

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

June 19, 2019

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, June 19, 2019, on Governors Island, New York, New York.

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

Alicia Glen, *ex-officio*
Margaret Chin
Cheryl Effron (via telephone)
Carolee Fink
Karen Brooks Hopkins
Catherine Hughes
Patrick Kennell
Ben Lawsky
Susan Mercandetti
Daniel Squadron (via telephone)
Tokumbo Shobowale (via telephone)
Carl Weisbrod

Also present were staff from The Trust, New York State Authorities Budget Office, Earth Matter NY (“EMNY”), the Mayor’s Office and The Friends of Governors Island (“FGI”).

Mr. Weisbrod started the meeting by welcoming the Directors and asking Marni Friedlander, Acting President, General Counsel and Secretary, to confirm that a quorum was present, to which she responded affirmatively. He then briefly introduced The Trust’s new President, Clare Newman, who will be formally elected as President today. Mr. Weisbrod noted Ms. Newman was formerly Chief of Staff at the Brooklyn Navy Yard and has extensive experience with economic development projects in New York City. With that, the Board then moved to the voting items.

1. Approval of the minutes of the meeting of Directors held on March 27, 2019

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

2. Chairperson's Report

Mr. Weisbrod delivered a brief Chairperson's report to the Board. He noted that he was pleased that the tradition of hosting the annual meeting on Governors Island was continuing. Mr. Weisbrod noted that the Finance, Programming and Real Estate Committees held meetings in preparation for this Board Meeting. Mr. Weisbrod then thanked the Directors for making his time as Chairperson so meaningful.

Mr. Weisbrod then asked Ms. Friedlander to present the first voting item.

3. Authorization to Appoint a new Chairperson

Ms. Friedlander began by thanking Mr. Weisbrod for all of his guidance, assistance and wisdom over the past two and a half years. She noted that Mr. Weisbrod had taken the helm of The Trust's Board at an important period in its history, and that he presided over the addition of The Trust's brand-new Ferry, Governors 1.

Ms. Friedlander then introduced the next action item by stating that in accordance with Trust bylaws, the Mayor, as the sole member, has the right to appoint a new Chairperson. Before taking a formal vote, Ms. Friedlander noted that Ms. Glen has been on The Trust's Board since April 2014, and, as former Deputy Mayor of the City of New York, had been tremendously supportive to Governors Island and the work of The Trust. Based on the foregoing, Ms. Friedlander recommended approval of this action.

Hearing no further questions, a motion to approve the appointment of Alicia Glen as the new Board Chairperson was made, seconded, and unanimously adopted. Mr. Weisbrod then invited Alicia Glen, The Trust's new Board Chairperson, to preside over the rest of the meeting.

Ms. Glen thanked Mr. Weisbrod for his wonderful service to The Trust. Ms. Glen then asked Ms. Friedlander to present the next item.

4. Authorization to Elect a new President

Ms. Friedlander stated that in accordance with The Trust's bylaws, the Directors are required to elect The Trust's officers. Ms. Friedlander requested that Clare Newman be elected as President, as a successor to Michael Samuelian.

Before taking a formal vote, Ms. Friedlander spoke about Ms. Newman's history, noting that she had served as the Chief of Staff and Executive Vice President of the Brooklyn Navy Yard ("BNY"). Ms. Friedlander remarked that as Chief of Staff, Ms. Newman oversaw planning, development, external affairs, transportation and design and construction at the BNY. Ms. Friedlander informed the Directors that prior to working at the BNY, Ms. Newman had previously been with Bloomberg Philanthropies, where she was a senior leader on the Government Innovation Team. Ms. Newman also formerly served as Vice President of the New York City Economic Development Corporation.

Based on the foregoing, Ms. Friedlander recommended approval of the election of Clare Newman as The Trust's new President & Chief Executive Officer.

Hearing no further questions, a motion to approve the election of Claire Newman as the new President of The Trust was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Friedlander to present the next item.

5. Authorization to make and confirm appointments to the Audit, Executive, Finance, Governance, Programming and Real Estate Committees

Ms. Friedlander stated that in accordance with The Trust's bylaws, the Chairperson of The Trust Board will appoint members to each committee with the consent of the Board of Directors. Ms. Friedlander noted that the biggest change is that Chairperson Alicia Glen will now be *ex officio* on all committees. Ms. Friedlander noted some other changes to the committees such as the addition of Patrick Kennell and Carolee Fink to the Audit Committee.

