

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
September 18, 2018

Members Present

George Tsunis, Chairman
Louis Bevilacqua, Member
Donald Capoccia, Member
Martha Gallo, Memeber
Anthony Kendall, Member
Catherine McVay Hughes, Member
Lester Petracca, Member

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer
Debbie Addison, Director of Project Management & Planning
Sharmila Baichu, Vice President of Human Resources
Brett Beecham, Associate General Counsel
Anthony Buquicchio, Senior Project Manager
Marie Cornielle, Deputy Treasurer
Gwen Dawson, Vice President, Real Property
Abby Ehrlich, Director of Community Partnerships and Engagement
Pamela Frederick, Chief Financial Officer/Treasurer
James Gallagher, Assistant General Counsel
Joseph Ganci, Design Director
Abigail Goldenberg, General Counsel
Nimisha Haribaran, Executive Assistant/Contract Manager
Craig Hudon, Director of Parks Programming
Susie Kim, Deputy General Counsel
Karl Koenig, Controller
Eric Munson, Vice President of Administration & Strategic Planning
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Robert Nesmith, Chief Contracting Officer
Anthony Peterson, Director of Diversity Programs
Bruno Pomponio, Director of Parks Operations
Jason Rachnowitz, Director of Financial Reporting
Jose Rosado, Director of Site and Property Management
Nicholas Sbordone, Director of Communications and Public Affairs
Nicole Stallworth, Associate General Counsel
Markus Szejnberg, Special Counsel
Alexis Torres, Chief of Staff
Ryan Torres, Associate Director of Parks Operations
Kenneth Windman, Director of Facilities & Infrastructure Management

Others in Attendance: Samantha Plunkett, PFM Asset Management
Bob Cheddar, PFM Asset Management
Jim Haddon, Ramirez Asset Management
Ira Isaguirre, Ramirez Asset Management

Lou Sarno, Ramirez Asset Management
BPCA Interns
Various Members of the Public

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:49 a.m.

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The first item on the agenda was the approval of the minutes of the August 28, 2018 meeting. Upon a motion made by Mr. Capoccia and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE AUGUST 28, 2018 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on August 28, 2018 are hereby approved.

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There was one individual who presented comments during the period of public comment.

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The next item on the agenda was the Resiliency Update presented by Mr. Jones.

Mr. Jones began reporting on the summary of the Authority's resiliency efforts to date included in the Members' materials. He mentioned the current hurricane season and our efforts since hurricane Sandy to restore the ballfields by making them more resilient, as well as rehabilitating Pier A incorporating resiliency elements, and undergoing some other infrastructure upgrades relating to lighting, the electrical vaults at the police memorial, and a few others. An infrastructure study was also conducted, he noted, to assess the neighborhood's vulnerabilities in light of a storm surge and climate change. He explained BPCA is now in the next phase of its efforts for implementing resiliency measures, namely by the execution of contracts with AECOM for the southern end of Battery Park City and with STV for the ballfields.

Mr. Jones explained we have continued to engage with the city on our capital plan, which has a substantive resiliency component, and have gotten good feedback from both the city and the Office of Recovery and Resiliency and would like to have the capital plan approved by the city before the end of 2018. The new resiliency teams from AECOM and STV will attend the next town hall open community meeting to introduce themselves to the community. Mr. Jones stated that Ms. Dawson would be talking about the project schedule at this meeting, namely the community input components, which are an important part of these projects, and to ensure that we get feedback from the residents and other stakeholders, which is expected to begin by the end of October or early November, at the outset of these initiatives.

Both Ms. McVay Hughes and Mr. Jones wanted to include for the record that residents are encouraged to sign up for Notify NYC for all the city emergency communications, that the hurricane evacuation center is located at 100 Hester Street (between Forsyth Street and Eldridge Street, and

storm preparation guidance is available from the Office of Emergency Management. Mr. Jones also stated that the Authority works closely and coordinates with NYC Office of Emergency Management, NYPD, FDNY, Port Authority, various elected officials, the ferry terminal and local schools and daycares.

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The next item on the agenda, presented by Ms. Frederick, was the review of the Investment Performance report for the quarter ended July 31, 2018.

Ms. Frederick stated that the Investment Committee, chaired by Lester Petracca, met earlier and reviewed the report in detail. She then introduced our investment advisors, who also presented at the earlier meeting, PFM Asset Management Bob Cheddar and Samantha Plunkett and Ira Isaguirre and Bob Cheddar from Ramirez. They provided an overview of the investment report.

