

BATTERY PARK CITY PARKS CONSERVANCY CORPORATION

Meeting of the Directors
One World Financial Center – 24th Floor
New York, NY 10281
January 29, 2013

Directors Present

Dennis Mehiel, Chairman
Frank J. Branchini, Director
Donald A. Capoccia, Jr., Director
Martha J. Gallo (by phone)
Fernando A. Mateo, Director
Carl Mattone, Director

Conservancy Staff in Attendance: Demetrios A. Boutris, President/Chief Operating Officer
Tessa Huxley, Executive Director
Anne Fenton, Vice President
Vince McGowan, Retiree
Matthew Monahan, Vice President
Robert M. Serpico, Vice President, Treasurer
Phyllis Taylor, Vice President, Corporate Secretary

Battery Park City Authority
Staff in Attendance:

Megan Churnetski, Associate General Counsel and Assistant
Corporate Secretary
Gwen Dawson, Senior Vice President, Asset Management
Karl Koenig, Controller
Kevin McCabe, Assistant to the President
Anthony Peterson, Director of Diversity
Kirk Swanson, Deputy Chief Administrative Officer, Internal
Control Officer and Chief Contracting Officer

Others in Attendance:

John Panico, Affiliated Adjustment
Matthew Fenton, Battery Park City Broadsheet
Therese Loeb Kreuzer, Downtown Express
Roger Bagley, Hawkins, Delafield & Wood
Faust Bowerman, Hawkins, Delafield & Wood
Dan McElwee, Marks Paneth & Shron, LLP
Warren Ruppel, Marks Paneth & Shron, LLP
Nancy Buivid, Member of the Public
Steve Faber, PFM
Jess Terrell, Tribeca Tribune
Andrew Catapano, Willis
Christopher Franks, Willis
Alex Littlejohn, Willis
David Passman, Willis

The meeting of the Directors convened at 9:00 a.m. The first item on the agenda was the approval of the minutes of the December 4, 2012 meeting. Upon a motion made by Mr. Capoccia and seconded by Mr. Mateo, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE DECEMBER 4, 2012 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Directors of the Battery Park City Parks Conservancy held on December 4, 2012 are hereby approved.

* * *

The next item on the agenda, presented by Ms. Taylor, was the adoption of a policy regarding involuntary separation ("Severance Policy"). Ms. Taylor explained that the Members of the Battery Park City Authority (the "Authority") adopted a Severance Policy for the Authority in January 2012, retroactive to November 1, 2011. In the interests of fairness, Management is presenting for the Directors' approval an identical Severance Policy for Parks Conservancy employees, which would be retroactive to November 1, 2011.

Ms. Taylor said that the Severance Policy applies only in situations where there is a reduction in workforce and/or an elimination of positions, as set forth in the Severance Policy.

Mr. Mehiel inquired as to whether any employees would be owed severance as a result of making the Severance Policy retroactive to November 2011, to which Ms. Taylor stated there is potentially one employee who would be eligible for retroactive severance.

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

AUTHORIZATION, APPROVAL AND ADOPTION OF THE BATTERY PARK CITY PARKS CONSERVANCY'S (THE "CONSERVANCY") POLICY REGARDING INVOLUNTARY SEPARATION FROM THE CONSERVANCY (THE "SEVERANCE POLICY")

BE IT RESOLVED, that the Severance Policy, as presented at this meeting, is authorized, approved and adopted; and be it further;

RESOLVED, that any and all action taken by any officer of the Conservancy in connection with the negotiation or preparation of the Severance Policy is hereby ratified, confirmed and approved.

RESOLVED, that the Secretary of the Conservancy be, and hereby is, directed to file the Severance Policy with the Minutes of this meeting.

* * *

At this point, Mr. Branchini entered the meeting.

The next item on the agenda, presented by Ms. Huxley, was a request for authorization to amend the Otis Elevator Company ("Otis") contract to: 1) add an additional \$300,000, and 2) extend the term of the contract through October 31, 2013.

In October 2011, Ms. Huxley explained, the Conservancy amended and restated its existing contract with Otis in order to consolidate all elevator repair and maintenance services into a single contract. The amended and restated contract is effective through January 31, 2013, she said.

Although the Conservancy intends to competitively bid a contract for elevator repair and maintenance services, she stated, it is not possible to issue an RFP and complete the procurement process by January 31, 2013. Therefore, she said, it is necessary to extend the current contract with Otis to ensure that routine maintenance and repair work is not disrupted. In addition, the elevators adjoining the Tribeca and Rector Street Bridges sustained water damage caused by Superstorm Sandy, she reported. At the Conservancy's request, Otis conducted preliminary damage assessments for each elevator and determined the repair costs would cost a total of approximately \$230,517, she added.

Ms. Huxley explained that the Conservancy is responsible for maintenance and repair work on the elevators, but is not responsible for "major capital repairs." The Conservancy/Authority has notified the New York State Department of Transportation ("DOT") and the New York City Education Department ("NYCED") and requested that each organization promptly make the necessary repairs. She noted that the Conservancy is waiting to hear back from DOT and NYCED.

Pending a response from DOT and NYCED, the Conservancy seeks authorization to add an additional \$300,000 to the Otis contract, thereby increasing the contract amount from \$229,840 to \$529,840 to cover existing repair and maintenance work on all seven elevators and to extend the term of the Otis contract from January 31, 2013 to October 31, 2013, Ms. Huxley said.

For clarification, Mr. Mehiel asked that Ms. Huxley confirm that a material portion of this increase and prospective cost is a result of Superstorm Sandy-related damages and, notwithstanding the fact that the Directors may, in the interest of time, approve this request and authorize the work, it is believed that the Conservancy/the Authority will recover some portion of this from DOT and NYCED. Ms. Huxley confirmed his understanding to be correct.

