

DRAFT
Summary Minutes
Governance Committee of the Erie County Fiscal Stability Authority
Monday, March 6, 2006.

Note: the following is a draft copy of minutes of a meeting of the Erie County Fiscal Stability Authority's Governance Committee, which was held March 6, 2006. These minutes will not become final until approved at a subsequent meeting of the Governance Committee, and may be amended before approval.)

Committee Chair Stan Keysa called the committee to order at 3:39 pm in the board room of Sheehan Memorial Hospital in Buffalo, New York. Also present were Directors Sheila Kee and Ken Kruly, along with ECFSA Executive Director Lee Van Riper, Matt Spina of the Buffalo News, and Tom Gwitt, representing Assemblyman Tokasz.

Stan Keysa thanked Sheila Kee for making the room available, and noted "It must be a slow news day," as several of the electronic media had asked for an interview in the hospital lobby.

Stan Keysa stated that the purpose of the meeting of the Governance Committee was to address "housekeeping" issues that were raised at the ECFSA meeting of February 23, 2006 and before. He asked Lee to distribute materials, including a portion of the draft minutes covering the governance issues as discussed at the February 23rd meeting (Stan stressed that these were draft minutes still being edited and were to be treated as confidential), By-Law amendments as proposed at the ECFSA February 23rd meeting; and the By-Laws as previously approved.

Mr. Keysa first reviewed the Article II (Directors and Officers) amendments, noting they were references to the Code of Ethics and Financial Disclosure requirements in state statutes. In his opinion, they should be mentioned in the By-Laws as well. Directors Kee and Kruly concurred.

The next amendments reviewed were to Article III (Meetings) of the By-Laws. Section 7, Agendas, was the subject of lengthy discussion at the full board meeting, as noted in the draft minutes. Stan pointed out that Ken Kruly had proposed that a preliminary agenda to be distributed 72 hours in advance of the meeting, rather than the 48 hours in the proposal, but that Ken had then withdrawn the 72 hour request. After some thought, Stan was prepared to accept the 72 hour proposal. Thereafter, he suggested, Directors could request additions to the agenda up to 48 hours in advance of the board meeting, giving the Chair time to consider the request, before a final notice and agenda was distributed 24 hours in advance of the meeting.

Director Kruly concurred and added that agendas should be accompanied by the actual resolutions which were to be considered. Keysa agreed, if the language were couched in terms "to the extent possible". All concurred.

Discussion then turned to Section 8, Resolutions, the subject of much discussion at the full board meeting. Sheila Kee asked if Directors could amend those resolutions at the meeting. Keysa said he expected an agenda with resolutions would be distributed 72 hours prior to meeting. Requests to add items would be communicated to the Executive Director not less than 48 hours prior to meeting for transmittal to Chair. The Chair's decision would be reflected in the final agenda and resolutions, which would be communicated by the Executive Director 24 hours prior to meeting. Electronic notice would suffice, although hard copies are preferred, especially to those directors located within Erie County.

Ken Kruly asked if, in addition to the resolutions being distributed with the agenda, Directors could request new resolutions during the meeting. Keysa proposed that the By-Laws spell out that any new resolution raised at a meeting could be objected to by any member. Upon objection, an affirmative supermajority vote of 5 Directors would be required to suspend rules. There was a discussion of the unanimous vote required for suspension in the Erie County Legislature, and Keysa stated his opinion that use of unanimous votes was a way to cripple responsive action of a board in an emergency, especially as one or more Directors may not be present. Discussion focused on having all substantive resolutions being “reduced to writing,” before voting, even if that meant a brief recess. All concurred.

Discussions turned to what the NYS Open Meetings Law required regarding ECFSA meetings, specifically, whether it required distribution of the resolutions. Stan Keysa said it was his opinion that the law required adequate notice of a meeting and time and place. It did not require media or public to be supplied with the agenda or resolutions.

It was agreed by all that a new Article IV, Administration, was a necessary addition to the By-Laws. Employee benefits were subject to discussion at the February 23rd meeting and Sheila Kee wanted to discuss specifics. Stan Keysa explained that a Human Resources Committee was created at the February 23rd meeting and he regarded employee issues to be under the jurisdiction of that committee. Stan asked and Lee distributed copies of the Erie County benefit summaries. Actual handbooks will be obtained and distributed to directors later in the week. Sheila Kee stated that the Governance Committee should ask that the Human Resources Committee to prepare a comparison of County versus State managerial/confidential (“M/C”) benefits. Stan Keysa stated that would be appropriate and that he understood Gail Keil was already preparing it.

