



**MINUTES OF THE MEETING
OF THE
GOVERNANCE COMMITTEE**

September 26, 2017

Table of Contents

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
Introduction	2	
1. Adoption of the Proposed Meeting Agenda	3	
2. CONSENT AGENDA:	4	
a. Minutes of the Regular Meeting held on July 25, 2017	5	
b. Canal Corporation - Guidelines for Disposal of Personal Property	6	2b-A
c. Canal Corporation - Ethics & Compliance Program and Technical Compliance Utility Operations	7	
3. DISCUSSION AGENDA:	11	
a. Appointment of Treasurer	11	
4. Next Meeting	12	
Closing	13	

Minutes of the regular meeting of the New York State Canal Corporation's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:00 a.m.

The following Members of the Governance Committee were present:

Trustee Eugene L. Nicandri, Acting Chair
Trustee John R. Koelmel, Member
Trustee Tracy McKibben, Member

Trustee Anne M. Kress, Excused
Trustee Anthony Picente, Jr. - Excused

Also in attendance were:

Dennis G. Trainor	Trustee
Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Karen Delince	Vice President and Corporate Secretary
Genevieve Fabela	Treasurer
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Jaiah Gottor	Lead Network Analyst – Infrastructure
Glen Martinez	Senior Network Analyst – Infrastructure

Acting Chair Nicandri presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Acting Chair Nicandri welcomed committee members and Authority senior staff to the meeting. He said the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Governance Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

Upon motion made by Trustee McKibben and seconded by Trustee Koelmel, the Agenda for the meeting was adopted.

2. CONSENT AGENDA:

Upon motion made by Trustee Koelmel and seconded by Trustee McKibben, the Consent Agenda was approved.

a. Approval of the Minutes

Upon motion made and seconded, the Minutes of the Committee's Regular Meeting of July 25, 2017 were approved.

b. Canal Corporation - Guidelines for Disposal of Personal Property

The Vice President - Procurement and Strategic Supply Management submitted the following report:

"SUMMARY

The Governance Committee is requested to review and recommend for approval by the full Board of Directors, the Guidelines for the Disposal of Personal Property by the Canal Corporation.

BACKGROUND and DISCUSSION

Pursuant to the implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Governance Committee reviews the Guidelines for the Disposal of Personal Property annually, and approves any changes to such Guidelines. These Guidelines have been revised to reflect the recent transfer of management responsibility of the Corporation to the New York Power Authority.

The Governance Committee is requested to review the revisions to the respective Guidelines (as set forth in the redlined copies attached hereto as Exhibit 2b-A, and, if appropriate, to recommend adoption by the full Board at the meeting to be held on September 26, 2017."

**c. Canal Corporation - Ethics & Compliance Program
and Technical Compliance Utility Operations**

The Vice President and Chief Ethics & Compliance Officer submitted the following report:

"SUMMARY

The Office of Ethics and Compliance ('E&C Office') advises the NYS Canal Corporation ('Canals') trustees, officers and employees on the legal, regulatory and Code of Conduct ethics and compliance standards relating to Canals employees and operations. It coordinates the investigation of allegations and concerns involving Canals assets and employees. This report highlights significant developments of the Canals ethics and compliance program since the most recent Governance Committee meeting on July 25, 2017.

BACKGROUND

NYPA's E&C Office has been responsible for the Canals Ethics and Compliance program ('E&C Program') since January 1, 2017. Several ethics related cases referred to the NYS Inspector General's Office or the NYS Joint Commission on Public Ethics ('JCOPE') prior to the Canals transition from the Thruway Authority to NYPA remain pending. NYPA continues to provide interpretative guidance to Canals staff and facilitates Canals compliance with applicable rules and regulations.

DISCUSSION

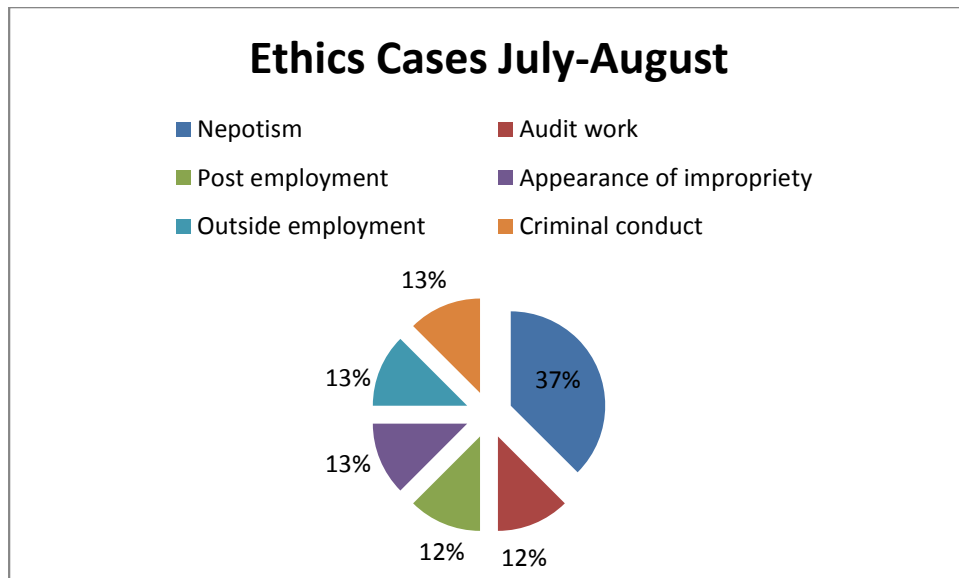
Communications

Canals October newsletter will feature an article about the ethics and compliance program and the updates being implemented for employees. This article seeks to engage employees and provide them with additional information about whom to contact when they have ethics or compliance related questions and concerns. The article features the toll free Employee Concerns Line number (877-TEL-NYPA). To date, various Canals employees have utilized this reporting mechanism to raise concerns and inquiries.

The E&C Office is facilitating the scheduling of Government Integrity training to be provided by the NYS Inspector General's Office at Canals facilities. The training content will include a review of the Public Officers Law ethics requirements and the statutory obligation of all state employees to report instances of fraud, waste and abuse to the Inspector General. The E&C Office will collaborate with the Inspector General and ensure that the training and ethics expectations are communicated throughout Canals at its headquarters and field locations.

Emerging Caseload

The pie chart below contains a substantive breakdown of the Canals inquiries and cases evaluated since the most recent Governance Committee meeting. It reflects a diverse array of substantive issues affecting various employees located at multiple Canals facilities. Familiarity with utilizing NYPA's E&C Office has increased as outreach efforts continue and employees engage in productive interactions in response to their inquiries. Canals management has been supportive of the E&C Office's efforts to promote a culture of integrity and transparent conduct.



Among various initiatives, an audit is being performed to assess the issuance and administration of non-boating permits and impacts to revenue and proper internal controls.

The E&C Office reviewed three prospective new hires which are related to current Canals employees. All of these requests were approved with guidelines that disallow any supervisory reporting relationship or employment responsibilities between the relatives.

A management employee disclosed outside employment as an adjunct professor teaching at a SUNY campus.

Financial Disclosure

There are no updates in the financial disclosure category at this time. The NYS Joint Commission on Public Ethics advised the E&C Office that all required Canals filers have completed their 2016 Financial Disclosure Statements.

Project Sunlight

NYPA has been processing Project Sunlight entries for Canals meetings which fall under the reporting requirements of the Public Integrity Reform Act of 2011. This ethics requirement promotes transparency in state government as it affords the public the opportunity to view the Project Sunlight database and ascertain the entities which seek to conduct business with or influence official decisions of state agencies and authorities. The most frequent categories of Project Sunlight covered appearances include procurement and rate-making business activities. The E&C Office will provide additional training to Canals employees on Project Sunlight's requirements and reporting process. There has been a marked increase in Project Sunlight covered appearances and reporting since NYPA assumed control of Canals in January 2017.

