

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
SEPTEMBER 14, 2016

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, September 14, 2016, at City Hall, New York.

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

Ronay Menschel, Chairperson
Margaret Chin
Cheryl Effron
Alicia Glen
Janno Lieber
Susan Mercandetti
Kevin Ryan
Avi Schick
Carl Weisbrod

Also present was staff from The Trust, the Mayor’s Office, and The Friends of Governors Island (“FGI”), as well as members of the public.

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

Ms. Menschel began the meeting by welcoming a new board member, Susan Mercandetti, and recognizing Ms. Mercandetti’s distinguished career in broadcasting and publishing.

Ms. Menschel also noted that Wendy Schmidt recently resigned from the Board. Ms. Menschel recognized Ms. Schmidt’s many contributions to Governors Island since joining the Board in 2013.

After these opening remarks, Ms. Menschel commenced with the voting items.

1. Approval of the minutes of the meeting of Directors held on June 15, 2016

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

2. Election of Officers

Ronay Menschel presented this item.

The officers to be elected were:

Michael Samuelian, President & CEO

Jonathan Meyers, Treasurer

Marni Friedlander, Secretary

Willa Padgett, Chief Financial Officer and Contracting Officer

Ms. Menschel then introduced the Mayor's appointment for the position of President and CEO of The Trust, Michael Samuelian. Ms. Menschel invited Deputy Mayor Glen to introduce Mr. Samuelian to the Board.

Deputy Mayor Glen began by speaking about Mr. Samuelian's qualifications and experience as an architect and a planner, particularly his experience with large-scale and open space development projects. She recognized his time as a member of the FGI Board, and she expressed her excitement at the opportunity to work with Mr. Samuelian in developing Governors Island. Ms. Menschel thanked Ms. Glen for her words and efforts in bringing Mr. Samuelian to The Trust.

Carl Weisbrod also recognized Mr. Samuelian's experience in the Department of City Planning and lauded Mr. Samuelian's passion for Governors Island.

With no additional questions or comments, a motion to approve the item was made, seconded, and unanimously approved.

Mr. Samuelian then entered the Board Meeting. Mr. Samuelian expressed his gratitude at the opportunity to work with The Trust and the Board in making Governors Island a greater public space.

3. Ratification of previously adopted policies in accordance with the requirements of the Public Authorities Reform Act of 2009 ("PARA")

Marni Friedlander presented this item. Ms. Friedlander explained that pursuant to PARA, the Directors of The Trust are required to adopt and ratify on an annual basis certain governance policies. She noted that the Board has previously reviewed and ratified these policies in the past fiscal year, and there were no substantive changes to the policies for fiscal year 2017 ("FY 17").

Ms. Friedlander stated that one of the PARA policies requires each Board Member to sign The Trust's Code of Ethics form, thereby indicating whether he or she has conducted any business with a vendor that The Trust also does business with to ensure that there are no conflicts of interest. Ms. Friedlander concluded by recommending that the Board ratify the PARA policies for FY 17.

Cheryl Effron asked whether the PARA policies are contained within The Trust's employee handbook. Ms. Friedlander confirmed that the employees have copies of the policies adopted in compliance with PARA.

With no additional questions or comments, a motion to approve the item was made, seconded, and unanimously adopted.

4. Authorization to enter into a contract for the provision of Outside Maritime Counsel Services

Marni Friedlander presented this item, which sought approval to enter into a contract for outside maritime counsel services with Hill, Betts & Nash LLP ("Hill Betts"). Ms. Friedlander explained that currently the only means of accessing Governors Island is by boat and that The Trust currently owns one boat, the Coursen. Ms. Friedlander further explained that The Trust plans on acquiring a new vessel for additional ferry service.

Ms. Friedlander noted that The Trust had previously procured outside maritime counsel services in 2011 and, with the Board's approval, entered into a retainer agreement with Hill Betts for a five year term with a maximum price of \$120,000. Ms. Friedlander stated that The Trust had spent approximately \$90,000 of that contract value over the course of the five year term. This contract expired on October 31.

Ms. Friedlander continued by stating that The Trust released an RFP for a new outside maritime counsel contract in July; The Trust received six proposals in response. After review of these responses by The Trust's selection committee comprised of Jonathan Meyers, Willa Padgett, Marni Friedlander, and Jason Colin, the committee unanimously selected Hill Betts as the winning proposal. According to Ms. Friedlander, this selection was based on the firm's expertise, experience, and rate proposal, which was among the lowest of all respondents.

Ms. Menschel asked Mr. Meyers about the timeframe for The Trust's acquisition of a new vessel. Mr. Meyers responded that the timeframe would be approximately 12-16 months. Deputy Mayor Glen asked what would be this new vessel's maximum capacity; Mr. Meyers answered 400 passengers. Deputy Mayor Glen then asked if this number is higher than that of the boats commissioned for Citywide Ferry; Mr. Meyers answered yes and stated that this number is necessary as The Trust has different needs than those of the City. Deputy Mayor Glen remarked that The Trust and the Citywide Ferry Service team should speak at an upcoming board meeting to discuss the relationship between Citywide Ferry and Governors Island.

