

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 11, 2017

A meeting of the Board of Directors of Governors Island Corporation d/b/a The Trust for Governors Island (“The Trust”) was held on Wednesday, October 11, 2017, at City Hall in New York, New York.

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

Carl Weisbrod, Chairperson
Cheryl Effron
Alicia Glen
Susan Mercandetti
Kevin Ryan
Avi Schick
Catherine Hughes
Tokumbo Shobowale
Patrick Kennell
Dan Neidich (via telephone)

Also present were staff from The Trust, the Mayor’s Office and The Friends of Governors Island (“FGI”).

Carl Weisbrod, Chairperson of the Board, called the meeting to order and welcomed all in attendance. Mr. Weisbrod began the meeting by welcoming a new Board member, Patrick Kennell, and recognizing his career as a lawyer, a member of Community Board 1 and President of the Financial District Neighborhood Association. Mr. Weisbrod also welcomed another new Board member, Karen Hopkins (who was not present), and recognized her distinguished career with the Brooklyn Academy of Music.

Mr. Weisbrod then proceeded to acknowledge the success of the recent FGI Gala, noting that it raised close to a million dollars. Michael Samuelian, the President of The Trust for Governors Island, clarified that the gala raised \$967,000.

After these opening remarks, Mr. Weisbrod commenced the meeting.

1. Approval of the minutes of the meeting of Directors held on June 16, 2017

There were no questions or comments. A motion to approve such minutes, as submitted, was made, seconded, and unanimously adopted.

2. Chairperson's Report

Mr. Weisbrod delivered a Chairperson's report to the Board, noting that the Board has started holding more frequent committee meetings to supplement its quarterly Board meetings to further engage Board members in Trust business. He noted that the Audit Committee met on September 26th, the Real Estate Committee met on September 27th, the Programming Committee met on September 28th, and the Governance Committee met on October 4th.

3. Audit Committee Report

In the absence of Ben Lawskey, Chair of the Audit Committee, Mr. Weisbrod shared that the committee meeting went well. The auditors found that The Trust had "an absolutely clean audit." The Trust then its audited financial statements to the New York City Comptroller on September 29th.

4. Governance Committee Report

Alicia Glen, the Chair of the Governance Committee, shared that the committee met by phone on October 4th to review the items for which the Board will take action today. She further indicated that the committee supported all action items to be presented. She then deferred to Marni Friedlander, General Counsel for The Trust, to explain the items up for consideration.

5. Approval of Trust policies in accordance with the requirements of the Public Authorities Reform Act ("PARA")

Ms. Friedlander began by stating that The Trust is bound by PARA, which requires The Trust's Board to review and ratify The Trust's policies every year. She noted that seven of The Trust's ten policies had not changed in a material way. She also drew the Board's attention to Exhibit B, The Trust's Code of Ethics policy, to ask the Board members to note whether anyone has any business interest in any companies with which The Trust does business.

Ms. Friedlander next directed the Board's attention to The Trust's Salary Policy, Exhibit H, the first of the three policies that had been substantively changed. She noted that the first change is that the salary of The Trust's President will now be determined by the Board Chairperson. The policy was previously silent on this issue. The other change, Ms. Friedlander continued, is that The Trust's other employee compensation, such as retirement plans, will be determined by The Trust's President. Previously, The Trust's policies were aligned with those of the New York City Economic Development Corporation ("NYCEDC").

Ms. Friedlander then explained that The Trust's Investment Policy, Exhibit I, had been changed to permit The Trust to make investments in stocks and mutual funds.

Ms. Friedlander continued to explain two changes to the Trust's Procurement Policy. First, The Trust is now able to utilize contractors and obtain goods and services that have been procured

by NYCEDC, Brooklyn Bridge Park Corporation, and the Brooklyn Navy Yard Development Corporation. The second change to the procurement policy allows The Trust to solicit a minimum of one bidder, rather than five bidders, when undertaking projects using private monies. Ms. Friedlander then asked the Board to ratify the seven unchanged policies and to approve the three modified policies.

