

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
June 24, 2020

Members Present

Martha Gallo, Acting Chairman (via video)
Louis Bevilacqua, Member (via video)
Donald Capoccia, Member (via video)
Catherine McVay Hughes, Member (via video)
Anthony Kendall, Member (via video)
Lester Petracca, Member (via video)
George Tsunis, Chairman (via video)

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer (via video)
Sharmila Baichu, Vice President of Human Resources (via video)
Gwen Dawson, Vice President, Real Property (via video)
Pamela Frederick, Chief Financial Officer/Treasurer (via video)
Abigail Goldenberg, General Counsel (via video)
Craig Hudon, Vice President of Parks Programming (via video)
Susie Kim, Deputy General Counsel (via video)
Karl Koenig, Controller (via video)
Eric Munson, Chief Operating Officer (via video)
Jahmeliah Nathan, Vice President of Administration (via video)
Nicholas Sbordone, Vice President of Communications and Public Affairs (via video)
Alexis Torres, Chief of Staff (via video)

Others in Attendance: Steve Faber, PFM Asset Management (via video)
Paul Hennessey, COOL Insuring Agency, Inc. (via video)

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 2:05 pm.

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The first item on the agenda was the approval of the minutes of the April 29, 2020 meeting. Upon a motion made by Mr. Petracca and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE APRIL 29, 2020 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on April 29, 2020 are hereby approved.

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There were two (2) presentations during the period of public comment, which were read by Mr. Sbordone. Mr. Sbordone added that a successful blood drive with the New York Blood Center was held on June 8, another was scheduled for June 25 at 6 River Terrace, and a third one would be to be determined. He thanked Battery Park resident Fran Dickson who presented the Authority with the idea, as well as the outstanding professional staff at the New York Blood Center. He also thanked the Battery Park City Seniors Group and partners at Manhattan Community Board One who helped spread the word. And he thanked Craig Hudon, Peter Campbell and the Authority Program team.

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The next item on the agenda was the Investment Committee Report presented by Ms. Frederick. She stated that the Investment Committee had met with all members present to review the Investment Report. The Authority's investment advisors, PFM Asset Management and Ramirez Asset Management were represented by Steve Faber and Bob Cheddar of PFM, and Jim Haddon and Lou Sarno of Ramirez. She noted that the Authority held \$446 million in investments at quarter end, and these consisted primarily of U.S. Treasuries and met the conditions of the investment guidelines. The committee reviewed the Second Quarter Investment Report and provided an analysis of the portfolio's rate sensitivity. There were no committee votes. Steve Faber then provided the Board with a brief summary of the Report. Ms. McVay Hughes pointed the Members to a section in the Report that emphasizes the way the COVID-19 pandemic has upended the U.S. economy and noted that the Authority appears to have done well during this time.

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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 April 2020, 29.84% or approximately \$340,672 of the Authority's total qualifying expenditures of approximately \$1.1 million was paid to MWBEs. Of that amount, around 9% was paid to MBEs directly, and 1.14% to MBE prime contractors. Of the total qualifying expenditures, 20.85% was paid to WBEs, 10.02% to WBE prime contractors, and 10.83% to WBE subcontractors. For the month of May 2020, 33.93% or approximately \$87,231 of the Authority's total qualifying expenditures of approximately \$258,000 was paid to MWBEs. Of that amount, 14.64% was paid to MBEs, 6.3113% to MBE prime contractors, and 8.52% to MBE subcontractors, and of that same qualifying expenditure amount 19.29% was paid to WBEs, 2.02% to primes, and 17.27% to WBEs as subcontractors.

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The next item on the agenda was the Resiliency Update presented by Mr. Jones. He first mentioned that work has continued on all of BPCA resiliency projects during the lockdown. He noted: we have reached 75% design for the South Battery Park City resiliency effort and had several community board updates since the last board meeting. We are at the 30% design stage for the North Battery Park City resiliency effort, with an upcoming community meeting. On the Ballfields effort, we have received final approval from the Public Design Commission and are making minor modifications based on that while moving forward in preparation for construction later this year. On a more global note, he said we have recently acquired design-build authority by the State Legislature and have been working with the "Alternative Service Delivery Practice" at Hawkins to see how we might avail ourselves of that authority, by adjusting the framework from one or more of our resiliency projects to see if we can compress the schedule. And then finally, he mentioned the finishing touches are being put on the Green Guidelines

and Implementation Plan, which are complements to the Sustainability Plan that was finished on Earth Day. He noted that the Authority will be rolling that out neighborhood-wide to inform not only its own operations but buildings and practices generally in the Battery Park City neighborhood.

