

## Audit, Governance and Finance Committee Charter

The Audit, Governance and Finance Committee is a committee of the Board of Commissioners of the Niagara Frontier Transportation Authority established pursuant to its bylaws. The membership, operations, authority, purpose and responsibilities of specific duties of the committee are described below:

### **Membership and Operations**

The membership of the Committee shall consist of at least three independent members of the Board of Commissioners, who shall constitute a majority on the Committee and who shall possess the necessary skills to understand the duties and functions of the Committee, including familiarity with corporate financial and accounting practices. A member is deemed independent if he or she is “(a) is not, and in the past two years has not been, employed by the public authority or an affiliate in an executive capacity; (b) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars for goods and services provided to the public authority or received any other form of financial assistance valued at more than fifteen thousand dollars from the public authority; (c) is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate; and (d) is not, and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or an affiliate.” The Chair of the Board shall be chair of the Audit, Governance and Finance Committee, and shall appoint a vice chair and a minimum of four members to this committee.

Insofar as practicable, at least one member of the Committee should be a "financial expert" and this shall be disclosed in the annual report of the Authority.

The Committee, as a whole, also serves as the Authority’s finance committee pursuant to the Public Authorities Accountability Act of 2009.

Committee members shall serve until the successors shall be duly designated and qualified. Any vacancy in the committee occurring for any cause may be filled by any qualified member of the Board by designation the Chairman of the Board.

### **Authority**

The committee shall be granted unrestricted access to all information and all employees have been, and shall be, directed to cooperate as requested by members of the committee. The board shall ensure that the Committee has sufficient resources to carry out its duties. The committee has the authority to retain, at the NFTA’s expense, persons having special competencies (including, without limitation, legal, accounting or other consultants and experts) to assist the committee in fulfilling its responsibilities.

The committee may delegate authority to subcommittees when appropriate.

**Purpose and Responsibilities**

The purpose and responsibilities of the Committee shall include:

- establishing policies to promote honest and ethical conduct by Authority commissioners, officers and employees and enhance public confidence in the Authority.
- reviewing and regularly updating the Authority's code of conduct and written policies regarding conflicts of interest. Such code of conduct and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- examining ethical and conflict of interest issues.
- performing board self evaluations.
- recommend bylaws, which include rules and procedures for the conduct of board business.
- reviewing and regularly updating the Authority's written policies regarding procurement of goods and services and the acquisition of real property or interests therein, and the disclosure of persons who attempt to influence the Authority's procurement process.
- reviewing and regularly updating the Authority's written policies regarding the disposition of real and personal property.
- reviewing and regularly updating the Authority's written policies regarding the protection of whistleblowers from retaliation.
- consider questions of independence and possible conflicts of interest of members of the board and executive management.
- review, monitor and make recommendations regarding the orientation and continuing education of the Board of Commissioners.
- periodically review the Authority's mission, vision, and goals.
- review and approve the Authority' Investment Guidelines.
- review and approve the Authority's Liability Management policies.
- review proposals for the issuance of Authority debt and make recommendations.
- reviewing and approving the Authority's financial statements.
- overseeing the Authority's internal controls and compliance systems.

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- appointing, compensating, and overseeing the outside auditors retained by the Authority.
- resolving disagreements with respect to, and overseeing compliance with, accounting policies and principles.
- reviewing management reports on internal controls and the attestation of such reports by the Authority's outside auditors.
- investigating compliance with the Authority's policies and/or refer instances of non-compliance to the State Inspector General for investigation.
- establishing procedures for the receipt, retention, investigation, and/or referral to the State Inspector General of complaints received by the Authority regarding accounting, internal controls, and auditing.
- establishing policies and procedures to ensure that every director, officer and employee of the Authority shall report promptly to the State Inspector General any information concerning allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers or employees of the Authority or any persons having business dealings with the Authority. The Committee shall review all reports and draft reports delivered by the State Inspector General to the Authority and shall serve as a point of contact with such Inspector General.
- reviewing legal and regulatory matters that may have a material impact on the financial statements, related company compliance policies, and programs and reports received from regulators.
- meeting with the Director of Internal Audit, the independent accountant, and management in separate audit sessions as appropriate to discuss any matters that the committee or these groups believe should be discussed privately with the Committee.
- confirming and assuring the independence of the independent accountant, and prohibit the independent accountant from providing non-audit services to the Authority.
- providing an open avenue of communication between the internal auditor, the independent accountant, and the Board of Commissioners.
- reviewing and concurring in the appointment, replacement, reassignment, or dismissal of the Director of Internal Auditing. The Director of Internal Audit shall serve at the pleasure of the Committee.
- review with the Director of Internal Audit and the independent accountant the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- review with management and the independent accountant at the completion of the annual examination:

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- the company's compliance report with the N.Y.S. investment guidelines.
- any significant changes required in the independent accountant's audit plan.
- other matters related to the conduct of the audit which is to be communicated to the committee under generally accepted auditing standards.
- review with management the following reports:
  - Performance
  - Cash Management
  - Safety
  - Self Insurance (Quarterly)
  - Investment Report (Quarterly)
  - Capital Plan (Quarterly)
  - Government Relations
  - Public Relations
  - Human Resources
  - Annual Operating and Capital Budget
  - Five Year Annual and Capital Plan and Cash Flows
  - Board Action Requests. In the discretion of the committee chair, reviewing board action requests may be deferred to the full board.
  - consider and review with management and the Director of Internal Audit:
    - significant findings during the year and management's responses thereto;
    - any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information;
    - any changes required in the planned scope of their audit plan;
    - the internal auditing department budget and staffing;
    - the internal auditing department charter; and
  - Internal auditing's compliance with The IIA's Standards for the Professional Practice of Internal Auditing (Standards) and Generally Accepted Government Auditing Standards.
  - review and update the committee's charter annually.