Avi Schick asked if the changes to The Trust's salary policy are consistent with the policies of other comparable agencies, and if there is any interplay with the Nonprofit Revitalization Act and determining the salary of the President. Ms. Friedlander answered yes to Mr. Schick's first question. In response to Mr. Schick's second question, Ms. Friedlander explained that the law does not get into the nuances of determining salaries for senior staff members, except that each organization is free to make its own decisions on compensation.

Before proceeding with voting, Ms. Friedlander added that the change to the procurement policy was discussed at the June Board meeting. Hearing no further questions, Mr. Weisbrod asked for a motion to approve the request. The motion was made, seconded, and unanimously adopted.

6. Election of Officers

Ms. Friedlander then directed the Board's attention to the Election of Officers item and asked the Board to reelect the current officers—Michael Samuelian as President, Alexis Offen as Treasurer, Marni Friedlander as Secretary, and Willa Padgett as Chief Financial Officer and Contracting Officer. There were no questions or comments. A motion to approve the Election of Officers was made, seconded, and unanimously adopted.

7. Authorization to enter into a 5-year Cooperative Management Agreement and a 1-year Task Agreement with the National Park Service ("NPS") for the provision of certain services by The Trust to the NPS National Monument Property on Governors Island

Ms. Friedlander then moved on to discuss The Trust's agreements with NPS. She explained The Trust's history with NPS and its two agreements—the Cooperative Management Agreement (CMA), which details the services that The Trust provides for NPS, and the Task Agreement, which delineates the fee that NPS pays The Trust each year for providing the services. Ms. Friedlander continued to explain that the two agreements have expired and that in order to develop a longer-term relationship with NPS, The Trust is asking permission to enter into a five-year CMA for Federal Fiscal Years 2018 through 2022 and a one-year Task Agreement for \$345,100 for Federal Fiscal Year 2018. The CMA would cover ferry service, trash removal, and other services that The Trust has traditionally provided for NPS since 2010. The new CMA would also allow The Trust to use the two forts, Pier 102, and a portion of Building 107. She then requested that the Board approve the two agreements.

Catherine Hughes asked if federal budget cuts to NPS could jeopardize The Trust's arrangement with NPS. Mr. Samuelian answered no, noting that NPS has consistently made payments thus far. Mr. Samuelian and Ms. Glen also discussed that NPS's yearly contribution of roughly \$350,000 constitutes a relatively small percentage of The Trust's \$17 million operating budget. Ms. Friedlander also reiterated that the non-monetary assets of the CMA—such as having access to NPS forts, Pier 102, and a portion of Building 107—are beneficial for The Trust. A motion to approve entering into a five-year CMA and a one-year Task Agreement with the NPS was made, seconded, and unanimously adopted.

8. Programming Committee Report

Susan Mercandetti, the Chair of the Programming Committee, informed the Board that it met on September 28th to discuss The Trust's efforts to form partnerships with organizations such as Museum of Modern Art ("MoMA") and the American Museum of Natural History ("AMNH"). Mr. Samuelian added that partnering with large organizations fits into The Trust's strategy to have fewer, bigger events (as opposed to many small events), which is less taxing on Island operations. Mr. Samuelian added that relationships with uptown cultural institutions could be very complementary, as their target audiences may be motivated to attend events on Governors Island.

Ms. Glen then discussed the possibility of offering educational programming on Governors Island with partners such as the AMNH. Mr. Weisbrod asked about catering options for events on Governors Island, and Mr. Samuelian responded that there are a number of catering options available for events. Ms. Mercandetti asked about a potential partnership with Fresh Direct, and Mr. Samuelian answered that The Trust will continue to work with Fresh Direct to develop catering options on Governors Island. Ms. Hughes also encouraged the Board to think about targeting cruise ship patrons while the ships are docked in Brooklyn.

