



Wednesday, July 8, 2015
Governance & Nominating Committee Meeting – GCEDC
Andrews Conference Room - Suite 106
3:00 pm
MINUTES

ATTENDANCE

Committee Members: M. Wiater, J. Rizzo, C. Yunker
Staff: S. Hyde, L. Farrell, M. Masse, E. Richardson, C. Suozzi
Guests: T. Felton (GGLDC Board Chair), H. Upson (GGLDC Board Member)
Absent: R. Cianfrini

CALL TO ORDER / ENTER PUBLIC SESSION

M. Wiater called the meeting to order at 3:00 p.m. in the Genesee County Economic Development Center Conference Room.

CHAIRMAN’S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business – No additions to the agenda were made.

2b. Minutes: June 4, 2015

C. Yunker made a motion to approve the June 4, 2015 Minutes; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater -	Yes
J. Rizzo -	Yes
R. Cianfrini -	Absent
C. Yunker -	Yes

The item was approved as presented.

DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD

3a. Appointment of GCEDC Board Member to GGLDC Board – L. Farrell reminded the Board that they had previously discussed appointing Matthew Gray to the GGLDC Board in order to maintain a majority of GCEDC members on the Board. She asked if they still wanted to do that or if they had other recommendations. The Committee had a brief discussion.

C. Yunker made a motion to recommend the appointment of M. Gray to the GGLDC Board; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater -	Yes
-------------	-----

J. Rizzo - Yes
R. Cianfrini - Absent
C. Yunker - Yes

The item was approved as presented.

3b. Appointment of Independent Board Member to GGLDC Board – L. Farrell shared that she had compiled a list of suggested potential independent Board Members from several GCEDC and GGLDC Board Members.

The Committee reviewed the list of potential independent Board Members.

C. Yunker added that he is a relatively new Board Member to both the GCEDC and GGLDC Boards. There seems to have been a fair amount of turnover. It wouldn't seem unreasonable to appoint Wally Hinchey to the GGLDC Board as an independent member to enhance the continuity between both Boards.

J. Rizzo shared that normally he would not be in favor of that but given that almost half of the Board has turned over in the last 12 months, appointing Wally Hinchey for continuity would be a smart decision.

M. Wiater asked T. Felton if he had any feeling one way or the other since W. Hinchey would be serving under his leadership.

T. Felton shared that the good news is that there is some talent in the individuals on the list of suggestions. It's nice to know that in the community we have some depth. He agrees with Craig's concept that a little continuity might help. If he is on the GGLDC Board he's most likely going to sit through the GCEDC meeting creating that historical significance. He believes that it would be beneficial for the GCEDC Board more so that the GGLDC Board.

C. Yunker made a motion to recommend the appointment of W. Hinchey to the GGLDC Board as an independent member; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater - Yes
J. Rizzo - Yes
R. Cianfrini - Absent
C. Yunker - Yes

The item was approved as presented.

3c. Officers – L. Farrell shared that the GCEDC does not have a Chairperson appointed at this time as W. Hinchey's term has ended. All other positions are filled but can be changed as the committee so chooses.

C. Yunker shared that the Chair position was offered to M. Waiter once before and she had indicated that she was not interested. He wondered if her position had changed.

M. Wiater shared that unfortunately her position has not changed and she is unable to serve as Chairperson at this time. She would welcome the opportunity, however does not currently have the time to spend.

C. Yunker suggested then that the Committee consider P. Battaglia as the next Chairperson.

M. Wiater believes that P. Battaglia would be a great choice.

J. Rizzo made a motion to recommend the 2015-2016 slate of officers as follows: P. Battaglia, Chairman, M. Wiater, Vice-Chairperson, P. Kennett, Secretary, L. Farrell, Treasurer & CFO, and S. Hyde, President & CEO with all terms ending June 30, 2016; the motion was seconded by C. Yunker. Roll call resulted as follows:

M. Wiater - Yes
J. Rizzo - Yes
R. Cianfrini - Absent
C. Yunker - Yes

The item was approved as presented.

3d. Committee Appointments – L. Farrell shared that there are several committee vacancies that are up for review and recommendation by the Committee.

J. Rizzo respectfully suggested that the committee appointments be made by the Chairman.

L. Farrell shared that typically the committee appointments are brought directly to the full Board for approval by the Chairperson. Because we did not officially have a Chairperson yet it was brought to the committee level.

C. Yunker shared that following J. Rizzo's comment, he would suggest a change in the Bylaws to allow the Chairperson to determine committee appointments and in turn strengthen the power of the Chair. He believes that this practice is consistent with other Boards that he has served on, it strengthens the Board Chair, he thinks that it is good governance and believes that it is very appropriate for this Board.

