

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
January 26, 2022

Members Present

Martha Gallo, Vice Chair
Lou Bevilacqua, Member
Donald Capoccia, Member
Lester Petracca, Member
Catherine McVay Hughes, Member

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer
Marie Baptiste, Deputy Treasurer
Brett Beecham, Associate General Counsel
Gwen Dawson, Vice President, Real Property
Claudia Filomena, Director of Capital Projects (via phone)
Pamela Frederick, Chief Financial Officer/Treasurer
Abigail Goldenberg, General Counsel
Craig Hudon, Vice President of Parks Programming (via phone)
Karl Koenig, Controller (via phone)
Kevin McCabe, Chief Resilience Officer (via phone)
Franco Morizio, Asst. Vice President, Construction & Site Mgmt. (via phone)
Eric Munson, Chief Operating Officer
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Jahmeliah Nathan, Vice President of Administration
Jason Rachnowitz, Director of Financial Reporting
Nicholas Sbordone, Vice President of Communications and Public Affairs
Alexis Torres, Chief of Staff (via phone)

Others in Attendance: Bret Collazzi, HR&A Advisors
Jonathan Meyers, HR&A Advisors
John Morgan, HR&A Advisors
Astha Puri, HR&A Advisors
Carl Weisbrod, HR&A Advisors
Warren Ruppel, Marks Paneth
Steve Faber, PFM Asset Management

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 2:03 pm. All participants attended the meeting via videoconference or via telephone.

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The first item on the agenda was a request for approval of the minutes of the December 15, 2021 meeting. Upon a motion made by Ms. McVay Hughes and seconded by Mr. Petracca, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE DECEMBER 15, 2021 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 15, 2021, are hereby approved.

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Next, there was one presentation during the period of public comment.

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Ms. Frederick then provided the Members with an update from the Investment Committee, which met for its quarterly meeting on January 24th. Attending the meeting were the Chairman, Lester Petracca, and members Catherine McVay Hughes and Martha Gallo. Ms. Frederick reported that the Authority's investment advisors, PFM Asset Management represented by Steve Faber and Bob Cheddar, and Ramirez Asset Management represented by Jim Hadden and Lou Sarno, provided a review of the the investment performance for the fiscal year ended October 31, 2021, and a summary of market conditions since November 1, 2021, including the expectation of the rise in interest rates due to anticipated Fed actions. The report concluded that, at the end of the fiscal year, the Authority held \$462 million at fair value in investment assets consisting primarily of U.S. Treasuries, about 88%, as well as \$38 million in cash, and met all conditions of the Investment Guidelines. The Committee voted unanimously to recommend to the Board approval of the Investment Guidelines and report for fiscal year ended October 31, 2021, and to recommend filing the Investment Guidelines and report with the required government entities, as well as posting them on PARIS and the Authority's website.

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Ms. Frederick then provided the Members with an update from the Audit Committee, which met January 25th to review the annual audit presentation, including the financial statements as presented by Hope Goldstein, the lead partner with Marks Paneth, the Authority's independent auditor, and Hassan Khan, the lead partner heading the technology audit. Attending were the Committee members, Martha Gallo and Lester Petracca. Discussion points included noting there were no findings by Marks Paneth and there was no significant change in accounting principles except for the accounting firm leases associated with GASB 87, which would be implemented in April 2022. There was a clarification that OPEB expenses are offset by the assets held by the Authority. Also there was a discussion of the Conservancy status, which will be reviewed at a later meeting. And there was verification that all legal and swap confirmations had been received by Marks Paneth, and nothing remains outstanding. The Committee voted unanimously to recommend to the Board to accept the approved Audited Financial Statements for fiscal year ended October 31, 2021, to recommend filing of the statement with the required government entities, and to post the statement on PARIS and the Authority's website.

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The next item on the agenda was the M/WBE Utilization Report presented by Ms. Nathan.

Ms. Nathan reported that for the month of December 2021, 34.53 percent of the Authority's total qualifying expenditure of approximately \$1.6 million was paid to M/WBEs, and referred the Members to their Board materials to see a breakdown of that total by contracts awarded to Minority or Women-owned business, and as either prime or subcontractors.

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The next item on the agenda was an update on the Authority's resiliency projects by Mr. Jones.

Mr. Jones began with noting that last month the installation of the flood walls around the perimeter of the ball fields and Community Center, our first resiliency initiative, was completed and a flood test was successfully performed on the system. Our team received training on the few deployable elements for the system. The remainder of the walkway was being finalized, after which the remaining fencing along West Street will come down.

On the South Battery Park City resiliency front, he mentioned that work continued on the draft Environmental Impact Statement along with our design and engineering, and RFPs were being prepared for the Museum of Jewish Heritage and Wagner Park components for February. He also mentioned we were actively engaged with City OMB on the capital approvals that were needed for that phase and looked forward to finalizing that soon.

