

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
October 23, 2012

Members Present

Dennis Mehiel, Chairman
Frank J. Branchini, Member
Donald A. Capoccia, Jr., Member
Martha J. Gallo, Member
Fernando Mateo, Member
Carl Mattone, Member

Authority Staff in Attendance: Demetrios A. Boutris, President-elect
Lauren Brugess, Administrative Assistant
Megan Churnetski, Assistant General Counsel and Assistant Corporate Secretary
Gwen Dawson, Senior Vice President, Asset Management
Sidney Druckman, Director, Special Projects
Anne Fenton, Senior Research Analyst
Allyson Ford, Special Counsel
Carl D. Jaffee, Senior Development Counsel & Corporate Secretary
Karl Koenig, Controller
Matthew Monahan, Senior Vice President, Public Information
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer
Seema Singh, Senior Counsel
Phyllis Taylor, Executive Vice President/General Counsel and Chief Administrative Officer

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy
Vince McGowan, Battery Park City Parks Conservancy
Bruno Pomponio, Battery Park City Parks Conservancy
Matthew Fenton, Battery Park City Broadsheet
Robert Simko, Battery Park City Broadsheet
Therese Loeb Kreuzer, Downtown Express
Chris Haire, Downtown Magazine
Michael Moss, New York Times
Steven Greer, Resident
Liz McCabe, Resident
Camden Ackerman, Senator Sheldon Silver's Office
Carl Glassman, Tribeca Tribune
Jess Terrell, Tribeca Tribune

Ray Broek, WithumSmith+Brown, P.C.
Anupam Goradia, WithumSmith+Brown, P.C.

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:00 a.m.

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The first item on the agenda was the approval of the minutes of the September 25, 2012 meeting. Mr. Mateo noted that he wanted to revisit the approval for the Sam Schwartz contract. Mr. Mehiel stated that this matter will be addressed at this meeting.

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

APPROVAL OF MINUTES OF THE SEPTEMBER 25, 2012 MEETING

BE IT RESOLVED, that the minutes of the meetings of the Members of the Hugh L. Carey Battery Park City Authority held on September 25, 2012 are hereby approved.

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Next, upon a motion made by Mr. Branchini and seconded by Mr. Mateo, the Members voted unanimously to conduct an executive session pursuant to Section 105.1 of the Public Officers Law to discuss matters pertaining to litigation and personnel. Ms. Gallo entered the meeting during executive session. No actions were taken by formal vote at the executive session, and the meeting of the Members thereupon resumed after the conclusion of the executive session.

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The next item on the agenda, presented by Mr. Serpico, was a request to authorize an Interim Budget for Fiscal Year 2013 ("FY13").

First, Mr. Serpico presented the notable highlights from Fiscal Year 2012 ("FY12"). Results for FY12 are based on 11 months of actual spending through September 2012 and estimates of spending for the last month of FY12, he explained.

Overall, Mr. Serpico reported, total receipts for FY12 are estimated at approximately \$241.8 million, an increase of approximately \$13 million over the \$228.8 FY12 million budget. The World Financial Towers, Goldman Sachs and NYMEX leases account for approximately \$110 million, approximately 50% of actual total recurring lease revenues, he said. These commercial lease revenues will be under budget by \$2.8 million dollars, largely due to a drop in assessments and commercial tax rates. Total residential revenues were favorable to budget by \$3.2 million, he stated, primarily due to \$2.8 million of 467(a) PILOT credits that were budgeted but unissued by the New York City Department of Finance for various residential buildings.

The other major item in the revenue stream is a one-time payment of approximately \$11.4 million of non-recurring revenues received primarily from additional transaction payments due from Site 16/17 (Riverhouse) on the fourth anniversary of the sale of the first unit, which is currently being audited.

The swap payments received during FY12 were approximately \$349 thousand higher than budgeted, Mr. Serpico reported. Swap receipts are based on 65% of a monthly benchmark rate, LIBOR, he said.

