

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
February 23, 2010

Members Present

Charles J. Urstadt, Vice Chairman
Frank J. Branchini, Member
David B. Cornstein, Member
Robert J. Mueller, Member
Evelyn K. Rollins, Member
Andy K. Shenoy, Member (by telephone)

Authority Staff in Attendance: James E. Cavanaugh, President and Chief Executive Officer
Alexandra Altman, Executive Vice President and General Counsel
Gwen Anderson, Vice President, Strategic Planning
Daniel Baldwin, Senior Development Counsel
Lauren Brugess, Administrative Assistant
Megan Churnetski, Assistant General Counsel and Assistant
Corporate Secretary
Sidney Druckman, Director, Special Projects
Stephanie Gelb, Vice President, Planning & Design
Antigona Hajdaraj, Special Assistant to the President
Steven E. Harper, Vice President, Safety & Site Management
Robert Holden, Vice President, Human Resources &
Administration
Carl D. Jaffee, Senior Development Counsel and Corporate
Secretary
Karl Koenig, Controller
Wilson Kimball, Senior Vice President, Operations
Lisa Miller, Vice President, Internal Audit and Compliance
Stan Molinski, Director, Information Technology
Leticia Remauro, Vice President, Community Relations,
Affirmative Action and Press
Robert M. Serpico, Senior Vice President, Finance and
Treasurer/Chief Financial Officer
Antony Woo, Vice President, Construction

Others in Attendance: Tessa Huxley, Executive Director, Battery Park City Parks
Conservancy
Vince McGowan, Assistant Executive Director, Battery Park City
Parks Conservancy
Randolph Tancer, Human Resources Manager
Matthew Fenton, Battery Park City Broadsheet
David Collins, Columbia University Graduate School of

Journalism
Julie Shapiro, Downtown Express
Brian Krapf, George Arzt Communications, Inc.
Steven Faber, Public Financial Management
Camden Ackerman, Senator Sheldon Silver's Office
Matt Dunning, Tribeca Tribune

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

Upon a motion made by Mr. Urstadt, the Members then unanimously voted to conduct an executive session pursuant to Section 105.1.f of the Public Officers Law concerning personnel matters as set forth in such Section. No votes or actions were taken during the executive session, except that the Members determined to hold their next regularly scheduled meeting on March 29, 2010. Upon the conclusion of the executive session, the regular meeting resumed at 10:55 a.m., at which time, Mr. Shenoy left the meeting.

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The first item on the agenda was approval of the minutes of the January 27, 2010 meeting.

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

APPROVAL OF MINUTES OF THE JANUARY 27, 2010 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on January 27, 2010 are hereby approved.

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The next item on the agenda, presented by Mr. Serpico, was a request to approve the Authority's Fiscal Year 2009 Investment Report and Investment Guidelines (the "Investment Report").

Mr. Serpico explained that the Investment Report is prepared annually pursuant to Section 2925 (6) of the Public Authorities Law. After its approval, the Investment Report will be submitted or posted to the State Division of the Budget, State Department of Audit and Control, State Comptroller, State Public Authorities Information Reporting System (PARIS) and the Authority's website, he noted.

Mr. Serpico reminded the Members that the Authority has an Investment Committee which is comprised of senior management including both him and Mr. Cavanaugh, who, in consultation with the Authority's investment and advisory management firm, Public Financial Management (PFM), formulate the Authority's investment strategy. Mr. Cornstein also serves on the Committee, and currently represents the Members in that capacity, he noted. All of the

Authority's investments are governed by Section 98 of State Finance Law and the State Comptroller's guidelines, he added.

A fiscal performance chart submitted to the Members shows that the Authority is performing well above the bench marks approved by the Committee and the Board, he stated. He also noted that the Investment Report includes an unsigned letter from the public accountants stating that the Authority is in compliance with the State Comptroller's requirements.

Mr. Urstadt asked whether Management was concerned that the public accountant's letter with respect to the annual financial statements remains unsigned. Mr. Serpico stated that the public accountants intend to sign the letter after the New York State Inspector General issues its final report with respect to the Authority. If it appears that the Inspector General's report is not published by the time the financial statements must be finalized, the public accountants will seek a meeting with the Inspector General to get comfort that no material changes or additions will appear in the final report, he explained.

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

APPROVAL OF THE INVESTMENT REPORT FOR THE FISCAL YEAR ENDED OCTOBER 31, 2009 AND INVESTMENT GUIDELINES

BE IT RESOLVED, that the Investment Report of the Hugh L. Carey Battery Park City Authority (the Authority) for the fiscal year ended October 31, 2009 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Authority Investment Guidelines 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 Investment Report (including the Guidelines) with the: (1) New York State Division of the Budget; (2) New York State Department of Audit and Control; the Chairmen and (3) ranking Minority Members of the New York State Senate Finance Committee and 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); that the Secretary of the Authority be, and hereby is, directed to file said Investment Report (including the Guidelines) with the minutes of this meeting; and that Investment Report information 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 negotiation or preparation of such policies and procedures are hereby ratified, confirmed and approved.