Public Authorities Reform Act (PARA)

Among various PARA statutory requirements, there are certain reports and other information which are legally mandated to be filed with external stakeholders and posted on the Canals website while being kept current throughout the year. The E&C Office is coordinating the identification and posting of these required documents to ensure Canals PARA compliance. In addition, we are in the process of identifying all Federal and New York State reporting and training requirements applicable to Canals. This includes collaboration with the subject area

compliance owners and will result in an electronic inventory which will be monitored and updated on an annual basis.”

TECHNICAL COMPLIANCE---UTILIY OPERATIONS

“SUMMARY

This report highlights important aspects of NYPA's Technical Compliance support for the Canal Corporation (Canals) and related integration activities for the period July 25, 2017 to September 26, 2017. A brief background statement is followed by discussion of specific Technical Compliance-related topics affecting the enterprise.

BACKGROUND

As part of the overall integration activities, the following groups within Technical Compliance worked with the Canals and NYS Thruway personnel to ensure a seamless transition for their respective core functions. These groups are Physical Infrastructure Security, Emergency Management, and Code Compliance. Post-integration activities are discussed in this report.

DISCUSSION

Physical Infrastructure Security and Emergency Management

As part of the Utility Operations team supporting the Canals, Physical Infrastructure Security continued to provide appropriate security access controls. In June a decision was made to release the contract security personnel that were placed at the Canals' offices for the transition. These contract security guards were released mid-June. The service agreements for contract security personnel which were put in place prior to NYPA taking full-control of the Canals remain in place and allow for the deployment of contract security personnel to Canals' locations, if needed.

Physical Infrastructure Security worked with Canals' personnel to prepare a scope of work for a physical security system for selected Canals' facilities. The scope provided for standardized installations for access control and CCTV at the Canals' offices and established a corporate security platform, which can be rolled out to other Canals' locations. This system installation is expected to be completed in 2017.

Physical Infrastructure Security continued to have discussions with key Canals' stakeholders regarding the execution of a security assessment. Canals' stakeholders provided a listing of locations and an assessment template was developed. Physical Infrastructure Security and Canals' personnel are working together to prioritize the list of locations that will be assessed. Physical Infrastructure Security met with the Canals' Security Guard provider to discuss the possibility of using its personnel to gather the initial site specific assessment data. Follow-up meetings are scheduled to ensure a completion of the assessment in 2017.

Emergency Management continued to work with a consultant and Canals' personnel to develop a more formal Emergency Management Program for the Canals consistent with NYPA and NYS practices. Meetings were held with Canals' stakeholders to develop and evaluate the need for the program governance and structure, and how to socialize the program with Canals' staff. Given the importance of being prepared for the navigation season, the program documentation to support the navigation season were either revised or developed prior to the opening of the Canals' facilities. These documents include:

- Emergency Management Program Administration Policy;
- Incident Response Procedure;

- Movable Dam Lifting Procedure;
- Duty Officer Procedure;
- Bomb Threat Procedure;
- Serious Marine Incident Procedure;
- Post Event Inspection Procedure; and
- Emergency Management Committee Charter

Training, drills, and exercises are vital components of the Emergency Management Program. A training session was held with Canals' Operations and Maintenance management staff (including Duty Officers) on the new program direction. Since the navigation season overlaps with the Atlantic Hurricane Season, a Tabletop Exercise of the movable dam lifting procedure was conducted on May 10, 2017 with Canals' Operations and Maintenance management staff (including Duty Officers). The Emergency Management Program will continue to mature through 2017 and beyond. As part of this maturity, the Emergency Management Group led an effort with Information Technology / Cyber Security and Risk, to develop and refresh Canals' protocols for incident response and notification management. This effort will be completed by September 30.

Code Compliance

As the Canals is not a self-permitting agency under Title 19 – Part 1204, NYPA's Code Compliance Group is the Authority having jurisdiction over any building, premise, and equipment in the custody of the Canals with respect to the administration and enforcement of the Uniform Code.

NYPA's Code Compliance Group continued to work with Canals' personnel in executing its work plan, which includes activities such as hiring contract support, conducting an assessment of major facilities, developing governance, and socializing the code compliance program. Additionally, NYPA Code Compliance continued to work with the Law Department to engage the NYS Department of State to initiate the process to make the Canals a separate self-permitting agency with respect to the administration and enforcement of the Uniform Code."

3. **DISCUSSION AGENDA:**

a. **Appointment of Treasurer**

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The members of the Governance Committee are requested to recommend to the Authority's Trustees and the Canal Corporation's ('Canals') Board of Directors, the appointment, effective immediately, of Genevieve Fabela as Treasurer, with an annual salary of \$158,620.

BACKGROUND AND DISCUSSION

The appointment of officers is governed by Article IV of the Authority Bylaws, which provides that the officers shall be appointed by formal resolution adopted by the Trustees upon the recommendation of the Governance Committee at any annual, regular or special meeting of the Trustees. The Authority's Governance Committee Charter further provides that the Committee shall review and make recommendations to the Board of Trustees concerning the election and compensation of all officers, consistent with the By-laws, the needs of the Authority, good organizational management practices and such other criteria the Committee deems appropriate.

The Canals' Bylaws, Article IV, provides that officers shall be appointed by formal resolution adopted by the Board at any regular or special meeting.

RECOMMENDATION

Pursuant to the Authority's and Canals' Bylaws and the Authority's Governance Committee Charter, I hereby request that the Governance Committee recommends to the Authority's Board of Trustees and the Canals' Board of Directors, the appointment of Genevieve Fabela as Treasurer, with an annual salary of \$158,620, effective immediately."

Upon motion made by Trustee Koelmel and seconded by Trustee McKibben, the members approved the recommendation, as submitted by the President and Chief Executive Officer, that the Canal Corporation's Board of Directors approves the following resolution.

RESOLVED, That pursuant to Article IV, of the Authority's and Canal Corporation's By-Laws, the Governance Committee hereby recommends the appointment of Genevieve Fabela as Treasurer, effective immediately, at an annual salary of \$158,620 to hold office until her successor is chosen and qualified or her earlier removal, resignation or death.

4. **Next Meeting**

Acting Chair Nicandri said that the next regular meeting of the Governance Committee is to be held on Tuesday, December 12, 2017 at a time to be determined.

Closing

Upon motion made by Trustee Koelmel and seconded by Trustee McKibben, the meeting was adjourned by the Acting Chair of the Committee at approximately 8:10 a.m.

Karen Delince

Karen Delince
Corporate Secretary

September 26, 2017

EXHIBITS

For

September 26, 2017

Canal - Governance

Committee


Meeting Minutes


Policy Title:
Guidelines for the Disposal of Canal Corporation Personal Property**Title: Guidelines for the Disposal of Canal Corporation Personal Property**


Document Type: Business Unit Policy

Revision Date: 7/30/2017

Reviewer	Name	Title
This document has been reviewed by:	Allison Renstrom Shea	Special Counsel

Content Owner	Signature	Date
Name: Kevin King Title: Director Transactional Procurement		8/30/17

Approver	Signature	Date
Name: John Canale Title: VP Procurement		8/30/17

Approver	Signature	Date
Name: Robert Lurie Title: EVP & Chief Financial Officer		8/31/17

Policy Title:
**Guidelines for the Disposal of Canal
Corporation Personal Property**

Guidelines for the Disposal of Canal Corporation Personal Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
7/30/2017	0	Policy for the Disposal of Canal Corporation Personal Property	N/A	Kevin King Director Transactional Procurement

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

1 PURPOSE AND SCOPE

This Policy for the disposal of Canal Corporation ("Corporation") Personal Property, ("Policy") which complies with Title 5-A, Article 9 of the Public Authorities Law, establishes the Corporation's Policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Policy designates a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Policy.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the New York Power Authority ("Authority") pursuant to Canal Law Section 5, may be exercised by the Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees who intend to dispose of personal property owned by the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Abandoned Motor Vehicles – An Abandoned Motor Vehicle is a type of Tangible Personal Property with special statutory and regulatory requirements for disposal and processing (see Section 5.2.A.).

