

Governance and Ethics Committee

November 19, 2013

Qualifications for Prospective Appointments to the Board; Review and Evaluation of Board Performance and Committee Effectiveness

Qualifications for Prospective Appointments to the Board

- Statutory Requirements
- By-Laws Provisions
- Suggested Additional Criteria

Review and Evaluation of Board Performance and Committee Effectiveness

- Why Self-Evaluations?
- Considerations in Conduct of Self-Evaluations
- Trends and Best Practices

Qualifications for Prospective Appointments to the Board – Statutory Requirements

- Six resident voters from each State
- NY Commissioners – at least four must be resident voters of NYC
- NJ Commissioners – at least four must be resident voters from NJ portion of Port District
- Appointment by Governor, with advice and consent of State Senate, with Commissioners to serve for six-year, overlapping terms (one Commissioner term expires each year for each State).
- Commissioner continues in office after term expires until successor is appointed and qualified
- Commissioner may be removed upon charges after hearing

Qualifications for Prospective Appointments to the Board –By-Laws Requirements

Article III. A of the By-Laws provides that “In serving as a Commissioner of the Port Authority, each Commissioner shall act in a fiduciary capacity with a duty of loyalty and care owed to the Port Authority.”

Article VIII of the By-Laws provides that the Committee on Governance and Ethics make a determination that at least one member of the Audit Committee “possesses a high level of financial expertise * * * .”

Qualifications for Prospective Appointments to the Board – Suggested Additional Criteria

Requisite skills and characteristics may include:

- independence
- diversity
- skills
- experience

Review and Evaluation of Board Performance and Committee Effectiveness

Among the responsibilities of the Committee on Governance and Ethics set forth in its Charter, the Committee shall:

- Evaluate the performance of the Board and its members
- 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

(Charter, Par. V(1)b, V(1)c and V(1)d.)

Review and Evaluation of Board Performance and Committee Effectiveness

Fundamental Question:

How are we as a Board (Committee) contributing to the overall effectiveness of the organization?

Review and Evaluation of Board Performance and Committee Effectiveness

- Helps in resolving core governance dilemmas
- Enhances stakeholders' perceptions of organization
- Reinforces culture of responsibility and accountability
- Prompts Changes

Review and Evaluation of Board Performance and Committee Effectiveness - Considerations

As Board self-assessment becomes more and more the norm, the mechanics and design of the process are important.

What are the common techniques?

How do you plan for/design the assessment?

Review and Evaluation of Board Performance and Committee Effectiveness – Trends/Best Practices

- NACD Standards for Board Self-Evaluation
- NYS Authorities Budget Office Board Evaluation Checklist