

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
January 22, 2015

Members Present

Dennis Mehiel, Chairman/CEO
Frank Branchini, Member (via videoconference)
Donald Capoccia, Member
Martha Gallo, Member
Lester Petracca, Member

Authority Staff in Attendance: Shari C. Hyman, President/COO
Davina Anderson, Legal Administrative Assistant
Lauren Bruggess, Paralegal/Assistant Corporate Secretary
Dan Curiale, Director of Financial Reporting
Gwen Dawson, Vice President, Real Property
Robin Forst, Vice President, External Affairs
Angela Howard, Senior Director of Project Management
Benjamin Jones, Vice President, Administration
Susie Kim, Associate General Counsel
Karl Koenig, Controller
Kevin McCabe, Special Assistant to the Chairman/CEO
Brenda McIntyre, Vice President, Human Resources
Robert Nesmith, Chief Contracting Officer
Anthony Peterson, Director of Diversity Programs
Alix S. Pustilnik, General Counsel/Corporate Secretary
Robert M. Serpico, Chief Financial Officer
Seema Singh, Deputy General Counsel/Assistant Corporate Secretary
Alexis Torres, Special Advisor to the President/COO
Ken Windman, Director of Facilities & Infrastructure Management

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy Corporation
Betty Chin, Battery Park City Parks Conservancy Corporation
Steve Faber, PFM
Bob Cheddar, PFM
Warren Ruppel, Marks, Paneth & Shron LLP
Matt Castellano, Marks, Paneth & Shron LLP
Therese Loeb Kreuzer, Downtown Post NYC
Matt Fenton, The Broadsheet
Robert Simko, The Broadsheet
Amanda Woods, Tribeca Trib
Carl Glassman, Tribeca Trib
Josh Rogers, Downtown Express
Camden Ackerman, Office of NYS Assembly Member Silver
Michael Fortenbaugh, North Cove Marina Management, Inc.
Various members of the general public

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 9:07 a.m.

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The first item on the agenda was the approval of the minutes of the December 4, 2014 meeting. Upon a motion made by Mr. Capoccia and seconded by Mr. Petracca, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE DECEMBER 4, 2014 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on December 4, 2014 are hereby approved.

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The next item on the agenda was an authorization to execute a license agreement with BOP North Cove Marina LLC (“BOP North Cove”) as Licensee and Operator of the North Cove Marina. Ms. Gallo recused herself from voting on this item and left the room for the discussion.

Prior to presentation of the materials, Chairman Mehiel made a statement for the record, which is attached hereto as Attachment A. Ms. Hyman described the RFP process that was conducted for the selection of a new marina operator; four bids were received as a result. During the entire evaluation process, she said, the number one scorer was consistently BOP North Cove, and, as a result, it was recommended for Board approval.

Ms. Hyman explained that in addition to license payments projected by BOP North Cove, the Authority will receive 8% of all revenues in excess of one million dollars earned from marina operations. Additionally, BOP North Cove proposed a sailing program that it will operate, including adult courses, sailing clubs, summer camp programs, disabled sailor programs and water safety classes. The current Brookfield Arts program and concerts will be extended to include the waterfront. The proposal also included sailing scholarships for children, disabled veteran programs, philanthropy, regattas, childhood education of the Hudson River ecosystem, and water safety programs.

Ms. Hyman stated that BOP North Cove will have a dialogue with Community Board 1 about programs/operations that the community would like to see at the North Cove Marina. Upon a motion made by Mr. Capoccia and seconded by Mr. Petracca, the following resolution was unanimously approved:

AUTHORIZATION TO ENTER INTO A LICENSE AGREEMENT WITH BOP NORTH COVE MARINA LLC FOR OPERATION OF THE NORTH COVE MARINA

BE IT RESOLVED, than in accordance with the materials presented to this meeting, the President and Chief Operating Officer (the “President”) of the Authority or her/his designee(s) be, and each of them hereby is, authorized to enter into a license agreement (the “License Agreement”) with BOP North Cove Marina LLC for the operation of the North Cove Marina; and be it further

RESOLVED, that the President or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the License Agreement on behalf of the Authority, subject to such

changes as the officer or officers executing the License Agreement shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the License Agreement; and be it further

RESOLVED, that the President or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transaction contemplated in the foregoing resolutions, and any such execution of documents and any other further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Mr. Koenig, was an authorization to execute a contract with J.P. Morgan for banking and cash management services. Ms. Gallo again recused herself from voting on this item and was not present for the discussion.

