

MINUTES OF THE NINETEENTH MEETING OF THE
GOVERNANCE COMMITTEE
HELD ON JUNE 1, 2015

Pursuant to notice dated May 19, 2015, the nineteenth (19th) meeting of the Governance Committee (“Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (“Authority”) was convened in the Authority’s Albany office at 17 Columbia Circle, Albany New York, and the Authority’s New York City Office located at 1359 Broadway, New York, New York on Monday, June 1, 2015, at 12:00 p.m.

The following Members of the Committee were present:

Sherburne Abbott, Chair
Richard Kauffman
Mark Willis

Also present were John Rhodes, President and CEO; David Margalit, Chief Operating Officer; Janet Joseph, Vice President for Technology and Strategic Planning; Jeffrey J. Pitkin, Treasurer; Noah Shaw, Esq., General Counsel; Laura Rowe, Esq., Assistant Counsel and Secretary to the Governance Committee; and various other staff of the Authority.

Ms. Abbott called the meeting to order and noted the presence of a quorum.

The first item on the agenda concerned the approval of the minutes of the eighteenth (18th) meeting of the Governance Committee held on April 21, 2015.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the minutes of the eighteenth (18th) meeting of the Governance Committee were approved.

Ms. Abbott indicated that the next item on the agenda was a report from the Authority’s President and CEO, John Rhodes, on the Authority’s compensation schedule. Mr. Rhodes stated

that pursuant to Section 2800 of the Public Authorities Law (“PAL §2800”), the Members are required to approve a compensation schedule that includes the name, title, salary, and total compensation paid during the fiscal year for all employees in decision-making or managerial positions with salaries in excess of \$100,000. In addition, pursuant to the Public Authorities Reform Act of 2009, PAL §2800 was amended and now requires that the Authority submit biographical information on each employee included on the list. These materials are to be filed with the Governor, the Comptroller, and the Legislature.

Mr. Kauffman asked a question regarding clarification between the annual salary and annual compensation indicated in the compensation schedule. Mr. Pitkin responded that the total compensation indicates the actual amount paid to the employee during the year ending March 31, 2015. If an employee was hired at some point during the year, the total compensation will be lower. Mr. Kauffman asked how the total compensation can be higher than the annual salary. Mr. Pitkin responded that the total compensation also includes lump sum performance payments that were paid to certain employees and those payments were not added to their base pay. Mr. Rhodes further clarified that there are merit based financial awards that come through each year. The ordinary course is for that award to be a salary increase; however, in some cases employees are at their cap and cannot receive a salary increase. In these cases, there is a lump sum payment which is effectively a one-time payment that does not reset the base salary.

Mr. Willis commented that this seems to be true in a lot of cases. Mr. Pitkin also stated that in some instances the difference between total compensation and total salary is related to the New York City living differential, which is authorized under state policy but is not part of the annual salary. Mr. Pitkin also stated that the state collective bargaining agreement allowed for a cost of living increase that was made retroactive to April 1 of 2014 and so the retroactive payment of the salary increase could give rise to a differential in total compensation and total salary.

Mr. Kauffman indicated that it would be useful to the Members in the future to have this information broken down so that they know who falls into what bucket. Mr. Pitkin indicated that this would be done in future compensation schedules.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

Resolution No. 27

RESOLVED, that the Governance Committee recommends that the Members of the Authority adopt a resolution in substantially the same form as the resolution submitted to the Committee (attached as Exhibit A), adopting and approving the Authority's compensation schedule and approving the vitae to be submitted pursuant to Section 2800 of the Public Authorities Law.

Ms. Abbott indicated that the next item on the agenda concerned a general salary increase for identified officers, reported on by Mr. Kauffman. Mr. Kauffman stated that in accordance with the Public Authorities Law, Members are required to approve the compensation of Officers, including salary increases. Historically the Authority has provided its employees with benefits comparable to those provided to Management Confidential employees by the State. Recently, the New York State Division of Budget released a budget bulletin providing guidelines for the payment of a 2% General Salary Increase to Management/Confidential (M/C) employees and other unrepresented employees in the Executive Branch, retroactive to April 1, 2015. Chairman Kauffman stated that the Members are asked to approve the same percentage salary increase for the President and CEO, the Chief Operating Officer, the Vice President for Innovation and Strategy, the Treasurer and Internal Control Officer, and the General Counsel and Secretary, and indicated that the funds have already been included in the 2015-2016 Budget.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

Resolution No. 28

RESOLVED, that the Governance Committee recommends that the Members of the Authority adopt a resolution in substantially the same form as the resolution submitted to the Committee (attached as Exhibit B), approving a 2% general salary increase retroactive to April 1, 2015, payable as appropriate to the President and CEO, Chief Operating Officer, the Vice President for Innovation and Strategy, the Treasurer and Internal Control Officer and the General Counsel and Secretary.

