

BPCA Board Meeting - January 27, 2020

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George Tsunis: I call to order the January 27, 2020 Battery Park City Authority Meeting of the Members. Can I have a motion to start the meeting?

Members: Move. We move.

George Tsunis: Okay. Unanimous. Approval. Does anyone have any questions on the December 17th, 2019 Minutes?

Members: No.

George Tsunis: Seeing none, can I have a motion to accept the Minutes?

Members: Motion.

George Tsunis: Second.

Members: Second.

George Tsunis: Okay. Unanimous. Nick, public comment?

Nick Sbordone: Good morning, Mr. Chairman. No requests.

George Tsunis: Okay. Moving right along. Pam, the Investment Committee meeting report?

Pamela Frederick: The Investment Committee met, led by Chairman Lester Petracca, and members Catherine McVay-Hughes, and Martha Gallo in attendance. The materials were provided and reviewed by the investment advisors, PFM Asset Management, and Ramirez Asset Management. The committee reviewed the investment report and guidelines for fiscal year end October 31, 2019. There were no changes to the guidelines from the 2018 guidelines, and the investment advisors Steve Faber and Lou Sarno provided comments as well in terms of investments. And in particular, a question was raised regarding the impact, potential impact of the China virus outbreak. With little impact and we'll continue to follow that. Another topic that was raised related to our lease deposits and so that is an item of investment strategy that we have as a follow up and we will circle back to the committee on that.

The Authority held \$521.8 million in investment assets at fiscal year end October 31st, 2019, which consisted primarily about 80 percent as a US Treasury. We met the conditions of the investment guidelines as well as our Board resolutions. The committee voted to recommend to the Board the approval of the investment report and guidelines for the fiscal year end October 31, 2019, and they also voted to recommend filing the investment report and guidelines with the required government entities and to post them as well as our trustee to post them with our PARIS as well as on the Authority's website. That's it.

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George Tsunis: Are there any questions for Ms. Frederick? Seeing none, can I have a motion to accept the report?

Members: So moved. Second.

George Tsunis: Okay. Actually, I don't think we have to. We just have to hear it, we don't have to vote on it. So I don't have that Abby give me that snarl.

Pamela Frederick: Yeah, just the vote for the --

George Tsunis: Further down in corporate action. Thank you. The **Audit Committee report**?

Pamela Frederick: Okay. The Audit Committee met earlier today as well, reviewed the annual audit presentation, which included the financial statements. That was presented by our independent auditor, Marks Paneth as led by Warren Ruppel, our managing partner on the account. The committee meeting was attended and led by Chairman Anthony Kendall as well as members, Martha Gallo and Lester Petracca in attendance. The committee reviewed the materials presented and there were no material observations or recommendations in the report. We had two following items; one related to the vendor listing, and the other related to conservancy reporting which we'll follow up with the Audit Committee on those. The most material changes in the financials this year were the issuance of \$672.8 million in bonds, a refunding of certain 2013 bonds, and the swap amendments. The key results included \$324.6 million in operating revenues, \$54.2 million in operating expenses, and the provision of a transfer of \$155.4 million to New York City for pilot and \$41.3 million to New York City under the 2010 agreement. The committee voted to recommend approval to accept the audited financial statements for the fiscal year end October 31, 2019. That recommendation is to the Board. The committee also voted to recommend to the Board the filing of the statements with the required government entities and our bond trustee and to post the statements on PARIS as well as on the Authority's website.

George Tsunis: Thank you. **MWBE report**.

Jahmeliah Nathan: Good morning, Mr. Chairman and members of the Board. For the month of December, 2019, 35.19% of approximately \$330,000 of the Authority's total qualifying expenditures of approximately \$939,000 was paid to MWBEs. Of this total amount 12.25% was paid to MBEs, 4.66 directly to MBEs, and 7.59% to MBE subcontractors. And of that same qualifying expenditure total 22.95% was paid to WBEs, 5.34% to MBE prime contractors, and 17.61% to WBE subcontractors. Thank you.

George Tsunis: Mr. Jones, a resiliency update?

B.J. Jones: Thank you.

Lester Petracca: I just would note that that exceeds our goals.

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George Tsunis: Uh-huh. And we do -- y'all do an incredible job with MWB and other things.

B.J. Jones: Speaking of. Thank you, Mr. Chairman. Brief **resiliency update**. We continue our work full speed ahead on our active projects. With regards to the ball fields, we have our construction manager, Hudson Meridian on board. We're in the middle of the competitive procurement process for the general contractor while in parallel we work with DOT on the necessary approvals for the ball fields resiliency project.