Abandoned, Lost or Found Personal Property – Abandoned, Lost or Found Personal Property that remains unclaimed after notification to an owner, if known, and/or after being held for the required holding periods as prescribed by statute. This includes all lost or mislaid property found on Corporation property/premises, as well as property which is knowingly abandoned.

Contracting Officer – Shall mean the officer or employee of the Corporation who shall be appointed by resolution of the Canal Board to be responsible for the disposition of Personal Property. The "Contracting Officer" is hereby designated to be the Authority's Vice President - Procurement or equivalent(s) by law.

Corporation – Canal Corporation

Disposals – Disposals include the sale of Personal Property, the transfer of title or any beneficial interest in Personal Property in accordance with this Policy such as leases, and the exchange of Personal Property. Disposals do not include permits, licenses or temporary use documents that are otherwise revocable due to operational requirements or in the best interests of the Corporation. Consistent with prior Board action, permits do not convey or transfer a beneficial interest in the Personal Property.

Fair Market Value – Shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

under similar circumstances. Fair market value may be determined by consulting industry-recognized sources, contracting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.

Personal Property – Property, other than Real Property, owned by the Corporation, regardless of value, and any other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. Property may include, but is not limited to, materials (Canal Corporation Warehouse controlled inventory and Direct Turnover Materials DTO), tools, equipment or vehicles. Section 2895 of the Public Authorities Law defines property as Personal Property in excess of \$5,000 and does not include the transfer of Personal Property secured by a loan or other financial obligation of another party.

Real Property – shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Transactions – For purposes of this Policy, transactions shall include, but not be limited to, disposals and the issuance of permits, licenses and other temporary use documents for the use of Personal Property.

4 RESPONSIBILITY

The Board shall adopt by resolution, this Policy for the Disposal of Canal Corporation Personal Property and by such resolution, designate a Contracting Officer who is responsible for compliance with and enforcement of this Policy.

All Transactions shall comply fully with applicable state, federal and local laws, rules and regulations as well as policies, procedures and executive orders including, but not limited to, the Canal Law, the Abandoned Property Law, the Personal Property Law, the Public Authorities Law, the Vehicle and Traffic Law and any subsequently enacted statutes, rules and/or regulations.

The Corporation Deputy Director is authorized to interpret, implement, and administer this Policy and shall develop procedures necessary to carry out its intent, as well as to delegate such authority to members of his/her staff. These procedures should identify the roles and responsibilities of Corporation personnel who implement and administer this Policy and define the manner in which those responsibilities are to be fulfilled. The Deputy Director is also authorized to oversee the actions of Corporation staff to ensure compliance with applicable laws, rules and regulations, and with this Policy.

The Deputy Director may delegate, expressly in writing, directly to the Contracting Officer, the authority to sign and execute any and all documents related to any form of property auction or

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

other disposal methods and may also authorize the Contracting Officer to further delegate such authorization to other members of his/her staff in order to carry out the intent of this current Policy.

The Manager, Administrative Services ensures that Personal Property is disposed of in accordance with this Policy and that each disposal is documented, including photo(s) of material/item, fair market evaluation, environmental documentation, accounting records, RFQs and bid abstracts, award documents, copies of payment check or wire service receipts, and signed sales agreements.

5 POLICY IMPLEMENTATION

5.1 General Principles

The Corporation shall maintain adequate inventory controls and accountability systems for all Personal Property under its control.

- A. Personal Property that is 1) encroaching on real property under the jurisdiction of the Corporation; or 2) located on real property under the jurisdiction of the Corporation that is: (a) not authorized by the applicable permit, license or lease; or (b) left behind following the expiration, revocation or termination of a permit, license or lease; shall be handled in accordance with this Policy, the terms and conditions of the lease, license or permit regarding the removal of such property, and/or the Canal Law, if applicable.
- B. The Corporation may dispose of any Personal Property not necessary for its corporate purposes in whatever timeframe that either the Contracting Officer or the Corporation Board deems appropriate.
- C. The Corporation may authorize the use of Corporation Personal Property by an entity for any period or term using a temporary, revocable permit, license or other document that does not transfer a beneficial interest in the Personal Property. Such temporary, revocable use is not considered a Disposal for purposes of this Policy.
- D. Personal Property shall not be disposed of by the Corporation for less than fair market value, except in limited circumstances as set forth in Paragraph E, sections 1, 2 and 3 below. Fair Market Value may be determined through the use of appraisals, requests for proposals, the bid or auction process, or other means.
- E. No asset owned, leased or otherwise in the control of the Corporation with a value in excess of \$5,000 may be sold, leased, or otherwise alienated for less than its fair market value except if:
 - 1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;
 - 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or

Guidelines for the Disposal of Canal Corporation Personal Property

3. in the event the Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the legislature receives notification of a proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate, and assembly, the Corporation may effectuate such transfer.
- F. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Corporation Board and the public:
1. a full description of the asset;
 2. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Corporation Board;
 3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
 4. a statement of the value to be received compared to the fair market value;
 5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (4) of this paragraph, a statement of the value to the private party; and
 6. the names of any other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
- G. Before approving the disposal of any property for less than fair market value, the Corporation Board shall consider the information described in paragraph F of this section and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.
- H. The Corporation must use a competitive process as required by the Public Authorities Law and related statutes, including public advertising for Disposals exceeding \$15,000 in value, except in limited circumstances. In order to dispose of Personal Property by negotiation or public auction without public advertising, but subject to obtaining competition as is feasible under the circumstances, one of the following must be met:
1. The Personal Property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the Personal

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

Property is to be sold in such quantity that, if it were disposed of by public advertising, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

2. The fair market value of the property does not exceed \$15,000;
 3. Bid prices after advertising are not reasonable, either as to all or some part of the Personal Property, or have not been independently arrived at in open competition;
 4. The Disposal will be to the State or any political subdivision, and the estimated fair market value of the Personal Property and other satisfactory terms of disposal are obtained by negotiation;
 5. Under those circumstances permitted by Section 5.1 (Paragraphs E, F, and G) of this Policy; or
 6. The action is otherwise authorized by law.
- I. For Personal Property valued at over \$15,000 disposed of by negotiation, an explanatory statement is required. Not less than 90 days in advance of the Disposal, an explanatory statement shall be prepared and distributed by the Contracting Officer in accordance with Public Authorities Law §2897, detailing the circumstances of the Disposal including, but not limited to, the proposed price.
- J. The Corporation shall create a clear and comprehensive record for each Transaction that documents its compliance with this Policy. Such record shall be maintained in a manner and for a period consistent with the applicable document retention policy.

5.2 General Practices

- A. Abandoned Motor Vehicles - The handling and disposal of Abandoned Motor Vehicles is statutorily covered under Vehicle and Traffic Law and not under this Policy.
- B. Abandoned, Lost or Found Personal Property

Abandoned, Lost or Found Personal Property with a value over the statutory limits must, within ten days after the finding or acquisition by Corporation employees or the Corporation's related agents (for example, contractor), be turned over to Troop T for processing and forwarding to the Bureau of Office and Building Maintenance Services (Office Services) at Headquarters in Albany. Office Services will return the property to the owner, if known; if the owner of the property is not immediately known, then the property must be held until the statutory holding period has run. At that time, if the property has not been claimed by the true owner or someone with verifiable ownership rights, then Office Services shall return the property to the known independent finder. If the original finder was a Corporation employee or one of its related agents as defined above, ownership then vests in the Corporation and may be treated as other Corporation owned property.