Based on the foregoing, Ms. Friedlander recommended approval of the authorization to make and confirm appointments to the Audit, Executive, Finance, Governance, Programming and Real Estate Committees.

Hearing no further questions, a motion to approve the authorization to make and confirm appointments to The Trust's board committees was made, seconded, and unanimously adopted.

Ms. Glen then asked Susan Mercandetti, Chairperson of the Programming Committee, to deliver her report.

6. Programming Committee Report

Ms. Mercandetti stated that the Programming Committee had a conference call on June 12, 2019. Ms. Mercandetti noted that the 2019 season is off to a great start. She further stated that the Island is open until 10PM every Friday and Saturday between Memorial Day and Labor Day. Ms. Mercandetti further explained that this year visitors will enjoy 80 programs, events and activities, 70 of which are free.

She then noted some highlighted events including the return of a free Outdoor Film Series in partnership with Film at Lincoln Center, the 14th annual Jazz Age Lawn Party, the Vendy awards, a street food competition benefiting the Street Vendor Project, and the Global Champions Tour, a new horse jumping competition.

Hearing no questions, Ms. Glen asked Tokumbo Shobowale to present the Finance Committee report.

7. Finance Committee Report

Mr. Shobowale began his report by noting that on May 21, 2019 the Finance Committee had a conference call to discuss the FY 2020 Operating Budget. He further explained that while the City is still The Trust's primary financial support, the City's contribution is now closer to 80%.

After Mr. Shobowale delivered his Finance Committee report, Ms. Glen asked Willa Padgett, the Chief Financial Officer of The Trust to present the next action item.

8. Approval of the FY 2020 Operating Budget

Ms. Padgett asked the Directors to approve The Trust's FY 2020 Operating Budget in the sum of \$19,867,550. Ms. Padgett began by noting that on June 19, 2018, the Directors approved The Trust's FY 2019 Operating Budget in the amount of \$20,647,000. Ms. Padgett reported that subsequent to Board approval, the City of New York's (the "City") reduced its contribution to The Trust's budget by \$243,221 as part of a City-wide budget savings program ("PEG"), to its current level of \$16,042,617. Ms. Padgett noted that the revised FY 2019 budget of \$20,517,367 was balanced through a combination of expense reductions and revenue increases. Additional revenue included fees from the National Park Service, earned income generated from site and permit fees as well as event-related reimbursements, and tenant income (rent and common charges). Ms. Padgett affirmed that City funds still represented the majority of funds supporting the Trust's operations, close to 80% in FY 2019.

Ms. Padgett requested the Directors to authorize The Trust to approve the FY 2020 Operating Budget in the amount of \$19,867,550 and undertake the tasks and incur the expenditures as identified in the approved budget; and take any related actions.

Daniel Squadron asked whether the PEG by the City was in line with similar agencies to The Trust to which Ms. Padgett responded affirmatively.

Hearing no further questions, a motion to approve the authorization to authorize the FY 2020 Operating Budget was made, seconded, and unanimously adopted.

Ms. Glen then asked Cheryl Effron, Chairperson of the Real Estate Committee, to deliver her report.

9. Real Estate Committee Report

Ms. Effron reported that the Real Estate Committee had a conference call on June 12, 2019. Ms. Effron stated that the committee discussed two actions items which will be voted on today, namely the FY 2020 Capital Budget and the amendment to the LiRo Program and Construction Management, P.E. P.C. ("LiRo") contract. She further noted that the committee also discussed current and prospective tenants. In particular, the day spa is about to begin construction on the Island.

After Ms. Effron's report was completed, Ms. Glen asked Ms. Friedlander to present the next voting item.

10. Approval of the FY 2020 Capital Budget

Ms. Friedlander explained that the Directors are being asked to approve The Trust's FY 2020 Capital Budget in the amount of \$36,724,000 as well as an increase of \$2,500,000 to the FY 2019 Capital Budget. Ms. Friedlander stated that the reason for the FY 2019 increase is that the

NYC Office of Management and Budget (“OMB”) approved additional FY 2019 capital funding for two projects, lead paint abatement in the amount of \$1,500,000, and demolition work in the amount of \$1,000,000.