On South Battery Park City, we had our fourth public meeting regarding our design and engineering progress on the whole breadth of the South BPC resiliency effort from the Museum of Jewish Heritage extending into the Battery, which was very well received. And so we're forging ahead passing 30% design onto 50% of design. One of the first components of our resiliency efforts that will start late in the spring is tied to the underwater work that will be connected with the pile remediation, and so we have that procurement underway, and are in the middle of reviewing construction manager responses to the RFP for the South project.

On the North side, the detailed investigative work is underway, ranging from subsurface utility investigations to mathematic surveying and we are in the middle of collecting a full host of information from all of the City agencies required for our project, and the city agencies are cooperating as they have with other projects. We're planning for our second public meeting to discuss the recommended flood alignment at the end of February, and we are in the home stretch of preparing the RFP for the fourth phase of our resiliency efforts, the Western BPC initiative to get that out the door in a matter of weeks. Just for ease of the members, including in your briefings are some highlights from the design and engineering drawings. We'll be going over these in more detail with some members of the resiliency working group after this meeting. Also, the full set of drawings and engineering analysis are available on the resiliency page of our website. I'll send that link out again to you all so you can revisit it and of course it's available for the public as well. But what you can see now is not just renderings of how the design will inform the landscape in all of those areas, but also the recommended flood protection systems that are going to be in place along the route.

And then finally, on even, you know, more proactive basis, we are continuing our work on our ambitious sustainability plan, which we are still on target to have ready for Earth Day working with the BuroHappold team. We just completed some engagement sessions with stakeholders that were very fruitful and also finalized a baseline neighborhood assessment that will inform our work both in terms of recommendations for becoming more green and also for new green guidelines that'll inform operations as well as construction and existing buildings here in Battery Park City.

George Tsunis: Thank you. Catherine.

Catherine McVay-Hughes: I just want to thank everybody for all the work that they've done to make sure it's a very rigorous public engagement process, and I really want to thank all the people from the public that attended these meetings and took time out to make it a priority to make this the best it can be. And a lot of their ideas have been incorporated and two particular areas that I want to highlight is most recently on the Pier A proposed design, the ramping up of

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the basic final flood elevation with the seating arrangement, you can see on page 3 is definitely an incorporation because of the public. And then also at Wagner Park to make it really handicap accessible for everybody that needs access. And the increased seating area and the incorporation of a huge green area as well. So thank you very much.

George Tsunis: All right. Corporate action. Pam, I think you can go first.

Pamela Frederick: This is the [indiscernible] committee report was given earlier. This item is to request the approval by the members and acceptance of the investment report and guidelines that were provided. And also to provide the authorization to have those posted on PARIS and on our website and sent to the government authorities and our trustee.

George Tsunis: Pamela, just for the people who might not be lingual in the acronyms, could you tell what PARIS is?

Pamela Frederick: Yeah. Public Authorities Reporting Information System.

George Tsunis: Okay.

B.J. Jones: The annual gauntlets too. Pulled it all together for the state and --

Pamela Frederick: And the investment portion is a small portion. It's actually a much larger bit of information that's posted there on our financials and our contracting, and so it's a very important information source for the state. And they use that to aggregate data for all the Authorities.

B.J. Jones: And just while we're talking about it to acknowledge all of the staff that are involved in these voluminous reports from Pam's team, particularly Rekha who burns the midnight oil putting this together, but the procurement team also has to pull together a lot of data, and then Emily Birdseye with the annual report. It's kind of an all hands on deck to get this done.

Pamela Frederick: Yeah.

George Tsunis: Does that conclude your report?

Pamela Frederick: Yes. And as noted earlier, the Investment Committee recommended the acceptance of the resolutions as presented.

George Tsunis: Sure. Are there any questions for Ms. Frederick? Seeing none, can I have a motion to accept the report?

Members: Motion.

George Tsunis: All in favor?

Members: Aye.

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George Tsunis: Unanimous. Thank you, Lou. The approval of the proposed 2020 **procurement guidelines**.

Eric Munson: Thank you, Mr. Chairman and Board members. This next item before you stems from a New York State Public Authority's law requirement that we annually present for your approval the guidelines that govern the Authority's procurement activities. The fair and responsible purchase of commodities and services is one of the staff's most important responsibilities, and ensuring that those activities are guided by clear policies and procedures that protect the public interest is critical to our daily and long-term success. As a result, each year, the team takes the weeks leading up to this January meeting to review the guidelines with fresh eyes and gather recommendations for improvements. I should add that though we typically present the guidelines for your approval in January, we do have the flexibility to adopt amendments as the need arises over the course of the year. I'd just like to take a brief moment to once again recognize the procurement department, Robert's leadership, Jahmeliah's leadership, and also the legal department and the rest of the senior staff for their contributions to this year's amendments.