The next item on the agenda, presented by Mr. Cavanaugh, was a request to approve and authorize the filing of the Prompt Payment Report and Policy for Fiscal Year 2009.

Mr. Cavanaugh explained that, in compliance with Section 2880 (11) of the Public Authorities Law, the Authority annually prepares and approves a Prompt Payment report containing certain information required by law. During the twelve month period ending October

31, 2009, there were no material late charges or interest charges paid to vendors or contractors providing products and/or services to the Authority, he stated. The Prompt Payment Report certifies that the Authority has complied with State's policies, he explained.

Mr. Cornstein asked whether Management has considered seeking discounted prices for making its payments even more promptly. Ms. Kimball noted that the Authority pays some long-term contracts upfront to vendors, such as Verizon, for a substantial rebate. Mr. Serpico stated that reduced pension fund contributions are also made possible by early payments. It is unlikely that any savings would be realized from offering to pay to typical vendors early, he said, but that his staff would follow up in this regard.

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

APPROVAL OF THE PROMPT PAYMENT REPORT AND POLICY FOR THE FISCAL YEAR ENDED OCTOBER 31, 2009

BE IT RESOLVED, that the Prompt Payment Report and Policy of the Authority for the fiscal year ended October 31, 2009 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, directed to file said Prompt Payment Report and Policy with the New York State Division of the Budget and copies thereof to 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 2880 of the Public Authorities Law; and that the Secretary of the Authority be, and hereby is, directed to file said Prompt Payment Report and Policy with the Minutes of this meeting; and be it further

RESOLVED, that the Hugh L. Carey Battery Park City Authority Prompt Payment Policies in the form presented to this meeting be, and hereby are, approved; 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 Secretary of the Authority be, and hereby is, directed to file the Battery Park City Authority Prompt Payment Report and Policy with the minutes of this meeting.

The next item on the agenda, presented by Mr. Cavanaugh, was a request to authorize the Procurement Contracts Report and Guidelines for Fiscal Year 2010 (the "Procurement Report and Guidelines").

Of note this year, he said, is the institution of a Committee on Change Orders (the "Committee") which will broaden and formalize the change order process. Whenever a change order is recommended, he reported, the Committee, which will consist of Construction, Planning and Design, Internal Control, Legal and Finance Department representatives will examine its

need, whether alternatives are available and if the change order results from negligence or other actions of a particular contractor.

Mr. Serpico then noted that two reports had been submitted to the Members in connection with this item. One is the standard Open Contracts Report that the Members see annually and the other is a report submitted to the State which lists every payment above \$5,000.

In response to an inquiry by Mr. Branchini, Mr. Cavanaugh explained that Management will present the Members with a list of the Authority's individual sponsorships as part of the budget every October and then will request approval of any deviations from that list.

Ms. Altman stated that the Governance Committee's might develop procedures with respect to contributions and sponsorships.

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

**APPROVAL OF THE PROCUREMENT CONTRACTS REPORT AND GUIDELINES
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2010**

BE IT RESOLVED, that the Procurement Contracts Report and Guidelines of the Authority for the fiscal year ended October 31, 2010 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, directed to file said Procurement Contracts Report and Guidelines with the New York State Division of the Budget and copies thereof to 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 that the Secretary of the Authority be, and hereby is, directed to file said Procurement Contracts Report and Guidelines with the Minutes of this meeting; and be it further

RESOLVED, that the Hugh L. Carey Battery Park City Authority Procurement Guidelines in the form presented to this meeting be, and hereby are, approved; 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 Secretary of the Authority be, and hereby is, directed to file the Battery Park City Authority Procurement Contracts and Guidelines with the minutes of this meeting.

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The next item on the agenda, presented by Mr. Baldwin, was a request to approve a \$58,000 increase (from \$236,500 to \$294,500) in the authorized amount of fees and expenses under the on-call Consultant Agreement with Jacobs Edwards & Kelcey, Inc. ("JEK").

When the Pier A project commenced in September 2007, Mr. Baldwin explained, the Authority determined that JEK should perform the necessary environmental review, and related permitting, under its on-call Agreement. He stated that there have been a couple of times over the past two years where the Pier A budget has had to be increased because of items which were not foreseen at the beginning of the project.

Now, Mr. Baldwin explained, the Authority must go through the process of applying for construction permits required by the State Department of Environmental Conservation and the Federal Army Corps of Engineers for a proposed closed-loop river water hvac system.. Additionally, he continued, the Authority must amend the original environmental review performed for Pier A, to incorporate a section analyzing the environmental impact of this proposed system since it was not contemplated at the time of the original report.

The work will be performed by Hydroqual, a sub-consultant of JEK, for water-related analysis and permitting matters, Mr. Baldwin stated.

In response to inquiry by Mr. Urstadt, Mr. Woo explained that a closed-loop system does not have any discharge of fluid into the river nor does it take in any fluid. It is basically like a giant radiator, he stated. As the river water moves through the system, it will extract the cooling or heating depending on the season and the temperature of the river water, he added.

