

The Dormitory Authority of the State of New York held a Governance Committee Video Conference Meeting between DASNY's New York City Office, One Penn Plaza, 52nd Floor, New York, New York and Albany Office, 515 Broadway, Albany, New York at 4:30 p.m. on Tuesday, March 5, 2019.

The Meeting was called to order by the Chair of the Committee. Roll call was taken and a quorum was present. Those Governance Committee Members present and absent were as follows:

Governance Committee Members Present - NYCO

John B. Johnson, Jr., Committee Chair
Paul Ellis, Committee Member
Alfonso L. Carney, Jr., Board Chair

Other Board Members Present - NYCO

Gerard Romski, Esq., Board Member

Other Board Members Present - Albany

Tracy Raleigh, Board Member

DASNY Staff Present - NYCO

Gerrard P. Bushell, President (by phone)
Michael T. Corrigan, Vice President
Michael E. Cusack, Esq., General Counsel
Ricardo Salaman, Managing General Counsel
Larry N. Volk, Senior Director, Portfolio Management
Sara Richards, Esq., Associate General Counsel

DASNY Staff Present - Albany

Kimberly Jan Nadeau, Chief Financial Officer
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring

PUBLIC SESSION

Chairman Johnson called the meeting to order. The minutes of the October 9, 2018 Governance Committee Meeting were reviewed and approved unanimously.

The Committee Chair stated that the Governance Committee is required to review certain documents annually and provide a recommendation for approval to the full Board. He asked Mr. Cusack to summarize these Governance documents.

Mr. Cusack informed the Committee Members that the Governance documents requiring annual review consist of four corporate governance items and four operational policies and procedures. He stated that the four Corporate Governance items are the Governance Committee Charter; Governance Principles; Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals; and the DASNY Corporate By-Laws.

Governance Charter

Mr. Cusack stated that staff has reviewed the Governance Committee Charter and is not recommending any changes at this time. The Committee Members reviewed the Charter and agreed that no changes are necessary.

Governance Principles

Mr. Cusack stated that staff is proposing minor clarifying changes to the Governance Principles. He explained that the language in Section III, subdivisions (e), (f) and (g) has been modified to align the brief description of governance purposes of the Audit Committee, Governance Committee and Finance Committee with the language included in each of their respective Charters.

Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals

Mr. Cusack stated that staff has reviewed the Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals and is not recommending any changes at this time.

By-Laws

Mr. Cusack stated that staff is recommending an amendment to the By-Laws, Article IV, Section 4.2. He further stated that the proposed amendment clarifies that any person acting in the place of an Authorized Officer must be designated by either the DASNY Board or an Authorized Officer of DASNY. Mr. Cusack explained that this clarifying amendment was recommended by Karen Ehlinger, Manager, Internal Control Analysis, to work in tandem with other internal controls being implemented. He further explained that a list of parties currently authorized to act for and bind DASNY in accordance with By-Laws Section 4.2 will be maintained and published on the DASNY intranet. Mr. Cusack noted that procedurally, this process will enable employees to verify whether a particular employee is authorized to sign a certain document, in the event that the document will be signed by someone other than a DASNY-authorized officer.

In response to an inquiry from the Committee Chair, Mr. Cusack stated that the amendment is consistent with existing practice. He noted that in the past, the list of authorizations was maintained in a binder that was in the control of one person, and others would have to call to obtain the information verbally. Mr. Cusack stated that this change will increase efficiency, as the information will now be readily available to all employees.

The Corporate Governance Committee decided unanimously to recommend the Governance Committee Charter; Governance Principles with the proposed amendments; Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals; and the Corporate By-Laws with the proposed amendment, to the full Board.

Code of Ethical Conduct for Board Members

Turning to operational policies and procedures, Mr. Cusack informed the Committee Members that staff has completed a review of the Code of Ethical Conduct for Board Members and is not recommending any changes at this time. The Committee Chair stated that the Code of Ethics was last revised in March 2017. After discussion, the Committee Members indicated they did not have any questions or comments to this document as part of the annual review.

