

BATAVIA DEVELOPMENT CORPORATION (BDC)
Governance Committee Meeting
Meeting Minutes September 13, 2018

Attendance

BDC Attendees: Pier Cipollone, Matt Worth, and Rachael Tabelski (Director of Economic Development)
Excused: Peter Casey
Guest/Media: None

Call to Order

The meeting was called to order at 3 p.m. at City Hall.

Governance Topics:

Governance & Nomination Committee Charter- Pursuant to Article III, Section 15, of the BDC's bylaws, the purpose of the Governance committee is to assist the Board by: keeping the Board informed of current best practices in corporate governance; reviewing corporate governance trends for their applicability to the BDC; updating the BDC's corporate governance principles and governance practices; and advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members; as well as nominating candidates for various offices including, but not limited to President, Vice-President, Secretary and Treasurer. The Governance & Nomination Committee Charter was recommended for approval by the Governance Committee.

Audit & Finance Committee Charter- Pursuant to Article III- Section 15 of the BDC's bylaws, the purpose of the audit and finance committee shall be to (1) assure that the BDC's board fulfills its responsibilities for the BDC's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, and the board of directors; and (3) to review proposals for the issuance of debt and to make recommendations. The Audit & Finance Committee Charter was recommended for approval by the Governance Committee with a change to the language discussing the Committee as overseeing the work of a public accounting firm, not contracting with the firm as the BDC board will make that decision.

Recommendation to Incorporate as a 501C (3) not-for-profit- currently the BDC is organized a 501c(4). Across the state, most Local Development Corporations involved with economic development are set up as 501c(3)'s including the Genesee Gateway Local Development Corporation and the Batavia Business Improvement District here locally. Benefits include: The ability to apply for more grant funding, specifically the Preserve NY Grant and some Federal EPA programs related to brownfields; the ability to accept tax deductible donations, membership fees and real estate. Currently donations made to the 501c(4) are not deductible; limits the organization from expending more than 10% to 20% of the budget on lobbying efforts; strictly prohibits the organization from endorsing, campaigning and donating to political candidates. Incorporating as a 501c(3) was recommended for approval by the Governance Committee.

BDC Loan Policy updates- The BDC Governance Committee the BDC Loan Policy and updates. The Governance Committee recommended the updates to the BDC Loan Policy, but lowered the minimum loan amount to \$5,000 instead of \$10,000 that was originally proposed by the BDC's Director of Economic Development.

BDC Loan Review Checklist- The BDC Governance Committee reviewed the BDC Loan Review Checklist. The Governance Committee recommended the updates to the BDC Loan Review Checklist.

Employee Benefits Plan Policy- The BDC board reviewed the Employee Benefits Plan Policy. The policy formalizes the benefits of the Economic Development Director and gives her/him the ability to gain sick time and vacation time through years of employment. The Governance Committee discussed the accrual of sick time and wanted to know if it would

show up as a liability, and how the policy would compare with the original employment offer of the Director of Economic Development. The Governance Committee recommended the Employee Benefits Plan Policy.

Master Schedule of compliance related tasks and meetings- A schedule was created by the Director of Economic Development to inform the Governance Committee and Board of the upcoming duties and responsibilities of the board and committees.

Adjournment

The meeting stood adjourned at 4:30 p.m.

DRAFT