Mr. Cheddar gave a quick overview of the investment portfolio noting the Authority's portfolio is invested in high quality securities as mandated by Section 98(a) and is comprised of treasury securities, agency securities, municipal issuers, as well as some commercial paper issuers. He stated it is in compliance as of the end of the quarter. He then talked briefly about the marketplace, their strategy, and how it may impact the portfolio moving forward. Mr. Cheddar explained they have focused their strategy and positioning of the portfolio over the past several month on the Federal Reserve. He explained they increased rates in June and they are expected to increase rates again in September and then again in December. He states GDP growth will likely remain robust, the labor market continues to perform well, the unemployment rate is below 4% and there are signs of wage growth which could lead to inflationary pressures down the road which Mr. Cheddar thinks is one of the reasons the Federal Reserve is continuing to increase rates. Mr. Cheddar noted that PFM manages several portfolios along with Ramirez on behalf of the Authority and many of those portfolios are short term in nature. The primary objective is to make sure there is necessary liquidity for the Authority's operations and needs, he said, but beyond that we looked very closely at what the Federal Reserve may do and position portfolios accordingly.

Mr. Cheddar discussed the overview of the portfolios and they have performed well over the past quarter as well as over the past 12 months, and have generally outperformed their assigned benchmarks by between 24 and 42 basis points. So strategy moving forward, he further explained, will be focused on the Federal Reserve. We do think the economy will continue to do relatively well and the Fed will increase rates two times this year. It has been the Fed's stated policy to get rates to a more neutral level. So we think that means more than two rate hikes over the course of the next 12 months or so. But that is of course dependent on economic activity and particularly the labor market, GDP growth, and inflation.

Mr. Cheddar stated they will continue to take a defensive positioning of the portfolio, guarding the portfolio against interest rate movements, investing in shorter term securities so they are not impacted as much when rates move higher. Ultimately higher rates are good for the Authority on the investment side because it does mean additional investment income. PFM will continue to position the portfolios along with their partners at Ramirez to benefit the Authority's portfolios in the current environment.

Ms. Frederick then discussed that the investment committee was provided an update on the current status of the global bond market as it relates to green bond issuances from a global perspective,

a municipal issuer perspective and a World Bank perspective. She also mentioned providing a summary, given the restrictions within our investment guidelines, on the types of issuers we can invest in. She mentioned a summary of the types of issuers that we currently qualify for that currently have green bond issuances and highlighted the fact that we actually have invested in or are currently invested in a number of issuers that actually issue green bonds. Ms. Frederick stated that we intend to come to the investment committee in December and then the full board in January to update the investment guidelines with a policy statement reflecting our interest in furthering our investments in the green sector, to be consistent with what we've done in general about environmentally related issues.

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

Mr. Peterson began by reporting that for the month of August, 2018, 38.82% or \$171,010.80 of the Authority's total allowable expenditures of \$440,551.03 was paid to M/WBEs. Of this total amount, he further explained, approximately 27% or \$117,318.42 was paid to MBEs, and approximately 12% or \$53,962.38 was paid to WBEs. 26.79% (\$118,023.70) of these amounts were paid directly to M/WBEs - 14.60% (\$64,331.32) to MBEs and 12.19% (\$53,692.38) to WBEs. 12.03% (\$52,987.10) was paid to MWBEs as Sub-Contractors - 12.03% (\$ 52,987.10) to MBEs and 0% (\$0) to WBEs.

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The next item on the agenda, presented by Ms. Dawson, was the authorization to amend the contracts with Paul J. Scariano, Inc. ("PJS") & Integrated Construction Enterprises, Inc. ("ICE") for on-call general contractor services.

Ms. Dawson began by reminding the Members that it is typical for the Authority to maintain a series of on-call contracts in various disciplines, such as engineering, construction management, and general contracting. We typically have those contracts carry a two year term and the amounts of the contracts are generally based on past experience and projections for future needs.

The last on-call general contracting procurement, she mentioned, was in 2016 and in January of 2017 two on-call contracts were entered into for \$275,000 each with PJS and ICE. The contracts were expected to cover the needs for the two years, however, there were a greater than expected number of on-call project needs. The next on-call general contracting procurement has been initiated, but it is not expected new contracts will be in place by the time the current ones expire. So, she continued, we are looking to extend the contracts of PJS and ICE for an additional seven months and increase the contract values of both in order to cover the on-call general contracting needs through July 31, 2019. This also gives sufficient time to get a new slate of on-call general contracting firms under contract.

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

AUTHORIZATION TO ENTER INTO AN AMENDMENT WITH PAUL J. SCARIANO, INC.