C. Special Abandoned Personal Property

1. Personal Property purposely left behind on Corporation property after termination of a previously issued permit, license or lease shall be handled, removed or disposed of

Guidelines for the Disposal of Canal Corporation Personal Property

under the terms of the permit, license or lease, or if required, pursuant to the applicable provisions of the Canal Law governing encroachments.

2. Abandoned Personal Property originally issued by the Corporation such as unclaimed wages or benefits, or unclaimed consumer balances shall be held for the required holding times as prescribed by the Personal Property Law and Abandoned Property Law, at which time the property vests in the Corporation.
3. Other Personal Property such as unclaimed bonds, dividends, interest, securities, etc. owed to security holders shall be held for the required statutory periods by the Corporation's properly delegated trustees or other fiduciaries.

D. Surplus Personal Property

The (Manager, Administrative Services) will provide the (Deputy Director) or designee with information on all items of Personal Property declared surplus.

5.3 Disposal Process

The (Manager, Administrative Services) designee will prepare a list of all Personal Property to be disposed of and prepare an internal estimate of the value of such property.

A. The method of disposal shall be based on the following Personal Property values:

1. Personal Property valued at less than \$1,000 may be sold or donated, or when having an estimated resale value less than the cost of handling and sale may be disposed of as scrap or junk;
2. Solicitation via telephone, email, and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the Corporation generated forms or an appropriate substitute and in the manner prescribed by this Policy and by the date and time (the "Bid Due Date") included in the solicitation.
3. Personal Property valued in excess of \$5,000 up to and including \$15,000 may be negotiated or made by public auction without publicly advertising for bids when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1 (paragraphs E and F);
4. Personal Property valued in excess of \$15,000 shall be offered for sale by a formal competitive process that includes public advertising for bids unless one of the exceptions listed in Section 5.1 E is met. If such an exception exists, disposal may be by negotiation or public auction without public advertising, when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1.G.

Note: For Personal Property valued in excess of \$15,000 disposed of by negotiation, an explanatory statement is required as described in Section 5.1.I.

B. When public advertising is required for disposals, the following steps must be taken pursuant to Public Authorities Law §2897:

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

1. The advertisement shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Personal Property;
 2. All bids shall be publicly disclosed at the time and place stated in the advertisement; and
 3. The award shall be made with reasonable promptness by notice to the responsible bidder whose bid, in conformance with the solicitation, will be most advantageous to the Corporation, price and other factors considered, provided that any and all bids may be rejected when it is in the public interest to do so.
- C. When property is sold by sealed bid, by public auction or by an electronic auction, sale prices are approved by the (Manager, Administrative Services) or designee. If the (Manager, Administrative Services) or designee determines that property should be offered at an established or set price due to its unusual nature, or any other special conditions that would make competitive bidding impractical, (Manager, Administrative Services) or designee will recommend an acceptable price and a method of sale to the Contracting Officer for approval.
- D. If the (Manager, Administrative Services) or designee determines that the best interests of the Corporation are served by selling at public auction, the Manager, Administrative Services) or designee shall supervise the auction and may reject any and all bids considered to be unacceptable.
- E. Where permitted by law, Disposals may be performed by the Commissioner of General Services on behalf of the Corporation when the Corporation has entered into an agreement with the Commissioner of General Services pursuant to Public Authorities Law and/or other applicable statutes.

5.4 Reports

The Corporation will annually develop and distribute reports regarding Personal Property having a Fair Market Value in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Corporation during such period as required by law. The report shall be delivered to the comptroller, the director of the budget, the commissioner of general services, the legislature and the authorities budget office.

5.5 Procurement of Surplus Personal Property by Employees

Corporation employees and relatives of such employees or third parties acting on behalf of such employees shall not have any personal interest in, or engage in, any activity, inclusive of bidding for the purchase of Canal Property that would create or appear to create a conflict with the proper discharge of their public duties and are prohibited from subsequently acquiring in any manner. It is important, even in the absence of any impropriety, that no appearance of impropriety is given. Therefore, pursuant to the Public Officers Law, all Corporation employees, their spouses and any children and stepchildren under age 18, stepparents, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, nephew, niece, mother in law, father in law, sister in law, brother in law, daughter

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Guidelines for the Disposal of Canal Corporation Personal Property

in law, son in law are prohibited from procuring Corporation Surplus Personal Property or otherwise securing such property through the use of an agent or other third party.

In addition, Corporation employees, other than the Manager, Administrative Services or designee, shall not disclose to any non-employee any information that they obtain regarding such property due to the nature of their employment. Such disclosure by the Manager, Administrative Services or designee shall only be made in the course of the proper discharge of their official duties.

5.6 Signing Authority

1. The Board, if the Fair Market Value of the Property is greater than \$500,000 or if the Disposal is for less than Fair Market Value in accordance with Section 5. (paragraphs F and G).
2. The Contracting Officer if the Fair Market Value is up to \$500,000.00.
3. The (Deputy Director) if the Fair Market Value is up to \$100,000.00.
4. The (Manager, Administrative Services) if the Fair market Value of the Property is \$5,000 or less.
5. For Fleet related transactions, the Vice President of the Power Authority's Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000.
6. For Fleet related transactions, the Director of the Authority's Fleet Operation, if the Fair Market Value of the Property is up to \$100,000.

5.7 The President and Chief Executive Officer issues and approves all Company Policies and policy revisions.

5.8 The Executive Vice President and General Counsel, as delegated by the President and Chief Executive Officer, coordinates and administers the Company Policy Program.

5.9 At the request of the Executive Vice President and General Counsel, all Authority Business Units and Department Heads shall support and provide assistance in the coordination and administration of this Policy.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination. Violations of this Policy by contractors and other authorized third parties may result in the revocation of such party's access to Corporation premises and/or electronic access to its systems, and the termination of such party's contract for services. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Abandoned Property Law

Canal Law

Canal Personal Property Disposal Policy 25-6-02C

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

Personal Property Law
Public Authorities Accountability Act
Title 5-A, Article 9 of the Public Authorities Law
Vehicle and Traffic Law

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision cycle : Every Year

9 ATTACHMENTS

Attachment 9.1: Sales Agreement

**Guidelines for the Disposal of Canal
Corporation Personal Property****ATTACHMENT 9.1****PERSONAL PROPERTY
SALES AGREEMENT**

_____, the Buyer, and the New York State Canal Corp ("Canal Corp"), agree as follows:

- 1) The personal property identified herein is sold by the Canal Corp and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) **THE CANAL CORP DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
- 3) The Buyer warrants that he/she/it is not a current or former Canal Corp employee, is not related to a Canal Corp employee and did not bid on behalf of a Canal Corp employee. Buyer is aware that Canal Corp employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. The Canal Corp reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the State of New York, New York Power Authority and the Canal Corp and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the State of New York, New York Power Authority and the Canal Corp and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.

Policy Title:

**Guidelines for the Disposal of Canal
Corporation Personal Property**

5) Except for disposals by public auction, the Buyer shall remove the personal property from the Canal Corp premises by _____ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York State Canal Corporation.

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20_____.

Buyer (Print or Type):

Seller:

New York State Canal Corporation
30 South Pearl Street
Albany, New York,

Authorized Signature_____
Authorized Signature_____
Full Name (Printed)_____
Title_____
Title**PRIVACY LAW NOTIFICATION**

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF CANAL CORPORATION PROPERTY.