On the Northwest Battery Park City resiliency front, the short list of vendors to issue the RFP for the progressive design/build was selected and would result in robust proposals with recommendations for alignment and design aspects of the Northwest system. Those proposals would be in and ready to take to the Board in June.

Then, on the sustainability front, he highlighted the record setting year the Authority had for compost in Battery Park City. Mr. Jones reported having the pleasure of seeing the results of our dog waste compost pilot project that morning, with the compost successfully being placed on the medians bordering Battery Park City. He mentioned that its use was another feather in our cap with our sustainability plan. And in just a few weeks we'll be finalizing our Climate Action Plan, which will also give us more details on how to achieve our plans for a carbon neutral Battery Park City, so we'll be presenting that at a future date to the Members.

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The next item on the agenda, presented by Ms. Frederick, was approval of the Investment Report & Guidelines for Fiscal Year Ended October 31, 2021. Steve Faber of PFM Asset Management was available to answer any questions. There was no further discussion on this item.

Upon a motion made by Mr. Bevilacqua and seconded by Ms. McVay Hughes, the following resolutions were unanimously adopted:

APPROVAL OF THE INVESTMENT GUIDELINES & REPORT FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021

BE IT RESOLVED, that the Investment Guidelines & Report of the Hugh L. Carey Battery Park City Authority (the "Authority") for the fiscal year ended October 31, 2021 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Chief Financial Officer and Treasurer of the Authority be, and hereby is, directed to file said Investment Guidelines and Report with the: (1) NYS Division of the Budget; (2) NYS 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 Investment Guidelines & Report be posted on the NY State Public Authorities Reporting System (PARIS) and the Authority's website; and be it further

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

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

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The next item on the agenda, presented by Mr. Munson, was approval of the proposed 2022 procurement guidelines and 2021 procurement report.

Mr. Munson explained that the next item was the guidelines that govern the Authority's procurement activities, as well as a report of the past fiscal year's procurement activities. He noted this was a New York State Public Authorities law requirement which was presented for approval each year. With the volume and the pace of our work continuing to increase, Mr. Munson reported, the Procurement Department had been working diligently to modernize the Authority's practices to ensure that we can both maintain a fair open and competitive process in line with laws and best practices, while also keeping pace with our aggressive procurement schedules and project schedules. Some notable changes to the Procurement Guidelines were as follows: enabling the Authority to accept electronic submissions of bids, there was now a standardized form rather than a free form approval memo to justify and document procurements valued less than \$50,000, ensuring the General Counsel review of procurements valued at greater than \$50,000.00 or the ones that require Board approval, the process by which evaluation committees are developed was refined, and it references a corpus of new standard operating procedures for a procurement. There were also some additional drafting changes made for clarity purposes. He then took time to recognize the Procurement, Diversity and Legal Departments for their ongoing efforts to improve these processes.

Upon a motion made by Mr. Petracca and seconded by Ms. McVay Hughes, the following resolutions were unanimously adopted:

APPROVAL OF PROCUREMENT GUIDELINES AND PROCUREMENT REPORT

BE IT RESOLVED, that the 2022 Procurement Guidelines and the Procurement Report for the fiscal year ended October 31, 2021, in the form presented at 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 Guidelines and Procurement Report, subject to such changes as the officer or officers filing the Procurement Guidelines or Procurement Report 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 Assistant Corporate Secretary of the Authority be, and hereby is, directed to file the Authority's Procurement Guidelines and Procurement Report with the Minutes of this meeting.

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The next item on the agenda, presented by Ms. Frederick, was the acceptance of the Audited Financial Statements for FY21 and authorization to file on PARIS.

Warren Ruppel, from Marks Paneth, mentioned the fact that the financial statements were consistent in terms of accounting principles from year to year. He noted that as auditors they look at some of the significant estimates that are inherent in financials and they did not have any significant changes that would be recommended to the financial statement. He assured they were comfortable in issuing their report in the next couple of days to meet the January 31st filing deadline.

Upon a motion made by Mr. Bevilacqua and seconded by Mr. Petracca, the following resolutions were unanimously adopted:

RESOLUTION OF THE MEMBERS REGARDING THE AUTHORITY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021

BE IT RESOLVED, that the Members hereby accept the Audited Financial Statements for the Fiscal Year ended October 31, 2021 and be it further

RESOLVED, that the Members authorize the filing of the Audited Financial Statements, substantially in the form presented at 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 System ("PARIS") and on the Authority's website.

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The next item on the agenda, presented by Ms. Frederick, was the approval of prompt payment report and prompt payment policy for Fiscal Year Ended October 31, 2021.