BE IT RESOLVED, that in accordance with the materials submitted at this meeting, the President and Chief Executive Officer (the "President") of the Battery Park City Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the "Amendment")

with Paul J. Scariano, Inc. to increase the value of the contract by \$250,000, from a not-to-exceed amount of \$475,000 to a not-to-exceed amount of \$750,000, and to extend the expiration date from January 5, 2019 through July 31, 2019; 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 in the best interest of the Authority, such approval to be conclusively evidenced 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 further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

AUTHORIZATION TO ENTER INTO AN AMENDMENT WITH INTEGRATED CONSTRUCTION ENTERPRISES, INC.

BE IT RESOLVED, that in accordance with the materials submitted at this meeting, the President and Chief Executive Officer (the "President") of the Battery Park City Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the "Amendment") with Integrated Construction Enterprises, Inc. to increase the value of the contract by \$300,000, from a not-to-exceed amount of \$275,000 to a not-to-exceed amount of \$575,000, and to extend the expiration date from December 31, 2018 through July 31, 2019; 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 in the best interest of the Authority, such approval to be conclusively evidenced 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 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 Ms. Dawson was an authorization to execute a contract with Community Electric Inc. for the Site-Specific Art Belvedere Pylons/Glass Benches Restoration and LED Lighting Conversion Project.

Ms. Dawson explained to the Members that this is another project that has arisen as a result of the aging infrastructure at Battery Park City. We have had a very long history and tradition of including site specific public art elements at Battery Park City dating back to the 1980s and are now

the home of 18 different permanent works of public art. As time has passed, she noted, some of those pieces of public art have experienced damage, that is age or weather related, or both and we are attempting to evaluate and address those as needed.

She continued to explain that two of the elements being discussed require restoration and a significant amount of electrical restoration with some structural work as well. Those are the Belvedere pylons and the glass benches that are situated adjacent to the Irish Hunger Memorial. The pylons are two vertical elements that are situated just north of the North Cove Marina and they form a lighted gateway. There is a lot of deterioration in the electrical elements and the fixtures that have rendered them non-usable and we are desirous of fixing that, repairing that damage, and restoring them. Same is true of the glass benches which are designed as illuminated boxes that form a line south of the Irish Hunger Memorial, but also serve as functional benches and as functional security elements along that periphery.

Ms. Dawson then presented the request that the Authority enter into a 14 month contract with Community Electric in the lump sum amount of \$595,925.

Ms. Gallo suggested more information be provided for an inventory of the 18 pieces of the public art collection, including a current valuation, and an aging report of each piece since this proposal is a significant amount of money and would be a huge investment, she wants to understand what other pieces in the art collection will need restoration in the near future. The Chairman tabled the item and suggested the Board revisit the discussion when more information is available.

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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, and to discuss potential litigation matters (revised). The Members entered Executive Session at 11:36 a.m.

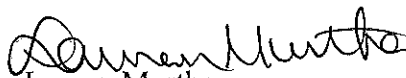
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Upon a motion made by Ms. McVay Hughes and seconded by Mr. Bevilacqua. The Members exited Executive Session at 12:15 p.m.

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There being no further business, upon a motion made by Ms. McVay Hughes and seconded by Mr. Bevilacqua, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:16 p.m.

Respectfully submitted,


Lauren Murtha
Assistant Corporate Secretary

Public Comment
September 18, 2018 Board Meeting

(1) Tammy Meltzer Re: Wagner Park

Good morning, everybody. Thank you so much. It's lovely to be here. I wanted to talk today as a resident and as a private citizen, not as my role of chair of the Battery Park City committee. But if will lend in hand to each. It's particularly on Wagner Park, as you can imagine. But first I want to say, compliments to Abby and the team on the scope of the survey that they did and the unbiased approach that they did for the park study that we've had a little bit of a glimpse of along the way in the process.

I wish that that same exact process had been used for a user account for Wagner. Because the biased approach that was done for that is not the same. As we're moving forward, I'm coming again to request for flexibility and to make sure things aren't set in stone in the redevelopment. There was a very contentious history on the difference in the scope of what is a redevelopment project, but not in the need for resiliency. We know resiliency is needed. We have long been told as a community, we've been heard, but not listened to necessarily. But we don't want large development, we don't want docks. The water came up from under the ground, not over from the harbor. Those things are really important to the people who live here to protect the assets and the buildings.

We have the largest and should have -- the local stakeholders should have the largest voice in our view of the park. Why? Well we view it as our backyard. It is part and parcel to the life that we live in New York City and for those people who work in here or the schools. It is their backyard. So when you as a board go back home to your backyards tonight, and you sit outside and look at yours wherever it may be, we ask that you give us the same kind of understanding that we want the voice of what's happening at Wagner.

Yes, we definitely want resiliency. But how it's redeveloped, because this is redevelopment project when you rip the entire place apart, if you do, we want to be the larger stakeholder in the decision making. Thank you.