



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



MINUTES

GOVERNANCE COMMITTEE MEETING NO. 3

March 19, 2008

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.

The meeting began at 9:30 a.m.

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

Present:

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

Ms. Crotty was not present at this meeting and did not vote on any of the Items.

In addition, the following staff were present:

Michael R. Fleischer, Executive Director
Daniel Gilbert, Chief of Staff
Kevin Allen, Acting Director, Audit and Management Services
Wendy Allen, Deputy Chief of Staff
John Bryan, Chief Financial Officer
Kenneth Flood, Director, Real Property Management
Diane Galuski, Director, Bureau of Management Analysis and Projects
Richard Garrabrant, Syracuse Division Director
Harry Lennon, Senior Investigator
Katherine McCartney, Deputy Counsel

Sharon O’Conor, General Counsel
Jill B. Warner, Board Administrator
Betsy Graham, Acting Director, Office of Public Affairs
Elizabeth Yanus, Special Assistant

Also in Attendance:

Paul Minni, Production Coordinator, New York Network
Luke Slayton, Staff Member, Assemblyman Steve Hawley’s Office

PUBLIC SESSION

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

Ms. Warner recorded the minutes as contained herein.

Item 1

Approval of Minutes of Governance Committee Meeting No. 2

After full discussion, on the motion of Chairman Buono, seconded by Mr. Plunkett, without any objections, the Governance Committee approved the minutes of Governance Committee Meeting No. 2, held December 19, 2007.

Item 2

Review and Approve Revised Governance Committee Charter for Board Action

Ms. O’Conor advised that the Committee had approved a revised Governance Committee charter at its last meeting. Since that time, another revision was proposed by staff to modify language regarding constitution of a quorum and voting provisions making it consistent with the approved language included in the Audit and Finance Committee Charter and with the Authority Budget Office’s model governance committee charter. A quorum is convened when a majority of the Committee then sitting is present and a vote of the majority of those present would constitute sufficient votes to pass an item. Previously approved changes to the Charter have been incorporated.

Mr. Plunkett asked if the revised Charter would be presented to the Authority/Corporation Board for consideration if it was approved by the Governance Committee. Ms. O'Connor responded affirmatively, advising that it would be submitted at the April Board meeting.

After full discussion, on the motion of Mr. Plunkett, seconded by Chairman Buono, without any objections, the Governance Committee adopted the revised Governance Committee Charter and authorized its submission to the Authority/Corporation Board for consideration.

Item 3

Review and Approve for Board Action a Revised Thruway Authority/Canal Corporation Whistleblower Policy

Mr. Fleischer requested the Governance Committee review and approve for Board action a revised Whistleblower Policy. He stated that a Whistleblower Policy was established in 2004 based on Model Governance Principles created by the Public Authorities Governance Advisory Committee. In 2006 the Public Authorities Accountability Act was enacted, which codified the Model Governance Principles. The Authority has revised its policy to track the language of the Civil Service Law. Statutory language was codified into the policy to mirror the law. The revisions in no way diminish the protection of whistleblowers who make good faith reports of waste, fraud or abuse.

Mr. Plunkett asked if the Authority's policy was consistent with those of other authorities or a State model, or if it adopted its own. Mr. Fleischer advised that the Authority initially adopted its own policy in accordance with a recommended action item in the Model Governance Principles created by the Public Authorities Governance Advisory Committee in 2004, but has further refined it to mirror the State Law, thereby making it consistent.

After full discussion, on the motion of Chairman Buono, seconded by Mr. Plunkett, without any objections, the Governance Committee authorized submission of the revised Whistleblower Policy to the Authority/Corporation Board for consideration

Item 4

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

Mr. Bryan sought the approval of the Governance Committee to advance the Authority/Corporation's Procurement Contracts Policies to the Board for consideration. The Public Authorities Law requires the Authority to submit these policies, along with a detailed summary of all procurement and bonding activities, annually to the New York State Division of the Budget (NYSDOB). No changes to the policies are being recommended at this time, and upon approval of the Committee, the policies will be considered by the Board prior to delivery to the NYSDOB.

Relative to Procurement Contract Provisions listed under Section VI, Mr. Plunkett asked if this list represented the areas that the policy applies to. Mr. Bryan advised that these provisions essentially apply to all procurements exceeding \$15,000 and provide guidance to staff in the procurement of services and goods. Mr. Plunkett asked if this policy has been in place and is just being renewed, to which Mr. Bryan responded affirmatively, noting that it was last revised in September 2006.

Chairman Buono asked if the \$150,000 limit for the Executive Director to approve contracts was standard. Mr. O'Connor reported that the limit varies among authorities; however, the Thruway Authority has instituted this limit for approximately five years which is the last time other authorities were polled. In response to Chairman Buono's subsequent question inquiring whether or not this is an appropriate level, Ms. O'Connor offered to re-examine the limits of other authorities. Staff noted that quarterly reports of contracts under the \$150,000 threshold are submitted to the Board, of which the amount is generally not sizeable.

After full discussion, on the motion of Chairman Buono, seconded by Mr. Plunkett, without any objections, the Governance Committee authorized submission of the Procurements Contracts Policies to the Authority/Corporation Board for consideration.

Item 5

Review and Discuss as Necessary the Following Items: Financial Disclosure Statements; Ethics Violations, if Applicable; and Ethics-Related Publications, if Applicable

Financial Disclosure Statements

Ms. O'Connor reported that Board Members and select staff are required to file annual financial disclosure forms. Board Members and designated Authority/Corporation staff have been provided with memos instructing them to be cognizant of this requirement and the May 15, 2008 filing deadline. It is anticipated that the Commission on Public Integrity will provide instructions to required filers approximately six weeks in advance of the deadline. The Thruway Authority has 161 required filers and the Canal Corporation has 13. Members of the Canal Recreationway Commission, although unpaid for their positions, are also required to file. Mr. Plunkett asked if the Board Members would receive electronic or written notification that the form has been posted online. Ms. O'Connor advised that designated filers would receive written notification from the Commission on Public Integrity that includes instructions on how to file online or in writing, as well as a password and ID number. Ms. O'Connor also offered to provide necessary forms to Board Members if preferred.

Ethics Violations

Mr. Plunkett confirmed that no new ethics violations have been reported.

Ethics-Related Publications

Mr. Plunkett confirmed that no new ethics-related publications have been issued.

Mr. Plunkett thanked staff for their continued efforts in bringing pertinent issues to the attention of the Governance Committee.

Adjournment

There being no further business to come before the Governance Committee, on the motion of Chairman Buono, seconded by Mr. Plunkett, without any objections, the meeting was adjourned at 9:42 a.m.