

HUGH L. CAREY BATTERY PARK CITY AUTHORITY  
MEMBERS' MEETING  
One World Financial Center – 24<sup>th</sup> Floor  
New York, NY 10281  
March 25, 2008

Members Present

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

Authority Staff in Attendance: James Cavanaugh, President and Chief Executive Officer  
Alexandra Altman, Executive Vice President and General Counsel  
Daniel Baldwin, Senior Development Counsel  
Debra Bogosian, Controller  
Sidney Druckman, Director, Special Projects  
Stephanie Gelb, Vice President, Planning & Design  
Antigona Hajdaraj, Special Assistant to the President  
Robert Holden, Vice President, Human Resources & Administration  
Carl Jaffee, Senior Development Counsel and Corporate Secretary  
Wilson Kimball, Senior Vice President, Operations  
Susan Long, Vice President, Strategic Planning  
Lisa Miller, Vice President, Internal Audit and Compliance  
Leticia Remauro, Vice President, Community Relations, Affirmative Action and Press  
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer  
Roy Villafane, Director, Internal Audit  
Antony Woo, Vice President, Construction

Others in Attendance: Tessa Huxley, Executive Director, Battery Park City Parks Conservancy Corporation  
Matthew Fenton, Battery Park City Broadsheet  
Allison Simko, Community Member  
Randy Tancer, Battery Park City Parks Conservancy Corporation

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:15 a.m.

The first item on the agenda was approval of the minutes of the February 19, 2008 meeting.

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

**APPROVAL OF MINUTES OF THE FEBRUARY 19, 2008 MEETING**

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on February 19, 2008 are hereby approved.

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The next item on the agenda, presented by Mr. Jaffee, was a request to amend the Authority's bylaws to establish a Compensation Committee and to eliminate the position of Senior Vice President, Project Development and Management.

Mr. Urstadt stated that with respect to the compensation Committee, the proposed resolution provides for the Compensation Committee's members to be designated by the Chairman. He then recommended for the Member's consideration an alternative method for selecting Committee Members, whereby both the Chairman makes recommendations to all of the Members, who would make the designation of the committee members.

Mr. Gill stated that staff had looked into the methods by which other State Authorities select committee members, and half of those investigated have their committee selected by the chairman, and the other half by their full boards of directors. He further stated that he was willing to accept Mr. Urstadt's suggestion and that under that method of designating committee members, he would recommend himself as chairman of the compensation committee, and Mr. Branchini and Mr. Urstadt as the other two members.

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

**AUTHORIZATION TO AMEND THE BYLAWS TO CREATE A COMPENSATION COMMITTEE AND TO ELIMINATE THE POSITION OF SENIOR VICE PRESIDENT, PROJECT MANAGEMENT AND DEVELOPMENT**

BE IT RESOLVED, that Article IV of the Authority's Bylaws be amended by the addition thereto of the following Section 3:

"Section 3. Compensation Committee. There shall be a compensation committee which shall consist of three Members, including a Chair. Committee members and the Chair shall be nominated by the Chairman and selected by vote of the Members. Each member of the committee shall be an "independent member" as defined in Public Authorities Law § 2825(2). The duties and responsibilities of the Committee shall be (a) to consider policies regarding the payment of salaries,

compensation and reimbursement of expenses for the chief executive and senior management; and (b) to make such other recommendations regarding compensation as it may deem appropriate”; and be it

FURTHER RESOLVED, that Section 1 of Article 1 of the Authority’s Bylaws be amended by the deletion from the list of officers contained therein the position of Senior Vice President, Project Development and Management.

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In response to an inquiry from Mr. Mueller as to determination of salaries of staff members, Mr. Cavanaugh explained that the Compensation Committee would provide oversight of compensation for the President and senior management of the Authority. Therefore, he continued, recommendations for the compensation for a particular level of management would be presented to the Compensation Committee and the Committee would report its recommendation to all the Members.

