approves contracts and expenditures as statutorily required to implement the mission of the Authority. The Board requires regular reports of the activities of the Authority and charges Management with the execution of those policies in order to implement the mission of the Authority.

Management executes the policy as determined by the Board. Management operates the day to day functions of the Authority with the mission in mind and reports to the Board.
5. Has the Board acknowledged that they have read and understood the responses to each of these questions? Yes.

2018 Annual Report of the Governance Committee to the Board of the New York State Bridge Authority

Overview

The following report details the Governance Committee responsibilities and the activities performed to meet those responsibilities. This summary will serve as the Governance Committee self-evaluation of its own activities for 2018 as well as a report to the full Board of Commissioners. Where cited, the NYSBA web site is at www.nysba.ny.gov. Specific Charter requirements are listed below with the Committee's response in *italics*.

General Responsibilities

The Governance Committee Charter was adopted by the Board of the New York State Bridge Authority on 6/21/09 and last revised in accordance with amendments made to the Public Authorities Law by Chapter 506 of the Laws of 2009 on June 17, 2010.

In addition to discretionary actions, the Governance Committee is required to:

- Keep the Board informed of current best practices in corporate governance and review corporate governance trends for their applicability to the Authority;
- Recommend updates to the Authority's corporate governance principles and governance practices;
- Advise those responsible for appointing members of the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members;
- Examine ethical and conflict of interest issues;
- Perform board self-evaluations; and
- Recommend by-laws which include rules and procedures for conduct of Board business.

The governance committee shall make the following reports:

- Report to the Authority Board, at least annually, regarding any proposed changes to the governance charter, the governance guidelines, or the Authority Board By-Laws.
- Provide a self-evaluation of the governance committee's functions on an annual basis.
- Provide an examination of ethical and conflict of interest issues.

The responsibilities of the Governance committee continue under the Public Authorities Law and directives from the Authority Budget Office (ABO). The Committee monitors those responsibilities and keeps the Board informed of applicable laws, regulations and practices regarding corporate governance.

The Governance Committee Charter has been reviewed and no changes have been recommended.

The Governance Committee reviewed the Authority's By-Laws, last amended in 2015 and no changes have been recommended for 2018.

After extensive review and revision in 2015, in 2018 the Committee made no recommendations to revise existing Authority policies and management tools.

There were no ethical or conflict of interest issues brought to the committee.

Four members of the Board of Commissioners were reappointed to new terms and two members of the Board were appointed to new terms in 2016. One of the new members needs to be reappointed as of January 31, 2018. All Board members fulfilled the statutory and regulatory requirements for appointment. The two new members were presented with detailed orientation books covering a wide range of responsibilities as well as an overview of the current functions of both the Authority as a whole and the Board of Commissioners specifically. All of the Board members were given updated orientation books on January 18, 2018.

The Governance Committee notes that the Board functions in a responsible and transparent manner. As a small Authority, all Board members are apprised of and may participate in all Board activities. The Authority made updates to its web site to enhance transparency in in the Board's operations (noted below).

The role of the Governance Committee continues to insure that the Board meets the highest standards of transparency and accountability for its procedures and practices.

The Committee generally deals with matters not in the purview of the Audit or Finance Committees and insures that the multiple requirements placed upon the Board by the Authority Budget Office and other regulatory authorities are met to the best of the Board's abilities.

Committee Meetings

The governance committee will meet a minimum of twice a year, with the expectations that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

In 2018, the Governance Committee met on January 18 and December 20.

Relationship to the Authority's Board

The Board has delegated to the Governance Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Governance Committee has specific expertise, as follows:

Develop the Authority's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.

The Committee notes the following practices of the Authority:

- ♦ *the Authority meets the requirements for the "Posting and Maintaining Reports on Public Authority Web Sites";*
- ♦ *has implemented the suggestions of the NYS Office of Technology for web site content of public bodies and, in fact, has a well-developed and informative public web site;*
- ♦ *provides live webcasts of all meetings and maintains an archive of previously recorded meetings;*
- ♦ *posts all committee and board agendas and appropriate supporting documentation to the web site in advance of public meetings;*
- ♦ *keeps a log of Freedom of Information Requests (FOIL) that indicates 100% compliance with prompt and appropriate action;*
- ♦ *annually reviews the Authority's Mission Statement and Performance Measures;*
- ♦ *receives regular reports of management activities and provides appropriate guidance;*
- ♦ *and,*

- ♦ *approves all budgets, reports and fiscal actions in accordance with the policies and procedures of the Finance and Audit committees.*

Develop the competencies and personal attributes required of members of the Authority Board to assist those authorized to appoint such members in identifying qualified individuals.

The Committee continues its evaluation of these guidelines.

Develop and recommend to the Authority Board an oath of office whereby members acknowledge that they understand their roles and fiduciary duties as Board members.

Board Members have received, reviewed and signed the "Acknowledgement of Fiduciary Duties and Responsibilities" and, upon appointment to new terms of office, filed the Oath of Office with the NYS Secretary of State.

Develop and recommend to the Authority Board the number and structure of committees to be created by the Board.

The Committee recommended no changes in 2018.

Develop and provide recommendations to the Authority Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers.

The Committee notes all Board Members have received training either by personal attendance or via the ABO Webinar Training for Authority Board Members.

Develop and provide recommendations to the Authority Board on performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Authority's governance process.

The Board executed the confidential Evaluation of Board Performance and reported the results to the ABO. The Board also annually reviews the Authority's Mission Statement and Performance Measures to insure that the Authority meets the goals it has established.

Evaluation of the Authority's Policies

The Governance Committee shall:

Develop, review on a regular basis, and update as necessary the Authority's code of ethics, Board member code of ethics and written policies regarding conflicts of interest. Such codes of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.

The Authority Code of Ethics applies to all employees of the Authority, is posted on its website and is part of the policies and procedures of the Authority and the NYSBA Code of Conduct. Board Members are apprised of the NYS Ethics Commission "Ethics Guide for Unpaid State Officers" and file appropriate financial disclosures.

Develop and recommend to the Authority Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.

The Authority's Whistleblower Policy is part of the NYSBA Code of Conduct.

Develop and recommend to the Authority Board any required revisions to the Authority's equal opportunity and affirmative action policies.

The Committee notes that the Authority continued an aggressive promotion of MWBE opportunities in 2018, revised procurement policies accordingly and actively supports the Administration's targets for MWBE procurement.

Develop and recommend to the Authority Board any required updates of the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.

Procurement guidelines have been reviewed and revised as necessary. The Authority utilizes its website to list and promote procurement opportunities as well as the Contract Reporter when appropriate. The Authority maintains full compliance with applicable parts of State Finance Law Section 139. Policies regarding procurement process disclosure and lobbying contact are in place and have been incorporated into the Authority's Code of Conduct. The Authority follows the requirements of Project Sunlight and has incorporated these requirements into the Authority's Code of Conduct.

Develop and recommend to the Authority Board any required updates on the Authority's written policies regarding the disposition of real and personal property.

The Authority's policy is posted on its web site. No changes were recommended.

Develop and recommend to the Authority Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting business of the Board, such as the Authority's By-Laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

The Committee recommended no changes to the By-Laws in 2018.

Other Responsibilities

The Governance Committee shall:

Review on an annual basis the compensation and benefits for the Executive Director and other senior management.

The Board reviews a comprehensive Management-Confidential Compensation Plan annually as well as the compensation of the Executive Director and Deputy Executive Director.

Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.

The Committee makes no recommendations for changes at this time and submits the annual report of the Committee to the Board as a self-review.