



**NEW YORK STATE THRUWAY AUTHORITY
NEW YORK STATE CANAL CORPORATION**



MINUTES

GOVERNANCE COMMITTEE MEETING NO. 12

January 19, 2011

Minutes of a meeting of the New York State Thruway Authority/Canal Corporation Governance Committee, held in the Board Room at Administrative Headquarters, 200 Southern Boulevard, Albany, New York 12209 and by video conference from the New York State Thruway Authority's New York Division office, 4 Executive Boulevard, Suffern, New York.

The meeting began at 10:00 a.m.

The following Members of the Governance Committee were present, constituting a quorum:

Present:

Chairman John L. Buono, Governance Committee Member (ex officio)

Donna J. Luh, Governance Committee Member

Brandon R. Sall, Chair, Governance Committee (via video conference)

Richard N. Simberg, Governance Committee Member

In addition, the following were present:

E. Virgil Conway, Member of the Thruway Authority and Canal Corporation Board (via video conference)

J. Donald Rice, Jr., Member of the Thruway Authority and Canal Corporation Board

Michael R. Fleischer, Executive Director

Wendy Allen, Director, Office of Management and Planning

John Bryan, Chief Financial Officer
William Estes, General Counsel
J. Marc Hannibal, Director, Audit and Management Services
Joseph Igoe, Assistant Counsel
Harry Lennon, Senior Investigator
Carmella Mantello, Director of Canal Corporation
Katherine McCartney, Deputy Counsel
Tara Novak, Director, Bureau of Management Analysis and Projects
Tracie Sandell, Assistant Director, Audit and Management Services
Elizabeth Yanus, Assistant Secretary
Jill B. Warner, Board Administrator

Also in Attendance:

John Armstrong, Television Engineer, New York Network

PUBLIC SESSION

Mr. Sall, Committee Chair, called the meeting of the Governance Committee to order.

Ms. Yanus recorded the minutes as contained herein.

Item 1

Approval of Minutes of Governance Committee Meeting No. 11

After full discussion, on the motion of Ms. Luh, without any objections, the Governance Committee approved the minutes of Governance Committee Meeting No. 11, held September 22, 2010.

Item 2

Review and Approve the Following for Board Action

- a.) Thruway Real Property Management Policy (25-6-02)**
- b.) Thruway Real Property Management Standard Operating Procedures**
- c.) Thruway Personal Property Disposal Policy (25-6-01)**
- d.) Canal Real Property Management Policy (25-6-01C)**
- e.) Canal Real Property Management Standard Operating Procedures**
- f.) Canal Personal Property Disposal Policy (25-6-02C)**

Mr. Bryan requested the Committee approve for advancement to the Board the Thruway and Canal Real Property Management Policies, Real Property Management Standard Operating Procedures and Personal Property Disposal Policies. It is anticipated that these policies and procedures will be presented to the Board at the next Board meeting.

The Public Authorities Accountability Act of 2005 requires that the Authority's comprehensive guidelines that detail its operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the disposal of real and personal property, be annually reviewed and approved by the Authority Board. The Canal and Thruway real property and personal property disposal policies have not been amended since they were last approved by the Board in April 2010. However, changes to the Canal and Thruway Real Property Standard Operating Procedures that focus on two general areas are recommended. The first is the transaction analysis process. Changes were proposed to expand upon the materials that need to be presented to the Authority Board for less-than-fair-market-value transactions. Secondly, a new standard operating procedure was proposed regarding permit and lease enforcement that more clearly identifies roles and responsibilities.

After full discussion, on the motion of Ms. Luh, seconded by Mr. Simberg, without any objections, the Governance Committee approved the Thruway Real Property Management Policy (25-6-02); Thruway Real Property Management Standard Operating Procedures; Thruway Personal Property Disposal Policy (25-6-01); Canal Real Property Management Policy (25-6-01C); Canal Real Property Management Standard Operating Procedures; and Canal Personal Property Disposal Policy (25-6-02C) and authorized their submission to the Authority and Corporation Boards for consideration.

Item 3

Review and Approve for Board Action the Thruway Authority and Canal Corporation Procurement Contracts Policies

Mr. Bryan requested that the Committee approve the Thruway Authority and Canal Corporation Procurement Contracts Policies. If approved, these policies will be included in the 2010 Annual Procurement Report, and will be presented to the Board for consideration at the next Board meeting. The procurement policies cover procurements for both goods and services with a value of \$15,000 or more and no changes to these policies are recommended.

