

MINUTES of the **GOVERNANCE COMMITTEE MEETING** of the **ERIE COUNTY WATER AUTHORITY** held in the office, 295 Main Street, Room 350, Buffalo, New York, on the 7th day of March 2019.

PRESENT: Jerome D. Schad, Chairman
 Mark S. Carney, Vice Chairman
 E. Thomas Jones, Treasurer
 Robert J. Lichtenthal, Jr. Deputy Director/Asst. Secretary to the Authority
 Margaret A. Murphy, Attorney
 Karen A. Prendergast, Comptroller
 Steven V. D'Amico, Business Office Manager
 Daniel J. NeMoyer, Director of Human Resources
 Russell J. Stoll, Executive Engineer
 Sabrina Figler, Director of Water Quality
 Joseph T. Burns, Deputy Administrative Director
 Matthew Barrett, Security Officer

ABSENT: Terrence D. McCracken, Secretary to the Authority

ATTENDEE: Michael J. Luksch, WGRZ Channel 2

CALL TO ORDER AT 9:38 A.M.

PLEDGE TO THE FLAG

I. - ROLL CALL

II. - READING OF MINUTES

Motion by Mr. Carney seconded by Mr. Jones and carried to waive the reading of the Minutes of the Governance Committee Meeting held on February 21, 2019.

DISCUSSION

Mr. Jones stated that at the last meeting, Policy 92 was reviewed, discussed and approved with regard to hiring. He asked whether job changes would go through this same process, once the policy is implemented.

Ms. Murphy responded that in the case of a promotion, the job is posted. If we promote

from within, we follow the same process that is covered by the policy. If it is a change because we create a new position, no one can create a new position without Board and Civil Service Commission approval. Once a new position is created, any hiring will follow this policy. Other job changes such as termination, suspension, leaves of absence, etc., are not covered by this policy.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

III. - APPROVAL OF MINUTES

Motion by Mr. Carney seconded by Mr. Jones and carried to approve the Minutes of the Governance Committee Meeting held on February 21, 2019.

DISCUSSION

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

IV. – REPORTS

V. – COMMUNICATIONS AND BILLS

VI. - UNFINISHED BUSINESS

T-11 AMENDMENT TO THE AUTHORITY’S CODE OF ETHICS RELATING TO CONDUCT OF COMMISSIONERS AND FORMER COMMISSIONERS ITEM NO. 7 6/28/18)

DISCUSSION

Mr. Schad remarked that since the revised Code of Ethics is under New Business, he suggested that T-11 be taken off the table.

Mr. Carney moved to take T-11 off the table, seconded by Mr. Jones.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

Now that the item has been taken from the table, is there a motion to recommend to the Board the approval of the item?

Hearing no motion, the item is received and filed.

VII. - NEW BUSINESS**A. Code of Ethics****DISCUSSION**

Ms. Murphy stated that we have a Code of Ethics and Conflict of Interest Policy for review and recommendation to the Board for approval.

B. ECWA Financial Disclosure Statements**DISCUSSION**

Ms. Murphy stated that we now have an in-house Financial Disclosure Statement, which has never been done before. We would like to get the document distributed to the positions identified in the Code of Ethics as those positions that would be filling it out.

C. ECWA Vendor List**DISCUSSION**

Ms. Murphy indicated that the Board has been provided with two vendor lists.

The first is a list of companies that do substantial business.

The second list contains vendors the Authority did business with in 2018. Excluded from that list are people who were not truly “vendors”, but rather past and present employees receiving various types of benefit reimbursement; i.e. health insurance, travel, etc. Also excluded were vendors paid less than \$250 in 2018, because under the Procurement Guidelines we are not required to send out for bids or sealed proposals for any goods or services under \$250. Lastly, large corporations such as Staples, Office Max, etc., were removed because the Authority has no influence over their pricing or quotes.

The finalized Vendor List (minus the exclusions noted above) will be given to all persons required to complete a Financial Disclosure Statement. In that document they will be asked to review the Vendor List and attest that they reviewed it and identify any company that would present a conflict of interest due to a personal or familiarly relationship with that company if applicable.

Ms. Murphy stated that the Vendor List will be updated annually. However, if there is a new vendor of substantial size who the Board is approving in a contract, an addendum through resolution can be done to add that name to the current Vendor List until the new list comes out the following year or we could also make it part of the Board's resolution to approve the contract and, at the same time, add the new vendor as an additional name to the current list until the list is updated.

Mr. Schad remarked that the question on the Financial Disclosure Statement regarding competition/conflict of interest is not limited to the list, even though it says you have to read the list. The representation is what you, the signer, are aware of.

Ms. Murphy responded that the Code specifically states that it does not exhaust our list of vendors and all signers are obligated to immediately report any conflicts of interest as they become aware of them to the Attorney first and then to the Ethics Panel.

Mr. Jones remarked that there should be some requirement in the Code or By-Laws that the Ethics Panel should meet at least once a year to review the submissions of the Ethics forms to the Authority for two reasons: First, to make sure everyone has filed and two, to address any issues that arise with regard to these forms.

Mr. Carney commented that we have an Ethics Panel, yet we are making changes to our Code of Ethics without input from that Panel.

Mr. Schad stated that we have not yet impaneled anyone.

Ms. Murphy stated that we want to adopt this today so we can indicate in our PARIS Report that we have done an annual review of our Code of Ethics. If we want to adopt a new Code of Ethics, we can put a link to it on the PARIS Report, but Ms. Murphy can also prepare an amendment indicating that the Ethics Committee meets as necessary, but at least annually to review all of the Financial Disclosure Statements. With regard to the Ethics Committee's input, the Board is the policymaker, who determines what their charge and duties are supposed to be. As indicated in this Code, when they are confronted with a conflict of interest issue, they will review it, investigate it and make a recommendation to the Ethics Committee. The Ethics Committee, upon reviewing their recommendation, will then make a recommendation to the Board to ensure oversight.

Motion by Mr. Carney seconded by Mr. Jones and carried to adopt the amendment to the Authority's Code of Ethics, which will include the Code of Ethics, the Financial Disclosure Statement and the Vendor List.

VOTE

Ayes: Three; Commrs. Schad, Carney and Jones

Noes: None

VII. – ADJOURNMENT

Motion made by Mr. Carney seconded by Mr. Jones and carried that the meeting adjourn at 9:49 a.m.

Respectfully submitted,

Robert J. Lichtenthal, Jr.
Assistant Secretary to the Authority

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