Ms. Friedlander reviewed the list of capital projects that make up the Capital Budget for FY 2020, including an upgrade to the Island’s electrical system and adding a backup generator to the South Island to add redundancy in case of a power outage. Currently, Ms. Friedlander advised that Island power is supplied by Con Ed through three feeders from Brooklyn via the Brooklyn Battery Tunnel. While the feeder and switch gear infrastructure is new and reliable, it is derived from one source and location. Ms. Friedlander warned that when and if service from Brooklyn is disrupted, the Island would be completely without power and that ongoing operations and future development are at risk without this power redundancy.

Ms. Friedlander reported that The Trust will upgrade its aging sanitary and storm systems in phases with the design work nearing completion.

Ms. Friedlander also noted that The Trust will be purchasing two new vessels to replace its existing ferry, the *Coursen*, a combined passenger and vehicle ferry, as it is approaching the end of its useful life. The Trust will procure two vessels—a passenger ferry and a vehicle ferry—to de-couple passenger and freight service for greater efficiency. Ms. Friedlander reported that The Trust has received \$6,200,000 for these two new boats in FY 2020 but that this is not the total amount allocated to The Trust for these new vessels. Ms. Friedlander went on to report that the total amount allocated for the passenger ferry is \$18,000,000 and the vehicle ferry is \$13,000,000.

Ms. Friedlander noted The Trust received \$5,050,000 for building stabilization purposes. Under this program, funds will be allocated to rehabilitate historic buildings. She said work may include investments in building systems, environmental remediation, and core and shell stability and that several structures will be addressed on the Island.

Lastly, Ms. Friedlander reported that The Trust has been allocated \$1,000,000 for infrastructure improvements across the Island. This includes maritime infrastructure work.

Ms. Friedlander concluded by noting that to the extent that The Trust does not spend all monies allocated to a particular project, The Trust will be able to reallocate those monies with the assistance of NYC OMB, the City and with approval of The Trust’s Directors.

Ms. Friedlander asked the Directors to approve the budget in the amount of \$36,724,000 for FY 2020 and additional funding in the amount of \$2,500,000 to the FY 2019 Capital Budget.

Hearing no further questions, a motion to approve the FY 2019 and FY 2020 Capital Budgets was made, seconded, and unanimously adopted. Ms. Glen then asked Ms. Friedlander to present the final voting item.

11. Authorization to amend the contract with LiRo

Ms. Friedlander began by requesting the Directors to authorize to amend its contract with LiRo, The Trust's construction management firm, in order to increase the scope of services and maximum contract price to \$168,778,170. Ms. Friedlander stated that the Directors authorized The Trust to enter into a contract with LiRo on March 15, 2016 after a competitive procurement process was conducted. Ms. Friedlander noted that the original contract with LiRo is for five years with two, two-year options to extend at The Trust's sole discretion. The present contract price is \$121,674,720.

Ms. Friedlander stated that the contract amendment includes additional operating and capital funds allocated to the Trust for certain projects. Ms. Friedlander reported that LiRo will perform additional operations and maintenance projects which will result in an increase of \$14,079,450. In addition, LiRo will perform capital projects noted in the FY 2020 Budget which will include an additional \$33,024,000. Ms. Friedlander stated that The Trust, however, will continue to directly manage certain capital projects such as the acquisition of two new ferries and as such, those monies will remain with The Trust. Ms. Friedlander made clear that under no circumstances would LiRo undertake any work or spend any money without prior written approval from The Trust. She also noted that The Trust has the right to terminate the contract with LiRo at any time.

Hearing no further questions, a motion to approve the contract amendment with LiRo was made, seconded, and unanimously adopted.

Ms. Glen then asked for a motion to enter into executive session to discuss a pending litigation matter, and asked all members of the public to leave the room.

12. Executive Session

A motion was made to go back to an open session, was seconded, and unanimously approved.

13. Public Comment and Adjournment

Ms. Glen welcomed back members of the public and asked if anyone had a statement to make. EMNY's Executive Director, Marisa DeDominicis, introduced herself and noted that EMNY has been a partner on Governors Island for many years. Merritt Birnbaum, Executive Director of FGI, noted that FGI will hold its upcoming gala in October this year.

Ms. Glen next entertained a motion to adjourn the meeting. The motion was seconded and unanimously approved, and the meeting was adjourned.