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Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

Policy Number
25-6-02C

Page
14 of 14

This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the New York State Canal Corporation in the sale of Canal Corp personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).

Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Canal Corp.

This information will be maintained by the Procurement Department at the New York State Canal Corp Corporate Office.



**MINUTES OF THE MEETING
OF THE
GOVERNANCE COMMITTEE**

July 25, 2017

Table of Contents

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
Introduction	2	
1. Adoption of the July 25, 2017 Proposed Meeting Agenda	3	
2. CONSENT AGENDA:	4	
a. Minutes of the Canal Corporation Regular Meeting held on March 21, 2017	5	
b. Canal Corporation Ethics & Compliance Program and Technical Compliance Utility Operations	6	
3. Next Meeting	10	
4. Closing	11	

Minutes of the regular meeting of the New York State Canal Corporation's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:30 a.m.

The following Members of the Governance Committee were present:

Trustee Anne M. Kress - Chair
Trustee John R. Koelmel - Member
Trustee Eugene L. Nicandri, Member
Trustee Anthony Picente, Jr., Member
Trustee Tracy McKibben - Member

Also in attendance were:

Dennis G. Trainor	Trustee
Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Joseph Kessler	Executive Vice President and Chief Operating Officer
Jill Anderson	Executive Vice President and Chief Commercial Officer
Kimberly Harriman	Senior Vice President - Public and Regulatory Affairs
Ken Lee	Senior Vice President and Chief Information Officer
Kristine Pizzo	Senior Vice President - Human Resources and Enterprise Shared Services
Soubhagya Parija	Senior Vice President and Chief Risk Officer
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Jaiah Gottor	Manager - Network Services
Glen Martinez	Senior Network Analyst
Joseph Rivera	Network Architect

Chairperson Kress presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairperson Kress welcomed committee members and senior staff to the meeting. She said the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Governance Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

Upon motion made by Trustee Nicandri and seconded by Trustee Koelmel, the Agenda for the meeting was adopted.

2. **CONSENT AGENDA:**

Upon motion made by Trustee Koelmel and seconded by Trustee Nicandri, the Consent Agenda was approved.

a. **Approval of the Minutes**

Upon motion made and seconded, the Minutes of the Committee's Regular Meeting of March 21, 2017 were approved.

**b. Canal Corporation Ethics & Compliance Program
and Technical Compliance Utility Operations**

The Vice President and Chief Ethics & Compliance Officer submitted the following report:

“SUMMARY

The Office of Ethics and Compliance ('E&C Office') advises the NYS Canal Corporation ('Canals') trustees, officers and employees on the legal, regulatory and Code of Conduct ethics and compliance standards relating to Canals' employees and operations. It coordinates the investigation of allegations and concerns involving Canals' assets and employees. This report highlights significant developments of the Canals' ethics and compliance program since the most recent Governance Committee meeting on March 21, 2017.

BACKGROUND

NYPA's E&C Office assumed responsibility of the Canals' Ethics and Compliance program ('E&C Program') on January 1, 2017. Prior to that time, the E&C Office engaged with Canals' and Thruway Authority representatives to review the content and status of the Canals' ethics and compliance governance documents (forms, policies and procedures) and pending investigatory cases which the Thruway Authority had referred to the NYS Office of Inspector General and NYS Joint Commission on Public Ethics. Prior to January 1, the E&C Office decided to maintain the existing joint Thruway/Canals' ethics and compliance policies, procedures and related governance documents applicable to Canals until such time as a full review has been completed, including impacts to collective bargaining agreements. These documents are in the process of being re-branded to limit their applicability to Canals' employees and will be further reviewed for content changes, while others have been revised and implemented, including the Canals' By-laws, Lobbying Contacts Policy and its mission statement

DISCUSSION

Communications

As a follow up to the 2016 ethics and compliance integration and orientation communications, the E&C Office met with Canals' headquarters staff in a series of meetings in early May. The meetings served as an orientation to advise Canals' employees of the resources available through the E&C Office and an overview of the NYS Public Officers Law ethics requirements. The Canals' employees raised various ethics and compliance scenarios which were addressed and served to reinforce prevailing principles. Of particular note, the activation of NYPA's Employee Concerns hotline and related Anti-Retaliation protections for the benefit of Canals' employees were described and encouraged. Canals' management and attendees provided positive feedback and appreciated the availability and responsiveness of the E&C Office.

Emerging Caseload

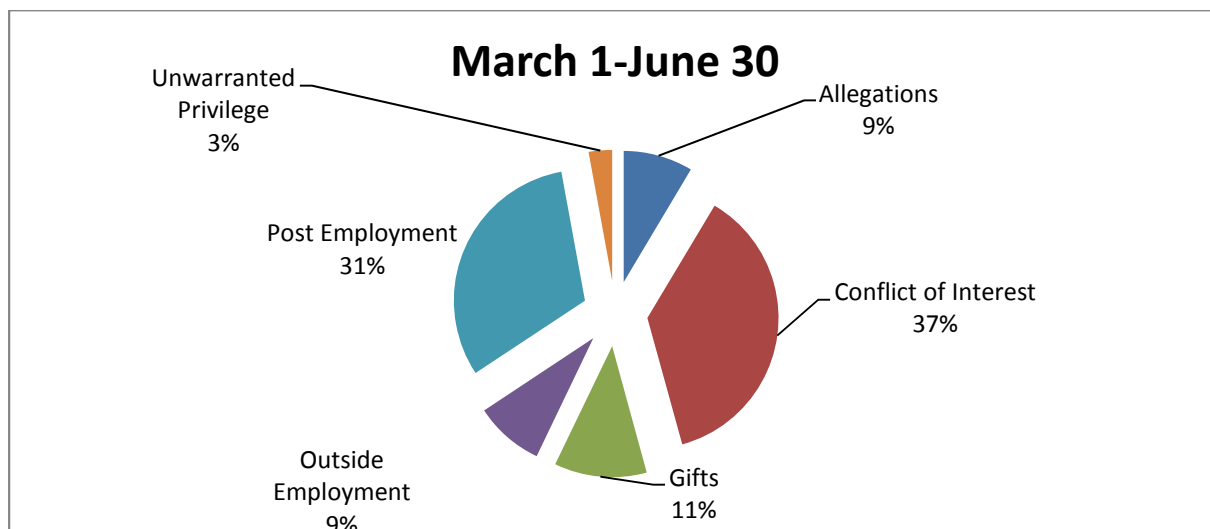
The E&C Office was contacted by the NYS Inspector General to assist in an investigation involving alleged off duty misconduct by a Canals' employee. In response, the E&C Office coordinated the seizure and delivery of Canals' Information Technology assets. The investigation remains open.

As Canals executed its annual employee recruitment and hiring to accommodate the navigation season's increased staffing needs, the E&C Office reviewed approximately 25 retiree and 'relatives' hires to ensure the absence of conflicts of interest, inappropriate workplace reporting relationships and verify that retiree new hires' pensions would not be harmed under

prevailing statutory retirement income restrictions. The process was compressed due to time and personnel constraints. E&C staff will work with Human Resources at Canals to ensure that reviews begin earlier next year to ensure that this process functions smoothly and is not an impediment to achieving Canals' staffing goals.

The E&C Office reviewed outside activities requests for a management employee who serves as Civil Service Commissioner for the city in which he resides and a union employee serving as the mayor of his community. Both requests were approved with guidelines to ensure that these employees do not run afoul of the Public Officers Law. The analyses focused on whether these outside activities presented any conflicts of interest with either the Canals' or NYPA interests, or those of the employees' job responsibilities. The approval process requires, among other things, the employees' supervisory consent and commitments from the employees that they will conduct all outside functions on their own time and without the use of any state resources.