In response to an inquiry by Mr. Cornstein, Mr. Cavanaugh explained that compensation of Authority employees is not fixed by statute. There is, however, a published list of salary ranges for every position at the Authority, he stated. It is within that range that the President is able to make recommendations. He also noted that generally there are salary changes through the cost of living salary increases allowance, which are approved by the Members as part of the yearly budget, and merit increases which range up to three percent of salary. Mr. Cavanaugh noted that the Compensation Committee could examine the Authority’s compensation policies in order to determine whether it wishes to recommend any changes to them.

Mr. Urstadt stated that the Committee should study compensation policies of other similar authorities as well as competing outside prices. Mr. Gill noted that it would be very worth while that this be done. Mr. Gill said further that the Committee will provide full disclosure of its findings and recommendations to all of Members, including those pertaining to compensation of any future Chief Executive Officer.

In response to inquiry by Mr. Urstadt, Ms. Altman stated that no Compensation Committee has yet been recommended for the Battery Park City Parks Conservancy. Mr. Cavanaugh advised that there are far fewer employees in the Conservancy drawing executive level salaries, but that a similar Committee could be established for the Conservancy should its Directors choose to do so.

Upon a motion made by Mr. Cornstein and seconded by Mr. Urstadt, the Members then unanimously selected Mr. Gill as Chair of the Compensation Committee and Mr. Branchini and Mr. Urstadt as members of such committee.

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The next item on the agenda, presented by Ms. Miller, was a request for approval of time and attendance policies for the chief executive and senior management. Ms. Miller explained that Section 2824(1) of the Public Authorities Law requires that the Members establish such policies, that the Governance Committee had reviewed the existing time and attendance policies of the Authority, which are in the employee handbook, and that the Committee has recommended that the Members adopt those policies.

The policies, she said, state that normal working hours are Monday-Friday from 9 am-5:30 pm with a one hour lunch break between the hours of 11 am and 2 pm, Ms. Miller continued. Additionally, they set forth the rules for accrual and use of annual leave, personal leave, sick leave, and family sick leave. These rules are the same for the chief executive and senior management as for all other employees, she added.

In response to inquiry by Mr. Urstadt, Ms. Huxley stated that the Conservancy policies in this area are very similar to those of the Authority. , Mr. Holden further explained details of the personal leave and sick time policies, stating that most other New York State authorities have similar policies permitting unlimited accrual of sick leave.

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

**ESTABLISHMENT OF TIME AND ATTENDANCE POLICIES FOR THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT, AS SET FORTH IN THE EMPLOYEE HANDBOOK**

BE IT RESOLVED, that the Time and Attendance Policies set forth in the Employee Handbook of the Authority and as attached hereto are hereby approved and established as the time and attendance policies for the Chief Executive and Senior Management of the Authority

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The next item on the agenda, presented by Mr. Woo, was a request for authorization of a contract with Hugh O’Kane Electric Company in the amount of \$543,725 for the Site 26 and ball field electric service relocation project. He explained that the Authority is responsible for providing electrical service in a number of new development sites in Battery Park City’s north neighborhood because certain streets in that area are still owned by the Authority and have not yet been dedicated to New York City.

One such area is Site 26, the new corporate headquarters of Goldman Sachs, Mr. Woo continued. Additionally, he stated, because the electric service for the ball fields is in conflict with the pending development of residential buildings on Sites 23 and 24, it must be relocated. In

anticipation of this move, Munoz Engineering (“Munoz”) was retained by the Authority in November 2005 to design the utilities for these sites, and to oversee the construction of the work.

In accordance with the Authority’s Procurement Guidelines, the project was advertised in the New York State Contract Reporter and the Minority Commerce & Employment Weekly, Mr. Woo explained. Furthermore, he added, names of prospective proposers were solicited from the Affirmative Action Department.