C. Yunker made a motion to recommend a change in the Bylaws to allow the Board Chairperson to appoint a new slate of committee members at the beginning of their term without full Board approval; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater - Yes
J. Rizzo - Yes
R. Cianfrini - Absent
C. Yunker - Yes

The item was approved as presented.

3e. Bank Account Authorized Signers – L. Farrell shared that the next few items, items 3e-3g, have not gone through the Governance Committee in the past. There had been some discussion in the past of bringing everything through a committee prior to full Board review. The GCEDC typically has at least three bank signers from the Board. Currently we only have two; they are J. Rizzo and P. Zeliff.

J. Rizzo suggested that the authorized bank account signers should be the members of the Audit & Finance Committee. The other Board members have little or no insight on the day to day operations of the Agency.

C. Yunker believes that is a good recommendation by this committee.

C. Yunker made a motion to recommend the Audit & Finance Committee members as Authorized Bank Signers along with two staff members – S. Hyde and M. Masse; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater - Yes
J. Rizzo - Yes
R. Cianfrini - Absent
C. Yunker - Yes

The item was approved as presented.

3f. Authorized to Request Information Regarding Bank Accounts – L. Farrell shared that she and P. Kennett are not authorized bank account signers but need authorization to request information regarding the bank accounts.

J. Rizzo made a motion to recommend authorization to allow L. Farrell and P. Kennett to request information regarding bank accounts; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater -	Yes
J. Rizzo -	Yes
R. Cianfrini -	Absent
C. Yunker -	Yes

The item was approved as presented.

3g. Authorized Signers of Agreements, Contracts, Etc. – L. Farrell shared that the Bylaws state that the Chair and Vice-Chair have authority to sign agreements, contracts, etc. The request today also authorizes S. Hyde, M. Masse and C. Suozzi as the authorized signers of agreements, contracts, etc.

J. Rizzo believes that the Chair and the Vice Chair should be the authorized signers of agreements and contracts. Anyone that the Board authorizes could also sign documents. He does not think that it should be a blanket approval.

M. Masse stated that almost all of the contracts and agreements he signs are those that have already been approved by the Board. The only contracts or agreements that he signs are those that do not require Board approval because they fall under the \$5,000 threshold for requiring Board approval.

J. Rizzo suggested including a sentence as part of the resolution or approval that authorizes a particular member of the staff to execute all documents related to the approval. He believes that who is authorized to sign contracts and agreements as a matter of policy should be limited to the Chair and Vice Chair and then the Board has the authority to delegate that same authority to someone else as they deem appropriate.

M. Masse mentioned that there are things that do not come before the Board for approval, therefore the Chair or Vice Chair would have to sign those items as there would be no way to approve authorizing someone else to execute the documents in a timely manner.

J. Rizzo thinks there might be some way to incorporate that into the policy. You could preface the policy by saying for any contract that requires Board approval, the Chair and the Vice Chair shall have the authority to execute the related documents. Then the policy could go on to state that certain officers have ability to sign contracts under a certain provision of the procurement policy. If there is a section of the procurement policy that says anything under \$5,000 then you can give them the authority to execute those contracts or agreements.

L. Farrell stated that we can bring something forward at the next meeting to review prior to bringing it to the full Board.

There was no recommendation made at this time.

3h. Procurement Policy (Re-Adopt) – L. Farrell shared that this policy is required to be reviewed and re-adopted by the Board annually.

C. Yunker questioned whether the Committee would be amending the Procurement Policy to reflect the previous discussion about authorized signers.

J. Rizzo thinks there should be a reference to the Procurement Policy that allows contracts under \$5,000 to be signed by a designated officer. He does not believe there is a need to change the policy itself.

C. Yunker stated that section 6.6 of the Procurement Policy would be referenced in the wording regarding authorized signers of contracts or agreements.

L. Farrell shared that she is not recommending any changes to the Procurement Policy today. A revamp of the policy was done a year ago.

C. Yunker made a motion to recommend approval of the Procurement Policy with no changes; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater -	Yes
J. Rizzo -	Yes
R. Cianfrini -	Absent
C. Yunker -	Yes

The item was approved as presented.

3i. Investment Policy (Re-Adopt) – L. Farrell shared that this policy is required to be reviewed and re-adopted by the Board annually. No changes are being recommended.

C. Yunker made a motion to recommend approval of the Investment Policy with no changes; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater -	Yes
J. Rizzo -	Yes
R. Cianfrini -	Absent
C. Yunker -	Yes

The item was approved as presented.

