

The Trust for Governors Island

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
GOVERNORS ISLAND CORPORATION D/B/A
THE TRUST FOR GOVERNORS ISLAND
OCTOBER 18, 2011

A meeting of the Board of Directors of Governors Island Corporation d/b/a The Trust for Governors Island (“The Trust”) was held on Tuesday, October 18, 2011, at City Hall, New York, New York.

The following members of the Board of Directors of The Trust were present:

Ronay Menschel, Chair
Elizabeth Berger
Doug Blonsky
Amanda Burden
Mark Costello
Patti Harris
Julie Menin
Jeffrey Lynford
Seth Pinsky
David Saltzman
Carl Weisbrod

Also present were staff of The Trust and the Mayor’s Office and members of the public.

Ronay Menschel, Chairperson of the Board, called the meeting to order and welcomed all in attendance. Paul Kelly, Secretary and General Counsel of The Trust, served as secretary of the duly constituted meeting, at which a quorum was present.

Chairperson Menschel stated that the meeting would start with the presentation of the voting items, followed by the President’s Report. Chairperson Menschel noted that the meeting was open to the public but requested that any comments be held until after the voting items and President’s Report.

1. Approval of the Minutes of the July 19, 2011 Board of Directors Meeting

There were no questions or comments with respect to the minutes of the July 19, 2011 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Election of Officers

The second board item addressed the renewal appointment of the officers of The Trust, with Leslie Koch, President, Jonathan Meyers, Treasurer, Paul Kelly, Secretary, and Willa Padgett, Chief Financial Officer (“CFO”). Ms. Menschel mentioned that these officers would stay in their positions unless in the event of their untimely death, resignation, or removal. A motion to approve the election of officers was seconded and unanimously adopted.

3. Approval of an Amendment to the Contract between The Trust and West 8 Design and Landscape Architecture, PC

Simon Bertrang, Vice President of Planning, Design, and Preservation presented the next item, which was an amendment to the contract between The Trust and West 8. Mr. Bertrang stated that one of the goals for the new park and public space is the integration of public art through the island. The Trust has allocated \$200,000 for the installation of public art in these new spaces. Mr. Bertrang noted that by increasing the West 8 contract by this amount, West 8 would be able to contract with the artist(s) for the creation and installation of this public art. West 8 would ensure that the art would be created, installed, and implemented in coordination with the park and public space as well as The Trust’s overall plans. There were no questions, a member moved to approve this amendment, the motion was seconded, and unanimously approved.

4. Approval of a Contract for Outside Maritime Counsel Service with Hill, Betts & Nash LLP

Paul Kelly, General Counsel for The Trust, presented the next item, which was the approval to enter into a contract for outside maritime counsel services with Hill, Betts & Nash LLP. Mr. Kelly stated that The Trust had solicited proposals pursuant to an RFP. Seven proposals were received and reviewed by the selection committee, which included Jim DiSimone, Deputy Commissioner of the New York City Department of Transportation, Isabel Galis-Menendez from the New York City Law Department, Jon Meyers and Paul Kelly from The Trust. After interviewing two of the seven firms, the selection committee unanimously chose Hill, Betts & Nash based on their national reputation of excellence in maritime law. Their expertise, firm structure and their discounted rates also were factors in making a decision. The

approximate rates were well within the rates presently being paid by The City of New York (the “City”) and New York City Economic Development Corporation (“NYCEDC”) for outside counsel services.

Chairperson Menschel asked if there was a maximum contract price. Mr. Kelly said that was the case, and that \$50,000 was the maximum contract price over the five-year term of the contract. Mr. Costello also asked Mr. Kelly to define the term “maritime” with a little more substance. Mr. Kelly said that it pertained particularly to admiralty and maritime law, an expertise that The Trust currently does not have. Mr. Lynford then moved to approve this contract; the motion was seconded, and unanimously approved.

5. Approval of a Contract for the Provision of Services to the National Park Service for Federal Fiscal Year 2012

Mr. Kelly presented this item, which is The Trust’s annual contract with the National Park Service (“NPS”) pursuant to which The Trust provides ferry, utility, garbage removal, pest control, grounds maintenance services, as well as services control. NPS pays The Trust for these services. At the January 2011 Board Meeting, the Directors approved the fiscal year 2011 contract with NPS for \$169,266. This new FY 2012 contract would have the same scope of services as the one from fiscal year 2011, with an estimated contract price of \$186,203. Mr. Kelly also mentioned that since the contract price is estimated, The Trust was also requesting authorization for an additional 10% contingency of \$18,620 towards any of the services as needed. Mr. Lynford moved to approve this contract; the motion was seconded, and unanimously passed.

6. Authorization to Amend the Description of Lands Under Water to be Transferred to NPS for the Installation and Operation of a Floating Barge

Mr. Kelly also presented the authorization to amend the description of lands under water to be transferred to NPS. When The Trust had initially requested authorization from the Directors to transfer the lands underwater to NPS for a floating barge, NPS did not take into account the land between the barge and dock. NPS, subsequent to the initial Board authorization, realized that it should have included this piece. Mr. Kelly noted that the additional lands under water parcel to be transferred was approximately 15 feet to 20 feet wide by 120 feet long, and that the staff of The Trust deems the transfer of title of the additional parcel to NPS as appropriate. The proposed piece of land is unusable by The Trust and the transfer would relieve The Trust of potential liabilities for this area going forward.