At the end of 2009, State law regarding when public authority contracts have to be submitted to the Office of the State Comptroller (OSC) was changed. The Public Authorities Reform Act of 2009 authorizes the OSC to approve public authority contracts that are valued over \$1 million which are: awarded to a single or sole source; or paid in whole or in part from monies appropriated by the State. These new requirements took effect last year. The Authority's procurement policy states that all contracts exceeding \$50,000 are sent to the OSC, regardless of the process by which they are attained (competitive or non-competitive process) or the funding source. This value is well below that of the new threshold set for public authorities by State law.

After full discussion, on the motion of Ms. Luh, seconded by Mr. Simberg, without any objections, the Governance Committee approved the Thruway Authority and Canal Corporation Procurement Contracts Policies and authorized their submission to the Authority and Corporation Boards for consideration.

Item 4

Annual Evaluation of the Governance Committee's Performance

Ms. Novak summarized the activities conducted by the Governance Committee in 2010.

The Governance Committee held two meetings in 2010. Much of the material reviewed last year by the Committee was the result of the Public Authorities Reform Act, which was signed into law in December 2009.

At the April 1, 2010 meeting, the Charter and Bylaws were revised to reflect statutory requirements and a new Lobbying Contacts Policy was developed. All material was approved by the Committee for submission to the Board. The annual evaluation of the Committee's functions and performance for 2009 was also completed, as required by the Charter. In addition, the Public Authorities Law requires that the Authority/Corporation's comprehensive property guidelines be annually approved by the Board. Therefore, the Committee reviewed and approved the revised Real and Personal Property Policies and Standard Operating Procedures prior to submission to the full Board. Lastly, the Authority/Corporation Procurement Contracts Policies were presented for annual review. However, no revisions were required at the time.

The Procurements Contracts Policies were taken back to the Governance Committee in September. At that time they had been revised to reflect legislation aimed at increasing participation of minority and women-owned business enterprises in Authority/Corporation procurements. The Policies were approved for Board action. A revised Whistleblower Policy incorporating provisions of the Public Authorities Reform Act was also reviewed and approved by the Committee at the September meeting.

As standing items at each meeting, the Executive Director provided reports on any ethics violations and the issuance of updated ethics-related publications; as well as briefings on responses to any memoranda received from the Governor's Office during the year. During 2010, the Committee was advised of: adding an email notification provision to contracts; completing a training and development survey; and providing a status report of Requests for Proposals.

Ms. Novak also outlined activities planned for the Committee during the upcoming year. Items on the 2011 Work Plan include a Board self-evaluation, which the Governance Committee will oversee for submission to the Authorities Budget Office in March. The Committee will also undergo an annual review of its Charter, as well as a review of Code of Ethics Policies. Staff is currently working on a more comprehensive Employee Code of Ethics Policy which will be presented at a later meeting; and an annual review of the Board Code of Ethics Policy will be conducted to determine if any revisions are necessary.

No formal action was required or taken by the Committee.

Item 5

Report on the Following Items

- a. Ethics violations, if applicable**
- b. Ethics-related publications, if applicable**
- c. Responses to Governor's Office memoranda**
- d. Performance evaluations of the Thruway Authority and Canal Corporation Boards**

Mr. Fleischer reported to the Committee on the following Items:

a). Report on Ethics-Related Violations

Since the last Governance Committee meeting, the Authority/Corporation has not referred any cases to the New York State Commission on Public Integrity.

b). Report on Ethics-Related Publications

Four Executive Instructions were revised since the Governance Committee last met in September: "Use of Authority/Corporation Property/Resources" is issued annually; "Political Activities" is issued annually as a reminder to employees to comply with all applicable laws, rules and regulations; "Whistleblower Policy" was revised to complement the amended policy approved by the Board in September 2010; and "Inappropriate Lobbying Influence in Procurements" was updated to align with amendments to the Lobbying Law.

c). Report on Responses to Recent Memoranda from the Governor's Office

A review of a new website, "New York First," was conducted in response to a September 20, 2010 memo. The Authority implemented the requested changes and graphics to be consistent with the State's website. The Authority also provided transition documents in September to alert the incoming administration of new or developing issues that might arise in the first quarter of 2011.

d). Performance evaluations of the Thruway Authority and Canal Corporation Boards

The Public Authorities Reform Act of 2009 requires the Board of every state public authority to conduct an annual evaluation of its performance. An evaluation form based on the model provided by the Authorities Budget Office will be provided to all Board Members for completion. The Governance Committee will compile and submit the responses to the Authorities Budget Office by March 31, 2011.

No formal action was required or taken by the Committee.

Adjournment

There being no further business to come before the Governance Committee, on the motion of Mr. Simberg, seconded by Ms. Luh, without any objections, the meeting was adjourned at 10:13 a.m.