The committee will perform such other functions as assigned by law, the company's charter or bylaws, or the board of commissioners.

## Aviation Committee Charter

The Aviation Committee is a committee of the Board of Commissioners of the Niagara Frontier Transportation Authority established pursuant to its bylaws. The membership, operations, authority, purpose and responsibilities of specific duties of the committee are described below:

### **Membership and Operations**

The membership of the Aviation Committee shall consist of at least four members of the Board of Commissioners. The Chairman of the Board of Commissioners shall designate Aviation Committee members and will appoint a chair and a vice chair.

Committee members shall serve until the successors shall be duly designated and qualified. Any vacancy in the committee occurring for any cause may be filled by any qualified member of the Board by designation of the Chairman of the Board.

### **Authority**

The committee shall be granted unrestricted access to all information regarding aviation functions. All employees have been, and shall be, directed to cooperate as requested by members of the committee.

The committee may delegate authority to subcommittees when appropriate.

### **Purpose and Responsibilities**

The purpose and responsibilities of the Aviation Committee shall include:

- reviewing and approving strategic initiatives related to BNIA and NFIA;
- evaluating the financial results of BNIA and NFIA operations with particular emphasis on comparisons between the established budget vs. actual operating results;
- reviewing key performance indicators such as passenger enplanements and deplanements, parking lot revenue per passenger, and gross concession revenue per passenger by comparing actual results to budgeted amounts and that of the prior period;
- reviewing the status of the Airport Improvement Program;
- discussing marketing strategies to encourage growth in the long term parking market share;
- reviewing the development of marketing goals and implementation strategies to increase the number of passengers utilizing BNIA and NFIA;

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- discussing new and existing marketing initiatives at the BNIA and NFIA;
- review and discuss existing flight activity, load factors, seat capacity and fare pricing structures of the airlines at the BNIA and NFIA;
- reviewing and approving potential short term and long term leases and business arrangements affecting the airports;
- reviewing and approving the operating and capital budgets on an annual basis;
- reviewing board action requests related to the aviation group before submittal to the full board for approval. In the discretion of the committee chair, reviewing board action requests may be deferred to the full board; and
- reviewing and updating the committee's charter annually.

## Human Resources Committee Charter

The Human Resources Committee is a Committee of the Board of Commissioners of the Niagara Frontier Transportation Authority (“NFTA”) established pursuant to its By-Laws. The membership, operations, authority, purpose, and responsibilities of specific duties of the Committee are described below.

### **Membership and Operations**

The membership of the Human Resources Committee shall consist of at least four members of the Board of Commissioners. The Chairman of the Board of Commissioners shall designate the Committee members and will appoint a chair and a vice chair of the Human Resources Committee.

Committee members shall serve until their successors shall be duly designated and qualified. Any vacancy in the Committee occurring for any reason may be filled by any qualified member of the Board of Commissioners by designation of the Chairman of the Board of Commissioners.

### **Authority**

The Committee shall be granted unrestricted access to all information regarding human resource functions. All employees have been, and shall be, directed to cooperate as requested by members of the Human Resources Committee.

The Human Resources Committee may, with the express written permission of the Chairman of the Board, engage outside compensation experts or other appropriate professionals to assist it in the evaluation of appropriate levels of compensation for all employees of the NFTA.

The Human Resources Committee Chairman may, with the express written permission of the Chairman of the Board, create and delegate authority to subcommittees of the Human Resources Committee as the Human Resources Committee deems appropriate.

### **Purpose and Responsibilities**

The purpose and responsibilities of the Human Resources Committee shall include:

- Reviewing human resource systems, such as hiring practices, competency profiles, training policies, and compensation structures so that the NFTA can attract, attract and retain high quality and highly motivated personnel to meet its business objectives;
- Reviewing the compensation philosophy and policy for employees to ensure it reflects an appropriate balance between short and long term goals of the NFTA;