3j. Disposition of Real Property Guidelines (Re-Adopt) – L. Farrell shared that this policy is required to be reviewed and re-adopted by the Board annually. No changes are being recommended.

M. Wiater had a question related to the definition of “Property”. The definition currently reads “to the extent that such interest may be conveyed to another person...” Does that limit the policy to a person and not a corporation?

L. Farrell shared that this policy was created by Harris Beach when it was required by PAAA. She would have to have a conversation with them to clarify the definition.

M. Wiater also noticed a typo. In Section 2 it references Section 2; however that should be changed to say Section 3.

J. Rizzo suggested reviewing a section of Public Authorities law to see if it defines the term “person” is, related to M. Waiter’s first question.

J. Rizzo then questioned, in regards to this policy and the previous two that were just reviewed, how the staff would know if there was a law enacted during the current session of the State Legislature that would require a change in any of these policies. Is there an email you may receive from a State wide organization or would you depend on counsel?

S. Hyde shared that there are three avenues to receiving information related to changes in the law affecting IDAs. By being a member of the State Economic Development Council you regularly receive email correspondence. Secondly, a

couple of the law firms that are active in the economic development world send out notices as well. Lastly, our government relations firm is very active in sending correspondence that may affect economic development agencies.

J. Rizzo thought that the staff seemed confident that if there were to be a legislative change the Agency would know about it.

S. Hyde agreed.

C. Yunker made a motion to recommend approval of the Disposition of Real Property Guidelines with no significant changes; the motion was seconded by J. Rizzo. Roll call resulted as follows:

M. Wiater -	Yes
J. Rizzo -	Yes
R. Cianfrini -	Absent
C. Yunker -	Yes

The item was approved as presented.

3k. Governance & Nominating Committee Charter (Re-Adopt) – L. Farrell shared that this policy is required to be reviewed and re-adopted by the Board annually. No changes are being recommended.

C. Yunker shared that the section regarding the composition and selection of the committee discusses how the committee members are appointed by the Board. The wording should change given the previous recommendation to amend the Bylaws to allow the Board Chair to appoint committee members without Board approval. He suggested that the Governance Committee review the wording at the next meeting.

No vote was taken.

3l. Uniform Tax Exempt Policy – M. Masse shared that recently the NYS Economic Development Council (NYSEDC) issued a memorandum in regards to proposed NYS Legislation changes calling for some common standards for Industrial Development Agencies (IDA) relative to financial assistance applications and financial agreements, criteria for selecting projects, and requirements for ending or recapturing benefits. That memorandum is attached. Based on our recent discussions and proposed revisions to the Uniform Tax Exemption Policy (UTEP) we align with most of the items listed in the NYSEDC memo. The memo was provided for Board review.

For the list of items on comprehensive standards for IDA applications for financial assistance we will work with counsel (Harris Beach) to ensure our compliance.

For the list of suggestions on adopting uniform criteria for the evaluation and selection of projects our comments are as follows:

a. Undertake a written cost-benefit analysis that identifies the extent to which a project will create or retain permanent, private sector jobs - *We currently utilize a cost-benefit calculation that takes into account all projected jobs to be created or retained. This is listed as number 4 on the Eligible/Qualified Projects list on the revised draft of the UTEP.*

b. The estimated value of any tax exemptions to be provided - *The estimated tax exemptions to be provided is disclosed to the Board and the public at the time a project is considered, however that is not listed in our UTEP as criteria for Eligible/Qualified Projects. We can add this to the UTEP.*

c. The amount of private sector investment generated or likely to be generated by the proposed project - *This item should be addressed by number 2 on the Eligible/Qualified Projects list on the revised draft of the UTEP.*

d. The likelihood of accomplishing the proposed project in a timely fashion - *This item is not listed in our UTEP. We can add this to the UTEP.*

e. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts - *This is included in number 4 on the Eligible/Qualified Projects on our revised draft of the UTEP, but is not specifically listed as an item to be considered on its own. This can be disclosed as part of the review of the Economic Impact calculation that the staff does for each project. We can add a sentence to item number 4 on the Eligible/Qualified Projects list on the revised draft of the UTEP.*

M. Wiater asked why a timeline couldn't be provided by the company at the time of application.

M. Masse stated that there has never been a formal request of a timeline for projects. When running the economic impact calculation a 12 month construction period is assumed and a 1+3 ramp up period for the company. The staff has always been in discussions with companies about their proposed timelines, how long they think it will take to complete construction and how long until they think they will start hiring.

J. Rizzo wanted to clarify whether the proposed policy is consistent in all matters with these suggestions.

M. Masse shared that the proposed policy is consistent with the suggestions made by the NYSEDC except for item b and item d.

