



Syracuse Regional Airport Authority  
Corporate Governance Principles

January 2013

Pursuant to Syracuse Regional Airport Authority's Enabling Act and  
Section 2824 of New York Public Authorities Law, as amended

## **Syracuse Regional Airport Authority Corporate Governance Principles**

The Syracuse Regional Airport Authority's mission is to provide safe secure, efficient and low cost air transportation service to the twelve county region it serves. To promote public confidence in its performance and decision making in achieving its mission, the Authority has adopted the following corporate governance principles. These corporate governance principles establish the policies, values, organizational structure and control systems that promote accountability, support comprehensive and transparent reporting, set ethical standards and foster objective reviews of the financial practices.

The Syracuse Regional Airport Authority (the "Authority") is composed of eleven members appointed by various municipal officials and governing bodies as set forth in Chapter 463 of the Laws of New York 2011 (the "Enabling Act") and Article 8, Title 34 of the New York Public Authorities Law, as amended. The Enabling Act did not create a governing board for the Authority. However, the Authority's eleven members collectively act as a governing board and are required to act in accordance with corporate governance principles. Even though the Authority does not actually have a governing board, these corporate governance principles regard the eleven members of the Authority as a governing board and refer to the Authority's eleven members as the "Authority Board" or "Authority Board members". Therefore, whenever used in these corporate governance principles, the terms "Authority Board" or "Authority Board members" shall mean the eleven members of the Authority appointed by various municipal officials and governing bodies as set forth in the Enabling Act and Article 8, Title 34 of the New York Public Authorities Law, as amended.

The Authority hereby adopts the following corporate governance principles:

### **Section 1. Transparency**

A. The Authority shall conduct its business in an environment that fosters transparency and enhanced public disclosure with a focus on accountability. The Authority will file an annual report that accurately presents the financial condition and results of the Authority's operations and contains all the information required by Section 2800 of New York Public Authorities Law, as amended. The annual report will include sufficient and meaningful information that will enable the public and government officials to be well informed on the operations and activities of the Authority.

B. The annual report will contain an internal control report that shall state management's responsibility for establishing and maintaining an adequate internal control structure and procedures for financial reporting. The annual report will also contain an assessment of the effectiveness of the Authority's internal control structure and procedures for financial reporting.

C. The annual report, including information concerning the finances and operations of the Authority, and any other information that is required to be disclosed by New York Public Authorities Law shall be available to the public via the Internet on the Authority's section of the Syracuse Hancock International Airport's website at [www.syrairport.org](http://www.syrairport.org).

D. The Authority shall disclose information to the public via open meetings, factual reports and general dissemination to ensure integrity and to provide transparency in the decision making process. The Authority shall further engage the regional communities that the Authority serves through the activities of the Authority's Regional Advisory Committee, as set forth in its Enabling Act.

E. The Authority Board, acting through its Audit Committee, will accurately disclose the financial condition, risks, liabilities and management practices of the Authority. The Authority Board will ensure the quality and independence of the external audit process and will facilitate a full and frank dialogue between the Audit Committee, external auditors and management.

F. The Authority Board shall act in a manner that abides with the Code of Ethics of the City of Syracuse and the Authority's Code of Ethics that was adopted by the Authority on November 18, 2011 in Resolution No. 32 of 2011. The Authority shall maintain its Code of Ethics so that it sets out expectations for ethical decision making and behavior concerning: conflicts of interest; proper use of Authority property and information; dealing with suppliers, contractors, lobbyists and other stakeholders; the giving and receiving of gifts; and compliance with laws, local laws, ordinances, resolutions and rules and regulations.

## **Section 2. Fiduciary Duty**

A. The Authority Board is entrusted to exercise its fiduciary duties of loyalty and care and shall act in good faith and in the best interests of the Authority. The Authority Board is responsible for the oversight of the assets, affairs and conduct of the Authority, including but not limited to the following:

1. On an annual basis, establishing and reviewing the Authority's Mission Statement and Performance Measurements, which will express the purpose and goals of the Authority and by which the Authority's performance and achievement of goals, as outlined in its Mission Statement, can be evaluated on an ongoing basis to be in accordance with its mission and in the best interests of the public it serves.
2. Selecting and compensating an Chief Executive Officer, providing feedback regarding his/her performance on an annual basis and monitoring management's succession planning for key positions.
3. Monitoring the Authority's accounting and financial reporting practices and reviewing the Authority's financial controls and the quality and independence of the external audit process.
4. Overseeing the Authority's compliance with applicable laws, local laws, ordinances, resolutions and rules and regulations and overseeing the adoption and implementation of policies and procedures that are required by law or are deemed necessary by the Authority Board for sound and effective operation of the Authority.