Management budgeted very high for debt service because the Authority was contemplating restructuring its debt and possibly issuing new debt for new money, but that did not occur; budgeted funding for debt service was \$9.5 million favorable to budget.

The total FY12 estimated operating budget of approximately \$27.8 million is expected to be under budget by approximately \$3.6 million with actual expenditures for FY12 of approximately \$24.2 million, he reported. This is primarily due to staff reduction and other cost-saving efforts. He noted that the Authority has met its second and last year for required savings for the Early Retirement Incentive Program from 2010. He noted that the New York City Economic Development Corporation (EDC) is delinquent by approximately \$10.2 million in funding expenditures for Pier A which were advanced from the Authority operating funds and the Authority has a commensurate receivable due from EDC.

Pursuant to the Settlement Agreement with New York City (the "City"), Mr. Serpico continued, the PILOT-related portion will be provided to the City following the completion of the fiscal year end audit and the balance will be retained by the Authority in the Joint Purpose Fund ("JPF") for use as determined jointly by the City, the State and the Authority. In 2010, he explained, the City, the State and the Authority signed an agreement (the "2010 Agreement") to distribute \$861 million of excess revenues held by the Authority in the JPF. The City and State were each allocated \$200 million. After meeting that \$400 million obligation, an additional amount of up to \$200 million is to be distributed by the Authority to a City 421-a affordable housing fund, followed by a \$261 million distribution to a City pay-as-you-go capital fund.

He explained that the Authority fulfilled the \$200 million distribution to the City and State by the end of Fiscal Year 2011 ("FY11"). Then, he noted, the Authority made payments of \$38.2 million and \$37 million to the City 421-a fund in FY11 and FY12, respectively, for the amount due from fiscal year ending October 31, 2010 and FY11 operations. An additional \$47 million will be paid from FY12 operations.

Therefore, he concluded, all excess revenues from the Authority are committed for the foreseeable future. The PILOT portion goes to the City for the Settlement Agreement and the reciprocal which goes into the JPF and becomes part of the \$461 million commitment from the 2010 Agreement.

He also noted that the Authority is settling into a more mature, diverse and predictable revenue stream. The Authority earns a Triple A rating across the board with all credit rating agencies, he said.

Next, Mr. Serpico presented the FY13 budget. He explained that the Authority updated its revenues. On the expense side, he recommended utilizing the current FY12 operating budgets until the

budget is reviewed by the new President. Management will make recommendations to the Members sometime during the first quarter and come back with a revised operating budget for FY13, he said.

Mr. Mehiel stated that Management will be back with a modification, after reviewing the numbers and thinking about the policy changes and will come back to the Members with a modification sometime in January.

Mr. Serpico noted that the same procedure would apply to the capital budget.

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

APPROVAL OF AUTHORITY BUDGET FOR FISCAL YEAR ENDING OCTOBER 31, 2013

BE IT RESOLVED, that the proposed interim budget of the Authority for the fiscal year ending October 31, 2013, 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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Next, Mr. Mehiel added an item to the agenda: the merger of the offices of President and Chief Operating Officer ("COO") and the election of the President. He proposed that he, as Chairman, remain as Chief Executive Officer. He then recommended that Mr. Demetrios A. Boutris be elected President and COO of the Authority, subject to the necessary clearance and vetting that is handled by the State.

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

APPROVAL OF CHARTERS FOR THE POSITIONS OF CHAIRMAN/CHIEF EXECUTIVE OFFICER AND PRESIDENT/CHIEF OPERATING OFFICER

BE IT RESOLVED that the charters presented to this meeting for the positions of Chairman/Chief Executive Officer and President/Chief Operating Officer are hereby approved; and be it further

RESOLVED that the Chairman of the Battery Park City Authority shall become the Chairman and Chief Executive Officer of the Authority effective immediately; and be it further

RESOLVED that Demetrios A. Boutris shall become President and Chief Operating Officer of the Battery Park City Authority effective immediately, subject to a satisfactory background check.

