

HUGH L. CAREY BATTERY PARK CITY AUTHORITY  
Meeting of the Members  
One World Financial Center, 24<sup>th</sup> Floor  
New York, NY 10281  
February 18, 2014

Members Present

Dennis Mehiel, Chairman/CEO  
Frank Branchini, Member  
Martha Gallo, Member  
Lester Petracca, Member

Authority Staff in Attendance: Shari Hyman, President/COO  
Lauren Brugess, Legal Executive Assistant  
Gwen Dawson, Vice President, Real Property  
Robin Forst, Vice President, External Affairs  
Nancy S. Harvey, Senior Counsel/Assistant Corporate Secretary  
Karl Koenig, Controller  
Kevin McCabe, Special Assistant to the Chairman/CEO  
Brenda McIntyre, Vice President, Human Resources  
Robert M. Serpico, Chief Financial Officer  
Seema Singh, Deputy General Counsel/Assistant Corporate Secretary  
Kirk Swanson, Vice President, Administration  
Alexis Torres, Special Advisor to the President

Others in Attendance: Betty Chin, Battery Park City Parks Conservancy  
Ray Broek, WithumSmith+Brown  
Anupam Goradia, WithumSmith+Brown  
Al Sica, ALS Group  
Aline Reynolds, Tribeca Trib  
Therese Loeb Kreuzer, Downtown Express  
Sam Spokony, Downtown Express

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:13 a.m.

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The first matter addressed by Mr. Mehiel was the nomination of Mr. Capoccia as Vice Chairman of the Board. Upon a motion made by Ms. Gallo and seconded by Mr. Branchini, Mr. Capoccia was elected as Vice Chairman of the Board.

Next, Mr. Mehiel asked Mr. Petracca to serve as Chair of the Investment Committee and a Member of the Governance Committee. Mr. Capoccia was also designated as Chair of the Governance Committee. Mr. Mehiel requested that the official February 2014 minutes of the Authority contain the committee designations, which are listed below.

Governance Committee:

Donald A. Capoccia, Chair  
Lester Petracca  
Fernando A. Mateo

Investment Committee:

Lester Petracca, Chair  
Fernando A. Mateo  
Martha Gallo

Audit and Finance Committee:

Martha Gallo, Chair  
Frank J. Branchini  
Donald A. Capoccia

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Prior to approval of the minutes of the January 28, 2014 meeting, Mr. Mehiel inquired about Mr. Capoccia’s review of the change orders for the Authority’s contracts with ACS System Associates, Inc. (“ACS”) and D’Onofrio General Contractors Corp. (“D’Onofrio”), relating to Pier A and Pier A Plaza, respectively. Mr. Capoccia confirmed his review and approval of the change orders. As a result of Mr. Capoccia’s review and approval, it was not necessary to amend the resolutions that were approved at the January 28, 2014 Members’ meeting authorizing the amendment of each of the ACS and D’Onofrio contracts.

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

**APPROVAL OF MINUTES OF THE JANUARY 28, 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 January 28, 2014 are hereby approved.

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The next item on the agenda was the authorization to execute a contract with Deborah Bradley Construction & Management Services, Inc. for the Wagner Park Public Restrooms Renovation and Construction Services Project, presented by Gwen Dawson. This matter was deferred at the January 28, 2014 meeting pending review of the scope and design of the project by Mr. Capoccia and Mr. Petracca. Mr. Capoccia stated that there was an additional review that he would like to perform prior to full approval.

As a result of the ongoing review by the Members, Mr. Mehiel suggested that the Members approve this project with a cap on costs, with a ten percent (10%) contingency reserve, pending Mr. Capoccia’s final report. Mr. Mehiel stated that the project is already two to three weeks behind the original schedule, and further review might result in the existing bathrooms remaining for another summer.

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

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH DEBORAH BRADLEY CONSTRUCTION & MANAGEMENT SERVICES, INC. FOR THE WAGNER PARK PUBLIC RESTROOMS RENOVATION AND CONSTRUCTION SERVICES**

BE IT RESOLVED, that the 2014 Capital Budget is hereby amended to eliminate the River Terrace Crosswalk project and to reallocate certain funds from that project's budget allocation to the Wagner Park Public Restrooms Renovation and Construction; 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 enter into a contract with Deborah Bradley Construction & Management Services, Inc. for the Wagner Park Public Restrooms Renovation and Construction Services in the not-to-exceed amount of \$926,142.00 plus a ten percent (10%) contingency reserve, 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 contract on behalf of the Authority, subject to such changes as the officer or officers executing the contract 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 contract; 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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The next item on the agenda was the appointment, ratification and confirmation of the Vice President, Administration, presented by the Chairman. There was no further discussion on this matter.