Mr. Koenig explained that an RFP was issued for banks to provide a full range of banking and cash management services for the Authority's non-trustee corporate accounts. A selection committee, consisting of members from the Authority and the Conservancy, reviewed the four proposals received and evaluated each based on the criteria noted in the RFP. Due to a conflict, Mr. Serpico was not involved in the process. The selection committee evaluated J.P. Morgan as the highest scoring proposer. Mr. Koenig stated that J.P. Morgan submitted a complete and compliant proposal, has a full understanding of the services required, and was the highest scorer, based on the evaluation criteria. He said that the banking fees are expected to range anywhere from \$6,000-\$10,000 per year, depending on the interest earnings credit, which is based on balances that the Authority has in the accounts.

Upon a motion made by Mr. Petracca and seconded by Mr. Capoccia, the following resolution was unanimously approved:

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH J.P. MORGAN FOR BANKING AND CASH MANAGEMENT SERVICES

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President and Chief Operating Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement (the "Agreement") with J.P. Morgan for the not-to-exceed amount of \$35,000 over a period of three years to provide a full range of banking and cash management services for non-Trustee corporate accounts of the Authority and Battery Park City Parks Conservancy Corporation; and be it further

RESOLVED, that the President or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Agreement on behalf of the Authority, subject to such changes as the officer or officers executing the Agreement shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Agreement; and be it further.

RESOLVED, that the President or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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At 9:37 a.m., Ms. Gallo rejoined the Members in the Board room.

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The next item on the agenda, presented by Ms. Hyman, was an authorization to amend the Authority's three-year capital program in order to allocate general infrastructure funds toward the conversion of the West Thames Park Lawn from a natural grass surface to an artificial turf surface.

Ms. Hyman explained that the West Thames Park Lawn is a 14,000 square foot portion of the larger West Thames Park and is currently a natural grass surface. This area of West Thames Park is heavily used with a lot of unorganized play resulting in significant wear and tear on the Lawn. The Authority has received comments from the community that there should be an area for open play that is open year-round in the southern part of Battery Park City; this Lawn would be the perfect place to convert to year-round use, Ms. Hyman said.

The Board's approval is necessary to allocate money from the Authority's General Infrastructure Funds in its capital program to place artificial turf on the West Thames Park Lawn, with the intention of making this a year-round open space for Battery Park City residents and the public to utilize. Ms. Hyman noted that the cost would be about \$425,000, and that there will be savings associated with the conversion since there will not be as constant a need to maintain the Lawn.

Upon a motion made by Ms. Gallo and seconded by Mr. Petracca, the following resolution was unanimously approved:

AUTHORIZATION TO ALLOCATE GENERAL INFRASTRUCTURE FUNDS AND AMEND THREE YEAR CAPITAL PROGRAM

BE IT RESOLVED, that the Authority's Three Year Capital Program is hereby amended to add the conversion of the West Thames Lawn from a natural grass surface to an artificial turf surface (the "WT Lawn Project"), to be funded through an allocation of \$425,000 from the Authority's 2013 bond proceeds currently designated for General Infrastructure projects; and be it further

RESOLVED, that the President and Chief Operating Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the action contemplated in the foregoing resolution; and be it further

RESOLVED, that any such execution of documents and any and all actions taken prior to the date hereof are hereby ratified, confirmed and approved.