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Next, another item was added to the agenda: Mr. Mehiel presented the terms of a proposed amendment to the Authority's agreement with the community center operator, Asphalt Green (the "Management Agreement"). First, he briefly reviewed the history of the Management Agreement. He noted that major problems with the Management Agreement related to certain aspects being inconsistent with the Authority's "obligations for transparency, oversight and appropriateness in the expenditure of tax payer dollars."

Further, he explained, that although the Management Agreement was negotiated in good faith, the deal was not very favorable to the Authority and did not make any financial sense to the "Board or the staff that was then in charge at the Authority and they made their views known vigorously."

Finally, other issues with the Management Agreement primarily involved community access to the facilities and the exterior spaces and "how would that be handled in a way that was fair and equitable but still allow the community center to function."

"After my review, I concluded that Asphalt Green is a stellar operator of their community center on the Upper East Side," Mr. Mehiel stated. "They do an outstanding job; they deliver services to the community. They do it at a reasonable cost and they run a great facility and are very highly thought of."

Mr. Mehiel continued by explaining that other alternatives were not practicable and would end up costing the Authority millions and delay the opening of the community center even more.

He explained that both parties have worked toward a resolution of the issues, subject to the Members' authorization, regarding the current Management Agreement and have settled with terms that both parties are satisfied with. Next, he reviewed the major points of amendment to the Management Agreement.

"I want to commend our staff for elevating this and bringing this to our attention over the last couple of months," Mr. Capoccia said, "and I want to commend you for coming up with this solution given what we had to work with. I think both parties have done stellar jobs for the Authority."

Next, Mr. Mehiel concluded by stating, "I found the Asphalt Green chairman and senior management of that group to be excellent people to work with. They had a contract they had every right to enforce. I said, 'You know what; I just can't do it. We need to make significant changes here.'"

"They spent a day or two to think it over and they came back and said let's make a deal that's fair. They've been excellent to work with. I have very high hopes for their operation of this facility and I just have to publicly commend Asphalt Green for coming to the table and finding a solution that meets our needs, gets the center open and offers the community an opportunity to enjoy what we have spent tens of millions of dollars to create. Let's get it open; let's get going."

Mr. Mateo thanked the Chairman for making sure that tax payer money is spent appropriately. He then requested that the Members have the opportunity to review the amendment before it is executed.

After some discussion, Mr. Mehiel concluded that prior to execution of the final amendment, he will "personally canvass each Member one at a time to determine whether they have any questions or

comments". He resolved that if, after receiving each Member's feedback, "there is a compelling reason why this Board should reconvene, we will call a public meeting and we will reconvene."

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

AUTHORIZATION TO AMEND CONTRACT WITH ASPHALT GREEN, INC.

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the General Counsel of the Battery Park City Authority (the "Authority") or her designee(s) be, and each of them hereby is, authorized to execute an amendment to the contract with Asphalt Green, Inc. to reflect the revised terms and conditions presented in such materials (the "Amended Contract"); and be it further

RESOLVED, that the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amended Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Amended Contract 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 Amended Contract; and be it further

RESOLVED, that the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and then 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 further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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Next, Ray Broek and Anupam Goradia of WithumSmith+Brown, P.C., ("Withum"), the Authority's internal auditors, updated the Members on their services to date and presented their revised three-year audit plan.

Mr. Broek noted that some of the areas that Withum will review include the PILOT, the Authority's transaction payments regarding condominium sales at Riverhouse, management of ground leases, disbursements and electronic fund transfers.

Mr. Broek explained that Withum's procedure is to understand what the audit will consist of, perform the testing, generate a report, provide that report to management, obtain management's comments and responses to any recommendations that Withum makes and then present the final report to the Members. If anything came up in the interim with respect to fraud, it would be brought directly to the Members' attention, he noted.

He continued by stating that Withum is working on several audits that are in various stages of completion, the farthest along of which is an audit of the human resources and payroll area at the Conservancy. At this stage, Withum's report has been provided to Management and, after various

discussions, Withum is awaiting Management's responses so that it may finalize that report and provide it to Management and the Members.

