

# 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  
JANUARY 21, 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 Thursday, January 21, 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  
Catherine Hughes  
Benjamin Lawsky  
Janno Lieber  
Carl Weisbrod

Also present was staff from The Trust, the Mayor’s Office, and The Governors Island Alliance, 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 new board member Benjamin Lawsky, recognizing his recent status as the Financial Services Commissioner of the State of New York and noting that he is currently CEO of the Lawsky Group, a firm that helps companies, boards, and individuals manage their most complex, emergent, and dynamic challenges. Ms. Menschel noted that Governor Cuomo recommended Mr. Lawsky’s appointment to The Trust’s Board of Directors.

Ms. Menschel then stated that Board members Liz Richman, Judy Rapfogel, and Andrea Bender resigned. She commended all of them for all they had done for The Trust over the past several years and thanked them for their service.

Ms. Menschel noted that at the conclusion of the voting items of this meeting, Merritt Birnbaum, the new Executive Director for The Governors Island Alliance, would give a presentation.

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

1. Approval of the Corrected Minutes of the Meeting of Directors Held on October 15, 2015

Ms. Menschel noted that corrected minutes were distributed to the members of the Board of Directors at the meeting to reflect certain changes, including that Ms. Menschel appeared at the October 15, 2015 meeting via Skype.

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

2. Approval of New Contract for Auditing Firm

Willa Padgett, The Trust's Chief Financial Officer, presented this item. Ms. Padgett explained that The Trust issued a Request for Proposals for auditing services in October, 2015 to the one hundred twenty auditing firms pre-approved by the Comptroller, and The Trust received seven proposals from auditing firms in November. The Trust's selection committee created a list of three firms to interview, and after the interviews and a unanimous decision, the selection committee recommended to the Audit Committee that it select Marks Paneth as the winning proposer. Ms. Padgett explained that Marks Paneth offered the best proposal based on its qualifications and experience with component units. Ms. Padgett stated that while Marks Paneth did not have the lowest cost proposal, there was a modest differential of a few thousand dollars between Marks Paneth's proposal and those of the other respondents. Furthermore, based on experience, qualifications, and firm resources, The Trust, along with the Audit Committee, believes Marks Paneth is the most qualified bidder.

Ms. Padgett also explained that Marks Paneth will assign a new partner in charge, Hope Goldstein, as the Public Authorities Accountability Act of 2009 prohibits a firm's engagement partner from serving in such role for more than five consecutive years.

The proposed term of the contract with Marks Paneth is for three years, with two (2), one-year options to renew with approval from the Board's Audit Committee, effective for the 2017, 2018, and 2019 fiscal years.

Leslie Koch, President of The Trust, stated the Audit Committee was involved throughout the selection process. Carl Weisbrod, Chair of the Audit Committee, confirmed that the Audit Committee discussed and approved Marks Paneth, noting that the firm performed well in the past and that there is a new partner in charge.

Catherine Hughes then stated she had one question concerning special projects. Ms. Koch replied that Marks Paneth previously conducted a dedicated audit of The Trust's two permittees and that The Trust can engage Marks Paneth to audit other permittees or contracts in the future.

Ms. Menschel then stated she believed Ms. Hughes was concerned with whether The Trust's engagement of Marks Paneth to conduct additional audits would create a conflict of interest because additional payments from The Trust to Marks Paneth may impact the impartiality of Marks Paneth. Ms. Menschel noted that such a conflict would not occur because The Trust can pay Marks Paneth no more than \$200,000 for all auditing services.

Janno Lieber then asked whether Marks Paneth can perform a dedicated audit of the Turner Construction Company ("Turner") contract with The Trust. Ms. Koch responded that Marks Paneth can audit Turner.

Prior to the vote, Mr. Lawsky recused himself from voting on Marks Paneth as he noted that he uses Marks Paneth for his business and personal matters.

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

3. Presentation by The Governors Island Alliance (Non-Voting Item)

With no more voting items, Ms. Menschel introduced Merritt Birnbaum, the new Executive Director of The Governors Island Alliance. In her presentation, Ms. Birnbaum began by announcing that The Governors Island Alliance will be renamed as The Friends of Governors Island and that its mission is to provide volunteers, financial resources, and advocacy to Governors Island. Ms. Birnbaum also described plans to launch a corporate membership program in order to raise funds for Governors Island. Ms. Birnbaum continued the discussion by describing the history of The Governors Island Alliance and how it shifted in purpose from advocacy to fundraising as Governors Island opened to the public.

Ms. Menschel thanked Ms. Birnbaum, Marc Ricks, Chairman of the Board for The Governors Island Alliance, and the rest of the Board for The Governors Island Alliance for their contribution toward the development of Governors Island.

4. President's Report

Ms. Koch then presented the President's Report to the Board.

Ms. Koch began by stating that previously the Hills, a complex capital project featuring four hills, was scheduled to open for the 2017 public access season. She then announced that now the Hills will open this public access season, a year ahead of schedule.

5. 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.