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

AUTHORIZATION TO AMEND THE CONTRACT WITH OTIS ELEVATOR COMPANY TO PROVIDE ELEVATOR MAINTENANCE SERVICES TO THE BATTERY PARK CITY PARKS CONSERVANCY (THE "CONSERVANCY")

BE IT RESOLVED, that the Executive Director of the Conservancy or her designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the

"Amendment") to the contract with Otis Elevator Company ("Otis"), to increase the amount payable thereunder by \$300,000 and to extend the term of the contract through and including October 31, 2013; and be it further:

RESOLVED, that the Executive Director of the Conservancy or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amendment on behalf of the Conservancy, 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 Conservancy, such approval to be conclusive evidence by the execution and delivery of the Amendment; and be it further

RESOLVED, that the Executive Director of the Conservancy 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 are hereby ratified and any actions hereafter taken are confirmed and approved.

* * *

Next, Mr. Mehiel announced that Vincent McGowan, Assistant Director for the Conservancy had retired. "He has been a valued colleague, is very well thought of and has institutional memory that has been very important to us," Mr. Mehiel stated.

Ms. Huxley said, "to have a good, solid working relationship with one's second in command is extremely helpful. Having a relationship with complete honesty and trust is truly fabulous.... I am not quite sure how we're going to manage without him, but we wish you good wind and smooth sail."

Mr. Serpico stated that Mr. McGowan was "the guy you want next to you in the foxhole when things go south." "I had the privilege of speaking for many previous administrations as well as this, that they all appreciate your efforts, thank you for your efforts, recognize your efforts, and wish you the very best in your fifth or sixth retirement," he said.

Mr. McGowan said, "It has been an exciting opportunity for a guy like me, born and raised on the West Side, to be part of all this waterfront development, and when I came into Battery Park City 11 years ago ... it was really an honor to be here because Battery Park City ... [was] the standard [for] all the other park developers.... So with the legacy of Battery Park City as a sustainable, valuable community that adds Class A landscapes to the Class A buildings that are inside of them, I would hope it's something that will continue, and the Board has been terrific in supporting the Conservancy's efforts and in funding the Conservancy going forward. It's really changed the entire way we live on the West Side."

"It's great to see that you're paying so much attention to the work in the public space and I'll be right alongside you as long as I live on the West Side, which will be the rest of my life.

So, thank you very much, Mr. Chairman, for the opportunity to address to the Board,” Mr. McGowan concluded.

* * *

There being no further business, the meeting thereupon adjourned at 9:26 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "MChurnetski", with a stylized flourish at the end.

Megan Churnetski
Assistant Corporate Secretary

Battery Park City Parks Conservancy Policy Regarding Involuntary Separation from the Battery Park City Parks Conservancy

I. Policy Statement

Reductions in workforce and/or the elimination of positions may be necessary from time to time in order for the Battery Park City Parks Conservancy (the "Conservancy") to effectively and efficiently carry out its mission.

In the event of a reduction in workforce and/or the elimination of positions, Management will ensure that the Conservancy maintains the ability to meet its core business needs.

The provisions that follow shall apply to severance pay and benefits following a reduction in workforce and/or the elimination of positions.

II. Eligibility for Severance Pay

- A. The employee must be a regular full-time employee of the Conservancy who is in good standing as of the date of the involuntary separation, as defined herein;
- B. An employee must have completed two years of continuous, permanent employment at the Conservancy at the time of the involuntary separation, as defined herein;
- C. The involuntary separation must fall within the definition of an "Involuntary Separation," as defined herein.

III. Definitions

Involuntary Separation for purposes of this Policy shall mean a layoff due to budget reductions, reorganization, work force downsizing, or other causes not related to job performance or conduct of the employee, but shall not include the following:

- 1. Voluntary Separation or Resignation,
- 2. Discharge for Cause, including documented poor job performance, disciplinary infraction, fraud, misconduct or criminal activity,
- 3. Disability covered by Worker's Compensation or NYS Disability Insurance, and
- 4. Retirement.

Eligible Employee shall mean an employee who meets the requirements set forth above regarding eligibility for severance pay.

IV. Severance Pay and Benefits

The Conservancy will observe the following practices in connection with severance pay and benefits for Eligible Employees.

1. Severance Pay

Severance pay may be provided to Eligible Employees as follows:

- a. The amount of severance pay to be paid to an Eligible Employee will be based on the Eligible Employee's years of continuous service at the Conservancy. For purposes of this calculation, only full-time employment shall be considered.
- b. The maximum severance payment to which an Eligible Employee may be entitled is 12 weeks of salary, which shall be based on the following:

YEARS OF SERVICE	AMOUNT OF SEVERANCE
2 years or less	Ineligible
More than 2 years	1 week of severance for every year of service, not to exceed 12 weeks. Partial years will be prorated.

2. Benefits

Accrued and unused leave time shall be paid in accordance with the Conservancy's Employee Personnel Handbook.

V. Waiver and Release in Exchange for Severance Pay and/or Benefits

Eligible Employees will be required to sign a waiver and release of claims form in consideration for any severance pay and/or benefits which they may receive under the terms of this Policy.

VI. Severance Pay Practice Subject to Change

The foregoing severance pay and benefits package represents the Conservancy's current severance practice and is not a commitment by the Conservancy or a contract between the Conservancy and any of its employees with respect to future severance pay and/or benefit entitlement. This practice may be changed by the Conservancy at any time, provided that a revised policy is prepared and made available to employees.

VII. Effective Date

This Policy, upon approval by the Board of Directors of the Conservancy, shall be retroactively effective as of November 1, 2011.