

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
July 31, 2012

Members Present

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

Authority Staff in Attendance: Gayle M. Horwitz, President and Chief Executive Officer
Lauren Bruggess, 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
Eileen Calvanese, Battery Park City Parks Conservancy
Abby Ehrlich, Battery Park City Parks Conservancy
Matthew Fenton, Battery Park City Broadsheet
Nancy Bonivid, Battery Park City Resident
Jessica Terrell, Tribeca Tribune
Courtney Clark, Willis of New York
Robert Meder, Willis of New York

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:05 a.m.

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The first item on the agenda, presented by Ms. Gallo was the election of a Chairman. Upon a motion made by Mr. Mateo and seconded by Mr. Mattone, Mr. Mehiel was unanimously elected Chairman of the Authority.

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Mr. Mehiel noted for the record that the meeting had been called on public notice in accordance with the New York State Open Meetings Law.

The next item on the agenda was the approval of the minutes of the June 5, 2012 and June 19, 2012 meetings.

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

APPROVAL OF MINUTES OF THE JUNE 5, 2012 AND JUNE 19, 2012 MEETINGS

BE IT RESOLVED, that the minutes of the meetings of the Members of the Hugh L. Carey Battery Park City Authority held on June 5, 2012 and June 19, 2012 are hereby approved.

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At this point, Mr. Branchini joined the meeting by telephone.

The next item on the agenda, presented by Mr. Serpico, was acceptance of the insurance renewal program and authorization of the payment of insurance premiums.

First, Ms. Horwitz reminded the Members that the Authority had selected Willis of New York ("Willis") as its insurance broker of record through a public competitive bid process. Next, Mr. Serpico explained that the insurance broker of record for the Authority acts as a broker for the Authority's insurance policies covering all the various risks, as well as serving as a risk consultant to Management.

At the time the Members approved Willis as the Authority's new broker, the Members expressed some concern because Willis' proposed annual fees were \$35,000 higher than those of the incumbent broker, Hagedorn, Mr. Serpico said. However, he reported, Willis has accomplished savings in the Authority's insurance premiums that more than make up for Willis' increased broker fees.

Next, Courtney Clark and Robert Meder from Willis explained their marketing strategy and reported their success in obtaining lower premiums for the Authority.

Ms. Horwitz stated that the total annualized premiums for all the insurance programs, including Workers' Compensation insurance, will save the Authority \$84,349 for the coming year. The overall program premiums are going to be \$1,262,633, she reported.

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

**AUTHORIZATION TO ACCEPT INSURANCE RENEWAL PROGRAM AND
AUTHORIZATION OF PAYMENT OF INSURANCE PREMIUMS**

BE IT RESOLVED, that in accordance with the materials presented at this meeting, the Members hereby accept the attached Insurance Renewal Program and authorize payment of the related Insurance Premiums; and be it further

RESOLVED, that the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Insurance Program Renewal documentation and pay the Insurance Premiums, 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; and be it further

RESOLVED, that the President 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 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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The next item on the agenda, presented by Ms. Taylor, was a request for ratification, confirmation and approval of a retainer agreement with Kramer Levin Naftalis & Frankel LLP ("Kramer Levin").

Ms. Taylor explained that Management required specialized legal expertise relating to the design and construction of the plaza area of Pier A, but could not find that kind of specialized waterfront zoning and land use expertise from its current pool of law firms. Therefore, Management looked to the marketplace to locate a firm that would be willing to provide the required services at the Authority's hourly rates, which are capped at \$400 per hour. Management identified three law firms with specialized expertise in waterfront zoning and related matters. Of the three firms identified and contacted, two were not willing to accept the Authority's fee cap of \$400 per hour; accordingly, Management has entered into a contract with Kramer Levin for these services.

Ms. Taylor continued by explaining that the Kramer Levin retainer agreement is being brought before the Members for approval because, while Management considers it to be unlikely, the costs associated with this engagement could exceed \$250,000, depending upon the duration and complexity of the review and approval processes.

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

**RATIFICATION, CONFIRMATION AND APPROVAL OF THE RETAINER
AGREEMENT BETWEEN BATTERY PARK CITY AUTHORITY (THE
"AUTHORITY") AND KRAMER LEVIN NAFTALIS & FRANKEL LLP**

BE IT RESOLVED, that, in accordance with the materials presented to this meeting, the retainer agreement between the Authority and Kramer Levin Naftalis & Frankel LLP is hereby ratified, confirmed and approved.

RESOLVED, that the President 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 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 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, dealt with corporate governance matters.

Ms. Taylor explained that Management's goal in presenting proposed governance documents was to give the Members an opportunity to review them, and make recommendations to the Governance Committee. Once the Governance Committee is re-constituted, it will have an opportunity to review the Members' recommendations and modify the documents as appropriate, she said.

Next, Ms. Taylor briefly reviewed the proposed governance documents including proposed committee charters for the Investment, Audit and Governance Committees and Member self-evaluations.

Ms. Gallo inquired as to whether the committees described are consistent with what the State recommends for Authorities, to which Ms. Taylor responded affirmatively.

Ms. Taylor also stated that Management is recommending that the Members consider eliminating the Compensation Committee. She noted that Management can always form this committee on ad hoc basis if needed.

Mr. Mehiel then requested that each Member volunteer, by email to him, for at least one committee, by the middle of August. He also requested that the Members review the proposed committee charters and vote on them at the next meeting.

Next, Mr. Mehiel requested that the Members enter executive session to discuss matters pertaining to litigation and strategy in relation to settlement and contract negotiations. Upon a motion made by Ms. Gallo and seconded by Mr. Mateo, the Members voted unanimously to conduct an executive session pursuant to Section 105.1 of the Public Officers Law.

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During executive session, the following resolution was unanimously adopted:

**RATIFICATION, CONFIRMATION AND APPROVAL OF RETAINER AGREEMENT
BETWEEN BATTERY PARK CITY AUTHORITY (THE "AUTHORITY") AND
GIBSON DUNN & CRUTCHER LLP ("GIBSON DUNN")**

BE IT RESOLVED, that, in accordance with the materials presented to this meeting, a retainer agreement between the Authority and Gibson Dunn for legal services is hereby ratified, confirmed and approved.

RESOLVED, that the President 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 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 further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The Members also unanimously voted, in accordance with the material presented to them, to authorize Management to enter into a settlement agreement with various design contractors relating to their work performed for the Pier A project.


The Members further re-affirmed its policy of allowing Management to enter into settlement agreements for amounts of up to \$250,000 to conclude litigation matters, provided that the Members are apprised on a regular basis regarding the background of such matters and the extent of risk involved.

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No other 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.

Upon a motion made by Ms. Gallo and seconded by Mr. Mateo, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:18 p.m.

Respectfully submitted,


Carl D. Jaffee
Corporate Secretary