5. Overseeing internal controls to safeguard the Authority's assets and to identify and mitigate potential risk.

6. Authority Board members shall not divulge confidential information received in their capacity as an Authority Board member. Confidential information includes those written items designated as confidential as well as matters discussed in executive session.

B. Authority Board members shall perform their duties as Authority Board members in good faith and with a degree of diligence, care and skill that an ordinarily prudent person in a similar position would use in similar circumstances. Authority Board members may take into consideration the views and policies of any elected official or body and can rely on the advice, reports and opinions of management, counsel, auditors and/or other experts but must ultimately apply independent judgment, free from outside interests, in the best interests of the Authority, its mission and the public in carrying out their fiduciary obligations.

C. The Authority Board, on behalf of the Authority, will adopt and maintain a written whistleblower policy and program that:

1. Expressly advises employees of their federal and state statutory rights to complain about violations of law by an employer without fear of retaliation; and

2. Provides alternatives and procedures for employees to report information anonymously, or otherwise, concerning acts of wrongdoing, misconduct, malfeasance or unethical behavior by the Authority or any member, officer, staff, employee, consultant or contractor of the Authority.

D. Authority Board members shall exercise their fiduciary obligation to the Authority using sound ethical practices, including the Code of Ethics of the City of Syracuse and the Authority's adopted Code of Ethics, and conduct and arrange their business and personal affairs to avoid actual or potential conflicts of interest or the appearance of direct or indirect conflicts of interest with the Authority. Authority Board members may request from the Authority's counsel an opinion of whether an actual or potential conflict of interest may exist and if he/she should abstain from voting on the matter involved.

### **Section 3. Authority Board Independence and Accountability**

A. The Authority Board shall annually review the Authority's Organizational By-Laws to determine whether there are any revisions deemed necessary or appropriate. The Organizational By-Laws shall set forth the responsibilities of the Authority Board, including any formal delegations to management and shall govern the conduct of Authority business by the Authority Board.

B. The Authority Board shall meet in accordance with the Organizational By-Laws but no less than four times per year. Additional meetings shall be scheduled as necessary or appropriate in light of prevailing circumstances.

C. The Chair of the Authority shall preside at all meetings of the Authority Board taking necessary measures to develop a climate of trust and cooperation within the Authority Board for open discussion and constructive debate. If the Chair of the Authority is unable to preside at a meeting, the Vice-Chair of the Authority will preside according to the Authority Organizational By-Laws. In consultation with the Chief Executive Officer, the Chair of the Authority will establish an agenda for each meeting of the Authority Board and include on the agenda any resolutions proposed by Authority Board committees. The agenda is developed to ensure the Authority Board is able to fulfill its oversight responsibilities. Any Authority member may suggest to the Chair of the Authority the addition of any matters to a meeting agenda or raise for discussion a matter that may or may not be on the agenda. The Chair of the Authority ensures that procedures, deliberations, passing resolutions and the implementation of decisions are properly followed.

D. The Chair of the Authority, working with the Secretary of the Authority, is responsible for ensuring that all Authority Board members receive accurate, timely and clear information in advance of the meetings and, where necessary, between meetings. The Chair of the Authority ensures that all Authority Board members can make a knowledgeable and informed contribution to Authority Board discussions and that there is sufficient time for consideration and discussion before decision making.

E. The Authority Board believes the Authority benefits from its collective wisdom and, therefore, the Authority Board as a whole will make significant decisions. There are areas that require more in depth examination and, accordingly, the Authority Board has established and adopted charters for four standing committees: Audit, Governance, Finance and Human Resources. The Authority Board may also establish special (ad hoc) committees to accommodate prevailing circumstances.

1. The purpose of the Audit Committee shall be to (1) assure that the Authority fulfills its responsibilities for the Authority's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the Authority; and (3) any other tasks assigned to it by the Audit Committee Charter or Section 2824(4) of New York Public Authorities Law, as amended. The Audit Committee shall also promote integrity in financial reporting.