Ms. Frederick stated this was an annual requirement of the Public Authorities law and the only change this year was the identification by the Authority of 19 payments that were made in excess of 30 days after receipt of a proper invoice by the Finance Department. These 19 invoices from 2021, compared to the 32 that were identified in 2020, resulted in the Authority owing \$6,058.00 in interest, compared to \$9,751.00 being owed in 2020. She added that these invoices were delayed in processing principally awaiting Department approval. Ms. Frederick then recommended approval of the Prompt Pay Policy and the Prompt Pay report fiscal year end October 31, 2021, and the authorization to file with the required government entities and to post it on PARIS as well as the Authority's website.

Upon a motion made by Mr. Petracca and seconded by Mr. Bevilacqua, the following resolutions were unanimously adopted:

APPROVAL OF THE PROMPT PAYMENT REPORT AND PROMPT PAYMENT POLICY FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021

BE IT RESOLVED, that the Prompt Payment Report of the Authority for the fiscal year ended October 31, 2021 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 Ms. Dawson, was an authorization to amend the contract with AECOM USA, Inc. ("AECOM") for the South Battery Park City Resiliency Project.

Ms. Dawson explained this was the second part of a two-part amendment to AECOM's contract for the design and engineering for the South Battery Park City resiliency project. In November, the Members approved an extension of the contract from August 22, 2021 through March 31, 2025 in recognition of the evolution and complexity of the design of the project, and the projected duration of construction portion. In addition, the Board also approved some additional scope elements that needed to be added to the services and extended the term. Board member Mr. Capoccia volunteered to work with Ms. Dawson in reviewing in advance of the next Board meeting, the remaining components of that amendment. In summary, the rate increase being proposed was an annual set of rate increases for the remaining term of the contract as that contract may be further extended in the future if necessary. The initial year of the contract extension is proposed to include an across-the-board billing rate increase of 5%. Ms. Dawson reminded the Members that AECOM's billing rates had remained static for the initial three years of the contract. The amount of the initial year's rate increase was the subject of some extended negotiation with AECOM, which had originally proposed a higher rate of increase. Ms. Dawson believed the 5% increase for the initial year was a fair reflection of current conditions and recognition of price increases reflected in the CPI Index for New York City. Thereafter, on the anniversary dates of the extended term of the contract, the proposed rate increases would be the lesser of 3% or the then-effective CPI Index rate increase for New York City, Newark, and Jersey City. So that formula would apply to any services performed after the first year of the extended term of the contract.

In addition to the rate increase, she continued, some additional scope increases were necessary to reflect the added complexity of the project. Those were detailed in the Board materials but she stated the most significant increase was for extended and expanded construction administration services. The project was set to commence this summer with the expectation to have multiple contractors and multiple packages in play on site concurrently. It would require a lot more construction administration services than what was originally anticipated. The net increase for the contract amendment was \$2,896,673.94.

Mr. Capoccia then added some discussion to clarify the request being made.

Upon a motion made by Mr. Petracca and seconded by Mr. Capoccia, the following resolutions were unanimously adopted:

AUTHORIZATION TO AMEND THE AGREEMENT WITH AECOM (THE “AECOM CONTRACT”) TO PROVIDE DESIGN & ENGINEERING SERVICES FOR THE SOUTH BATTERY PARK CITY RESILIENCY PROJECT

BE IT RESOLVED, that in accordance with the materials submitted at this Board meeting, the President and Chief Executive Officer (the “President”) of the Battery Park City Authority (the “Authority”) or his/her designee(s) be, and each of them hereby is, authorized and empowered to amend the AECOM Contract to add the additional services as referenced in the associated Memorandum, and to increase the value of said Contract by the not-to-exceed amount of \$2,896,673.94, resulting in a new not-to-exceed total of \$17,426,330.79 (the “Amendment”); and, be it further,

RESOLVED, that the President or his/her designee(s), 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 or his/her 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, which was seconded by Mr. Capoccia, to discuss the negotiations related to the lease of real property, the publicity of which could substantially affect the value of the relevant properties. The Members entered Executive Session at 2:40 p.m.

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The Members exited Executive Session at 4:50 p.m.

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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 4:50 p.m.

Respectfully submitted,



Lauren Murtha

Assistant Corporate Secretary

Public Comment
January 26, 2022

1. **Mr. Pat Smith, President of the Battery Park City Homeowner's Coalition**: Good afternoon, members of the Battery Park City Authority Board of Directors. On behalf of the thousands of homeowners we represent, the Battery Park City Homeowners Coalition wishes you a healthy, emphasize healthy, and prosperous New Year.

Because of the BPCA leadership situation, there has been no meaningful ground rent discussion between the BPCA and the Coalition in three months. We are hopeful this situation can be resolved quickly.

Again, the Coalition urges the BPCA to reach a permanent, global settlement with the 18 condo buildings before you go to market with the next bond issue.

We have invited President Jones and/or some member of this Board to address Battery Park City residents at a town hall meeting some evening before March 1. It is important that residents – your constituents – hear from you directly, especially during this time of transition and uncertainty.

Thanks for your time and consideration in this matter.