Proposals were received from five firms he said, one of which was an M/WBE firm. Pre-award meetings were held with members of the Construction Department, Munoz, and the three lowest proposers, he stated. During pre-award interviews, a clarification of cost breakdowns, as well as lead times for obtaining materials, were requested from the proposers. This additional information was used to determine whether the project could be completed on schedule and within the cost stated by each proposer, Mr. Woo explained. He informed the Members that the two proposers submitting the lowest costs failed to provide this requested information by the required dates.

Mr. Woo also noted that it became apparent during the Electric’s interview with the lowest proposal that the firm did not have enough experience, nor did it understand the magnitude of the project. During the interview, the firm, Indy Electric stated that it had not previously performed this type of electrical installation, he added. During the interview with Community Electric, the second lowest proposer, the firm indicated that a portion of the work was not included in its proposal and that it would have to increase the price it had submitted. Furthermore, Mr. Woo explained, Community Electric indicated that the lead time it would need to obtain the cables would be 16 weeks, which does not comply with the project schedule.

Hugh O’Kane Electric Company, by contrast, showed a complete understanding of the project, included all work in its base proposal, and was responsive with providing the additional information requested, he stated. Hugh O’Kane Electric also indicated that it could complete the work by June 15, 2008, as required by the project schedule, he added. Mr. Woo then recommended that the Members authorize the contract with Hugh O’Kane Electric Company in the amount of \$543,723 for the electrical service work at Site 26 and the ball field.

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

**AUTHORIZATION OF CONTRACT WITH HUGH O’KANE ELECTRIC COMPANY FOR ELECTRICAL INSTALLATION WORK**

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 Hugh O’Kane Electric, Company for the installation of electric cable in the north residential neighborhood in the amount of \$543,725; 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 ratified.

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The final item on the agenda, presented by Ms. Gelb, was a request to authorize an amendment to the contract with Hanrahan & Meyers Architects for additional design work in connection with the Site 23/24 community center to provide for an additional payment not to exceed \$375,000.

In January 2005, Ms. Gelb explained, the Authority entered into a contract with the Hanrahan & Meyers to design a community center, to be developed as part of the residential buildings on Sites 23 and 24. Later, the Authority added money to Hanrahan & Meyers' contract to reflect additional work needed for an expanded program for the community center. Additionally, it was determined through a value engineering process that a multi-purpose room be substituted for a performance theater for cost savings purposes. In November 2007, Authority staff determined that it would be worthwhile to proceed with the design of a complete theater with the intention of securing outside funding to subsidize the theater. The Authority has requested that Hanrahan & Meyers design both a full-service theater and a multi-purpose room to give the Authority an idea of what it can afford to do. Depending on the amount of the bids and on funds available, elements from both designs may be included in the construction package. The fee for the design of the theater, including payment to consultants, is not to exceed \$220,000.

Authority staff has also asked Hanrahan & Meyers to complete the design work to reconfigure the ball fields adjacent to Sites 23 and 24 pending completion of Site 23/24 construction in order to move ball players away from construction activity. Once construction is completed, the ball fields will be reversed to their original configuration, Ms. Gelb stated. Additionally, a storm water tank will be incorporated into the design. The cost for this design work is not to exceed \$155,000, bringing the total additional amount requested for project design work to \$375,000.

In response to inquiry by Mr. Gill, Ms. Gelb explained that the community has expressed interest having the theater facility included in the community center.

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

**AUTHORIZATION OF AMENDMENT TO CONTRACT WITH HANRAHAN & MEYERS ARCHITECTS**

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 contract with Hanrahan & Meyers Architects for design and related services pertaining to a Community Center on Sites 23 and 24, increasing the amount payable thereunder for additional services by an amount not to exceed \$375,000; 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 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 exclusively 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 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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Mr. Cornstein then requested that the Members' attendance records for the past year be included in the corporate records. Mr. Cornstein and Mr. Gill both noted that Members' attendance at meetings had been very strong, and Mr. Gill thanked the Members for their dedication.

There being no further business, the meeting thereupon adjourned at 10:50 a.m.

Respectfully submitted,



Carl D. Jaffee  
Corporate Secretary