Mr. Baldwin noted that this system is less costly than a typical closed-loop system because it is a simpler model. It has been used before on ships and is now being transferred into a stationary application.

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

AUTHORIZATION OF AMENDMENT TO CONSULTANT AGREEMENT WITH JACOBS EDDWARDS & KELCEY, FOR SERVICES WITH RESPECT TO PIER A PROJECT

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the "Amendment") to the Consultant Agreement between the Authority and Jacobs Edwards & Kelcey for environmental and permitting consulting services for the Pier A Project, which amendment would increase from \$236,500 to \$294,500 the total amount of authorized Fees under said Agreement; and be it further

RESOLVED, that the President of the Authority or 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, and 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 President of the Authority or 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 transaction 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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Ms. Gelb then introduced the following four agenda items, which all relate to the community center being developed on Sites 23 and 24. The Members were provided with a handout consisting of a description of the project, plans and images, a summary of bids received and a list of comparable projects.

The community center is being built in two residential towers along North End Avenue at the edge of the Authority's ball fields, Ms. Gelb explained. As part of the lease agreements with the Authority, the residential developer, Milstein Properties, is providing space for a 60,000 square foot community center and ball field maintenance facility in the base of its buildings. Milstein Properties is responsible for the core and shell construction of the facility. The Authority is responsible for the remaining construction including all fit out and furnishings.

At this time, Mr. Branchini left the meeting.

The Members were then requested to authorize four construction contracts relating to the community center, in accordance with the requirements of the "Wicks Law."

The first was a request to authorize a contract with Stalco Construction, Inc. for general construction work in the amount of \$ 7,559,303. Mr. Cavanaugh explained that the lowest bidder, I.C.S. Builders Inc., was deemed non-responsive as it was informed that a number of required documents were either incomplete or missing from its proposal. I.C.S. Builders Inc. agreed to submit the missing or incomplete documents but failed to do so. Stalco Construction, Inc. submitted the next most competitive price, and its bid was in line with the construction manager's cost estimate, he noted.

Next was a request to authorize a contract with S.J. Electric, Inc. for the electrical work in the amount of \$2,969,000. Mr. Cavanaugh noted that S.J. Electric, Inc. has proposed the most competitive cost proposal for this work.

The next item on the agenda, presented by Mr. Woo, was a request to authorize a contract with Olympic Plumbing & Heating Services, Inc. for plumbing work in the amount of \$1,650,000. Olympic Plumbing & Heating Services, Inc. had submitted the lowest proposal, he explained.

Last, Mr. Cavanaugh presented a request to authorize a contract with R&S United Services Inc. for the heating, ventilating and air conditioning work in the amount of \$4,860,000. R&S United Services Inc. was the lowest proposer, he stated.

Mr. Cavanaugh stated that staff was pleased that it had received a good number of competitive bids for each contract.

Upon a motion made by Mr. Cornstein and seconded by Ms. Rollins, the following four resolutions were unanimously adopted:

**AUTHORIZATION OF CONTRACT WITH STALCO CONSTRUCTION, INC. FOR
GENERAL CONSTRUCTION WORK AT SITES 23 AND 24 COMMUNITY
CENTER/BALL FIELDS MAINTENANCE FACILITY**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to enter into a contract (the "Contract") with Stalco General Contracting for the Sites 23 and 24 Community Center/Ball Fields Maintenance Facility general construction work in the amount of \$ 7,559,303; and be it further

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

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

**AUTHORIZATION OF CONTRACT WITH S.J. ELECTRIC, INC.FOR ELECTRICAL
WORK AT COMMUNITY CENTER/BALL FIELDS MAINTENANCE FACILITY**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a contract (the "Contract") with S.J. Electric Inc. for the Sites 23 and 24 Community Center/Ball Fields Maintenance Facility electrical work in the amount of \$2,969,000; and be it further

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

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

**AUTHORIZATION OF CONTRACT WITH OLYMPIC PLUMBING & HEATING
SERVICES, INC. FOR THE SITES 23 AND 24 COMMUNITY CENTER/BALL FIELDS
MAINTENANCE FACILITY**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a contract (the "Contract") with Olympic Plumbing & Heating Services, Inc. for the Sites 23 and 24 Community Center/Ball Fields Maintenance Facility plumbing work in the amount of \$1,650,000; and be it further

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

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

**AUTHORIZATION OF CONTRACT WITH R&S UNITED SERVICES, INC. FOR
HVAC WORK AT SITES 23 AND 24 COMMUNITY CENTER/BALL FIELDS
MAINTENANCE FACILITY**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to enter into a contract (the "Contract") with R&S United Services, Inc. for the Sites 23 and 24 Community Center/Ball Fields Maintenance Facility HVAC work in the amount of \$ 4,860,000; and be it further

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

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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There being no further business, the meeting thereupon adjourned at 11:40 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Carl D. Jaffee". The signature is written in a cursive, flowing style.

Carl D. Jaffee
Corporate Secretary