



**Minutes of a Board Meeting Held on
September 27, 2016 at 9:30 AM City Hall
New York, New York 10007**

1. Meeting Called to Order; Quorum Noted

The new Board Chair, Commissioner Anne Roest, called the meeting was to order at approximately 9:05a.m and noted that this meeting was the annual meeting, held in addition to the Board's regular meetings.. The Secretary read the roll and stated that a quorum was present consisting of, Chairperson Anne Roest, Kristine Ryan (as designee of Dean Fuleihan), Felix Ortiz (participating by videoconference) and Steven Salzinger.

2. Approval of Minutes From Meeting on July 22, 2016

Upon motion duly made and seconded, the Minutes of the July 22, 2016 meeting of the Board were unanimously adopted as follows:

RESOLVED, that the Board of Directors hereby approves the minutes of the Board of Directors meeting held on July 22, 2016, a copy of which is annexed hereto.

3. Report from the Audit Committee and Deputy Treasurer, Approval of Independent Auditor's Report on the Audited Financial Statement and Authorization to Release Such Financial Statements.

The next item on the agenda was the report of the Audit Committee on the Independent Auditor's Report. Deputy Treasurer Robert Balducci, Mr. Balducci explained that the new auditors, Marks Paneth, had discovered that previous auditors had failed to account for accrued vacation time of TDC employees, which should be reported as liabilities of the Corporation since the accruals would have to be paid to employees should the TDC cease operation. The financial statements in the draft audit, therefore, reflect the accrued vacation time liability for 2015 and 2016.

Following Mr. Balducci's explanation, the Board voted unanimously, upon motion duly made and seconded, to approve the following resolution:

WHEREAS, the Audit Committee has met with independent auditors of the Corporation and has reviewed the independent auditors' report on the audited financial statements of the Corporation as of and for the fiscal years ended June 30, 2016 and 2015, and such financial statements; and

WHEREAS, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board accept the independent auditors' report and authorize the release of the financial statements; it is therefore

RESOLVED, that the Board hereby accepts the independent auditors' report on the audited financial statements of the Corporation as of and for the fiscal years ended June 30, 2016 and 2015, and authorizes the release of such audited financial statement; provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Treasurer of the Corporation.

4. Approval of the Investment Report

Next, Chairperson Roest explained that the Public Authorities Law requires local authorities such as TDC to produce an annual report containing Investment Guidelines, a brief explanation of the Guidelines, a letter from the independent auditor regarding the Corporation's compliance with the Guidelines and a schedule reflecting the Corporation's investments during the fiscal year. The report reflects that TDC has no "real" investments: it maintains its funds in its bank account and a "AAA" rated money market account, except for the maximum FDIC insured amount of \$250,000 in its checking account. Since the rate on the money market account reflects the currently low interest rates, TDC did not have reportable income during the past fiscal year (*i.e.* less than \$1,000), nor did it incur fees in a reportable amount.

Upon motion duly made and seconded, the following Resolution was adopted unanimously:

WHEREAS, section 2925(6) of the Public Authorities Law and the Corporation's Investment Guidelines require the Corporation to annually prepare an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Report is hereby approved.

5. Approval of Annual Report and Authorization to Present to the Member

The next item on the agenda was the approval, as required by section 519 of the New York Not-for-Profit Corporation Law, of the proposed Annual Report. The Report describes the membership of TDC and provides cross references to the places in the audited financial statements regarding the assets, liabilities, revenues and expenses of the

Corporation for FY2016. Upon motion duly made and seconded, the following resolution was approved unanimously:

WHEREAS, Section 519 of the New York Not-For-Profit Corporation Law (the “N-PCL”) requires that the Board of Directors of not-for-profit corporations present an annual report relating to the financial conditions of such corporations to the members of such corporations at their annual meeting; and

WHEREAS, in compliance with Section 519 of the N-PCL, the Board of Directors of the Corporation has caused an annual report relating to the Corporation’s fiscal year 2016 (the “Annual Report”) to be prepared, a copy of which is annexed hereto; it is therefore

RESOLVED, that the Board of Directors does hereby authorize and ratify the preparation of the Annual Report and its presentation to the Member of the Corporation.

6. **Report from the Governance Committee and Adoption of Mission Statement and Performance Measurements**

Chairperson Roest then reported that the Governance Committee has met as required by the Public Authorities Law and has reviewed the Corporation’s Mission Statement and Performance Measures. Steven Salzinger asked whether the statement and measures had been changed in the past year and whether it is anticipated that they will be changed again. Chairperson Roest replied that the Mission Statement and Performance Measures had been recently amended, in December of last year and, while it is possible that recommendations for further changes may be made in the future, such changes were not anticipated for this meeting. Upon motion duly made and seconded, the Governance Committee’s recommendation for the approval of the Mission Statement and Performance measures was approved unanimously in the following Resolution:

WHEREAS, section 2824-a of the Public Authorities Law requires all state and local authorities to adopt a mission statement and a list of measurements of performance by which performance of the authority and the achievements of its goals may be measured; and

WHEREAS, the Board’s Governance Committee has reviewed the Corporation’s mission statement and performance measures which were recently amended in December of 2015 and has recommended retaining the mission statement and measurements; it is therefore

RESOLVED, that the Corporation’s Mission Statement and Performance Measures presented at this meeting, copies of which are annexed hereto, are approved.

