



MINUTES OF A SPECIAL MEETING OF THE
GOVERNANCE COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
October 18, 2021

A special meeting of the Governance Committee (the "Committee") of the Board of Directors of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Monday, October 18, 2021, in Conference Room 13A, at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following members of the Committee were present:

William Floyd (by conference telephone)
Tanya Levy-Odom (by conference telephone)
James McSpiritt

Members of NYCEDC staff also were present.

The meeting was chaired by Mr. McSpiritt, Chairperson of the Committee, and called to order at 4:03 p.m. Meredith Jones, an Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present.

1. NYCEDC Board Self-Evaluation

As required by the Public Authorities Accountability Act of 2005 as amended, a self-evaluation of NYCEDC's Board of Directors (the "Board") had been undertaken for Fiscal Year ("FY") 2021.

Mark Silversmith, a Special Counsel and Assistant Secretary of NYCEDC, stated that Mr. McSpiritt, on behalf of the Committee, would present a Committee report, including a report on the self-evaluation survey results, at the November 9, 2021 annual meeting of the Board. In answer to a question from Mr. McSpiritt, Mr. Silversmith stated that, with the exception of one question that had been slightly revised a few years ago, the survey questions had remained the same for several years. Mr. McSpiritt noted that 17 of the 23 Directors responded to the survey, that for the most part the responses were favorable, and that comments were submitted by respondents for some of the questions. Mr. Silversmith pointed out that the FY 2021 survey had slightly fewer participants than the previous year's survey. The Committee then proceeded to go through some questions that had yielded one or more "Somewhat Disagree" and/or "Disagree" responses.

With respect to Q9, that the “Board is informed on NYCEDC’s clear and measurable performance goals that contribute to accomplishing its mission,” Mr. Silversmith stated that the Board adopted performance measures for NYCEDC each year at its annual meeting and then received a report on the results, typically at its September meeting. He added that the measurements used by NYCEDC’s management essentially came from the Mayor’s Management Report. Mr. McSpiritt stated that he would refer to NYCEDC’s performance measures and report in his remarks to the Board.

At this time, Mr. McSpiritt stated that 2 comments were submitted for Q13, regarding effective communications with NYCEDC executive staff to keep Directors informed on important issues. Mr. McSpiritt stated that he would remind the Directors that they had the ability to contact NYCEDC staff involved with a particular item and NYCEDC’s officers and that it was his experience that staff was responsive to questions and requests from the Board. Ms. Jones noted that it would probably be best for Directors to reach out to NYCEDC’s Government and Community Relations Department if they only wanted information as to projects in a particular borough. Ms. Jones further noted that the Directors’ website contained a list of NYCEDC staff with contact information. Mr. McSpiritt stated that his report to the Board would recommend utilizing the Directors’ website and the resources available to the Directors, as well as reaching out to NYCEDC staff with any questions they might have.

With respect to Q15, that “Board members are knowledgeable about NYCEDC’s programs, financial statements, reporting requirements, and other transactions,” Mr. McSpiritt stated that this seemed to be covered, as the Board received program reports, project presentations and the President’s report at meetings, and that the financial statements were reviewed by the NYCEDC Audit Committee. Mr. Silversmith noted that Directors also received the financials twice each year, at the September and November Board meetings, and had the opportunity to ask questions about them. Ms. Jones added that the financials were also available in the ‘Disclosures’ section of NYCEDC’s website. In answer to a question from Mr. McSpiritt, Ms. Jones explained that NYCEDC provided a training program for new Directors prior to COVID-19, that such training was not done during the pandemic, and that with the change of administration NYCEDC would likely resume training for new Directors next year.

In answer to a comment that was submitted regarding Q19 about Board and committee meetings facilitating open discussion and participation by the members, the Committee agreed that this tied into the topic of effective communications and that Directors were always able to raise questions and concerns at meetings. Mr. McSpiritt noted that NYCEDC’s meetings were conducted in a manner consistent with general practice of Boards. Then, in answer to a question from Mr. McSpiritt regarding Q21, that “Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken,” Mr. Silversmith summarized NYCEDC’s practice for getting Board meeting materials to the Directors, noting that NYCEDC generally aimed to provide such materials between 1½ and two weeks in advance of each meeting. Mr. McSpiritt stated that he would include an explanation of that practice in his report to the Board and additionally note that Board real estate items were reviewed by the NYCEDC Real Estate and Finance Committee about 2 weeks before each Board

meeting.

At this time, Mr. McSpiritt pointed out that one of the survey's 'Disagree' responses was submitted for Q23, regarding Directors feeling whether they may raise questions with regard to votes and other agenda items, but that no comment was provided. He stated that it was difficult to determine what was driving that particular response without a supporting comment. He said that he found that Directors felt free to raise questions and that NYCEDC staff members were responsive. With regard to two comments that were submitted for Q25, concerning the Board's oversight of the CEO and other executive staff, Mr. Silversmith noted that NYCEDC's President provided a report at each Board meeting, after which Directors were always provided the opportunity to ask questions or raise concerns. The Committee then discussed Q27, that "The Board has identified the areas of most risk to NYCEDC and works with management to implement risk mitigation strategies before problems occur," and it was determined that this was principally done institutionally by NYCEDC's Audit Committee, and that NYCEDC's Internal Audit Department discussed risk management with the Audit Committee.

At this time, Mr. McSpiritt stated that he would provide a Committee report to the Board, and asked the Committee members if they had any additional suggestions. Ms. Levy-Odom stated that she felt it was important to encourage Board members to proactively review the materials prior to Board meetings, and to remind them to utilize the resources available to them, including contacting NYCEDC staff. Additionally, she suggested recommending that Directors provide written questions in advance of meetings.

Mr. McSpiritt lauded NYCEDC's practice of having the staff members who work on certain projects provide the Board presentations for those projects. He stated that it was helpful and a good practice to maintain.

2. Adjournment

There being no further business to come before the meeting, the meeting of the Committee was adjourned at 4:26 p.m.

Assistant Secretary

Dated: _____
New York, New York