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Next, the Members addressed the resolutions regarding the contract with Sam Schwartz Engineering for pedestrian management services that were authorized at the last meeting of the Members on September 25, 2012. Mr. Mehiel explained that Mr. Mateo contacted him with questions regarding these resolutions after the last meeting and suggested that these services may need to be vetted further. In response to an inquiry by the Members, Mr. Serpico confirmed that the Lower Manhattan Development Corporation directly refunds the Authority for the expenses related to this contract.

Mr. Mehiel stated that "[r]egardless of whether it's actually costing us any money or not, (a) we're not here to waste money - anybody's money, (b) one of the things that we want to do is drill deep and make sure that we've fully vetted the opportunity for minority enterprise participation." He stated that the proposed course of action at this point is to continue with the ongoing contract that already exists through December 31st and before the next meeting, "ventilate these issues, come back to the board and make sure everybody understands it and then make an informed decision about how we're going to proceed with respect to providing these services."

Mr. Mateo stated that the Members need to "make sure that we meet the Governor's wishes in that a certain percentage of our business should be given to minority and women owned firms."

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The next item on the agenda, presented by Ms. Dawson, was authorization to enter into two-year contracts for on-call construction management ("CM") services with Hudson Meridian Construction Group ("Hudson Meridian"), the Liro Group ("LiRo") and EnTech Engineering ("EnTech").

Ms. Dawson explained that the Authority has historically maintained a series of on-call contracts with a variety of professional service providers as a means of addressing small-scale, unexpected and/or emergency Battery Park City projects for which separate stand-alone procurement processes and contracts would not be feasible. On-call CM services are among the disciplines historically covered by Authority on-call contracts, she noted.

The Authority currently has several projects that will require attention upon approval of one or more on-call CM firms, she stated. Due to the number of projects and the range of construction specialties required, the Authority has determined that the selection of three CM firms would provide a greater range of expertise and flexibility to meet the Authority's needs than would a single on-call contract, would provide for expertise in many areas, and would not lead to overloading any one vendor, she said.

She continued by explaining that the on-call CM request for proposals ("RFP") was advertised on July 9, 2012 in the New York State Contract Reporter and the Minority Commerce & Employment Weekly. In addition, she said, potentially qualified M/WBE engineering firms were identified by the Authority's Diversity Department and notified of the issuance of the RFP. A total of forty-two firms

requested and received the RFP, of which twenty were M/WBE firms. A pre-proposal meeting was held on July 16, 2012, and on August 2, 2012, proposals were received from seventeen firms, including nine M/WBE firms.

Following the selection committee's evaluation and scoring of the proposals, Ms. Dawson reported, pre-award interviews were held with the three highest evaluated proposers: Hudson Meridian, LiRo and EnTech. The purpose of the pre-award interviews was to verify certain information contained in the firms' proposals, gain a better understanding of the firms' work approach and provide an opportunity for the firms to convey additional information or to ask questions regarding the on-call CM contract, she explained. The scoring order of the three interviewed firms remained the same following the pre-award interviews, she said, and it was determined that all three firms are qualified to perform the services required under this contract, and all three firms have a full understanding of the Authority's on-call work.

Both Hudson Meridian and LiRo have had past CM experience with the Authority and have achieved a high standard of performance in the management of these projects, Ms. Dawson stated. EnTech, a WBE firm, had references, which offered the Authority very positive assessments of their prior CM work, she noted.

Mr. Mehiel requested that Management make an effort in the implementation of these contracts to divide the work evenly, ensuring that EnTech, a WBE firm, receives its anticipated one-third share of the work.

