

# ***Governance and Ethics Committee***

November 19, 2013

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

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### Qualifications for Prospective Appointments to the Board

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

### Review and Evaluation of Board Performance and Committee Effectiveness

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

## ***Qualifications for Prospective Appointments to the Board – Statutory Requirements***

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

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

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

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

## ***Qualifications for Prospective Appointments to the Board – Suggested Additional Criteria***

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Requisite skills and characteristics may include:

- independence
- diversity
- skills
- experience

## ***Review and Evaluation of Board Performance and Committee Effectiveness***

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

- Evaluate the performance of the Board and its members
- Lead the Board in an annual review and evaluation of the Board's performance
- Lead the Board in an annual review and evaluation of the performance and effectiveness of the Board Committees

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

# *Review and Evaluation of Board Performance and Committee Effectiveness*

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Fundamental Question:

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

## *Review and Evaluation of Board Performance and Committee Effectiveness*

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



## ***Review and Evaluation of Board Performance and Committee Effectiveness - Considerations***

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

What are the common techniques?

How do you plan for/design the assessment?

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

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