

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
October 22, 2014

Members Present

Dennis Mehiel, Chairman/CEO
Frank Branchini, Member
Donald Capoccia, Member
Martha Gallo, Member

Authority Staff in Attendance: Shari Hyman, President/COO
Lauren Brugess, Legal Executive Assistant/Assistant Corporate Secretary
Dan Curiale, Director of Financial Reporting
Gwen Dawson, Vice President, Real Property
Robin Forst, Vice President, External Affairs
Luis Garcia, Assistant Treasurer
Benjamin Jones, Vice President, Administration
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

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy Corporation
Faust N. Bowerman, Esq., Hawkins Delafield & Wood LLP
Therese Loeb Kreuzer, Downtown Express
Amanda Woods, Tribeca Trib
Dusica Sue Malesevic, Downtown Express

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 September 23, 2014 meeting. Upon a motion made by Ms. Gallo and seconded by Mr. Branchini, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE SEPTEMBER 23, 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 September 23, 2014 are hereby approved.

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The next item on the agenda was the M/WBE Report for the second quarter of the State's 2014 fiscal year, which runs from July 1 – September 30, presented by Mr. Peterson. For this time period, approximately 26% of the Authority's and the Conservancy's expenditures were paid to M/WBE firms. For the month of September 2014, 34% of the Authority's and the Conservancy's expenditures were paid to M/WBE firms. The Chairman noted that we continue to exceed New York State requirements.

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The next item on the agenda, presented by Mr. Serpico, was the approval of the budget for fiscal year ending October 31, 2015.

Ms. Hyman thanked Bob Serpico and his team, Karl Koenig, Daniel Curiale and Luis Garcia for their work, and noted that the budget presented looks "...very neat and streamlined, but this process takes several months of meeting and patience ..., and as a result, it looks really good and we are very proud of it, but I do think that we should acknowledge what the team goes through ... when we go through this process annually."

The Chairman also commended Mr. Serpico and his staff stating, "...The one area of operation of the Authority where we have not had a problem, not had a misstep, never had a number we didn't understand, never had a dollar that was questioned, is the operation managed by our Chief Financial Officer."

Ms. Hyman commenced the budget presentation by stating that the Authority's fiscal year 2014 expenditures were lower than the fiscal year 2014 budget by approximately \$500,000. She noted that the Authority paid less for outside counsel than was anticipated, and the Authority's insurance costs decreased significantly, largely due to competitively getting quotes on the overall insurance package. The Authority's estimated excess revenues for fiscal year 2014 are higher than expected, totaling approximately \$163 million. Because the Authority has continued to exceed projections for these excess revenues, it is of schedule on paying the City under the 2010 Settlement Agreement.

After Ms. Hyman turned the presentation over to Mr. Serpico, he thanked the Chairman and Ms. Hyman and acknowledged his staff for their work in preparing the budget. He gave a brief report of the estimated financial projections for fiscal year 2014 and discussed the proposed budget for fiscal year 2015. He explained that total receipts for fiscal year 2014 exceed projected excess receipts by approximately \$17 million and with the favorable variances in both debt service and operating expenditures, the Authority's total excess revenues exceeded projected excess revenues by approximately \$19 million. In addition, approximately \$2 million will be added to fiscal year 2014 excess revenues from the Special Fund per the Pier A Plaza Agreement and Consent, which was not included in the fiscal year 2014 budget.

Mr Serpico explained the fiscal year 2014-2015 year over year changes to the budget, including fiscal year 2015 total budgeted receipts of \$250.6 million (\$9.2 million higher than fiscal year 2014), debt service expense at \$63 million (\$2 million lower than the previous fiscal year) and an operating expense budget of \$28 million (the lowest expense budget in the last 12 years). The fiscal year 2015 budget would yield an estimated \$153.4 in excess revenues.

Mr. Serpico concluded the budget presentation by discussing the Authority's capital budget. He noted that last year's aggressive budget was \$51 million of which approximately \$12.7 million was spent and that the proposed FY 15 budget the Authority has an equally aggressive capital budget of \$57 million.

Ms. Dawson then described the projects that are in progress, those that are just commencing or are in the procurement phase, and in addition to these projects, which we will carry on until completion through the 2015 fiscal year, several new projects are being added for the fiscal year 2015 capital plan.

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

APPROVAL OF AUTHORITY BUDGET FOR FISCAL YEAR ENDING OCTOBER 31, 2015

BE IT RESOLVED, that the budget of the Authority for the fiscal year ending October 31, 2015, substantially in the form presented to this meeting be, and hereby is, approved and ordered filed with the records of the Authority; and be it further

RESOLVED, that the Chief Financial Officer of the Authority or his designee(s) be, and each of them hereby is, directed to file said budget and related information with all parties as required pursuant to all outstanding bond resolutions, agreements and requirements of law.

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The next item on the agenda, presented by Ms. Pustilnik, was an authorization to maintain governance and control of the Battery Park City Parks Conservancy Corporation.

Ms. Pustilnik began by stating that the Authority wants to ensure the most favorable tax treatment possible for the Conservancy's retirees. With the help of outside counsel, Hawkins Delafield & Wood, LLP, she explained that the Authority will petition the State in order to obtain a ruling that affirms all Conservancy employees are also employees of the State.

The Authority has been advised that if the Board, by resolution, makes a statement that we intend, going forward, to always be the sole member of the Conservancy and intend to operate it, this will assist us in getting that determination. In the documents that were drafted when the Conservancy was created, other possibilities were mentioned and we just want to close that loophole, she said.

Ms. Pustilnik concluded that there is not a guarantee that the State will act in the way that we hope that it will, but we believe that it will very much help in getting a favorable ruling.

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

AUTHORIZATION TO MAINTAIN GOVERNANCE AND CONTROL OF THE BATTERY PARK CITY PARKS CONSERVANCY CORPORATION (THE "CONSERVANCY")

BE IT RESOLVED, that the Battery Park City Authority will maintain sole, complete and full governance and control of the board of directors of the Conservancy and will maintain sole, complete and full ability to set policies or determine courses of conduct for the Conservancy' s activities; 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 documents and to take all such other and further actions as may be necessary, desirable or appropriate in connection with the actions contemplated in the foregoing resolution, 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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Ms. Gallo made a motion to enter Executive Session to discuss matters pertaining to litigation, which was seconded by Mr. Branchini. The Members entered Executive Session at 10:00 a.m.

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The Members exited Executive Session at 10:45 a.m. and resumed the public meeting.

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There being no further business, upon a motion by Ms. Gallo and seconded by Mr. Branchini, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 10:45 a.m.

Respectfully submitted,


Lauren Brugess
Assistant Corporate Secretary