Ms. Effron asked about the coordination between The Trust and the City regarding this new vessel and its relationship with Citywide Ferry. Deputy Mayor Glen and Mr. Meyers indicated that The Trust has coordinated with the City and EDC to ensure The Trust and Citywide Ferry complement each other and do not impede each other.

Avi Schick asked if the capital cost of the new vessel was included in The Trust's capital budget. Mr. Meyers responded yes.

With no additional questions or comments, a motion to authorize the item was made, seconded, and unanimously approved.

5. Authorization to amend the federal Fiscal Year 2016 Cooperative Management Agreement with the National Park Service (NPS) and to enter into the federal Fiscal Year 2017 Task Agreement with NPS for the provision of certain services by The Trust to the NPS National Monument Property on Governors Island

Jonathan Meyers presented this item. He explained that The Trust has a cooperative management agreement (“CMA”) with the National Park Service, which owns and operates 22 acres of Governors Island. He explained that traditionally the CMA would last five federal fiscal years and would have annual task agreements that lay out specific tasks The Trust would perform on behalf of NPS, such as providing ferry service; the agreement also outlined the cost NPS would reimburse The Trust for these services.

Mr. Meyers explained that in 2015 the Board authorized The Trust to enter into a new one year CMA with NPS for federal fiscal year 2016. He then requested that the Board authorize extending the federal fiscal year 2016 CMA for an additional year to cover federal fiscal year 2017, as well as executing a one year task agreement, with a maximum price of \$337,300.

Mr. Lieber asked why The Trust opted to switch from a five year CMA to the current one year arrangement. Mr. Meyers explained that The Trust is currently in the process of restructuring its relationship with NPS. Mr. Lieber asked if The Trust would enter into a CMA with a longer term once negotiations with NPS are complete, which Mr. Meyers confirmed.

Ms. Effron asked if part of the conversation consisted of ensuring The Trust received fair compensation for its increased operation costs, which Mr. Meyers affirmed.

Mr. Weisbrod asked if the increase in compensation amount reflected the increase in visitation numbers between 2015 and 2016. Mr. Meyers answered that the increase in visitorship is part of the increased compensation to The Trust as well as the increased level of services The Trust provides for NPS on the Island.

Ms. Effron asked if there is a relationship between NPS’ marketing campaign and Governors Island. Mr. Meyers replied yes and noted the NPS’ 100th anniversary celebration and its campaign to preserve the eagle statue atop Fort Jay.

Mr. Samuelian asked if The Trust documented visitation numbers for people who came for NPS events and activities. Mr. Meyers stated that The Trust has the numbers of people who participated in NPS programming, such as language specific tours, but he noted that this number only reflects a small portion of the number of people who visited NPS property.

Ms. Effron commented that while the new CMA is underway, The Trust should consider revising other terms than just reimbursement and that The Trust should include FGI in these conversations. Mr. Meyers mentioned that FGI has already been involved in the new CMA conversations and that a new agreement will include other terms.

With no additional questions or comments, a motion to authorize the item was made, seconded, and unanimously approved.

6. Presentations

Deputy Mayor Glen presented first, discussing the context and framework of the Island’s future and development, which she referred to as “Governors Island, The Next Chapter.” Deputy Mayor Glen discussed the Island’s infrastructure improvements and performance and resilience during Hurricane Sandy have fostered interest for future tenants in Governors Island.

She then stated that the City hopes to boost its economy by investing in the Island and making it a hub for innovation and growth, ultimately developing the Island to transform it into a unique space that encourages people to live in New York City. Mr. Weisbrod commented that the Island cannot be used for housing, which Deputy Mayor Glen responded to by saying that this limitation actually allows for other interesting possibilities that capitalize on the Island's seclusion from the rest of the City, such as dorms and campuses for educational institutions.

Mr. Meyers then spoke about The Trust's efforts to involve the public in the future development of the Island with the installation of an 8 foot cube on Island where visitors could record their vision for the Island as well as participate in an on-line survey. He expressed that the project has demonstrated large public interest in year-round activation of the Island. Susan Mercandetti asked about how the data from the cube was being recorded and disseminated. Mr. Meyers replied that the responses were written down and tabulated on a daily basis. Mr. Samuelian stated that the results of the project would be shared at the subsequent board meeting in January.

Mr. Lieber commented on the advantage of an education institution on Island, saying that such a facility would provide justification to expand the hours of operation and means of transportation to and from the Island. Mr. Schick also supported the idea of an educational institution.

Mr. Meyers then expressed that Governors Island had a very successful year in terms of visitorship. He also mentioned the introduction of grills on Island, as well as the completion of the Hills and their positive impact on visitor numbers.

At this point, Ms. Menschel and the rest of the Board took the opportunity to thank Mr. Meyers for his work and effort as Acting President during The Trust's transition in leadership from Leslie Koch to Michael Samuelian.

7. Public Comment, Executive Session and Adjournment

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