The three pending investigations which were initiated by the Thruway Authority prior to January 1 remain open. Two of those cases are being investigated by the NYS Inspector General's Office and will remain open until that agency deems them to be closed. The third open case is being investigated by the NYS Joint Commission on Public Ethics ('JCOPE'). There is no estimated timeframe for closing these matters. The E&C Office is facilitating these investigations by responding to information requests and will coordinate the implementation of any corrective actions resulting from them.



The pie chart above contains a breakdown of the Canals' inquiries and cases evaluated since the most recent Governance Committee meeting. It reflects a diverse array of substantive issues affecting various employees located at multiple Canals' facilities. Familiarity with, and comfort utilizing NYPA's E&C Office has increased as outreach efforts continue.

Financial Disclosure

Canals currently has twenty-four (24) participants in the annual Financial Disclosure Program administered by JCOPE. Each of these employees was required to submit their Financial Disclosure Statements to JCOPE by May 15. Of those twenty-four (24), eight (8) have been designated as policy makers who are ineligible to be granted filing exemptions. The remaining sixteen (16) filers are required to participate by virtue of their salaries exceeding the statutory threshold. In addition, there are currently seven (7) members of the NYS Canal Recreationway Commission who are designated policy makers and filers. All required participants completed this annual requirement in a timely manner.

Project Sunlight

NYPA has been processing Project Sunlight entries for Canals' meetings which fall under the reporting requirements of the Public Integrity Reform Act of 2011. This ethics requirement promotes transparency in state government as it affords the public the opportunity to view the Project Sunlight database and ascertain the entities which seek to conduct business with, or influence official decisions of state agencies and authorities. The most frequent categories of Project Sunlight covered appearances include procurement and rate-making business activities. The E&C Office will provide additional training to Canals' employees on Project Sunlight's requirements and reporting process.

Public Authorities Reform Act (PARA)

Among various PARA statutory requirements, there are certain reports and other information which are mandated to be posted on the Canals' website and kept current throughout the year. The E&C Office coordinated the identification and posting of these required documents to ensure Canals' PARA compliance. In addition, the E&C office is in the process of identifying all Federal and New York State reporting and training requirements applicable to Canals. This includes collaboration with the subject area compliance owners and will result in an electronic inventory which will be monitored and updated on an annual basis.

TECHNICAL COMPLIANCE – UTILITY OPERATIONS

SUMMARY

This report highlights important aspects of NYPA's Technical Compliance support for the Canal Corporation (Canals) and related integration activities for the period March 21, 2017 to July 25, 2017. A brief background statement is followed by discussion of specific Technical Compliance-related topics affecting the enterprise.

BACKGROUND

As part of the overall integration activities, the following groups within Technical Compliance worked with the Canals and NYS Thruway personnel to ensure a seamless transition for their respective core functions. These groups are Physical Infrastructure Security, Emergency Management, and Code Compliance. Post-integration activities are discussed in this report.

DISCUSSION

Physical Infrastructure Security and Emergency Management

As part of the Utility Operations team supporting the Canals, Physical Infrastructure Security continued to provide appropriate security access controls. In June a decision was made to release the contract security personnel that were placed at the Canals' offices for the transition. These contract security guards were released mid-June. The service agreements for contract security personnel which were put in place prior to NYPA taking full-control of the Canals remain in place and allow for the deployment of contract security personnel to Canals' locations, if needed.

Physical Infrastructure Security worked with Canals' personnel to prepare a scope-of-work for a physical security system for selected Canals' facilities. The scope provided for standardized installations for access control and CCTV at the Canals' offices and established a corporate security platform, which can be rolled out to other Canals' locations. This system installation is expected to be completed in 2017.

Physical Infrastructure Security continued to have discussions with key Canals' stakeholders regarding the execution of a security assessment. Canals' stakeholders provided a listing of locations and an assessment template was developed. Physical Infrastructure Security and Canals' personnel are working together to prioritize the list of locations that will be assessed. Physical Infrastructure Security met with the Canals' Security Guard provider to discuss the possibility of using its personnel to gather the initial site specific assessment data. Follow-up meetings are scheduled to ensure a completion of the assessment in 2017.

Emergency Management continued to work with a consultant and Canals' personnel to develop a more formal Emergency Management Program for the Canals consistent with NYPA and NYS practices. Meetings were held with Canals' stakeholders to develop and evaluate the need for the program governance and structure, and how to socialize the program with Canals' staff. Given the importance of being prepared for the navigation season, the program documentation to support the navigation season were either revised or developed prior to the opening of the Canals' facilities. These documents include:

- Emergency Management Program Administration Policy;
- Incident Response Procedure;
- Movable Dam Lifting Procedure;
- Duty Officer Procedure;
- Bomb Threat Procedure;
- Serious Marine Incident Procedure;
- Post Event Inspection Procedure; and
- Emergency Management Committee Charter.

Training, drills, and exercises are vital components of the Emergency Management Program. A training session was held with Canals' Operations and Maintenance management staff (including Duty Officers) on the new program direction. Since the navigation season overlaps with the Atlantic Hurricane Season, a Tabletop Exercise of the movable dam lifting procedure was conducted on May 10, 2017 with Canals' Operations and Maintenance management staff (including Duty Officers). The Emergency Management Program will continue to mature through 2017 and beyond.

Code Compliance

As the Canals is not a self-permitting agency under Title 19 – Part 1204, NYPA's Code Compliance Group is the Authority having jurisdiction over any building, premise, and equipment in the custody of the Canals with respect to the administration and enforcement of the Uniform Code.

NYPA's Code Compliance Group continued to work with Canals' personnel in executing its work plan, which includes activities such as hiring contract support, conducting an assessment of major facilities, developing governance, and socializing the code compliance program. Additionally, NYPA Code Compliance continued to work with the Law Department to engage the NYS Department of State to initiate the process to make the Canals a separate self-permitting agency with respect to the administration and enforcement of the Uniform Code."

3. Next Meeting

Chairperson Kress said the next regular meeting of the Governance Committee is to be held on Tuesday, September 26, 2017 at a time to be determined.

Closing

Upon motion made and seconded, the meeting was adjourned by the Chair of the Committee at approximately 8:36 a.m.

Karen Delince


Karen Delince
Corporate Secretary


Policy Title:
Guidelines for the Disposal of Canal Corporation Personal Property**Title: Guidelines for the Disposal of Canal Corporation Personal Property**


Document Type: Business Unit Policy

Revision Date: 7/30/2017

Reviewer	Name	Title
This document has been reviewed by:	Allison Renstrom Shea	Special Counsel

Content Owner	Signature	Date
Name: Kevin King Title: Director Transactional Procurement		8/30/17

Approver	Signature	Date
Name: John Canale Title: VP Procurement		8/30/17

Approver	Signature	Date
Name: Robert Lurie Title: EVP & Chief Financial Officer		8/31/17



Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

Guidelines for the Disposal of Canal Corporation Personal Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
7/30/2017	0	Policy for the Disposal of Canal Corporation Personal Property	N/A	Kevin King Director Transactional Procurement

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

1 PURPOSE AND SCOPE

This Policy for the disposal of Canal Corporation ("Corporation") Personal Property, ("Policy") which complies with Title 5-A, Article 9 of the Public Authorities Law, establishes the Corporation's Policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Policy designates a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Policy.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the New York Power Authority ("Authority") pursuant to Canal Law Section 5, may be exercised by the Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees who intend to dispose of personal property owned by the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Abandoned Motor Vehicles – An Abandoned Motor Vehicle is a type of Tangible Personal Property with special statutory and regulatory requirements for disposal and processing (see Section 5.2.A.).

