MINUTES OF THE APRIL 23, 2020 MEETING OF THE
ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS

A meeting of the Board of Directors was held via videoconference on April 23, 2020 at 5:30 p.m.¹

Directors Present:
Linda Manley Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky Representing Robert F. Mujica, Director, the State of New York Division of Budget
Conway Ekpo Director
Jeffrey Escobar Director
David Kapell Director
David Kraut Director
Howard Polivy Director
Michael Shinozaki Director

Officers and Staff Attending:
Susan G. Rosenthal President/Chief Executive Officer
Shelton J. Haynes Vice President/Chief Operating Officer
John O’Reilly Vice President/Chief Financial Officer
Gretchen K. Robinson Vice President/General Counsel
Kevin Brown Director of Public Safety Department
Jonna Carmona-Graf Assistant Vice President of Capital Planning and Projects
Arthur G. Eliav Associate General Counsel
Mary Cunneen Director of Organizational Effectiveness and Special Projects
Terrence McCauley Director of Communications and Public Affairs/PIO
Lada V. Stasko Assistant General Counsel

Others Attending:
Richard J. Famigletti Arthur J. Gallaher ARM Area President – Branch Manager
Public Sector Practice – Regional Director
Lynne Boyer Arthur J. Gallaher ARM, CIC Client Service Supervisor

¹ The RIOC Board Meeting commenced following a public comments reading. The public comments were submitted to RIOC in writing prior to the Board meeting. The public comments period was not part of the meeting.
Chair’s Designee Ms. Linda Manley called the Board meeting to order at 5:40 p.m. The roll was called, and a quorum found to be assembled and present.

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APPROVAL OF MINUTES

The first item of business was the approval of the minutes of the March 5, 2020 meeting of the RIOC Board of Directors. The proposed draft of the March 5, 2020 meeting had been previously distributed to all Board members for their consideration.

Upon a motion duly made, seconded and carried by seven votes in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Polivy, and Mr. Shinozaki), and one abstention (Mr. Kraut), the minutes were APPROVED and ordered filed.

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Chair Designee Ms. Manley noted that items #1 and #2 of new business are both related to insurance policies renewal and suggested discussing both items together.

NEW BUSINESS ITEM #1

The first item of new business was the ratification of certain insurance policies for FY 2020-21.

Mr. John O’Reilly, Chief Financial Officer (“CFO”), presented the status of the insurance binders’ renewal for Fiscal Year 2020-21. Mr. O’Reilly noted that as previously discussed during his presentation at the March 5th Board meeting, RIOC has been facing an extremely difficult insurance market this year. Since then, he received multiple quotes and underwriting deemed reasonable from a financial perspective. He noted that RIOC made the decision to bound those insurances. Mr. O’Reilly mentioned that the premium last year was $1.2 million and the premium this year is slightly under $1.5 million. He noted that the increase is a combination of both a rate increase, as well as a value increase based on the capital purchases and improvements made to the buildings. Mr. O’Reilly stated the following policies: property, boiler and machinery, public officials’ liability and cyber liability were renewed on April 1, 2020. He is now seeking ratification of these policies from the Board.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was ADOPTED:

RESOLUTION

RATIFICATION OF CERTAIN INSURANCE POLICIES FOR FISCAL YEAR 2020-21

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:
Section 1. that the Property, Boiler & Machinery, Automobile, Public Officials’ Liability, and Cyber Liability Insurance Policies for the period of April 1, 2020 through March 31, 2021, upon such terms and conditions substantially similar to those outlined in the Memorandum from John O’Reilly to Susan G. Rosenthal/Board of Directors, dated April 15, 2020, attached hereto, are hereby ratified;

Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.

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NEW BUSINESS ITEM #2

The second item of new business was the approval of certain Insurance Policies for FY 2020-21.