The procurement guidelines that we present for your approval today include the following proposed changes from last year's guidelines. First, reflecting recent amendments to the state MWBE and SDVOB laws including an increase in the limit for discretionary purchases from these vendors from \$200,000 to \$500,000. Second, clarifying the method and process we use to procure certain types of goods and services such as unique artist performers we hire for our concerts and other events, commodities that come with free warranties and low value commodities we purchase on a recurring basis. And third, the addition of a section on green purchasing which encourages the Authority to purchase goods that are more environmentally friendly and request in RFPs that proposers describe their environmentally sustainable business practices. I'm also excited to report that the guidelines have been updated to reflect the implementation of the Authority's internet based procurement system. This new procurement system has modernized our approval processes, reduced the shuttling of paper across departments, improved record keeping, and importantly provide an additional tool to guide purchasers in conducting procurements according to our policies and procedures. The work to improve the procurement guidelines, as I mentioned before, is ongoing and we'll continue to make changes to ensure that we're complying with the law and maximizing every dollar responsibly. Thank you.

Lester Petracca: Mr. Chairman, we had a conversation, Gwen, I and Eric on Saturday. Discussion had to do with the historic renovation above the police memorial. And at that point we discussed the fact that we could probably improve our procurement procedures and I have agreed to work with Eric and Gwen to see to it that we tweak it just a bit so that we have more apples to apple comparison to do when securing certain vendors.

Eric Munson: If I could add just some context to those comments, Lester if you don't mind.

Lester Petracca: Oh, absolutely. Please do.

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Eric Munson: Just the issue in question is ensuring that we have a broad enough pool of potential proposers for various scopes of work. And so the procurement team, as they do already but will more systematize the work that we do prior to the issuance of our fees and then upon issuance to ensure not that we're giving one firm an advantage over another but to ensure that as many firms as possible who are qualified have access to the information they need to submit a responsible proposal.

Lester Petracca: And I think qualified is the question. Certain tasks that Gwen and Eric have to undertake. There are not a lot of vendors out there. And I think at those times we need to come up with some methodology of outreaching, following the protocol that's been dictated, but actually reaching out to make sure that we have apples to apples. And you'll see it in the memorial. What you will also see is which we're talking about today is the on-call contractors, and there's a good group of them with some qualification. So that's not in every case but in some cases I think we need to improve it and so we discussed doing so.

George Tsunis: I've appreciated the discussion and I'm familiar with the behind the scenes work that went on and Lester, I appreciate your efforts in assisting the Authority. It's very similar to what this Authority did and provided best practices on leadership with MWBE and disabled veterans. We went out and found potential contractors, contractors, so the bidding pool was as broad and as large as possible which ultimately leads to better pricing and better quality of work. So I just want to say I appreciate all their efforts. Are there any additional questions for Eric?

Donald Capoccia: Do we currently get notified on \$200,000 contracts for the Board?

Eric Munson: The Board, sorry, yeah. As part of the procurement report that's provided as an FYI memo to your materials.

Donald Capoccia: And that will continued for us.

Eric Munson: That's right. Yes.

George Tsunis: Are there any further questions? Hearing none, may I entertain a motion to accept?

Members: Motion. Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. The acceptance of the Audit Financial Statement, Pam?

Pamela Frederick: As consistent with the Audit Committee's recommendation, we're requesting the members accept the **audited financial statements** for fiscal year end October 31, 2019, and authorize the filing of those financial statements substantially in the form presented at this meeting with the required government entities as well as our designated trustee under the bond

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resolution. We also request authorization to post the audited financial statements on PARIS, which we described earlier, as well as on the Authority's website.

George Tsunis: Thank you. Are there any questions for Ms. Frederick? Seeing none, can I have a motion to accept?

Members: So moved. Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. The approval of the prompt payment report?

Pamela Frederick: That comes from finance as well. We're seeking the approval of the prompt payment report for fiscal year end October 31, 2019, and the prompt payment policy, which were included in the Board books. Just as a step away, the prompt payment policy basically requires that the Authority pay its vendors within 30 days of receiving an authorized invoice and so -- or I should call it a proper invoice because it's a defined term which basically means we have the legal contracts in place, etc., and that it's consistent with what we've agreed. So given that, the results this year as we, the Authority would be paying \$404 in interest. That interest rate is based on a state mandated rate that's issued on a quarterly basis and that's for any delays greater than 30 days. And that in total we had very few invoices, I think there were 16 invoices that were delayed principally either operationally or could be a delay getting the validation from the departments. So we recommend to the members approval of the prompt payment report for this fiscal year end October 31, 2019, as well as the prompt payment policy to authorize the filing to the required government entities and the posting on PARIS as well as the Authority's website.