Abandoned, Lost or Found Personal Property – Abandoned, Lost or Found Personal Property that remains unclaimed after notification to an owner, if known, and/or after being held for the required holding periods as prescribed by statute. This includes all lost or mislaid property found on Corporation property/premises, as well as property which is knowingly abandoned.

Contracting Officer – Shall mean the officer or employee of the Corporation who shall be appointed by resolution of the Canal Board to be responsible for the disposition of Personal Property. The "Contracting Officer" is hereby designated to be the Authority's Vice President - Procurement or equivalent(s) by law.

Corporation – Canal Corporation

Disposals – Disposals include the sale of Personal Property, the transfer of title or any beneficial interest in Personal Property in accordance with this Policy such as leases, and the exchange of Personal Property. Disposals do not include permits, licenses or temporary use documents that are otherwise revocable due to operational requirements or in the best interests of the Corporation. Consistent with prior Board action, permits do not convey or transfer a beneficial interest in the Personal Property.

Fair Market Value – Shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and

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Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

under similar circumstances. Fair market value may be determined by consulting industry-recognized sources, contracting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.

Personal Property – Property, other than Real Property, owned by the Corporation, regardless of value, and any other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. Property may include, but is not limited to, materials (Canal Corporation Warehouse controlled inventory and Direct Turnover Materials DTO), tools, equipment or vehicles. Section 2895 of the Public Authorities Law defines property as Personal Property in excess of \$5,000 and does not include the transfer of Personal Property secured by a loan or other financial obligation of another party.

Real Property – shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Transactions – For purposes of this Policy, transactions shall include, but not be limited to, disposals and the issuance of permits, licenses and other temporary use documents for the use of Personal Property.

4 RESPONSIBILITY

The Board shall adopt by resolution, this Policy for the Disposal of Canal Corporation Personal Property and by such resolution, designate a Contracting Officer who is responsible for compliance with and enforcement of this Policy.

All Transactions shall comply fully with applicable state, federal and local laws, rules and regulations as well as policies, procedures and executive orders including, but not limited to, the Canal Law, the Abandoned Property Law, the Personal Property Law, the Public Authorities Law, the Vehicle and Traffic Law and any subsequently enacted statutes, rules and/or regulations.

The Corporation Deputy Director is authorized to interpret, implement, and administer this Policy and shall develop procedures necessary to carry out its intent, as well as to delegate such authority to members of his/her staff. These procedures should identify the roles and responsibilities of Corporation personnel who implement and administer this Policy and define the manner in which those responsibilities are to be fulfilled. The Deputy Director is also authorized to oversee the actions of Corporation staff to ensure compliance with applicable laws, rules and regulations, and with this Policy.

The Deputy Director may delegate, expressly in writing, directly to the Contracting Officer, the authority to sign and execute any and all documents related to any form of property auction or

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

other disposal methods and may also authorize the Contracting Officer to further delegate such authorization to other members of his/her staff in order to carry out the intent of this current Policy.

The Manager, Administrative Services ensures that Personal Property is disposed of in accordance with this Policy and that each disposal is documented, including photo(s) of material/item, fair market evaluation, environmental documentation, accounting records, RFQs and bid abstracts, award documents, copies of payment check or wire service receipts, and signed sales agreements.

5 POLICY IMPLEMENTATION

5.1 General Principles

The Corporation shall maintain adequate inventory controls and accountability systems for all Personal Property under its control.

- A. Personal Property that is 1) encroaching on real property under the jurisdiction of the Corporation; or 2) located on real property under the jurisdiction of the Corporation that is: (a) not authorized by the applicable permit, license or lease; or (b) left behind following the expiration, revocation or termination of a permit, license or lease; shall be handled in accordance with this Policy, the terms and conditions of the lease, license or permit regarding the removal of such property, and/or the Canal Law, if applicable.
- B. The Corporation may dispose of any Personal Property not necessary for its corporate purposes in whatever timeframe that either the Contracting Officer or the Corporation Board deems appropriate.
- C. The Corporation may authorize the use of Corporation Personal Property by an entity for any period or term using a temporary, revocable permit, license or other document that does not transfer a beneficial interest in the Personal Property. Such temporary, revocable use is not considered a Disposal for purposes of this Policy.
- D. Personal Property shall not be disposed of by the Corporation for less than fair market value, except in limited circumstances as set forth in Paragraph E, sections 1, 2 and 3 below. Fair Market Value may be determined through the use of appraisals, requests for proposals, the bid or auction process, or other means.
- E. No asset owned, leased or otherwise in the control of the Corporation with a value in excess of \$5,000 may be sold, leased, or otherwise alienated for less than its fair market value except if:
 - 1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;
 - 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or

Guidelines for the Disposal of Canal Corporation Personal Property

3. in the event the Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the legislature receives notification of a proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate, and assembly, the Corporation may effectuate such transfer.
- F. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Corporation Board and the public:
1. a full description of the asset;
 2. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Corporation Board;
 3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
 4. a statement of the value to be received compared to the fair market value;
 5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (4) of this paragraph, a statement of the value to the private party; and
 6. the names of any other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
- G. Before approving the disposal of any property for less than fair market value, the Corporation Board shall consider the information described in paragraph F of this section and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.
- H. The Corporation must use a competitive process as required by the Public Authorities Law and related statutes, including public advertising for Disposals exceeding \$15,000 in value, except in limited circumstances. In order to dispose of Personal Property by negotiation or public auction without public advertising, but subject to obtaining competition as is feasible under the circumstances, one of the following must be met:
1. The Personal Property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the Personal

Guidelines for the Disposal of Canal Corporation Personal Property

Property is to be sold in such quantity that, if it were disposed of by public advertising, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

2. The fair market value of the property does not exceed \$15,000;
 3. Bid prices after advertising are not reasonable, either as to all or some part of the Personal Property, or have not been independently arrived at in open competition;
 4. The Disposal will be to the State or any political subdivision, and the estimated fair market value of the Personal Property and other satisfactory terms of disposal are obtained by negotiation;
 5. Under those circumstances permitted by Section 5.1 (Paragraphs E, F, and G) of this Policy; or
 6. The action is otherwise authorized by law.
- I. For Personal Property valued at over \$15,000 disposed of by negotiation, an explanatory statement is required. Not less than 90 days in advance of the Disposal, an explanatory statement shall be prepared and distributed by the Contracting Officer in accordance with Public Authorities Law §2897, detailing the circumstances of the Disposal including, but not limited to, the proposed price.
- J. The Corporation shall create a clear and comprehensive record for each Transaction that documents its compliance with this Policy. Such record shall be maintained in a manner and for a period consistent with the applicable document retention policy.

5.2 General Practices

- A. Abandoned Motor Vehicles - The handling and disposal of Abandoned Motor Vehicles is statutorily covered under Vehicle and Traffic Law and not under this Policy.
- B. Abandoned, Lost or Found Personal Property

Abandoned, Lost or Found Personal Property with a value over the statutory limits must, within ten days after the finding or acquisition by Corporation employees or the Corporation's related agents (for example, contractor), be turned over to Troop T for processing and forwarding to the Bureau of Office and Building Maintenance Services (Office Services) at Headquarters in Albany. Office Services will return the property to the owner, if known; if the owner of the property is not immediately known, then the property must be held until the statutory holding period has run. At that time, if the property has not been claimed by the true owner or someone with verifiable ownership rights, then Office Services shall return the property to the known independent finder. If the original finder was a Corporation employee or one of its related agents as defined above, ownership then vests in the Corporation and may be treated as other Corporation owned property.