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The next item on the agenda, presented by Mr. Serpico, was a presentation of the fiscal year-end audit opinion letters by Marks, Paneth & Shron LLP ("Marks, Paneth") and approval of the financial statements for the fiscal year ended October 31, 2014.

Mr. Serpico began by giving a short explanation of the financial statements, which include a detailed management, discussion and analysis section for the last three fiscal years, and stated that the Authority's financial statements set a high bar for transparency and disclosure. Mr. Serpico explained that the Authority had spent approximately \$12.2 million on SuperStorm Sandy rehabilitation and has collected approximately \$11.5 million of these funds from insurance carriers and FEMA. The Authority continues to work with FEMA to receive the remainder of the funds that it is due.

Next, Warren Ruppel, the partner in charge of the Authority's year-end fiscal audit for Marks, Paneth, presented the auditors' required communication letters to the Members regarding its certified opinion of the financial statements for the fiscal year ended October 31, 2014, including letters on internal controls and investments. Mr. Ruppel noted that the presentation includes a draft report on internal controls, technology recommendations, draft financial statements and a draft report on compliance. There were no adjusting journal entries or major internal control deficiencies reported by Mr. Ruppel.

Mr. Ruppel explained the auditor's responsibilities, which include the completed audit with a few closing items, such as receipt of an updated representation letter, receipt of the general counsel's letter, and the acceptance of the financial statements by the Members. Mr. Ruppel concluded by noting that there is a requirement to discuss the significant estimates that are inherent in the financial statements. For the fiscal year-ended October 31, 2014 there were three: fair value of interest rate swap agreements, OPEB liability and expense and recoverability period of project assets.

Upon a motion made by Ms. Gallo and seconded by Mr. Capoccia, the following resolution was unanimously approved:

RESOLUTION OF THE MEMBERS REGARDING THE AUTHORITY' S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

BE IT RESOLVED, that the Members hereby accept the Audited Financial Statements for the Fiscal Year ended October 31, 2014 and be it further

RESOLVED, that the Members authorize the filing of the Audited Financial Statements, in the form presented to this meeting, with the required governmental entities and with the trustees under the Authority' s bond resolutions, and the posting of a copy of the Audited Financial Statements on the Public Authorities Report Information Systems and on the Authority' s website.

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The next item on the agenda was the M/WBE Report presented by Mr. Peterson.

Mr. Peterson updated the Members on the Authority and Conservancy's M/WBE numbers; for November and December 2014, he reported that 19% and 31% of the total expenditures, respectively, were paid to M/WBEs. This brought the Authority and the Conservancy to 21% for the third quarter, with the State's goal at 20%. Year to date, the Authority and Conservancy are at approximately 24.6% of total expenditures being paid to M/WBEs. Mr. Peterson added that beginning on April 1, 2015 the State's M/WBE goal is being increased to 30% participation.

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The next item on the agenda, presented by Mr. Serpico, was approval of the investment guidelines and investment report for the fiscal year ended October 31, 2014. These guidelines, including policies, procedures, internal controls, and the charter for the Investment Committee, are typically updated annually, Mr. Serpico explained. There were no additions to the guidelines this year. Steve Faber, of PFM, the Authority's investment advisory firm, then presented the review of our investment performance for 2014. There were no comments or questions.

Upon a motion made by Mr. Capoccia and seconded by Mr. Petracca, the following resolution was unanimously approved:

APPROVAL OF THE INVESTMENT REPORT AND GUIDELINES FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

BE IT RESOLVED, that the Investment Report and Guidelines of the Hugh L. Carey Battery Park City Authority (the "Authority") for the fiscal year ended October 31, 2014 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, directed to file said Investment Report (including the Guidelines) with the: (1) New York State Division of the Budget; (2) New York State Department of Audit and Control; the Chairman and ranking Minority Members of the (3) New York State Senate Finance Committee; and (4) New York State Assembly Ways and Means Committee, as required by Section 2925 of the Public Authorities Law, Public Authorities Accountability Act of 2005 and the New York State Comptroller's Regulation 2 NYCRR (Part 203); and be it further

RESOLVED, that the Assistant Corporate Secretary of the Authority be, and hereby is, directed to file said Investment Report (including the Guidelines) with the minutes of this meeting; and be it further

RESOLVED, that Investment Report and Guidelines be posted to the Authority's website and the NY State Public Authorities Reporting System; and be it further

RESOLVED, that any and all actions taken by any officer of the Authority in connection with the negotiation or preparation of such policies and procedures are hereby ratified, confirmed and approved.