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The next item on the agenda, presented by Ms. Frederick, was the authorization to enter into an agreement with PFM Asset Management to provide Investment Advisory Services.

She began by explaining that an RFP for investment advisory services was recently completed and two proposals submitted: PFM Asset Management, which included them subcontracting with the MBE firm Ramirez Asset Management, and Forte Capital, also an MBE firm. The Evaluation Committee selected PFM Asset Management based on its strong technical score and low fees. It was also determined that the Forte Capital proposal was insufficient since it did not directly respond to the scope of services and the requirements under the RFP, and it was eliminated, resulting in a single bid from PFM. PFM's bid was a \$350,000 annual cap, which is \$25,000 less than its current fee, and it was determined to be commercially reasonable and consistent with the Authority's procurement guidelines. She then recommended the Board approve the selection of PFM Asset Management to provide the Authority with investment advisory services for a five-year term and at a not to exceed contract amount of \$1.75 million.

Ms. Gallo asked about the limited number of responses to the RFP. Ms. Frederick noted that this happened for the previous Investment Advisory Services RFP as well. She explained that any firm that had expressed interest in serving as an investment manager received notice about issuance of the RFP and that it was also posted on the Authority's website and in the Contract Reporter. She further explained that it may be challenging to attract new firms, particularly when there is a strong incumbent and that the Authority made the market aware that the proposal was available.

Ms. McVay Hughes asked why the cap was \$25,000 less per year for five years. Ms. Frederick said she felt PFM Asset Management was trying to be competitive and that it was reflective trends in the market in terms of investment advisory services and fees.

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

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH PFM ASSET MANAGEMENT TO PROVIDE INVESTMENT ADVISORY SERVICES

BE IT RESOLVED that in accordance with the materials presented to this meeting, the President and Chief Executive Officer of the Hugh L. Carey Battery Park City Authority (the "President") or her/his designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement with PFM Asset Management to provide investment advisory services for a period of five (5) years for a not-to-exceed contract total of \$1,750,000.00, 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 contract on behalf of the Hugh L. Carey Battery Park City Authority, subject to such changes as the officer or officers shall, with the advice of counsel, approve as necessary and appropriate and in the best interests of the Authority, such approval to be conclusively evidenced by the execution and delivery of the contract; 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 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. Hudon, was the authorization to enter into an agreement with Crossfire Sound Productions for Sound and Stage Production and Equipment Rental Services.

Mr. Hudon explained that the Parks Programming Department was seeking approval to enter into an agreement with Cross Fire Sound Production to provide Sound and stage Production Equipment Rental Services for a term of three years and a not-to-exceed amount of \$350,000. He noted that the Authority has utilized a vendor to support live concerts and musical events hosted by its Park Programming Department. On January 6, 2020, the Authority issued a request for proposals for Sound and Stage Production and Equipment Rental Services, and seven proposals were submitted. An Evaluation Committee composed of key Parks Programming and Parks Operation employees reviewed the proposals. The cost proposals referenced four generalized production levels based on projected performance needs. Based on initial technical scores, the Committee determined that the five lowest scoring firms should be eliminated from further consideration. The Committee then proceeded to evaluate the cost proposals of the two remaining proposers: Cross Fire and ProSho. At the close of the technical evaluation process, Cross Fire was the highest technical rated proposer.

At the April 6, 2020 Members' meeting, the Parks Programming Department requested approval to enter into a contract with Cross Fire; however, the Members requested that the Parks Program Department negotiate the cost proposed by Cross Fire. Mr. Hudon explained that the Committee reviewed the cost proposals of the remaining proposals and reached out to both Cross Fire and ProSho to clarify certain amounts in the cost proposals and to request that they provide final offers. The Committee received final cost proposals on May 1, 2020 with Cross Fire reducing their cost at all four production levels, and ProSho reducing their quotes in three production levels. With the revised quotes, Cross Fire's costs were lower than ProSho across all four production levels. This, combined with Cross Fire's high technical rating, led the Committee to determine that the costs proposed by Cross Fire are fair and reasonable and represent the best value for the Authority. Therefore, the Authority was seeking approval to enter into an agreement with Cross Fire to provide sound and stage production and equipment rental services for a term of three years for a not to exceed total amount of \$350,000.

