

BUFFALO FISCAL STABILITY AUTHORITY
Governance Committee Meeting Minutes
July 21, 2010

The following are the minutes from the Governance Committee (the “Committee”) meeting of the Buffalo Fiscal Stability Authority (the “BFSA”) held on Wednesday, July 21, 2010, in the Buffalo and Erie County Central Public Library Auditorium. The meeting was called to order at 12:30 PM.

Board Present: Arthur, Johnstone, Olsen

Board Excused: N/A

Staff Present: Kelly, Link, Miller, Mobley and Mongold

Additionally Present: Mr. Doron Bar-Levav Esq., Legal Counsel with Harris Beach, PLLC

Opening Remarks

Chair Olsen called the meeting to order. He noted that the meeting’s agenda included a review of various administrative policies and guidelines as well as a review of the fiscal year 2010 Procurement Report. He asked Secretary Arthur to call the meeting’s roll.

Director Arthur called a roll of the members and confirmed that a quorum was present. The meeting commenced.

Approval of Minutes

Chair Olsen introduced Resolution No. 10-02, “Approving Minutes and Resolution from March 11, 2010.” He asked for a motion to approve the resolution.

Motion to approve by Johnstone, second by Arthur.

GOVERNANCE COMMITTEE RESOLUTION NO. 10-02
APPROVING MINUTES AND RESOLUTION FROM MARCH 11, 2010

BE IT RESOLVED that the Buffalo Fiscal Stability Authority approves the minutes of its meeting on March 11, 2010, and ratifies and affirms resolution 10-01 that was approved on said date.

This Resolution shall take effect immediately.

Vote to approve 3-0.

BFSA Procurement Report

Chair Olsen advanced the agenda to the next item for consideration, BFSA’s Annual Procurement Report. He asked Executive Director Jeanette M. Mongold to summarize the report for the Committee.

Ms. Mongold explained that the annual Procurement Report had been prepared and submitted for the Committee’s review. The Procurement Report is required to be produced annually under New York State Public Authorities Law and follows the approved Procurement Guidelines. The report will be

uploaded and available on the BFSFA website and is also submitted to various NYS offices. The report does not require board approval.

Ms. Mongold explained that the Procurement Report includes all contract activities for the 2010 fiscal year which are equal or greater than \$15,000 annually.

BFSFA Policies & Guidelines

Chair Olsen advanced the agenda to the next item for consideration: various BFSFA policies and guidelines. He noted that, with the exception of the Mission Statement, the internal policies have been approved by the full Board on a yearly basis. The policies and guidelines are not substantively different from the existing policies. Minor modifications were made to update obsolete references, clarify phrases and provide greater continuity among policy directives.

Chair Olsen added that beginning in 2010, the 2009 Public Authorities Act requires all public authorities to annually review their Mission Statement. The Mission Statement as originally adopted in 2007 was included with the policies for review. The intent is to review the statement, along with the various policies and guidelines brought before this Committee today, and send them to the full Board with a recommendation for approval. In addition to the Mission Statement, the specific policies and guidelines to review are as follows:

- Procurement Guidelines;
- Prompt Payment Policy;
- Property Disposal Guidelines;
- Investment Guidelines;
- Code of Ethics; and
- Whistleblower Policy.

Director Arthur noted that the bylaws were not submitted for review along with the material. He expressed his desire to amend the bylaws to clear up language regarding the cancellation of meetings and the requirement that a special meeting be called for a single, stated purpose. He asked that new language addressing these various issues be drafted by BFSFA's legal counsel and submitted for consideration.

Ms. Mongold replied that the requested new language would be drafted for the Committee's consideration and offered the staff's participation in lieu of the legal counsel's. The Committee concurred that this directive was prudent; staff will be directed to draft amendatory language to the bylaws for consideration at the next Governance Committee.

Ms. Mongold noted that the Code of Ethics submitted for review had various revisions and additions. Chiefly, a new addendum, Appendix F, titled, "Consanguinity & Affinity Relationship Chart" had been added to outline varying degrees of relationship between BFSFA members and various relatives. Additionally, language had been updated to address a change in the New York State Public Officers Law Section 73 (5). This law had prohibited members from receiving gifts in excess of \$75 whereas the law now permits the receipt of gifts of "nominal" value, rather than a specified dollar amount.

Director Arthur asked for clarification on how a "Family Member" was defined. Ms. Mongold referred him to Section II (h), "Definitions" of the Code of Ethics. A "Family Member" is defined therein as "any person living in the same household as the Employee including any Dependent Child or Spouse

and any person related to the Employee within the third degree of consanguinity or affinity.” Director Arthur stated that this did not include those children who are emancipated. Ms. Mongold concurred.

Director Johnstone stated that the changes made in the Code of Ethics were not clearly outlined within the document. She made a motion to table the Code of Ethics from consideration and to have them reconsidered at a meeting to be held prior to the September 29, 2010, board meeting along with the revised bylaws.

Motion to table the Code of Ethics from consideration and hold a September 29, 2010 Committee meeting by Johnstone, second by Arthur.

The committee voted 3-0 to table the Code of Ethics and to hold a September 29, 2010, Committee meeting to reconsider the item.

Adjournment

Director Arthur offered a motion to send the following items to the full Board with a recommendation for approve and to adjourn the meeting:

- Procurement Guidelines;
- Prompt Payment Policy;
- Property Disposal Guidelines;
- Investment Guidelines; and
- Whistleblower Policy.

Director Johnstone seconded the motion.

Vote 3-0 to send the policies and guidelines to the full Board with a recommendation for approval and to adjourn the Committee.

The Committee adjourned at 12:43 PM.