



**Thursday, October 1, 2015**  
**Governance & Nominating Committee Meeting – GCEDC**  
**Innovation Zone Conference Room - Suite 107**  
**3:00 pm**  
**MINUTES**

**ATTENDANCE**

Committee Members: J. Rizzo, M. Wiater, C. Yunker, P. Battaglia  
Staff: L. Farrell, M. Masse, E. Richardson, P. Kennett  
Guests: T. Felton, R. Gaenzle (Harris Beach), R. Endress (Harris Beach)  
Absent:

**CALL TO ORDER / ENTER PUBLIC SESSION**

J. Rizzo called the meeting to order at 3:03 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: August 13, 2015**

**C. Yunker made a motion to approve the August 13, 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**

**3a. Uniform Tax Exempt Policy (UTEP)** – J. Rizzo shared that at the last Board meeting he suggested to the full Board to submit any questions or suggestions regarding the UTEP to M. Masse or himself. They have not heard back any further comments from any of the Board members. He believes that the policy is in order for the Committee to make a recommendation to the full Board. He reminded the Committee that, as suggested at the last meeting, the Committee will attempt to review this policy on an annual basis at the conclusion of the Legislative session in the hopes to ensure that the policy is in accordance with the latest legislative developments. A yearly review will also allow time to reflect what our experience has been over the past year.

P. Battaglia asked if there are currently procedures in place to collect the information that we need to monitor.

M. Masse shared that every year projects that have received financial assistance are required to submit an ‘Annual Project Report’. The information is compiled by the staff and submitted into the PARIS (Public Authorities Reporting Information System) reporting system by March 31<sup>st</sup>. Included in this ‘Annual Project Report’ is, current job totals and capital investment to date. A copy of a company’s NYS-45 Form is required as well to substantiate employment. After the information is compiled and submitted into PARIS a summary of that information is reviewed with the Board. Going forward, the Board will need to work through what information they wish to see when reviewing what they’ve reported versus what they pledged at the start of their benefits. When reviewing we need to keep in mind that underperforming by one job may be significant to one project and insignificant to another.

J. Rizzo explained that the policy is subjective but will have to be applied with some consistency.

C. Yunker suggested having the annual review of ‘Annual Project Reports’ in the spring of each year. He also suggested putting together a calendar of all the items that need to come before the Committee on an annual basis. That would be helpful for the Committee to see going forward.

**C. Yunker made a motion to recommend the revised Uniform Tax Exempt Policy to the full Board; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

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

**The item was approved as presented.**

**3c. Revised Application for Financial Assistance** – M. Masse shared that based on recent legislative changes, which have yet to be officially signed by the Governor, Harris Beach has helped review our current application for financial assistance to ensure that we were compliant with those legislative changes. Some amendments have been made to ensure that all application requirements are met.

J. Rizzo asked if there was anything in the revised application that needs to be implemented immediately to comply with the revised UTEP.

R. Gaenzle does not believe there would be any changes to the application as a result of the revised UTEP. These changes are simply to come into compliance with what the new law will require to be in all IDA applications. Most of the items were already included in the application.

P. Battaglia asked if a potential company receives a copy of the UTEP with the application. How do they know they need to comply with the policy?

R. Gaenzle shared that the UTEP is a policy for the Board in determining whether or not to approve or disapprove projects. As part of that, there is a recapture provision which is stated in the application. And now going forward, that recapture language will be in the operative documents when you close a transaction.

J. Rizzo suggests bringing the application back at the next meeting for a final review and recommendation. That will allow the staff time to make any further changes.

R. Gaenzle suggested waiting to approve the application, if it is ok with the Board, until after the law comes into effect. He would hate to see the Board approve the application as is and then have to make more changes to it again.

J. Rizzo agreed and suggested that the application be brought back to the Committee after the legislation has been signed and is in full effect.

M. Wiater had a question about the hold harmless agreement included in the application before the Committee moves on to the next topic. She did not see that the Board of Directors is included in the provision. She is suggesting that perhaps that be included. She also noticed that the agreement references the GCEDC and wondered if it should also include “its successors and/or assigns”. The agreement also noted the “attached application” which causes some confusion. This agreement is a part of the application and the word “attached” might need to be removed. Lastly, she wonders why that last paragraph is included in the hold harmless agreement. The last paragraph appears to be a disclosure and doesn’t know why it’s in the agreement.

R. Gaenzle stated that we can make those changes as a part of the review and revision of the application.

**3b. Governance Committee Charter** – L. Farrell shared that at the last meeting the Committee discussed the language included in the Composition and Selection section of the charter. The discussion revolved around the definition of a Material Business Relationship and referencing Section 2825 of New York Public Authorities Law. She reviewed her suggested changes with R. Gaenzle at Harris Beach and he thought that the second paragraph in that section could potentially be removed if the Committee thought it caused any confusion.

R. Gaenzle shared that as Board members or members of the Committee, you are subject to compliance with the various policies and the policies state what the prohibitive actions are, so basically the whole second paragraph in the Composition and Selection section is unnecessary.

C. Yunker questioned the language that states “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”. A private entity that has material business relationships with the GCEDC is any of the companies that have received financial assistance. He currently is on the Board of a company that has received financial assistance from the GCEDC and receives compensation from them for sitting on their Board. Should he no longer be on this Committee?

P. Battaglia asked how you might distinguish the difference between that and the business relationships he has with his clients that have received IDA benefits.

M. Wiater shared that this goes for almost all of the committee members.

R. Gaenzle shared that the difference is that C. Yunker is currently sitting on the Board of a company that is currently receiving IDA benefits. He still does not see how that relationship would create a conflict for sitting as a member of this committee.

C. Yunker does not see the second paragraph in the Composition and Selection section as necessary.

J. Rizzo shared that from his point of view; C. Yunker is providing the company a service by sitting on their board for which he is being compensated for. So, the \$15,000 standard should be applied to both situations; having a material business relationship with the GCEDC or being compensated by a company that has a material business relationship with the GCEDC. In that case, C. Yunker would not be in conflict with the policy. He is in favor of removing the second paragraph. He suggested having another draft come before the committee at the next meeting.

**3d. Conflict of Interest Policy / ABO Recommended Practice** – R. Gaenzle shared that the Authorities Budget Office (ABO) put forward a recommended best practice relative to a conflict of interest policy for public authorities. Harris Beach has put together a new conflict of interest policy that several IDA’s have already adopted which encapsulates the ABO’s recommendations. Harris Beach recommends that the GCEDC adopt a similar policy as the one provided for the committee to review to come into compliance with the ABO’s recommendations. The new policy would replace the current Code of Ethics Policy.

J. Rizzo suggests reformatting the suggested policy to fit the GCEDC and distribute it to the Board for review prior to the next meeting.

**ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at 3:42 p.m., seconded by M. Wiater, and passed unanimously.