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

AUTHORIZATION TO ENTER INTO ON-CALL CONSTRUCTION MANAGEMENT CONTRACTS WITH HUDSON MERIDIAN CONSTRUCTION GROUP, THE LIRO PROGRAM AND CONSTRUCTION MANAGEMENT GROUP, P.C. AND ENTECH ENGINEERING, PC

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized to enter into a contract with Hudson Meridian Construction Group, the LiRo Program and Construction Management Group, P.C. and Entech Engineering, PC for On-Call Construction Management Services, in amounts not to exceed \$325,000 for each contract; and be it further

RESOLVED, that the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contracts on behalf of the Authority, subject to such changes as the officer or officers executing the Contracts 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 each Contract; and be it further

RESOLVED, that the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and then 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 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. Serpico, was authorization to enter into a three-year agreement with PFM Asset Management LLC (“PFM”) for an amount not to exceed \$330,000 per annum, adjusted annually for CPI, for investment advisory services.

Mr. Serpico explained that the Authority has substantial assets in the Authority’s investment portfolio which can range from \$5 million to \$650 million, depending on when monies are turned over to the City of New York. The Authority is required to safeguard these assets, he said.

Therefore, he continued, the Authority issued an RFP and an advertisement was placed in the New York State Contract Reporter in July 2012 seeking qualified firms to provide investment management services to the Authority. Five firms submitted proposals, he noted, and two of the proposers, Municipal Asset Management and Ramirez Asset Management did not meet the RFP requirements.

A committee of Authority and Conservancy staff was created to interview the other three proposers, which included: Pyramis Global Advisors, a Fidelity Investments Company; Western Asset Management and PFM, he explained. The committee evaluated each firm on the basis of certain weighted criteria and after the interviews each committee member unanimously recommended PFM.

PFM only delivers investment advisory services to governments, not-for-profit organizations, corporations, pension funds, and other institutional investors, Mr. Serpico said. They have over \$43 billion in assets under management. They are the incumbent and they have served the Authority well and have maximized investments, he stated.

Mr. Mateo inquired into whether a portion of the work will be given to M/WBE firms to which Mr. Serpico responded that the Diversity Department would work this out with PFM.

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

AUTHORIZATION TO ENTER INTO A CONTRACT WITH PFM ASSET MANAGEMENT LLC FOR INVESTMENT ADVISORY SERVICES

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the General Counsel of the Authority or his/her designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement (the “Agreement”) with PFM Asset Management LLC to provide investment advisory services for a three-year term in an amount not to exceed \$330,000 per annum, adjusted annually for CPI; and be it further

RESOLVED, that the General Counsel of the Authority or his/her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Agreement on behalf of the Authority, subject to such changes as the officer or officers executing the Agreement shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Agreement; and be it further

RESOLVED, that the General Counsel of the Authority 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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The next item on the agenda, presented by Ms. Taylor, was authorization to enter into an amendment to the Authority's legal retainer agreement with Rosenberg & Estis, P.C., ("Rosenberg") increasing the total maximum amount payable thereunder from \$240,000 to \$350,000.

Ms. Taylor explained that the Authority retained Rosenberg in 2009 pursuant to a competitive solicitation process. Rosenberg is one of two firms used, primarily for real estate collection services including collection of any rents that are due the Authority from unit owners, stores, restaurants, hotels, and financial institutions within Battery Park City, she said. The other firm the Authority uses for these services is Gonzales Saggio & Harlan, an MBE firm. There was an allocation of responsibilities between the two firms early on and Rosenberg manages seven of twelve condominiums in Battery Park City.

Ms. Taylor noted that this is an area that should in the future be brought in-house at the Authority. Rosenberg bills the Authority approximately \$80,000 per year, which is extremely high for the type of service that's being provided, she asserted. She stated that she will gradually try to bring this function in-house.

Because the Legal Department is in the middle of a competitive process for these services, there will not be any delay or interruption in the services under this contract, she explained. We expect to complete that process by the end of December, but are seeking an amendment of \$110,000 in this contract to cover certain existing costs as well as to carry us forward into January and February if the need arises. "Because there has been an uptick in delinquencies and we want to make sure we preserve our interests," she stated.

Mr. Mateo inquired as to what Rosenberg's services entail, to which Ms. Taylor explained that their services extend beyond mere collections and also include foreclosure work as well as appearances in housing court and other legal proceedings.