C. Special Abandoned Personal Property

1. Personal Property purposely left behind on Corporation property after termination of a previously issued permit, license or lease shall be handled, removed or disposed of

Guidelines for the Disposal of Canal Corporation Personal Property

under the terms of the permit, license or lease, or if required, pursuant to the applicable provisions of the Canal Law governing encroachments.

2. Abandoned Personal Property originally issued by the Corporation such as unclaimed wages or benefits, or unclaimed consumer balances shall be held for the required holding times as prescribed by the Personal Property Law and Abandoned Property Law, at which time the property vests in the Corporation.
3. Other Personal Property such as unclaimed bonds, dividends, interest, securities, etc. owed to security holders shall be held for the required statutory periods by the Corporation's properly delegated trustees or other fiduciaries.

D. Surplus Personal Property

The (Manager, Administrative Services) will provide the (Deputy Director) or designee with information on all items of Personal Property declared surplus.

5.3 Disposal Process

The (Manager, Administrative Services) designee will prepare a list of all Personal Property to be disposed of and prepare an internal estimate of the value of such property.

A. The method of disposal shall be based on the following Personal Property values:

1. Personal Property valued at less than \$1,000 may be sold or donated, or when having an estimated resale value less than the cost of handling and sale may be disposed of as scrap or junk;
2. Solicitation via telephone, email, and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the Corporation generated forms or an appropriate substitute and in the manner prescribed by this Policy and by the date and time (the "Bid Due Date") included in the solicitation.
3. Personal Property valued in excess of \$5,000 up to and including \$15,000 may be negotiated or made by public auction without publicly advertising for bids when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1 (paragraphs E and F);
4. Personal Property valued in excess of \$15,000 shall be offered for sale by a formal competitive process that includes public advertising for bids unless one of the exceptions listed in Section 5.1 E is met. If such an exception exists, disposal may be by negotiation or public auction without public advertising, when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1.G.

Note: For Personal Property valued in excess of \$15,000 disposed of by negotiation, an explanatory statement is required as described in Section 5.1.I.

B. When public advertising is required for disposals, the following steps must be taken pursuant to Public Authorities Law §2897:

Policy Title:

**Guidelines for the Disposal of Canal
Corporation Personal Property**

1. The advertisement shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Personal Property;
 2. All bids shall be publicly disclosed at the time and place stated in the advertisement; and
 3. The award shall be made with reasonable promptness by notice to the responsible bidder whose bid, in conformance with the solicitation, will be most advantageous to the Corporation, price and other factors considered, provided that any and all bids may be rejected when it is in the public interest to do so.
- C. When property is sold by sealed bid, by public auction or by an electronic auction, sale prices are approved by the (Manager, Administrative Services) or designee. If the (Manager, Administrative Services) or designee determines that property should be offered at an established or set price due to its unusual nature, or any other special conditions that would make competitive bidding impractical, (Manager, Administrative Services) or designee will recommend an acceptable price and a method of sale to the Contracting Officer for approval.
- D. If the (Manager, Administrative Services) or designee determines that the best interests of the Corporation are served by selling at public auction, the Manager, Administrative Services) or designee shall supervise the auction and may reject any and all bids considered to be unacceptable.
- E. Where permitted by law, Disposals may be performed by the Commissioner of General Services on behalf of the Corporation when the Corporation has entered into an agreement with the Commissioner of General Services pursuant to Public Authorities Law and/or other applicable statutes.

5.4 Reports

The Corporation will annually develop and distribute reports regarding Personal Property having a Fair Market Value in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Corporation during such period as required by law. The report shall be delivered to the comptroller, the director of the budget, the commissioner of general services, the legislature and the authorities budget office.

5.5 Procurement of Surplus Personal Property by Employees

Corporation employees and relatives of such employees or third parties acting on behalf of such employees shall not have any personal interest in, or engage in, any activity, inclusive of bidding for the purchase of Canal Property that would create or appear to create a conflict with the proper discharge of their public duties and are prohibited from subsequently acquiring in any manner. It is important, even in the absence of any impropriety, that no appearance of impropriety is given. Therefore, pursuant to the Public Officers Law, all Corporation employees, their spouses and any children and stepchildren under age 18, stepparents, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, nephew, niece, mother in law, father in law, sister in law, brother in law, daughter



Guidelines for the Disposal of Canal Corporation Personal Property

in law, son in law are prohibited from procuring Corporation Surplus Personal Property or otherwise securing such property through the use of an agent or other third party.

In addition, Corporation employees, other than the Manager, Administrative Services or designee, shall not disclose to any non-employee any information that they obtain regarding such property due to the nature of their employment. Such disclosure by the Manager, Administrative Services or designee shall only be made in the course of the proper discharge of their official duties.

5.6 Signing Authority

1. The Board, if the Fair Market Value of the Property is greater than \$500,000 or if the Disposal is for less than Fair Market Value in accordance with Section 5. (paragraphs F and G).
2. The Contracting Officer if the Fair Market Value is up to \$500,000.00.
3. The (Deputy Director) if the Fair Market Value is up to \$100,000.00.
4. The (Manager, Administrative Services) if the Fair market Value of the Property is \$5,000 or less.
5. For Fleet related transactions, the Vice President of the Power Authority's Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000.
6. For Fleet related transactions, the Director of the Authority's Fleet Operation, if the Fair Market Value of the Property is up to \$100,000.

5.7 The President and Chief Executive Officer issues and approves all Company Policies and policy revisions.

5.8 The Executive Vice President and General Counsel, as delegated by the President and Chief Executive Officer, coordinates and administers the Company Policy Program.

5.9 At the request of the Executive Vice President and General Counsel, all Authority Business Units and Department Heads shall support and provide assistance in the coordination and administration of this Policy.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination. Violations of this Policy by contractors and other authorized third parties may result in the revocation of such party's access to Corporation premises and/or electronic access to its systems, and the termination of such party's contract for services. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Abandoned Property Law

Canal Law

Canal Personal Property Disposal Policy 25-6-02C

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

Personal Property Law
Public Authorities Accountability Act
Title 5-A, Article 9 of the Public Authorities Law
Vehicle and Traffic Law

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision cycle : Every Year

9 ATTACHMENTS

Attachment 9.1: Sales Agreement

**Guidelines for the Disposal of Canal
Corporation Personal Property****ATTACHMENT 9.1****PERSONAL PROPERTY
SALES AGREEMENT**

_____, the Buyer, and the New York State Canal Corp ("Canal Corp"), agree as follows:

- 1) The personal property identified herein is sold by the Canal Corp and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) **THE CANAL CORP DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
- 3) The Buyer warrants that he/she/it is not a current or former Canal Corp employee, is not related to a Canal Corp employee and did not bid on behalf of a Canal Corp employee. Buyer is aware that Canal Corp employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. The Canal Corp reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the State of New York, New York Power Authority and the Canal Corp and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the State of New York, New York Power Authority and the Canal Corp and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.

Policy Title:

**Guidelines for the Disposal of Canal
Corporation Personal Property**

5) Except for disposals by public auction, the Buyer shall remove the personal property from the Canal Corp premises by _____ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York State Canal Corporation.

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20_____.

Buyer (Print or Type):

Seller:

New York State Canal Corporation
30 South Pearl Street
Albany, New York,

Authorized Signature_____
Authorized Signature_____
Full Name (Printed)_____
Title_____
Title**PRIVACY LAW NOTIFICATION**

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF CANAL CORPORATION PROPERTY.

*Printed copies are not controlled.**For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.**Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.*



Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property

Policy Number
25-6-02C

Page
14 of 14

This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the New York State Canal Corporation in the sale of Canal Corp personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).

Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Canal Corp.

This information will be maintained by the Procurement Department at the New York State Canal Corp Corporate Office.