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

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH CROSSFIRE SOUND PRODUCTIONS FOR SOUND & STAGE PRODUCTION AND EQUIPMENT RENTAL SERVICES

BE IT RESOLVED that in accordance with the materials presented to this meeting, the President and Chief Executive Officer of the Hugh L. Carey Battery Park City Authority (the "President") or her/his designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement with

Crossfire Sound Productions to provide Sound & Stage Production and Equipment Rental Services for a term of three (3) years for a not-to-exceed total amount of \$350,000.00, 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 contract on behalf of the Hugh L. Carey Battery Park City Authority, subject to such changes as the officer or officers shall, with the advice of counsel, approve as necessary and appropriate and in the best interests of the Authority, such approval to be conclusively evidenced by the execution and delivery of the contract; 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 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. Nathan, was an authorization to amend the agreement with Micro Force, Inc. for MS Dynamics GP and Paramount Workplace Support Services.

Ms. Nathan explained that the Authority uses Microsoft Dynamics Great Plains and Paramount Workplace, both financial management systems, in daily operations. Since 2014, the Authority has held a contract with Micro Force, Inc. to provide consulting and training services for these systems. In 2014 the Board approved an initial three-year contract and then in 2016 an additional three-year extension, changing the contract expiration to January 15, 2020, and an additional \$200,000 in funds, increasing the not-to-exceed contract amount to \$440,000, was approved. An additional amendment in 2019 extended the contract for six months to July 2020 and added \$58,000 to the contract amount.

She then mentioned the MIS Department began working on a new request for proposals to meet the continued need for these services; however, due to COVID-19 pandemic striking in the middle of that process, the development and issuance of the RFP was delayed. Accordingly, a new RFP was not able to be issued in time to select and onboard a new vendor prior to the current termination date of the contract. To avoid a disruption in services, MIS was seeking approval of a third amendment to its agreement with Micro Force, Inc. to extend the agreement time by six months, and allow for an additional \$10,000 in funds. With this additional time, the Authority expects to complete a new procurement for these services.

Upon a motion made by Mr. Kendall and seconded by Mr. Bevilacqua, the following resolution was unanimously adopted:

AUTHORIZATION TO EXECUTE AN AMENDMENT (THE “AMENDMENT”) WITH MICRO FORCE, INC. (“MICRO FORCE”) FOR MICROSOFT DYNAMICS GREAT PLAINS AND PARAMOUNT WORKPLACE CONSULTING AND TRAINING SERVICES

BE IT RESOLVED that in accordance with the materials presented to this meeting, the President and Chief Executive Officer of the Hugh L. Carey Battery Park City Authority (the “President”) or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute an Amendment to extend the term of the Contract with Micro Force through January 14, 2021 and to increase the value by \$10,000.00 for a new not-to-exceed total contract amount of \$508,000.00; 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 contract on behalf of the Hugh L. Carey Battery Park City Authority, subject to such changes as the officer or officers shall, with the advice of counsel, approve as necessary and appropriate and in the best interests of the Authority, such approval to be conclusively evidenced by the execution and delivery of the contract; 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 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. Munson, was an authorization to accept the 2020-21 Insurance Program, an authorization to pay the related Insurance Premiums, and approval of the FY2020 Budget Increase.

Mr. Munson began by noting that nearly all of the Authority's policies, comprising 15 categories of coverage in total, were set to expire Tuesday, June 30. As done every year, the Authority worked with New York State Office of General Services Bureau of Risk and Insurance Management, and its broker of record, represented by Paul Hennessey, to evaluate its insurance needs and secure the appropriate coverage.

He explained the process of securing this year's renewals: COOL, the Authority's broker of record, engaged dozens of potential carriers to market for each of the policies and secure the best premiums. However, this year's renewal process yielded a significantly more expensive result than years past. Most significantly, the Authority's exclusion from the Hugh Wood Program and its risk purchasing group for this renewal cycle means that the Authority lost access to the pricing that program provided. Over the past six years, the Authority has purchased our commercial property coverage, general liability, and umbrella coverage through Hugh Wood, which had historically targeted real estate institutions. When Hugh Wood changed underwriters this past year, they determined that the Authority's various functions beyond real estate holdings (i.e., park operations or capital construction) rendered the Authority ineligible for the program.