Whistleblower Protection Policy and Procedure

Mr. Cusack stated that based upon comments received from DASNY Board Members and staff, certain clarifying changes to the Whistleblower Protection Policy and Procedures are being proposed at this time. He explained that these changes include updated procedures to the Office of Professional Integrity (“OPI”), formerly known as the Office of Internal Affairs (“OIA”). Mr. Cusack informed the Committee Members that the changes also provide that the Whistleblower hotline will be monitored by Tara Miner, Esq., OPI Director. He stated that the rest of the changes to the policy are conforming. Mr. Cusack explained that, for example, the definition of “whistleblower” is very broad and includes any Member, Officer, Employee or Contractor. He noted, however, that this broad definition is not currently reflected in the policy statement at the beginning of the document. Mr. Cusack stated that staff also recommends that the clear statement that other rights shall not be affected by the Policy be included in the policy statement at the beginning of the document.

The Board Chair observed that the word “adverse” in Section (c) of the Policy could create confusion as to the intent of the section. Mr. Cusack agreed that the word “adverse” could be deleted. Ms. Nadeau pointed out that the word “adverse” should be removed from Section (a) as well. Mr. Ellis asked whether all the proposed changes to the procedure are conforming changes, and Mr. Cusack replied in the affirmative. Mr. Cusack stated that the procedure has not been substantively modified except to reflect that the Whistleblower hotline will be monitored directly by the OPI Director, who will either answer the call directly or respond to messages left on the hotline.

In response to a question from Mr. Ellis, Mr. Cusack summarized that in addition to streamlining the language so that a complete policy statement appears at the beginning of the document, the other proposed changes to the Policy reflect existing practice. Mr. Cusack explained that changes to Sections (a) and (b) of the Policy reflect that whistleblower claims can be oral or in writing. He further explained that when handling whistleblower issues, DASNY cannot violate its own policy or procedures, nor can DASNY violate State or Federal law.

Mr. Ellis inquired about the process for conducting a preliminary investigation when a whistleblower complaint is made to a designated individual as set forth in Section (b) of the Policy. Mr. Cusack responded that Whistleblower complaints are ultimately referred to Ms. Miner as OPI

Director and Mr. Cusack, who collaborate to undertake the necessary investigation. He noted that as a practical matter, the person hearing the complaint must first determine that the matter is a whistleblower complaint and not a different concern.

The Corporate Governance Committee decided unanimously to recommend the proposed revisions to the Whistleblower Protection Policy and Procedure to the full Board.

Policy Regarding Payment of Compensation and Reimbursement To and Time and Attendance of Executive Management

Mr. Cusack stated that staff has completed its review of the Policy Regarding Payment of Compensation and Reimbursement To and Time and Attendance of Executive Management and is not recommending any changes to this document. The Committee Members reviewed the documents and agreed that no changes are needed at this time.

Guidelines Pertaining to Disposition of Certain Property

Mr. Cusack stated that staff has reviewed the Guidelines Pertaining to the Disposition of Certain Property, and is not recommending any changes to this document. Mr. Cusack informed the Committee Members that the Guidelines must be annually reviewed and approved by the Board, and are then filed with the State Comptroller on or before March 31 of each year.

The Corporate Governance Committee decided unanimously to recommend the Code of Ethical Conduct; the Policy Regarding Payment of Compensation and Reimbursement To and Time and Attendance of Executive Management; and the Guidelines Pertaining to Disposition of Certain Property Owned by DASNY to the full Board for approval.

Board Self-Evaluation

Mr. Johnson moved that the Members go into Executive Session to discuss the financial and credit history of a particular corporation; proposed, pending or current litigation; and the employment history of particular persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person. The Board Chair seconded the motion and the Members went into Executive Session.

EXECUTIVE SESSION

While in Executive Session, no action was taken other than that to return to Public Session.

PUBLIC SESSION

Mr. Ellis moved to adjourn the Meeting, the Board Chair seconded the motion and the Corporate Governance Committee Meeting adjourned at approximately 5:30 p.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary to the Board
of the Dormitory Authority