At this point, Ms. Berger asked if this was a theoretical liability. Mr. Kelly stated that there had been no liability to The Trust for such area to date but going forward it would make

sense to eliminate any potential liability for this parcel. Mr. Weisbrod moved to amend the description of lands underwater, it was seconded, and unanimously passed.

7. Approval of The Trust's 2011 Audited Financial Statements and Investment Reports

Seth Pinsky, Chair of the Audit and Finance Committee, presented the item to approve The Trust's 2011 Audited Financial Statements and Investment Reports. He noted that The Trust had just finished its first full year of operations and had hired Marks Paneth and Shron ("Marks Paneth") to conduct its annual audit. This audit was presented to the board for approval pursuant to Section 2800 of the Public Authorities Reform Act and was certified as accurate by The Trust's President and Chief Financial Officer. Mr. Pinsky noted that Marks Paneth worked closely with staff of The Trust, as well as NYCEDC, which performs certain accounting and bookkeeping functions for The Trust. Mr. Pinsky noted that the Audit and Finance Committee met in late September to meet with the auditors. The auditors stated that The Trust's annual statements were a fair representation of The Trust's financial conditions, and that there were no material weaknesses in its internal controls. Mr. Pinsky also noted that there was discussion on ways to improve the systems in place, and to make all processes even smoother. The hiring of Ms. Willa Padgett as CFO was a positive step. Mr. Pinsky also mentioned that from this point forward, minutes would be taken at the Audit and Finance Committee and the committee met in executive session without staff to speak directly with the auditors. The auditors analyzed the final statements and submitted the audited financials to the Comptroller on September 30, 2011.

At this point, Ms. Koch stated that she would like to publicly thank Mr. Pinsky and the NYCEDC for their invaluable work done for The Trust, particularly before the hiring of the CFO. Ms. Menschel then asked for questions and comments. Being none, Mr. Pinsky moved to approve The Trust's 2011 audited financial statements and investment report. The motion was seconded, and unanimously passed.

8. Omnibus Ratifications and Authorizations per Requirements of the Public Authorities Accountability Act, as amended

This item was presented by Mr. Kelly. This item included omnibus ratifications and authorizations per the requirements of the Public Authorities Accountability Act as amended by the Public Authorities Reform Act ("PAAA"). Mr. Kelly addressed the requested actions as follows:

- I. To appoint Willa Padgett as contracting officer of The Trust
- II. To ratify previously adopted policies of The Trust, being The Trust's Investment Guidelines as well as The Trust's Code of Ethics

III. To adopt new statements and policies, which were The Trust's Mission Statement, Whistleblower Protections, Policy on Indemnification and Defense of Members and Directors, and finally The Trust's Policy on Extension of Credit to Officers, Directors and Employees

Mr. Kelly requested the Directors to authorize these policies and to authorize the President to take any requested actions. With no questions or comments, Ms. Menschel asked for a motion to approve. A member moved to adopt these resolutions. Another member seconded the motion, and it was unanimously passed.

9. President's Report

The final item on the agenda for the Board Meeting was the President's Report. The Trust's President, Ms. Leslie Koch, gave this presentation accompanied by projected slides.

Ms. Koch's presentation focused around a brief overview of the 2011 open season, a small discussion about the possible tenants of Governors Island, as well as an update on the park design, looking retrospectively at the history, evolution, and design of Liggett Terrace.

Ms. Koch gave statistics about the past season, stating that Governors Island had seen 450,000 visitors, despite record heat, rain, and Hurricane Irene disrupting the public access season.

Ms. Koch thanked the Bloomberg administration for all of their support and investment in upgrading the infrastructure on Governors Island. Ms. Koch highlighted the capital projects program, including work to restore potable water, upgrade electric and telecom systems, update the entire seawall, modernize the docks and piers, as well as stabilize the historic structures on the island. Ms. Koch noted that The Trust is now in the design and development stage on many of these projects. She also outlined the scope of Phase 1 of the Park and Public Space Plan which begins construction in 2012.

Ms. Koch focused on one of the key park space areas, Liggett Terrace, and how the design of such an area has shifted and changed since 2006.

Mr. Weisbrod asked about the number of visitors this year since the previous years had had such a dramatic increase in numbers, was this plateau a result of weather or logistical constraints? He also asked if there was a large different in geographic point of origin from previous years. Ms. Koch noted that Hurricane Irene was a large factor in cutting visitor numbers, especially on one of the busiest projected weekends for the island during the year. She

also mentioned that numbers from Brooklyn are beginning to increase, and The Trust is doing more outreach to communities across the City.

Ms. Berger mentioned how she thought the redesign of Liggett Terrace looked fantastic. She also asked if the Island will face any rodent issues in the future, like many of the parks in other parks of New York City. Ms. Koch said that as part of park planning and development, The Trust has looked at operations and management, including pest management. Mr. Blonsky asked about the species of hedges that were being considered, and Ms. Koch responded they are boxwood. Mr. Costello then asked how much of the Island would be closed during construction. Ms. Koch said that The Trust was very committed to having the Island open during construction. She said the perimeter of the island will be open, as well as Picnic Point, and The Trust is working through what will be open and what will have to be shut during construction. At this time, Ms. Menschel asked for public comments. The only comment came from Mr. Pirani, Executive Director of the Governors Island Alliance, who publicly thanked Ms. Koch and The Trust staff for all of their hard work on improving the Island and making it such a great destination for New Yorkers from all five boroughs.

10. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Board of Directors was then adjourned.