



**Thursday, August 13, 2015**  
**Governance & Nominating Committee Meeting – GCEDC**  
**Innovation Zone Conference Room - Suite 107**  
**12:30 pm**  
**MINUTES**

**ATTENDANCE**

Committee Members: M. Wiater, J. Rizzo, C. Yunker, P. Battaglia  
Staff: L. Farrell, M. Masse, E. Richardson  
Guests: R. Cianfrini, T. Felton, W. Hinchey, H. Upson, M. Frantz (Harris Beach), E. Wells (e3communications)  
Absent:

**CALL TO ORDER / ENTER PUBLIC SESSION**

J. Rizzo called the meeting to order at 12:30 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: July 8, 2015**

**C. Yunker made a motion to approve the July 8, 2015 Minutes; the motion was seconded by M. Wiater. Roll call resulted as follows:**

M. Wiater -	Yes
J. Rizzo -	Yes
C. Yunker -	Yes
P. Battaglia -	Yes

**The item was approved as presented.**

**DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD**

**3d. Committee Structure** - J. Rizzo suggested continuing to hold committee meetings before the regular meetings of the Board as needed. However, he does not want to see a whole list of items be brought to the Board meeting immediately following the committee meeting. Instead, it will be the Committee and staff's responsibility to be certain that we can get things on the agenda the following month, giving the rest of the Board a chance to review the items.

**3e. GCEDC/GGLDC Lease – Innovation Zone** – J. Rizzo stated that this is a pro forma matter. This is just an amendment to the existing lease between the GCEDC and GGLDC for the Innovation Zone space. This amendment has already been approved by the GGLDC.

M. Wiater mentioned that since this was an amendment to an existing lease, the existing lease wasn't attached for anyone to review. She added that this was an issue in the past when reviewing leases and something to think about when reviewing leases in the future.

**M. Wiater made a motion to recommend the GCEDC/GGLDC Lease for the Innovation Zone space; the motion was seconded by C. Yunker. Roll call resulted as follows:**

M. Wiater -	Yes
J. Rizzo -	Yes
C. Yunker -	Yes
P. Battaglia -	Yes

**The item was approved as presented.**

**3b. Governance Committee Charter-** J. Rizzo shared that L. Farrell made changes to the charter to reflect that the Chair now appoints members to the committees without requiring Board approval. He reviewed the entire charter and one piece of the charter that caught his eye was the last bullet point under the section "Relationship to the GCEDC's Board" which states that the committee will "Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members of the Board in identifying qualified individuals". He's not sure that an amendment needs to be made however it sounds like it is suggesting that the GCEDC Board will suggest to the Legislature who to appoint to the Board. He does not feel that is appropriate.

C. Yunker shared that in some instances the County Legislature informally asks our opinion or for suggestions. The wording of the charter may be suggesting a formal recommendation. He has no opinion either way.

P. Battaglia stated that he has no problem suggesting names if that is what the Legislature is requesting.

J. Rizzo suggested eliminating the second half of that sentence. The bullet point would now read "Develop the competencies and personal attributes required of Directors."

P. Battaglia wished to mention one concern related to a sentence located in the second paragraph under the section called "Composition and Selection" which reads "In addition, governance & nominating committee members shall not engage in any private business transactions with the GCEDC or receive compensation from any private entity that has material business relationships with the GCEDC..." He mentioned that his firm does do work for the GCEDC and is compensated for that work. Whether it is considered material is the question.

M. Wiater shared that she had emailed L. Farrell asking the same question after she received the GGLDC's Form 990 to review and saw that it was P. Battaglia's firm that had prepared it.

L. Farrell shared that the compensation for the work does not exceed \$5,000 between the GCEDC and the GGLDC combined.

M. Wiater asked if "material" was a defined term.

P. Battaglia stated that "material" from an auditing standpoint is subjective and would be determined by the auditor.

M. Wiater asked if there was some sort of conflict occurring by having P. Battaglia's firm do this work.

P. Battaglia stated that his firm is not allowed to do the audit, because from an ethical standpoint, they would be opining on the fairness and accuracy of the financial statements. The tax work that was performed does not require that kind of independence. This is simply compliance work, filling out a form based on the numbers that are being provided.

M. Wiater then asked if he gets compensated for that work.

P. Battaglia stated yes; the firm gets compensated for that work.

M. Frantz added that the GGLDC, just like the GCEDC, is subject to PAAA (Public Authorities Accountability Act) and they have a benchmark of what constitutes as an independent director and the benchmark is \$15,000. If his firm is getting less than \$15,000 he would be considered an independent director.

J. Rizzo suggested developing some language that incorporates the guidelines of PAAA into the charter.

M. Wiater thought that would be a good idea to reference PAAA. This allows more clarification and addresses all of the committee's concerns.

L. Farrell shared that she would make the suggested changes and bring the charter back to the next committee meeting for review.

**3c. Authorized Signers of Agreements, Contracts, Etc.** – J. Rizzo shared that ideally contracts that involve policy making decisions and services should come before the Board regardless of the monetary threshold. What he is not concerned with is the day to day purchases that are under the competitive bidding threshold. In his opinion, a contract for copy paper, regardless of the monetary amount does not need to go to the Board, however, a services contract with a governmental relations firm, should come before the Board regardless of the monetary amount because it is an agreement with an entity that could input policy decisions made by the Board. It may be trial and error with bringing things to the Board to determine what the Board would like to see and what they don't need to see. He's not comfortable with a strictly monetary threshold.

C. Yunker thinks that there are two thresholds that need to be taken into consideration. Anything over the \$5,000 monetary threshold comes to the Board regardless of the type of contract. The second threshold being, regardless of the \$5,000 threshold, all "policy affecting agreements" come before the Board.

J. Rizzo is open to thoughts on how to distinguish the types of agreements that should come before the Board. Simply distinguishing between purchase agreements and services agreements may be too broad of a generalization.

M. Masse suggested reviewing a list of vendors that the staff can generate and review with the committee to get familiar with vendors.

L. Farrell questioned whether there were things that fall under the \$5,000 threshold that the Board may not see that they wish they had. It's not necessarily a matter of seeing too many contracts and agreements.

P. Battaglia believes that the Board's concern is more so what they are not seeing.

J. Rizzo thinks reviewing a vendor list would put the committee in a better position to make better suggestions.

**3a. Universal Tax Exempt Policy (UTEP)** – M. Masse shared that the two outstanding items with the UTEP are the Eligible/Qualified Projects and Applicants Section and the Recapture of Benefits Section. Based on what has been recommended with the proposed legislation for project criteria, our draft policy aligns well. The bigger outstanding issue is with the recapture section of the policy and what wording the Board feels comfortable with.

J. Rizzo stated that the committee has reviewed the criteria several times, and he feels comfortable with what is proposed. He feels like the committee still needs to work through the language of the “Recapture of Benefits” section. He feels as if the language currently is fairly general, which is intentional. He is comfortable with the language for now but he believes the committee will need to review it on an annual basis. That section of the policy could be a dynamic area of change.

M. Masse reminded the Board that the GCEDC is required under the Corrective Action Plan issued to the State Comptroller’s Office to have a revised UTEP approved by December 31, 2015 regardless of when the Governor may sign the new proposed legislation.

J. Rizzo suggested sending the proposed UTEP to all GCEDC Board Members for their review and comment and then bring it back to the full Board next month for a review as a whole. The policy can then come back to the committee for a final review and recommendation to the full Board for the October or November meeting.

**ADJOURNMENT**

As there was no further business, C. Yunker made a motion to adjourn at 1:00 p.m., seconded by M. Wiater, and passed unanimously.