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Mr. Branchini left the meeting at 10:18 a.m.

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The next item on the agenda, also presented by Mr. Serpico, was the approval of the prompt payment report and prompt payment policy for the fiscal year ended October 31, 2014.

Mr. Serpico began by stating that this policy has not changed in years. The policy requires the Authority to make its payments to vendors and contractors alike, in a prompt manner, and provides that there are penalties or interest charges if payments are not promptly made. The Authority did not make any payments of fees or interest charges relating to violations of the prompt payment policy. There were no comments or questions.

Upon a motion made by Mr. Capoccia and seconded by Ms. Gallo, the following resolution was unanimously approved:

APPROVAL OF THE PROMPT PAYMENT REPORT AND PROMPT PAYMENT POLICY FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

BE IT RESOLVED, that the Prompt Payment Report of the Authority for the fiscal year ended October 31, 2014 and the Prompt Payment Policy in the form presented to this meeting, be, and hereby are approved; and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, directed to file said Prompt Payment Report and Prompt Payment Policy with the (1) New York State Division of the Budget; (2) New York State Department of Audit and Control; the Chairman and ranking Minority Members of the (3) New York State Senate Finance Committee; and (4) New York State Assembly Ways and Means Committee, as required by Section 2880 of the Public Authorities Law; and be it further

RESOLVED, that the Assistant Corporate Secretary of the Authority be, and hereby is, directed to file the Prompt Payment Report and Prompt Payment Policy with the minutes of this meeting; and be it further

RESOLVED, that Prompt Payment Report and Prompt Payment Policy be posted to the Authority's website and the NY State Public Authorities Reporting System; and be it further

RESOLVED, that any and all actions taken by any officer of the Authority in connection with the preparation of such policies and procedures is hereby ratified, confirmed and approved.

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The next item on the agenda, presented by Mr. Jones, was the approval of the procurement guidelines and contract report for the fiscal year ended October 31, 2014.

Mr. Jones stated that the Public Authorities Law requires the Authority's Board to approve the Authority's procurement guidelines and procurement report. He noted that the guidelines are the same as those that had been approved last year with one minor refinement to the effective date provision at the end. He also mentioned that the focus on any revision of the procurement guidelines has been on the operational changes that can be made as a result of a review of processes and feedback from internal auditors on areas in which the Authority and the Conservancy can improve clarity, specify procedures, and automate and streamline operations. The procurement report provided, of the procurements over \$5,000, will be uploaded to PARIS and the Authority's website as part of the requirement, Mr. Jones said.

Upon a motion made by Ms. Gallo and seconded by Mr. Petracca, the following resolution was unanimously approved:

APPROVAL OF THE PROCUREMENT CONTRACTS REPORT FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014 AND THE PROCUREMENT GUIDELINES

BE IT RESOLVED, that the Procurement Contracts Report of the Authority for the fiscal year ended October 31, 2014 and the Procurement Guidelines in the form presented to this meeting, be, and hereby are approved; and be it further

RESOLVED, that the Chief Financial Officer of the Authority be, and hereby is, directed to file said Procurement Contracts Report and Procurement Guidelines, subject to such changes as the officer or officers filing the Procurement Contracts Report and Procurement Guidelines shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, with the New York State Division of the Budget and copies thereof with the New York State Department of Audit and Control, the Chairman and ranking Minority Member of the New York State Senate Finance Committee and the Chairman and ranking Minority Member of the New York State Assembly Ways and Means Committee, as required by Section 2879 of the Public Authorities Law; and be it further