Ms. Efron also commented that cultural institutions that have experience hosting events offsite, like the Guggenheim, may be more enthusiastic about partnering with Governors Island. Ms. Mercandetti encouraged members of the Board to share connections they have with cultural institutions, and Mr. Weisbrod commented that The Trust's new Board member, Karen Hopkins, may be helpful forming connections.

9. Real Estate Committee Report

Ms. Efron, the Chair of the Real Estate Committee, shared that the committee met to review the strategy to activate the North Island and some recent proposals The Trust received. The committee has reviewed approximately one half of the proposals and plans to meet again next month to finish reviewing the remaining proposals.

10. President's Report

Mr. Samuelian gave the President's Report on the 2017 public access season and plans for the future. He started by sharing that 2017 is the first year that Governors Island is open for six months—from May through October. He noted that to date, the Island exceeded 700,000 visitors for the year, whereas it was at 585,000 visitors at the same time in 2016.

Mr. Samuelian stated that Governors Island has hosted roughly 70 large scale events this year—which is fewer than last year and part of a conscious decision as part of The Trust's strategy to be smarter and to host fewer but larger events. Summer events included the City of Water Day and Holi Hai Festival. From these larger events, The Trust learned that the Island's operational capacity begins to feel strained when there are about 14,000 people on the Island. Mr. Samuelian continued to share that "late night Fridays," for which ferry service continued until 10pm for six Fridays this summer, were a big success.

Mr. Samuelian then reported that maps of Governors Island are now available in the three most spoken non-English languages—Chinese, Russian, and Spanish. The Trust's website can also be translated to hundreds of different languages through a plug-in.

Mr. Samuelian shared that The Trust recently issued an RFP to bring more food and beverage vendors to strategically selected sites on Governors Island to replicate the success of Island Oyster. He added that The Trust expects to receive proposals before Thanksgiving.

Mr. Samuelian announced that today The Trust also released an RFP for the use of the Western Development Zone (“WDZ”), which has been one of the most valuable assets for The Trust, bringing in about half a million dollars for use of the site over the previous 12 months. Mr. Samuelian mentioned that The Trust would circulate the WDZ RFP to the Board by the end of the day. He also added that a private event was hosted on the WDZ the night before the Board meeting.

Mr. Samuelian proceeded to discuss the development of other portions of Governors Island—including a recently-restored nine-acre area of the Island known as the Parade Grounds and an area known as the Loop. Mr. Samuelian hopes to expand the uses of the Loop to include green job training and internships.

Mr. Samuelian then informed the Board that the new passenger ferry will be operational for the 2019 public access season and will have the capacity to transport a thousand passengers to and from Governors Island every hour. The ferry is being constructed by Blount Boats, a 68-year-old, family-owned business. Mr. Samuelian recently visited Blount to witness the laying of the keel. He added that the new ferry will enable The Trust to meet the visitor demand that is being created by The Trust’s efforts to activate the North Island.

Mr. Samuelian then discussed tenants on Governors Island and related capital improvements, such as the Lower Manhattan Community Council (“LMCC”). LMCC is investing about \$3 million to renovate the interior of Building 110.

Mr. Samuelian then followed up on the North Island activation strategy that Ms. Efron noted in the Real Estate Committee Report. He recounted how Governors Island has grown in recent years and currently hosts tenants such as the Harbor School and Billion Oyster Project. The Trust is now focusing on Island development that is aligned with its mission. Mr. Samuelian emphasized the need to continue connecting Governors Island with New York City, both by ferry and other means, to achieve The Trust’s goals.

Mr. Weisbrod then asked if there were any questions. Hearing no other questions, Mr. Samuelian also informed the Board that The Trust’s email addresses will be changed from “.gov” to “.org” shortly. He told the Board to watch for a notification about this change.

11. Public Comment, Executive Session and Adjournment

At this time, Mr. Weisbrod asked if any member of the public had a statement to make. Hearing none, Mr. Weisbrod entertained a motion to adjourn the meeting. The motion was seconded, and the meeting was adjourned.