

**QUONSET DEVELOPMENT CORPORATION
MEETING OF THE GOVERNANCE COMMITTEE**

PUBLIC SESSION MINUTES

October 19, 2009

A meeting of the Governance Committee of the Quonset Development Corporation (the "Corporation") was held at 4:00 p.m. on Monday, October 19, 2009 at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Governance Committee and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.

The following directors, constituting a quorum, were present and participated throughout the meeting as indicated: Kas R. DeCarvalho, Chairman; John A. Patterson, and Sav Rebecchi. Other members of the Board of Director's present were: James D. Berson, Robert H. Breslin, Barbara Jackson, John G. Laramée, Richard L. Pastore, and John G. Simpson. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; Kevin M. Barry, Finance Director; members of the Corporation's staff and members of the public.

1. CALL TO ORDER

The meeting was called to order at 4:12 p.m. by Chairman DeCarvalho.

2. APPROVAL OF MINUTES

Upon motion duly made by Mr. Rebecchi and seconded by Mr. Patterson, the committee:

VOTED: To approve the minutes of the Governance Committee meeting of December 11, 2006.

Voting in favor were: Mr. DeCarvalho, Mr. Patterson, and Mr. Rebecchi.

Voting against were: None.

Unanimously approved.

Mr. Patterson questioned if there was a policy vote at the last meeting regarding releasing Executive Session minutes to the general public. Mr. DeCarvalho stated that he believed that the policy decided on at the last meeting was to review all Executive Session minutes every 6 to 12 months to determine if they should be opened or remain closed.

3. **PRESENTATION BY JASON GRAMITT FROM THE RHODE ISLAND ETHICS COMMISSION:**

Mr. Gramitt introduced himself as a staff attorney and Education Director for the RI Ethics Commission. Mr. Gramitt clarified for the Committee that specifics regarding what is allowed under the Open Meetings Act is the jurisdiction of the Attorney General's office. Mr. Gramitt indicated that he would attempt to cover the following topics:

1. Conflicts of Interest – questions to ask yourself (Exhibit A)
 - a. Recusal process – (Exhibit B)
2. Commission to Gift
3. Rules regarding representing yourself/your interest before the Board
4. Financial Disclosure

Mr. Gramitt discussed Conflict of Interest Policy and how timeframes play a major role in determining conflicts; for example if someone lives in your home who is not a relative, they are regarded as a family member under this policy. However, once this person is no longer living in your home, family status is considered severed as long as there is no financial or business tie. Also noted was that death or divorce will end "family" relationship and that friends are not included in the conflict of interest policy.

Mr. Pastore questioned the meaning of "business associate" in relation to one time transactions. Mr. Gramitt advised that a good rule is to ask yourself, "Is it 'reasonably foreseeable' that I will engage with that person in the near future". Mr. Gramitt also noted that it is good practice to avoid any appearance of impropriety when you are in a decision making position.

Mr. Berson questioned how a nonprofit Board member could have a conflict of interest if there is no financial gain. Mr. Gramitt noted that the Ethics Commission does not make any distinction between profit and not for profit entities. If a person serves that entity in a leadership role then that person has the ability to guide financial decisions and is, for all purposes, a business associate of that entity. The one exception is public entities which under the code of ethics is not considered a business and the code does not prevent one public entity from helping another public entity.

A discussion related to Town Council members being on the QDC Board of Directors ensued. The general agreement was that Board members who are also on the North Kingstown Town Council must use their best judgment on a case by case basis on when it is appropriate to recuse themselves from Executive Session discussions or negotiations directly related to the Town. Mr. Gramitt suggested that the Corporation's By-Laws should address confidential information handling but should the Board ever need guidance, RI Ethics Commission could issue an advisory opinion if requested. Mr. DeCarvalho suggested that this issue be added as an agenda item for the next Governance Committee Meeting.

Mr. Gramitt discussed the proper method for being recused and stated that the time to request recusal is the moment that the agenda item is called. The member should complete a recusal form and a copy sent to the RI Ethics Commission within a reasonable amount of time.

Mr. Pastore asked if there was an exception to the recusal process if, in the moment, the loss of that person would cause the quorum to be lost. Mr. Gramitt indicated that there is no exception in the moment. It is possible to request a Rule of Necessity ruling from the Ethics Commission but this seldom occurs because typically the reason the quorum is not met is that members are absent for one reason or another and not because of the recusal.

Mr. Pastore requested guidance on whether the members should leave the table/room when requesting recusal. Mr. Gramitt indicated that the rule of thumb is that if the meeting is open to the public, it is fine for the member to stay for the discussion. However, if the discussion moves into Executive session and is closed to the public, then the member should excuse him/herself from the room. Mr. Gramitt added that as a best practice, it is advisable for the member to leave the table when requesting recusal to avoid the appearance of participation in the discussion. Mr. Pastore then asked if it is appropriate for the member to then make comments in public meetings in which they have recused. Mr. Gramitt stated that would be a judgment call; if that member felt that they had a unique perspective that they would only be able give it might be appropriate.

Ms. Jackson asked if a member should give a long preamble prior to recusing. Mr. Gramitt stated that it is completely acceptable to state for the record the conflict but a long explanation might be considered questionable.

There being no further business to come before the meeting, upon motion by Mr. Rebecchi, seconded by Mr. DeCarvalho, the meeting was adjourned at 5:07 p.m.

Respectfully submitted,

E. Jerome Batty, Secretary