Mr. Mateo suggested utilizing collections companies for these services and Mr. Mehiel summarized that he understands that Ms. Taylor would like to have in-house staff handle this type of work and then if outside attorneys are required to represent the Authority in court that it would be done

on an hourly basis. Ms. Taylor confirmed. Mr. Mehiel agreed that the Authority should be able to handle the routine collection procedures in-house.

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

AUTHORIZATION TO AMEND CONTRACT WITH ROSENBERG & ESTIS P.C.

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the "Amendment") to the Authority's contract with Rosenberg & Estis, P.C. for legal services, increasing the amount payable thereunder to \$350,000; and be it further

RESOLVED, that the General Counsel of the Authority or her 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 and 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 General Counsel of the Authority or 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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The next item on the agenda, presented by Ms. Taylor, was a request to authorize (1) the amendment of BPCA's current contract with the New York City Department of Parks and Recreation ("NYCDPR") for park security services to increase the compensation level by \$2,532,405 to cover the remaining three quarters of work already performed, as well as the final quarter of work to be performed from November 1, 2012 through January 31, 2013, and (2) extend the term of the current contract through January 31, 2013.

Ms. Taylor explained that under a contract with NYCPDR entered into as a sole source procurement, the Authority has about 45 Parks Enforcement Patrol officers employed in Battery Park City to monitor the parks which includes ensuring the parks are cleared of illegal vehicles and checking on the improper use of permits. She explained that it was anticipated that a new contract between NYCPDR and the Authority would be executed by this time however, she continued, it has taken quite a long time to negotiate the new contract. Because there are a few pending invoices for the last couple of quarters, it currently makes more sense to amend the existing contract. She noted that the major issues confronting the new contract stem from collectively bargained salaries, benefits, etc.

Mr. Mehiel noted that this extension will bring the contract through January 31, 2013. He then inquired whether Management would, by or before the January meeting, be in a position to decide what to do on an intermediate basis? Ms. Taylor responded, "Yes."

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

AUTHORIZATION TO AMEND CONTRACT WITH THE NEW YORK CITY DEPARTMENT OF PARKS AND RECREATION FOR PARK SECURITY SERVICES

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized to execute an amendment to the contract in the amount of \$2,532,405, increasing the total contract amount from \$5,449,925 to \$8,982,330; and be it further

RESOLVED, that the General Counsel of the Authority or her 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 and in the best interests of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Amendment, and be it further

RESOLVED, that the General Counsel of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and then 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 two items on the agenda were presented to the Members "for information only."

The first item, presented by Ms. Druckman, was the contribution to the 2012 World Financial Center Arts & Events Program. Ms. Druckman explained that the Authority has contributed to this program since the 1990's. The Authority, along with other contributors, such as American Express and Merrill Lynch, sit on a committee with World Financial Center to determine the events that will take place in the Winter Garden and the Plaza during the coming year, she reported. The Authority's contribution for the last few years has been \$210,000, she said, which is the smallest of any of the groups involved, and it is generally paid at this time of year, covering our past year contribution.

In response to an inquiry by Mr. Mehiel, Ms. Druckman stated that the total budget for the program is approximately \$3 million.

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The second item “for information only,” presented by Ms. Taylor, was a contract with Harris Beech for general litigation services. Ms. Taylor noted that the Legal Department is trying to consolidate its litigation services and work with a single firm in order to cut costs and better manage the engagement.

She reported that eleven firms responded to a competitive solicitation for these services and Harris Beech was not only the highest ranked firm by the Authority’s evaluation committee, but their proposed costs were also lower than many proposed by other firms. That is primarily due to the fact that they are a Rochester based firm, she asserted. Therefore, she continued, they are not only below the Authority’s \$400 per hour threshold for fees, but they are and have been over the years, “very reasonably priced for the level of services they provide, which is quite extraordinary.”

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There being no further business, upon a motion made by Mr. Capoccia and seconded by Mr. Branchini, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:30 p.m

Respectfully submitted,



Megan Churnetski
Assistant Corporate Secretary