

THE TRUST FOR GOVERNORS ISLAND

MINUTES of the MEETING
of the AUDIT COMMITTEE
of
GOVERNORS ISLAND CORPORATION d/b/a
THE TRUST FOR GOVERNORS ISLAND
FEBRUARY 5, 2015

A teleconference of the Audit Committee of the Board of Directors of Governors Island Corporation d/b/a The Trust for Governors Island (“The Trust”) was held on Thursday, February 5, 2015.

The following members of the Audit Committee were on the conference call:

Ronay Menschel
Carl Weisbrod
Cheryl Efron
Catherine Hughes

The following members of The Trust and audit firm Marks Paneth LLP (“MP”) were on the conference call:

Leslie Koch, President, The Trust
Jonathan Meyers, The Trust
Willa Padgett, CFO, The Trust
Irena Sobko, Controller, The Trust

Warren Ruppel, CPA, MP
Daniel McElwee, CPA, MP

1. Review of The Trust’s Draft Form 990

Warren Ruppel began the call by reviewing The Trust’s draft Form 990. Mr Ruppel described the 990 as having two main purposes: first, regarding governance, to show that the organization has met all the requirements for not-for-profit as well as the City of New York; and second, regarding financial information, that the data is accurate so that upon Marks Paneth’s review no reconciliations were required. He stated that the financial information comes straight out of the FY2015 audited financial statements and also includes compensation information (which is based on W-2s and is presented on a calendar year basis).

Mr. Weisbrod asked why The Trust was required to follow PAAA (Public Authorities Accountability Act) reporting requirements. Mr. Meyers responded that New York City component units are required to do so.

Mr. Weisbrod also asked if any of the information in this year's Form 990 was materially different than last year's. Mr. Ruppel responded no.

Ms. Effron asked how the contract with the Center for Curatorial Services at Bard College had been procured. Ms. Koch replied that originally it was competitively bid through The Trust's Park design contract, then was extended as a sole source based on Bard's qualifications and performance. Ms. Koch also discussed that "contracting out" for these services was more cost effective than hiring full time staff and that The Trust had reviewed average salaries and rates for professionals in this field and felt Bard's rates were reasonable. Ms. Effron also asked if costs were expected to go up or down in the future. Ms. Koch stated costs could increase if the art commissioning program expanded with additional private contributions and greater public access to the island.

At the end of the committee's review of the Form 990, Mr. Ruppel and Mr. McElwee signed off the call.

2. FY2015 Audit Contract Services

The Trust and committee members entered into a discussion of whether or not to extend The Trust's contract for audit services with MP for another year, to FY2015, or to issue a Request for Proposals (RFP) and whether or not to do so in conjunction with Brooklyn Bridge Park (BBP).

Mr. Weisbrod asked about the benefit of issuing a joint RFP, if it would be more efficient, for example, or if there were cost savings. Ms. Menschel, as well, asked why The Trust would join with BBP for this purpose. Mr. Meyers responded that the initial RFP was issued jointly with BBP because at the time our former general counsel (GC), Paul Kelly, was serving both organizations – BBP hadn't hired a GC yet – and therefore it made sense for one RFP to be drafted, released and respondents evaluated together. He stated there would not be cost savings. Currently, The Trust is without a full time GC and it would be of some benefit to The Trust to work with BBP. However, this is not required and completely separate RFPs could be issued.

Ms. Koch stated that she would speak to Regina Meyer, BBP president, as to her plans regarding both a contract extension with MP and issuing an RFP. Committee members were comfortable with The Trust making a decision once this conversation takes place.

3. Final Statements and Adjournment

Ms. Koch asked if there were any questions from the committee. With no further questions, the teleconference was adjourned.