RESOLVED, that any and all actions taken by any officer of the Authority in connection with the preparation of such policies and procedures is hereby ratified, confirmed and approved; and be it further

RESOLVED, that the Secretary of the Authority be, and hereby is, directed to file the Authority's Procurement Contracts Report and Guidelines with the Minutes of this meeting.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to amend the contract with Tectonic Engineering & Surveying Consultants, P.C. ("Tectonic") for the South (Liberty Street) Pedestrian Bridge.

Ms. Dawson stated that the Authority is in the process of completing the eastern extension of the Liberty Street Bridge. There have been a number of design changes over time in order to accommodate and coordinate with the Authority's partners, the Port Authority of New York and New Jersey and the New York State Department of Transportation. All of the parties anticipated that the remaining steel for the bridge would be delivered, and the project would be completed by the end of the 2014. However, Ms. Dawson explain, in November 2014 when the contractor was ready to load the steel for transport, several cracks were discovered in weld stiffeners, which, because of the critical nature of the structure of this bridge, had to undergo an extensive testing and repair procedure in order to be able to ensure the structural integrity of those welds.

Due to the necessary repairs, Ms. Dawson said, it is now anticipated that, should the welds pass all tests according to the approved procedure by the Authority's engineers, the project will be completed by the end of April. The contract for the Authority's construction manager, Tectonic, which was initially entered into in 2007 in the amount of \$162,479, needs to be extended and subsequently increased to account for the additional services that are required. This amendment request is for an extension of Tectonic's contract through April 30, 2015, and an increase in the contract value in the amount of \$277,800, to cover services through the end of the project.

Upon a motion made by Mr. Capoccia and seconded by Ms. Gallo, the following resolution was unanimously approved:

AUTHORIZATION TO AMEND THE CONTRACT WITH TECTONIC ENGINEERING & SURVEYING CONSULTANTS, P.C.

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President and Chief Operating Officer (the "President") of the Battery Park City Authority (the "Authority") or her/his designee(s) be, and each of them hereby is, authorized to enter into an amendment (the "Amendment") to the agreement with Tectonic Engineering & Surveying Consultants, P.C. for construction management services in connection with the South (Liberty Street) Pedestrian Bridge to (1) increase the contract amount by \$277,800 to a new total not-to-exceed value of \$743,339 and (2) extend the contract term through April 30, 2015; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amendment on behalf of the Authority, subject to such changes as the officer or officers executing the Amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Amendment; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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Mr. Petracca made a motion to enter Executive Session to discuss matters pertaining to litigation, which was seconded by Ms. Gallo. The Members entered Executive Session at 10:32 a.m.

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The Members exited Executive Session at 10:52 a.m. and resumed the public meeting.

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There being no further business, upon a motion made by Mr. Petracca and seconded by Mr. Capoccia, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 10:56 a.m.

Respectfully submitted,


Lauren Brugess
Assistant Corporate Secretary

Attachment A

STATEMENT OF CHAIRMAN DENNIS MEHIEL

Subject: Statement of Non-Affiliation with IGY

Date: January 22, 2014

- I have never, nor has any company or entity controlled or owned by me, made any personal investment in IGY.
- Apart from the Helios' using marina services, I have never, nor has any company or entity controlled or owned by me, entered into business transaction with IGY.
- I do not, nor does any company or entity controlled or owned by me, have any financial interest, either direct or indirect, in IGY.
- I have never acted in any kind of advisory role to IGY.
- I am not a member of any IGY club or affiliation.
- Other than incidental services and fuel, and other types of marina services, I have not made any purchases with or through IGY.
- The rates that IGY has charged me for its services were equivalent to the rates it charged other IGY customers for the same or similar services.
- IGY plays no role in locating potential renters for my yacht.
- I have no plans to use North Cove Marina facilities if IGY wins the bid.