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

**APPOINTMENT OF VICE PRESIDENT, ADMINISTRATION OF THE BATTERY PARK CITY AUTHORITY (THE "AUTHORITY")**

BE IT RESOLVED, that pursuant to Article II, Section 10 of the Authority's Bylaws, the following person is hereby appointed to the office indicated next to his name to serve until his successor shall be duly elected, unless he resigns, is removed from office or is otherwise disqualified from serving as an officer of the Authority, and that he took such office on November 19, 2013:

Vice President, Administration... ..Kirk Swanson

and be it further

RESOLVED THAT Kirk Swanson shall, and is hereby authorized to, do all the acts, deeds and things which are necessary, desirable, appropriate and attendant to performing the duties for the aforesaid appointments; and be it further

RESOLVED THAT any actions taken as may be necessary, desirable or appropriate, in connection with the duties contemplated in the foregoing resolutions, and any further actions taken prior to the date hereof are hereby ratified, confirmed and approved.

This resolution shall take effect immediately and shall be filed in the Authority's official corporate records.

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The next item on the agenda was a presentation by Withum Smith+Brown ("Withum") of two audits relating to Project #1.6 – Roles and Responsibilities of the Internal Control Officer ("Project #1.6"), and Project #3.4 – Contracting For Services: Contract Approval Process, Change Order Process, and Contract Monitoring Process ("Project #3.4").

Mr. Swanson explained that Project #1.6 related to the roles and responsibility of the internal controls officer, and that Project #3.4 was an in-depth audit of the Authority's contracting approval and monitoring process. Then, Mr. Swanson introduced Ray Broek and Anupam Goradia. Mr. Broek explained that the first audit regarding the internal controls officer entailed doing some research to find out what state guidelines might be, what other entities are doing and provided a document indicating that the role of the internal controls officer includes items, such as coordinating with internal audit, coordinating with external audit, and coordinating with the finance committee.

Mr. Broek explained Project #3.4, a detailed internal audit of contracting services, was meant to address the risks of fraud and higher costs due to non-compliance with the competitive bidding process. Withum conducted interviews with 9 employees and reviewed the Authority's contracting process, including documentation and a step by step review of sample transactions to understand what exactly was being done and what controls exist. The firm then developed a test, or a number of tests for a sample of new contracts for the period of April through September 1, 2013.

As a result of this audit, Withum identified a need for a better process to ensure that insurance and other contractual requirements are being monitored on a regular basis. Mr. Broek stated that Management had reported back that it was in the process of putting together a more detailed monitoring process and expected to have it in place by March 2014.

Mr. Broek stated that the conclusion was sampled contracts, change orders and amendments are being reviewed and approved in accordance with the procurement guidelines that were established by Mr. Swanson. He also stated that the sampled contracts, change orders and amendments are being properly reflected in the Great Plains accounting system, and that more formal procedures for the monitoring of contracts, with respect to the contractual requirements, such as insurance do need to be established and improved.

Mr. Broek stated that there were a number of observations and recommendations related to efficiency, such as forms that were somewhat redundant which he recommended be reduced and the number of approvals that were required in many cases could be reduced as well. In addition, recommendations were made regarding controls and procedures occurring, but not always fully

documented be done in a more formal manner.

Mr. Mehiel suggested that Ms. Swanson work with Ms. Hyman on these recommendations. There was no action taken on the audits.

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Ms. Gallo made a motion to enter Executive Session to discuss matters pertaining to personnel and litigation. The Members entered Executive Session at 10:43 a.m.

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The Members exited Executive Session at 11:48 a.m. and resumed the public meeting.

During Executive Session, Mr. Koenig presented the Discretionary Spending Policy follow-up, as requested by the Members. As a result of the presentation, Mr. Mehiel asked for approval of the following resolution.

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

**ADOPTION OF AMENDMENTS TO THE POLICY GOVERNING THE USE OF DISCRETIONARY FUNDS AND CERTAIN OTHER ORGANIZATION PROPERTY**

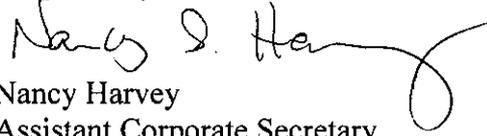
BE IT RESOLVED, that the Members of the Battery Park City Authority (the "Authority") hereby approve amendments to the Use of Discretionary Funds and Certain Other Organization Property Policy (the "Policy") allowing the payment of professional dues, license fees, continuing education and/or accreditation classes and courses for employees as are necessary for the performance of such employee's duties as required by the Authority; and be it further

RESOLVED, that the President and Chief Operating Officer 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 adoption of the Policy, and any such further actions heretofore taken with respect to the Policy are hereby ratified and approved.

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There being no further business, upon a motion by Ms. Gallo and seconded by Mr. Petracca, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 11:49 a.m.

Respectfully submitted,



Nancy Harvey  
Assistant Corporate Secretary