- Make recommendations to the Board of Commissioners with respect to the merit based compensation plan, incentive compensation, and equity-based plans applicable to non-represented employees;
- Monitor the status of ongoing labor negotiations and strategic labor relations issues and initiatives;
- Make recommendations to the Board of Commissioners regarding the approval of labor agreements;
- Monitor human resources policies to address social issues such as equal employment opportunity, pay equity, the employee assistance program (“EAP”), and any other appropriate topic;
- Review and discuss issues regarding the EAP;
- Review and discuss issues regarding the NFTA’s Affirmative Action and Equal Employment Opportunity Program;
- Review matters affecting employee benefits;
- Review and discuss overall staffing plans which may include existing staffing, transfers, new hires, resignations, reductions or expansions in force, and terminations;
- Review health and safety issues and the drug and alcohol testing program as appropriate;
- Reviewing NFTA goals and objectives and compensation relative to the Executive Director, Chief Financial Officer, and General Counsel, including evaluating their performance in light of those goals and objectives and such other factors as the Committee deems appropriate;
- Assist the Board of Commissioners in developing and evaluating potential candidates for Board appointed positions, including the Executive Director, the Chief Financial Officer, and the General Counsel;
- Review and approve employment, separation, and other individual employee agreements when applicable;
- Review, monitor, and oversee the development of personnel succession plans;
- Review and approve significant organizational changes and restructurings;
- In the discretion of the committee chair, reviewing board action requests may be deferred to the full board;



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- Report to the board on a regular basis with such recommendations on other matters as the Committee deems appropriate so that the Board of Commissioners is fully informed of the Human Resources Committee's activities; and
- Review and update the Human Resources Committee's charter annually.

## Property/Risk Management Committee Charter

The Property/Risk Management Committee is a committee of the Board of Commissioners of the Niagara Frontier Transportation Authority established pursuant to its Bylaws. The membership, operations, authority, purpose and responsibilities of the Committee are described below:

### **Membership and Operations**

The membership of the Property/Risk Management Committee shall consist of at least four members of the Board of Commissioners. The Chairman of the Board of Commissioners shall designate the committee members and will appoint a chair and a vice chair of the Committee.

Committee members shall serve until the successors shall be duly designated and qualified. Any vacancy in the Committee occurring for any cause may be filled by any qualified Member of the Board by designation of the Chairman of the Board.

### **Authority**

The Committee shall be granted unrestricted access to all information regarding property management and risk management functions. All employees have been, and shall be, directed to cooperate as requested by members of the Committee.

The Property/Risk Management Committee may delegate authority to other subcommittees when appropriate.

### **Purpose and Responsibilities**

The purpose and responsibilities of the Property/Risk Management Committee shall include:

- reviewing and approving all transactions pertaining to the development, lease, sale, or acquisition of the Authority's non-public transportation real estate assets to ensure that revenues are being maximized in a manner consistent with regional economic development objectives;
- reviewing and approving the annual operating and capital budget of the Property Group and monitoring performance against budget;
- discussing strategic issues and initiatives related to the Property Group and Risk Management;
- reviewing and providing oversight of overall risk management strategy to minimize loss exposure to the Authority;

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- reviewing the Authority's purchased insurance program and self-insurance program to ensure proper protection of authority assets;
- reviewing and discussing Workers' Compensation claim counts, costs, strategies and trends;
- discussing litigation concerns as they relate to claims against the Authority;
- identification and assessment of risks, risk tolerances, risk prevention and mitigation strategies;
- reviewing Board Action Requests related to Property/Risk Management before submittal to the full Board for approval. In the discretion of the committee chair, reviewing board action requests may be deferred to the full board; and
- reviewing and updating the Committee's charter annually.

## Surface Transportation Committee Charter

The Surface Transportation Committee is a committee of the Board of Commissioners of the Niagara Frontier Transportation Authority established pursuant to its bylaws. The membership, operations, authority, purpose and responsibilities of specific duties of the committee are described below:

### **Membership and Operations**

The membership of the Surface Transportation Committee shall consist of at least four members of the Board of Commissioners. The Chairman of the Board of Commissioners shall designate Surface Transportation Committee members and will appoint a chair and a vice chair.

Committee members shall serve until the successors shall be duly designated and qualified. Any vacancy in the committee occurring for any cause may be filled by any qualified member of the Board by designation of the Chairman of the Board.

### **Authority**

The committee shall be granted unrestricted access to all information regarding Surface Transportation functions. All employees have been, and shall be, directed to cooperate as requested by members of the committee.

The committee may delegate authority to subcommittees when appropriate.

### **Purpose and Responsibilities**

The purpose and responsibilities of the surface transportation committee shall include:

- reviewing the status of ground-based transportation services to enhance the quality of life of residents and visitors by providing the highest level of safe, clean, affordable, responsive and reliable transportation through a coordinated and convenient bus and rail system;
- discussing strategic issues related to metro operations;
- evaluating the financial results of metro operations with particular emphasis on comparisons between the established budget vs. actual operating results;
- reviewing performance benchmarks such as farebox recovery and cost per vehicle hour measures by comparing the results with that of the NFTA's peer group;
- reviewing performance measures by comparing actual results to established performance goals and objectives;

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- reviewing the development of marketing goals and implementing strategies to increase customer utilization of services;
- reviewing the NFTA transit police report;
- reviewing and approving the operating and capital budgets on an annual basis;
- annually approve Public Authorities Law required performance goals;
- reviewing board action requests related to surface transportation before submittal to the full board for approval. In the discretion of the committee chair, reviewing board action requests may be deferred to the full board; and
- reviewing and updating the committee's charter annually.