George Tsunis: Thank you. Are there any questions for Ms. Frederick? Can I have a motion approval?

Members: So moved. Second.

George Tsunis: All in favor/

Members: Aye.

George Tsunis: Unanimous. Gwen, I believe E is yours.

Gwen Dawson: Yes. Thank you, Mr. Chairman and members. This is a very brief item. It's an extension on a contract that was previously approved by the Board for the design of an updated wayfinding signage system that hadn't been updated for the prior 25 years. We entered into a contract with 212 Harakawa, Inc. for the design and construction and administration associated with the project. We made a decision, we anticipated that the project would be completed in 2019, however, we made a decision in 2019, due to the press of other projects specifically a lot of the resiliency related work that we were doing, to defer the project to this year. We also are

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anticipating that there will probably be two phases of this project now that we have several construction projects in progress and so some of the signage won't be able to be installed until after those projects are completed. We are asking that the Board approve an extension of the contract from February 15th, 2020 to March 31st, 2021.

George Tsunis: Are there any questions for Ms. Dawson?

Lester Petracca: Gwen, in addition to that we're adding \$30,346 to the contract; is that correct?

Gwen Dawson: We had previously through internal approvals --

Lester Petracca: Oh, previously. I'm sorry.

Gwen Dawson: -- increased the value of the contract by \$30,000, so the current value of the contract is \$362,773.62.

Lester Petracca: And we're not increasing it this time/

Gwen Dawson: Right.

Lester Petracca: Thank you.

Martha Gallo: Gwen, are these largely in the parks? They're not in the buildings?

Gwen Dawson: Right. They're all in public right of ways, so they're in the public spaces and the parks, plazas, a few of them we have agreed with Brookfield and with the City to put signage with maps on some of the right of way that's controlled by them.

George Tsunis: Are there any additional questions? Hearing none, can I have a motion?

Members: So moved. Second.

George Tsunis: Lou?

Lou Bevilacqua: I'm sorry.

George Tsunis: How do you vote on the motion for the way finding sign design?

Lou Bevilacqua: Approve.

George Tsunis: Thank you. Unanimous. Gwen, I believe F is yours as well.

Gwen Dawson: Yes. Thank you again. This is also a pretty straightforward request. As you are aware, in 2019 we began to approve some of our on-call contracts under a new policy, the pre-qualified vendor policy. As part of that policy it was anticipated that we would seek and receive approval by the Board at the time of budget affirmation at the end of October. Maximum

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spending authority for the various categories of on-call work through inadvertence the approval package, the spending approval package was not presented at the time of the budget presentation in October. Consequently we are seeking approval from the Board of our fiscal year 2020 maximum spending authority for on-call GC contracts at \$1,500,000 which is essentially the same as the expenditures for fiscal year 2019, and on-call construction management contracts of \$850,000 which represents an increase but it's something that we think is valid for the projects that are projected during this fiscal year.

George Tsunis: Are there any questions for Ms. Dawson?

Lester Petracca: Gwen, is there a reason we didn't do anything on the on-call engineers?

Gwen Dawson: We presented the on-call engineer panel in November, so it was presented during this fiscal year, so we received that authorization already in this fiscal year.

Lester Petracca: And what I would point out is on the general contractors they have five to call on. On the construction vendors they have eight to call on. And on-call engineers they have 12 to call on, so that they have a good pool of resources. So thank you.

Gwen Dawson: Thank you.

George Tsunis: Are there any other questions?

Donald Capoccia: When we approved these contracts did we approve amounts per contract or it just was an open approval?

Gwen Dawson: Yeah. That's the change. That's why we're asking for a spending authority approval because prior to the new policy we would ask the Board to approve the amounts of each contract. Instead now we're asking for a maximum -- yes.

Donald Capoccia: [Indiscernible]. Thank you.

Pamela Frederick: And we can also use them for general infrastructure meaning not capital projects specific as well as capital, approved capital projects, specific projects as well. [Indiscernible] to specifying amount.

Lester Petracca: And their rates are pre-established, correct?

Gwen Dawson: That's right.

George Tsunis: Can I have a motion to approve?

Members: So moved. Second.

George Tsunis: All in favor?

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Members: Aye.

George Tsunis: Unanimous. At this point in time, I'd like to make a motion to conduct **executive session** to discuss negotiations related to the lease of real property [indiscernible] which would substantially affect the value of the relevant parties. Do I have a second for the motion?

Members: Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. Thank you all.