Ms. Abbott indicated that the next item on the agenda concerned approval of the Annual Confidential Board Member Performance Evaluation Report (“Report”). Ms. Abbott stated that PAL 2800 requires that the Authority conduct an annual confidential Board Member performance evaluation. The Committee reviewed the results of the evaluation at its April 2015 meeting. The Report details the results of the evaluation and incorporates the Committee’s recommendations.

Mr. Willis asked for clarification as to what was being approved in the Report. Mr. Shaw clarified that the Committee Members are being asked to approve the submission of the Report, as required under Public Authorities Law, and that the information contained in the Report was discussed by the Committee Members at the April meeting. Mr. Willis asked for confirmation that this Report contains a summary of the results from the evaluation and that it would be further discussed by the full Board at the June meeting, and this was confirmed by Mr. Kauffman and Mr. Shaw.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

Resolution No. 29

RESOLVED, that the Governance Committee recommends that the Members of the Authority adopt a resolution in substantially the same form as the resolution submitted to the Committee (attached as Exhibit C), adopting and approving the Annual Confidential Board Member Performance Evaluation Report.

Ms. Abbott indicated that the next item on the agenda concerned a resolution to convene in executive session to discuss the employment history of a particular person.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members, the following resolution was adopted.

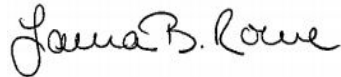
Resolution No. 30

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Members of the Governance Committee shall convene in executive session on June 1, 2015 for the purpose of discussing the employment history of a particular person.

At the conclusion of the executive session, Ms. Abbott reconvened the meeting in open session. Ms. Abbott announced that no formal action was taken during the executive session.

Ms. Abbott stated that the last agenda item concerned other business. There being no further business, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Laura B. Rowe".

Laura B. Rowe
Secretary to the Committee



NYSERDA

ANDREW M. CUOMO
Governor

RICHARD L. KAUFFMAN
Chair

JOHN B. RHODES
President and CEO

NOTICE OF MEETING AND AGENDA

May 19, 2015

TO THE MEMBERS OF THE GOVERNANCE COMMITTEE:

PLEASE TAKE NOTICE that the nineteenth (19th) meeting of the GOVERNANCE COMMITTEE of the New York State Energy Research and Development Authority will be held in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and in the Authority's New York City Office located at 1359 Broadway, 19th floor, New York, New York, on Monday, June 1, 2015, commencing at 12:00 p.m., for the following purposes:

1. To consider the Minutes of the 18th meeting held on April 21, 2015.
2. To consider and act upon a resolution recommending approval of the compensation schedule.
3. To consider and act upon a resolution recommending approval of a salary increase for Officers.
4. To consider and act upon a resolution recommending approval of the Annual Confidential Board Member Performance Evaluation Report.
5. To consider and act upon a resolution to enter into executive session for the purpose of discussing the employment history of a particular person.
6. To transact such other business as may properly come before the meeting.

Members of the public may attend the meeting at either of the above locations. Video conferencing will be used at both locations and the Authority will be posting a video of the meeting to the web within two business days of the meeting. The video will be posted at <http://www.nysesda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.

Laura B. Rowe
Secretary to the Committee

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Exhibit A

Resolution No. ____

RESOLVED, that the Authority's compensation schedule presented at this June 1, 2015 meeting, is adopted and approved as the compensation schedule to be submitted pursuant to Section 2800 of the Public Authorities Law; and

BE IT FURTHER RESOLVED that the attached vitae are approved for submission under Section 2800 of the Public Authorities Law.

Exhibit B

Resolution No. ____

RESOLVED, that the proposed 2% general salary increase retroactive to April 1, 2015, payable as appropriate to the President and CEO, Chief Operating Officer, the Vice President for Innovation and Strategy, the Treasurer and Internal Control Officer and the General Counsel and Secretary is hereby approved.

Exhibit C

Resolution No. ____

RESOLVED, that the Authority's Annual Confidential Board Member Performance Evaluation Report as presented at this June 1, 2015 meeting, is adopted and approved to be submitted pursuant to Section 2800 of the Public Authorities Law.