The next two items on the agenda related to personnel and Chairperson Roest recommended that the Board convene an executive session to discuss these matters. Upon motion duly made and seconded, the Board then went into executive session at approximately 9:55 a.m..

7. **Approval of Governance Committee Review and Recommendation of Compensation and Benefits and Determination under Section IV of the Code of Ethics**

Agenda Item 7 was the Governance Committee's Review and Recommendation of Compensation and Benefits. The only change in compensation that the Committee recommended was to raise the compensation of the Acting President to \$205,000. Upon motion duly made and seconded, the Committee's recommendation was approved as follows:

WHEREAS, the Governance Committee Charter requires that the Committee annually review the compensation and benefits for the officers who are employed full-time by the Corporation, and

WHEREAS, at its September 19, 2016 meeting, the Committee recommended that the compensation of the Acting President be raised to \$205,000/year and that the remainder of the compensation and benefits be approved; now, therefore, be it

RESOLVED, that the compensation and benefits for officers and employees as attached hereto, be approved.

8. **Determination under Section IV of the Code of Ethics**

Agenda Item 8 was a Determination under Section IV of the Code of Ethics relating to the proposed hiring of Richard Cocchiarra as a Program Manager. The Board unanimously approved the following Resolution:

WHEREAS, NYTDC proposes to hire Richard Cocchiarra, who is exceptionally qualified in terms of skills and experience; and

WHEREAS, Mr. Cocchiarra has disclosed that he has a significant interest in stock of the IBM Corporation, which has substantial business with the City; and

WHEREAS, Mr. Cocchiarra has agreed to divest himself of two-thirds of his investment in IBM before commencing employment with TDC and to divest himself of the remaining one-third of his investment in the new tax year, but no later than January 30, 2017; now, therefore, be it

RESOLVED, that Richard Cocchiara investment with IBM will not conflict with the interests or purposes of the Corporation or the City, and that Mr. Cocchiara may retain his one-third investment in IBM until January 30, 2017, provided that: until such time as Mr. Cocchiara no longer owns IBM stock, the Corporation shall not share information with Mr. Cocchiara about any involvement by IBM in any of its projects, nor may it assign Mr. Cocchiara any work for the Corporation on projects where the IBM Corporation is involved, including but not limited to soliciting or evaluating vendors or sub-vendors on a project, or any work on a project on which IBM is participating; and provided further, that Mr. Cocchiara shall immediately recuse himself in the event that IBM subsequently becomes involved in an ongoing project.

The Board reconvened in public session at approximately 10:10 a.m.

9. Collection of Outstanding Self Evaluation Forms

Chairperson Roest reminded the Board that the Public Authorities Law requires annual self-evaluation forms to be filed with the state by September 28th. Copies of the forms approved by the Governance Committee at its September 19th meeting, were distributed and collected.

10. President's Report/Operational Update

The Operational Update and Report were presented by Acting President, Marge Ginsburg. Ms. Ginsburg presented the Engagement Portfolio report as of August 29, 2016. The update summarized TDC's current engagements and the cost avoidance and savings achieved as a result of TDC's efforts, as well as the program dashboards for each of the major TDC senior management projects. If the same work had been done by for profit providers, it would have cost the City \$3.4-\$7.5 million more.

Steven Salzinger enquired about the method for calculating savings. Ms. Ginsburg explained that TDC bases its estimate on TDC headcount and comparable rates in the private sector. Mr. Salzinger said that it would be useful to track savings over the years, and speculated that they could add up to as much as \$10M. Ms. Ginsburg noted that, in addition to differences between TDC rates and private rates, savings also included projects where TDC avoided costs by recommending that the project move in a different direction. Kristine Ryan noted the importance of being careful to distinguish between two kinds of savings: one based on the difference in rates for two different possible providers (i.e. private sector and TDC) and the other being cost avoidance which is when a project changes approach to either a less expensive approach or avoids what could be costly risks.

Mr. Salzinger also asked about TDC's current involvement with respect to the Department of Buildings permitting project. Chairperson Roest explained that the project

will be implemented in phases and Marge Ginsburg stated that, at the present time, TDC is staying on in an advisory capacity.

11. Procedures for Discussion of TDC Role Going Forward

The final item on the Agenda was the establishment of procedures for the Board's discussion of TDC's future role. Chairperson Roest told the Board that the Governance Committee, at its meeting of September 19th, had agreed that discussions about the future of the Corporation should begin quickly given the upcoming new contract, and that the feeling was that everyone on the Board should be involved in the discussion. Depending on the direction of the Board discussion, it might be useful to hear from other entities involved in IT work in the City. The Board agreed that a meeting should be scheduled as soon as possible, preferably within the next 30 days.

- 12.** Upon motion duly made, seconded and adopted unanimously, the Chair adjourned the meeting at approximately 10:20 a.m.

Respectfully Submitted,



Secretary