Discussion turned to Section 3, Travel. Director Kee stated that all reimbursements should require receipts; “No receipt – no reimbursement.” Director Kruly thought that Directors should not be reimbursed for mileage, even under the actual expense language of the enacting Legislation. Stan Keysa objected to that proposal, stating that as a State Authority, Directors serve without compensation and that legitimate mileage reimbursement at the IRS rate was a legitimate expense subject to reimbursement. It was agreed that the mileage issue was a discussion which should involve the full Board.

Meal reimbursement was also discussed in light of the criticism over working dinners and lunches of the first Chair and Vice-Chair. Lee described his discussions with State DOB and Ethics which concluded that such meals fit the standards covered by the statutory “actual and necessary expenses” incurred in the performance of Authority business. He reiterated that the Ethics conversation stated that authorized expenses were up to the Authority, but they would have had more concern if meals had been paid for by outside parties. Sheila Kee stated that she was opposed for any reimbursement for meals.

Director Keysa then brought up the subject of meals as an expense at meetings or conferences which charged for attendance. He noted that Ned Regan had asked Stan to cover meetings of the Association of Erie County Governments, all of which were held at dinner meetings paid for by the respective municipalities. There was general agreement that, if the Director had been asked to represent the ECFSA, they should be reimbursable. Perhaps a resolution should be considered which designates who is authorized to attend what meetings. Prior approval might be another course of action. Again, discussion with the full board is needed.

Section 5, Procurement, was the next topic. Ken Kruly asked what current rules existed. Lee Van Riper explained that procurement guidelines were specifically adopted by resolution in August. They were drafted by the law firm under contract at the time, Hawkins, Delafield & Wood, and were aligned with the state guidelines. Director Keysa added that the guidelines required requests for proposals (“RFP’s”) for all contracts over \$15,000, but allowed purchase of goods and services under that amount, subject to conditions determined by the Authority. Sheila Kee wanted to specify “consultants” in the procurement guidelines, in addition to the standard language of “goods or services.” Mr. Van Riper stated that consultants were considered providers of services, but Sheila reiterated that they should be specifically mentioned.

Lee explained that, under administrative authorization given to the Executive Director by Board resolution, he had interpreted it to mean that administrative bills were within his authorization, that anything requiring a contract would be subject to Board approval. He then recalled that we do actually have an agreement for copier lease and maintenance which he didn’t seek Board approval since it had been under the State vendor approvals list suggested by the Office of General Services (OGS). He considered that to be State pre-approval. Discussion ensued over what level of “likely annual cost” would be administrative and what would need Board approval.

Some services, such as audio/visual for Board meetings, were treated as separate costs. Director Kruly thought such services should be treated as annualized costs. Should all annualized costs under \$15,000 be subject to Board approval, or what was an appropriate lower boundary to be subject to Board approval? Discussion resulted in a consensus that annual costs likely to be under \$5,000 would be administrative. Director Kruly thought that OGS-approved office supply stores and minor services covered by State contracts were likely better deals than the ECFSA could obtain on its own, at considerable time and expense. Perhaps even County contractual agreements could be useful. Director Kee stated that she wanted the By-Laws to be much more specific on procurement. Director Keysa again emphasized that the By-Laws were general references and the Procurement Guidelines, themselves, would be the place for specifics.

Committee Chair Keysa generally summarized the meeting by stating that he would draft a summary of what we had discussed. Thereafter, he would draft a proposal to fill in the details as needed and circulate a copy to all. He also thought that the Governance Committee should add a discussion of other Committees of the ECFSA to the Committee’s future agenda, including those committees already authorized by statute (i.e., Audit) and any others which the Governance Committee thought were needed. Director Kruly had a hand-out prepared with suggestions (attached).

The meeting adjourned at 5:07 p.m.

Respectfully submitted,

Stanley Jay Keysa,
Secretary & Chair, Governance Committee