Review of Restructuring of Board Committees and Role of Governance & Ethics Committee

Governance & Ethics Committee

February 13, 2013

Background

- August 2012 – Board authorized revisions to By-Laws to:
  - Provide for the restructuring of the Board Committees
  - Better align Committees with long-term agency objectives:
  - Six By-Law Standing Committees:

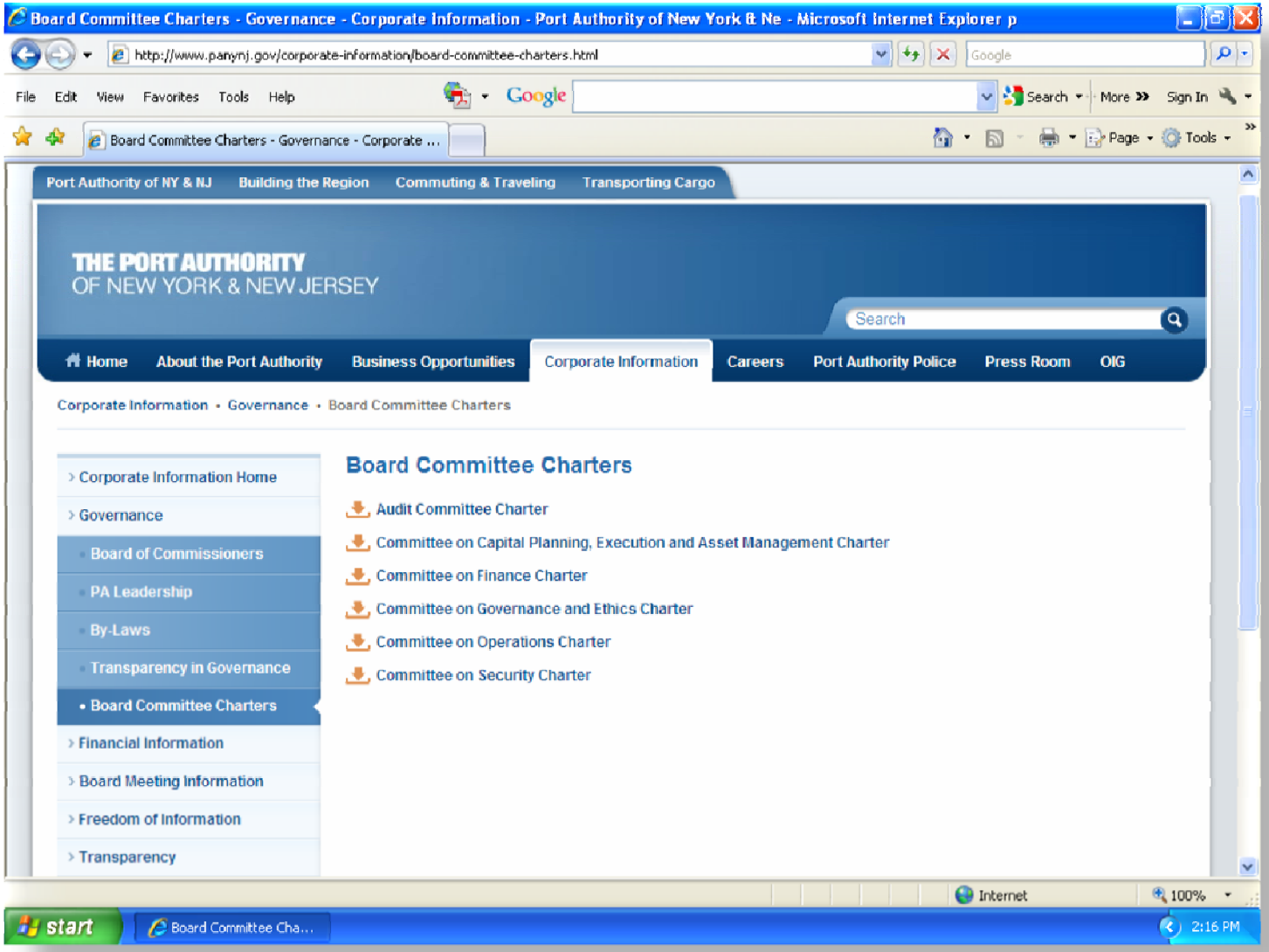
1. Audit Committee (Held 2 meetings)
2. Committee on Finance (Held 4 meetings & 1 Joint Mtg. with Operations)
3. Security Committee (Held 4 meetings)
4. Committee on Operations (Held 5 meetings and 1 Joint Mtg. with Finance)
5. Committee on Capital Planning, Execution and Asset Management (held 6 meetings)
6. Committee on Governance and Ethics (held 2 meetings)

** Note: Meetings held since September 2012*

Committee Charters

- Each of the Committees met to establish formal Charters
- The Charters provide certain guidelines that the Committee shall follow in connection with the satisfaction of its responsibilities under the By-Laws
- Each Committee's Charter outlines the following:
  - ✓ Function
  - ✓ Authority
  - ✓ Meetings
  - ✓ Reports
  - ✓ Powers and Responsibilities
- In September 2012 the Board reviewed and approved the Charters for each of its Committees

Board Committee Charters



Committee Charters

Function

The Committee shall be governed by the By-Laws and assist the Board in fulfilling its oversight responsibilities relating to the development of, and compliance with, the governance and ethics principles of the Port Authority.

Authority

The Committee has the authority (through the Board's approval of its Charter) for and on behalf of the Port Authority to take any and all action to satisfy its responsibilities under the By-Laws and its Charter.

Meetings

The Committee shall meet as determined by the Chairman of the Committee, or at the request of the Chairman of the Port Authority, in connection with the satisfaction of the Committee's responsibilities.

- The Committee has set up quarterly meetings for 2013 and will also meet as needed in conjunction with the monthly Board meetings.

Annual Requirements - Governance & Ethics Committee

Pursuant to the Committee's Charter, the Governance & Ethics Committee's responsibilities include the following:

Governance

- Lead the Board in an annual review and evaluation of the Board's performance;
- Lead the Board in an annual review and evaluation of the performance and effectiveness of the Board Committees;
- Lead the Board in an annual review and evaluation of the Executive Director's performance;

Ethics

- Reassess the adequacy of the Code of Ethics on an annual basis;
- Review the independence and objectivity of the members of the Board on a periodic basis;
- Annually review the ethical standards of the States of New York and New Jersey (and other standards which may be useful in determining best practices for the Port Authority), and make recommendations to the Board concerning appropriate practices.

Governance/Ethics & Accountability

Internal Policies:

- **Lobbying/Procurement/Influence**
- **Post Employment/Consulting**
- **Political Activity/Influence**
- **Statewide Office Campaign Contributions - Senior Staff**
- **Port Authority-Sponsored Advertising**
- **Whistleblower Protections**
- **Use of Port Authority Property**
- **Gifts and Gratuities**
- **Solicitation**
- **Conflict of Interest**
- **Outside Employment**
- **Employment of Relatives/Referrals**