Meanwhile, COOL marketed our GL and umbrella policies to 36 other carriers. Despite having a clean loss history on the umbrella policy, this year's pricing on the open market comes to nearly 20 times what was paid through Hugh Wood last year. The policy, which carries a \$100 million limit, cost \$147,000 through Hugh Wood. This year the premium cost will approach \$3 million. Because of the significant increase, COOL is continuing to negotiate with the carriers to bring these prices down as low as possible. He added, some of the increases are also the result of the tightening markets with new concerns about mass gatherings, COVID-19 compounding preexisting factors like the threat of terrorism, and the fact that some of the Authority's operations (i.e., managing parks and capital construction) bear inherent risks. He also noted that the proposed cost of liability coverage is in line with other similarly situated organizations. The less dramatic increased premium costs on the other policies—that is to say those that hadn't been purchased previously through Hugh Wood—speak to the increased uncertainty and tightening of the insurance markets generally. He added that Paul Hennessey from COOL and his team have been at this for over four months now, and they've been in overdrive since learning of the

nonrenewal with the risk property group last month in May. He then requested that the Members accept the Authority's 2020-21 Insurance Program as presented, and authorize the payment of insurance premiums totaling an amount that will not exceed \$5,327,923.00, an increase of over \$3.1 million over last year's program. Because the significant premium increase was not contemplated in the FY20 Operating Budget, he also requested a corresponding increase in that budget.

Mr. Petracca asked whether the Authority had conducted any research on similar operations to that of Battery Park City and their respective insurance programs. Mr. Munson replied that he had spoken with some neighboring organizations that have similar governing structures and risk profiles, and they have not had the benefit of the Hugh Wood Program previously, so they are not feeling the effects of removal from that program this cycle.

Mr. Bevilacqua asked if the Authority had experienced an uptick in claims last year. Mr. Hennessey responded that this past year was very clean, as have been the last several years.

Mr. Capoccia asked if the Authority had been in touch with the Insurance Division at the New York State Office of General Services (OGS). Mr. Munson explained that he spoke with the OGS Bureau of Risk and Insurance Management about potentially pooling with other similar organizations but that, OGS did not think it was feasible. Mr. Hennessey added that the costs in any pooled program would be impacted by the operations, claims and exposures of those organizations that have more significant concerns, like the Authority.

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

AUTHORIZATION TO ACCEPT THE 2020-21 INSURANCE PROGRAM, AUTHORIZATION TO PAY THE RELATED INSURANCE PREMIUMS, AND APPROVAL OF INCREASE TO AUTHORITY BUDGET FOR FISCAL YEAR ENDING OCTOBER 31, 2020

BE IT RESOLVED, that the Members hereby authorize the President and Chief Executive Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to accept the 2020-21 Insurance Program and to authorize the payment of the insurance premiums in the total amount not to exceed \$5,327,923 subject to such changes as the officer or officers, with the advice of counsel, shall approve as necessary and appropriate and in the best interest of the Authority; and be it further

RESOLVED, that the operating budget of the Authority for the fiscal year ending October 31, 2020, approved at the October 29, 2019 meeting, be, and hereby is, approved to be amended by an increase not to exceed \$3,134,452 for insurance premium payments and ordered filed with the records of the Authority; 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 any documents, file said budgeted and related information with all parties as required pursuant to all outstanding bond resolutions, agreements and requirements of law 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 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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There being no further business, upon a motion made by Mr. Bevilacqua and seconded by Mr. Petracca, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 2:50 pm.

Respectfully submitted,

Lauren Murtha
Assistant Corporate Secretary

Public Comment
June 24, 2020

1. **Frances Dickson**: On behalf of the Battery Park City/Tribeca/FiDi neighborhoods, I would like to thank Nick Sbordone and the BPCA for sponsoring blood drives. Nick was very responsive to the suggestion and made it happen at a perfect location. I am hoping that when we get back to the new “normal” that blood drives can be done on a regular basis, perhaps quarterly or semiannually, to take advantage of both the residents and workers in the area.
2. **Judith Sklover**: Dear Mr. Jones: The gardens and park areas in BPC are appreciated now more than ever before. A resident for over 34 years, I have seen the neighborhood change and grow exponentially. My children now 22 & 18, along with our dog grew up with their friends in these parks, playgrounds & dog runs.

Now with the quarantine, daily walks are more cherished. Leaving the isolation of my apartment and walking through the parks is up-lifting. It is reassuring to see everything so clean and in spectacular bloom. The first time I walked to Wagner Park and saw the New York Tough banner with the Statue of Liberty in the distance, I broke down in tears and then of course snapped a FAB photo for my Instagram. I posted pictures of the beauty I enjoyed and got many comments from friends asking where I was. I proudly replied that I was in my beloved neighborhood, and wasn't I lucky.

I live and work in BPC, at the Nursery as well as at P.S. 89 so my daily walks to and from work are a time to recharge and enjoy the wonders of the Parks. Our Nursery parents are struggling with working from home and balancing the needs of their young children and the parks are really helping them.

Perhaps you would relay this message to the wonderful hardworking employees who maintain the parks. What they are doing is more important now than ever. At a time where everything feels uncertain, having the parks clean and beautiful is deeply reassuring. With gratitude, Judy Sklover