2. The purpose of the Governance Committee shall be to assist the Authority by (1) keeping the Authority informed of current best practices in corporate governance; (2) reviewing corporate governance trends for their applicability to the Authority; (3) updating the Authority's corporate governance principles and governance practices; (4) advising those responsible for appointing members to the Authority on the skills, qualities and professional or educational experiences necessary to be effective Authority members; and (5) any other tasks assigned to it by the Governance Committee Charter or Section 2824(7) of New York Public Authorities Law, as amended. The Governance Committee shall also develop standards by which the Authority Board can annually

review its own performance and provide the Chair of the Authority and the Authority Board with a matrix of the Authority Board members' skills and experience.

3. The purpose of the Finance Committee is (1) to oversee the Authority's debt and debt practices, (2) to recommend policies concerning the Authority's issuance and management of debt and (3) to handle any other tasks assigned to it by the Finance Committee Charter or Section 2824(8) of New York Public Authorities Law, as amended. The Finance Committee shall also review and recommend the Authority's annual budget.

4. The purpose of the Human Resources Committee shall be to assist the Authority by (1) keeping the Authority informed of current best practices in human resources and labor management; (2) reviewing human resources and labor management trends for their applicability to the Authority; (3) updating the Authority's human resources and labor management principles and practices; (4) overseeing all employment and personnel-related matters for the Authority; and (5) any other tasks assigned to it by the Human Resources Committee Charter.

F. The Audit, Governance, Finance and Human Resources Committee each shall be comprised of a majority of independent members of the Authority who possess the necessary skills to understand the duties and functions of their respective committees.

G. To be considered independent and deemed independent as stipulated in Section 2825 of New York Public Authorities Law, a Authority Board member must be free from a business, employment, lobbying or other relationship with the Authority or an affiliate of the Authority that could create a potential or actual conflict of interest such that it may affect the members' independent judgment. An Authority Board member who ceases to satisfy the requirement of independence through a potential or actual conflict of interest will immediately inform the Authority Board as set forth in its Code of Ethics.

H. The Authority Board shall direct the Governance Committee to prepare a matrix showing the types of expertise, experience and credentials that are necessary for the Authority Board as a whole to be able to effectively perform their oversight function and will share such a matrix with the persons responsible for making and/or confirming appointments to the Authority Board.

I. The Authority Board shall evaluate its performance annually based on the measurements established and adopted by the Authority Board. The self evaluation may includes assessments of whether the Authority Board and the Authority are effectively fulfilling their responsibilities in a manner that complies with the Authority's mission statement and, where any changes are warranted, to improve performance.

J. Authority Board members are encouraged to update their skills and improve their knowledge of the Authority and its businesses. The Authority shall provide the necessary resources for developing and updating the Authority Board members' knowledge and skills.

K. The Authority will provide an orientation session to new Authority Board members to review the operations of the Authority, its mission, goals and all applicable laws, local laws, ordinances, resolutions and rules and regulations. The Authority will also ensure that new Authority Board members will complete the training required by the New York Public Authorities Law within six months of their appointment to the Authority.

#### **Section 4. Separating Oversight and Executive Functions**

A. Role of the Chair. The principal duty of the Chair of the Authority, who shall not be an employee of the Authority, is to lead and oversee the Authority Board. The Chair of the Authority should facilitate an open flow of information between management and the Authority Board and should lead a critical evaluation of management's performance, its practices and its adherence to the Authority's mission and the applicable laws, local laws, ordinances, resolutions and rules and regulations governing the Authority's operations.

B. Role of Committee Chairs. The principal duty of each Authority Committee Chair, who shall not be an employee of the Authority, is to lead and oversee an Authority committee according to the charter adopted by the Authority Board for such committee. Each Committee Chair should help foster an open flow of information between management and the Authority Board while seeking to ensure that such committee assists the Authority Board in any process by which the Authority Board makes significant corporate decisions.

C. Role of CEO and Management. The business of the Authority shall be conducted by the employees of the Authority under the leadership of the Chief Executive Officer and other members of senior management of the Authority. In carrying out the activities of the Authority, the CEO and other officers of the Authority are accountable to the Authority Board. Among the primary responsibilities of management are: (1) supervision of the day-to-day operations of the Authority's business, including budgeting, financial reporting and development and implementation of the Authority's system of internal controls; and (2) accomplishment of the mission of the Authority as set forth in the Mission Statement and the Enabling Act.

**Adopted by Resolution No. 1 of 2013, January 11, 2013**