J. Rizzo feels that that since this legislation is passed we should include these points in our policy.

M. Masse stated that he will make those changes to add wording to the policy to reflect those required criteria.

For the list of suggestions on developing uniform IDA project agreements is as follows:

a. A requirement for annual certification by the project owner, occupant or operator of full time equivalent jobs created and retained as a result of the financial assistance - *The GCEDC currently requires this for all projects that receive benefits. This certification is completed annually for each year a project receives benefits.*

b. A provision for the suspension or discontinuance of financial assistance, or for the modification of any payment in lieu of tax agreement to require increased payments, in accordance with policies developed by the IDA - *The UTEP needs to reflect guidelines that would direct staff when to recommend to the Board for a recapture, or termination of benefits for a project. This is Section H in the revised UTEP.*

c. A provision for the return of all or a part of the financial assistance provided for the project, as provided for in policies developed by the IDA - *The UTEP needs to reflect guidelines that would direct the staff when to recommend to the Board for a recapture, or termination of benefits for a project. This is Section H in the revised UTEP.*

d. A provision that the business certify, under penalty of perjury, that it is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations - *Some of these items are currently in the Application for Financial Assistance that a company signs. We will ensure that all of these items are included in the Application. We may consider adding this language to the annual certification that companies use to report to the GCEDC.*

The final item asks the IDA to develop policies for the suspension or discontinuance of financial assistance, and annually assess the progress each project approved after January 1, 2016 is making toward achieving its goals. He believes that the guidance we list in the UTEP for recapture can easily be developed into a policy. The staff can share with the Board the progress of all projects once they complete reporting for the year. Based on the timing of when those annual reports are due, it would make sense for the Board to use the April or May meeting as our "Annual Project Review" meeting.

J. Rizzo asked that the staff ensure that our blanket agreement reflects these changes.

M. Masse stated that once the UTEP is approved, the staff will work with Harris Beach to make the necessary changes to our agreements to reflect the required changes.

M. Wiater suggested making the changes to the UTEP based on the changes in legislation and bring it back to the Committee for a final review.

J. Rizzo thinks that this committee has reviewed the policy enough to feel comfortable without seeing a redlined version however the full Board may want to see a redlined version as they are not as familiar with the policy.

No vote was taken.

3m. Administrative Fee Structure – M. Masse shared that due to the large amount of administration time that is required with the annual compilation, review and submittal of the annual project reporting form and subsequent upload into PARIS, many IDA's charge an annual fee to help defer some of these costs. The Board was provided a comparison of other IDA's and the fees they charge. We would like to propose an administrative fee schedule based on the total capital investment that a project makes. This fee would be included in the PILOT agreement, or sales tax agreement, and would be a condition of default if not paid.

C. Yunker asked if the Agency currently charges a fee.

M. Masse stated that there is language in all the documents to charge a fee. The fee charged currently is \$1 and is never collected.

C. Yunker asked if the fee was applied based on the schedule provided, what would be the annual revenue received.

M. Masse estimated that based on our current portfolio we could have brought in approx. \$60K however we cannot charge past projects this fee. Going forward, the IDA approves around 7 or 8 PILOTs a year which could bring in approx. \$4K additional every year.

S. Hyde shared that this fee would contribute towards the offset of the administrative costs related to compliance and reporting of projects. He also suggested a modification in the suggested fee structure. Total capital investment under \$5M would be charged a \$500 annual fee and over \$5M would be charged a \$1,000 annual fee. And a \$500 annual fee for all sales tax exemption projects. Projects that have already been approved but have not closed will be subject to this fee.

J. Rizzo made a motion to recommend a revision of the Pricing Policy to include an Annual Administrative Fee Schedule as follows: \$500 annual fee for projects with capital investment of less than 5M, \$1,000 annual fee for projects with capital investment of \$5M or greater and a \$500 annual fee for all sales tax exemption projects to be effective on all projects closing after July 9, 2015; the motion was seconded by C. Yunker. Roll call resulted as follows:

M. Wiater -	Yes
J. Rizzo -	Yes
R. Cianfrini -	Absent
C. Yunker -	Yes

The item was approved as presented.

3n. Meeting Scheduling – S. Hyde shared that there is a lot of time spent at the staff level trying to get meeting set up. He suggested implementing something called Doodle, which allows our staff to send an email and poll the Board for availability easily.

C. Yunker shared that he's used it before and feels that it is easier than trading emails back and forth.

M. Wiater suggested trying it with the Board and seeing if that is easier.

ADJOURNMENT

As there was no further business, C. Yunker made a motion to adjourn at 4:00 p.m., seconded by J. Rizzo and passed unanimously.