

# 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 28, 2014

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 28, 2014 at the Department of Small Business Services, 110 William Street, New York.

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

Ronay Menschel, Chair  
Margaret Chin  
Cheryl Effron  
Patti Harris  
Catherine Hughes  
Janno Lieber  
Judy Rapfogel  
Elizabeth Richman  
Wendy Schmidt  
Carl Weisbrod

Also present were staff members of The Trust and the Lower Manhattan Cultural Council, and members of the public.

Ronay Menschel, Chairperson of the Board, called the meeting to order and welcomed all in attendance. Leslie Koch, president of The Trust for Governors Island, confirmed a quorum was present. Secretary and Chief of Staff for The Trust, Elizabeth Rapuano, served as Secretary of the duly constituted meeting.

Ms. Menschel began by stating that Board members Amanda Burden and Mark Costello had submitted their resignations. She commended both of them for all they had done for The Trust over the past several years and thanked them for their service. After these opening remarks, Ms. Menschel commenced with the voting items.

1. Approval of the Minutes of the Meeting of Directors Held on June 13, 2014

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

2. Appointment of Officers

Ms. Koch presented this item. Those presented are:

Leslie Koch, President  
Jon Meyers, Treasurer  
Elizabeth Rapuano, Secretary  
Willa Padgett, Chief Financial and Contracting Officer

A motion to approve was made, seconded, and unanimously approved.

3. Approval of the Fiscal Year 2014 Audited Financials

Ms. Menschel presented this item on behalf of Mr. Weisbrod who had not yet joined the meeting.

Ms. Menschel noted that as a not for profit and an instrumentality of the City of New York, the audit of the Trust's financial statements was conducted in line with requirements and best practices of not for profit law and the Public Authorities Reform Act (PARA). The independent audit firm Marks Paneth conducted the audit.

The Board's Audit and Finance Committee met with Marks Paneth staff in September to review the FY 2014 audited financial statements. They determined that The Trust's financial statements present fairly the financial position of The Trust and that it was a clean audit. The auditors did not identify any areas of weakness or material deficiencies in The Trust's financial procedures and internal controls.

Two areas were discussed in detail at the Audit and Finance Committee meeting. First was the transition of The Trust's capital projects from "construction in progress" to "completed." Once completed, the value of the project is transferred to the fixed asset schedule and begins to depreciate. The second area discussed was the first season of ferry fare collection. The auditors felt collection had been done carefully and The Trust agreed to review its collection procedures to ensure it was operating in the most efficient and practical way possible to safeguard revenues.

Ms. Menschel asked the Directors if there were any questions and noted that Willa Padgett, Chief Financial Officer for The Trust, would be able to answer them.

Mr. Lieber asked about the increase in value of assets noted in the financials. Ms. Padgett mentioned that increase was due to construction projects that over the next year will be completed and begin to depreciate.

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

4. Ratification of the Public Authorities Reform Act (PARA) Policies

Ms. Koch presented this item noting that each year, PARA requires Directors to ratify policies and authorize The Trust to take related actions. Ms. Koch noted there were no content changes to these policies from the previous year.

The policies as presented were:

- Trust Investment Guidelines
- Trust Code of Ethics for Members, Directors and Officers
- Trust Mission Statement
- Trust Policy on Protection for Whistleblowers
- Trust Policy on Indemnification and Defense of Members, Directors and Officers
- Trust Policy on Extension of Credit to Officers, Directors and Employees
- Trust Policy on Salary, Compensation, Travel, Reimbursements, Time, and Attendance
- Trust Policy on Real Property Acquisitions and Dispositions
- Trust Policy on Personal Property Dispositions

With no questions, a motion to approve was made, seconded, and unanimously approved.

5. Approval of amendment to Trust for Governors Island Retirement Plan

Ms. Koch presented this item, reminding the Board that in 2013, The Trust entered into a contract with Extensis to manage our payroll and human resources functions, including the provision of health insurance for employees. At that time, the Board was also presented with an action regarding the transfer of the assets of our retirement plans.

Ms. Koch explained that the Trust's contract with Extensis requires the Directors to authorize the Trust's president or other officers to execute a restatement of the Extensis multiple employer participation agreement and addendum to the Extensis retirement savings plan. This restatement allows for the in-kind rollover of an outstanding loan balance for terminated employees into another employer's qualified plan. The Board is being asked now for this authorization.

With no questions, a motion to approve was made, seconded, and unanimously approved.

6. Presentation by Sam Miller, President of the Lower Manhattan Cultural Council (LMCC)

With no more voting items, Ms. Koch introduced Sam Miller, president of LMCC to present information on LMCC's Arts Center on Governors Island. Ms. Koch commended LMCC for their role in presenting programming during the public access season and for bringing artist studios to the Island.

Mr. Miller began by thanking the Board for their support of LMCC and the work that they do.

Since 2012 when LMCC opened the Arts Center on Governors Island, it has attracted more than 60,000 visitors and allowed many thousands of visitors to see works in progress and experience the creative process of dozens of artists. Currently, they have 20 artist studios, two rehearsal spaces as well as common areas and a gallery that is open to the public. They operate in Building 110.

In 2014, LMCC welcomed 22,000 visitors to Building 110 over 60 days. They are looking forward to continuing this work in the 2015 season. LMCC is also particularly excited to expand their presence on the Island in Building 110 to include a media lab and additional artist studios.

Mr. Miller was asked questions by Directors about the kinds of audiences that attend their programs on Governors Island and if LMCC didn't have the studio space on Governors Island would they be able to do this kind of work or is it because they have the space on Governors Island that they can do what they do.

Mr. Miller responded that audiences track to those attending events and programs elsewhere on the Island and being on Governors Island has allowed LMCC to stabilize its Process Space program because they know that it will continue on Governors Island for many years to come.

#### 7. President's Report by Leslie Koch and Adjournment

Ms. Koch presented to the Board a recap of the 2014 public access season. Ms. Koch noted that the Island had a record number of visitors and for the first time, was open seven days a week. She further noted the tremendous increase in participants in OpenHouseGI, the Island's signature program that offers free space to arts and cultural organizations that offer free programs to the public.

Ms. Koch also reviewed the extensive outreach the Trust's staff did to older New Yorkers, members of religious communities, non-English speakers, day camps and school groups to ensure that all knew the Island is a resource for all of them.

At the conclusion of Ms. Koch's remarks, Ms. Menschel asked if there were any further questions from Directors or any comments from the public. Being none, the meeting was adjourned.