Mr. O'Reilly, CFO, stated that RIOC is seeking approval for the remaining general and excess liability policies. Mr. O'Reilly mentioned RIOC could not get the insurance tower filled out because they wanted the primary layer to be put in first by American International Group (“AIG”). He stated that AIG refused to proceed with the primary layer until March 10th. Mr. O’Reilly noted once the primary layer was in place, Mr. Richard Famigletti of Arthur J. Gallagher (“AJG”), RIOC’s insurance broker, marketed the plan to nearly 50 different carriers. Mr. O'Reilly mentioned that towards the end of March, RIOC received the final premium confirming the tower was about 280 percent higher than anticipated previous years. John O’Reilly stated that RIOC proceeded to seek various options.

Mr. O'Reilly further noted that he contacted the Department of Financial Services for assistance; however, they were unable to provide any guidance. Mr. O'Reilly noted RIOC contacted Leitner POMA for assistance and they are currently awaiting a response. Mr. O’Reilly mentioned RIOC has two options between now and the ending of the month. He stated that RIOC has a 30-day extension which was not discussed during the March 5th meeting.

Mr. O’Reilly mentioned RIOC has received several discounts, and the numbers are down from the end of March. He stated an additional option RIOC may entertain outside of the POMA option is to request AIG to increase the primary layer to $10 million which may allow for some additional savings. He also stated due to COVID-19 the carriers are now adding a virus exclusion, which was not in the program previously. Mr. Famigletti is attempting to negotiate to have the virus exclusion removed. Mr. O’Reilly asked the board for approval on the current policies at the current rate with an understanding that RIOC may have an opportunity to receive numbers slightly lower between now and the ending of the month.

In response to an inquiry from Director Shinozaki regarding POMA’s primary responsibilities for operating the Tram and their familiarity with the risk profile, President Susan Rosenthal explained their issue is they have a $100 million global insurance contract, and we don't know what the exposure is all around the world. She further stated POMA has Trams all over the world, so we would just be at this moment an additional insured.
In response to Director Shinozaki’s question regarding RIOC being out of time with limited options, RIOC’s broker Mr. Famigletti explained that was partially correct. Mr. Famigletti further mentioned this is around the third or fourth round of negotiations with the carriers and in recent weeks got a reduction of almost $300,000.00 from the original quotes. He mentioned they will continue exploring the option of having POMA do some participation in the tower.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was ADOPTED:

RESOLUTION

APPROVAL OF CERTAIN INSURANCE POLICIES FOR FISCAL YEAR 2020-21

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

Section 1. that the General Liability and Umbrella/Excess Umbrella Insurance Policies for the period from May 1, 2020 through March 31, 2021, upon such terms and conditions substantially similar to those outlined in the Memorandum from John O’Reilly to Susan G. Rosenthal/Board of Directors, dated April 15, 2020, attached hereto, are hereby approved;

Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.

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NEW BUSINESS ITEM #3

The third item of new business was the authorization of amendment of Public Purpose Grants Expenditure for FY 2019-20.

Mr. O’Reilly, CFO stated that RIOC received four requests to extend the expenditure of the Public Purpose Funds (PPF) grant money for the FY 2019-20 year to 2021. Mr. O’Reilly mentioned Island Kids is requesting to repurpose $1,300.00 to pay for organizational required insurance as they haven’t been able to run the program due to the pandemic. Similarly, Life Frames has also requested an extension to August 31, 2020 because of a shortened expenditure period and due to their vendors being closed. Mr. O’Reilly noted that Roosevelt Island Visual Arts Association (RIVAA) has requested an extension to June 30th, due to shortened expenditure period and because of difficulty in contacting their property manager and obtaining adequate grant backup documentation with both parties’ offices closed due to the pandemic.
Mr. O’Reilly noted that Roosevelt Island Disabled Association (“RIDA”) has requested to amortize the cost of their new bus over multiple PPF periods. The cost of the bus was $37,112 and was paid off on January 2, 2020. RIDA has requested to amortize $17,717.03 of the cost over the course of two additional PPF periods to allow them to deliver extra services to the community.

Mr. O’Reilly recommend that the Board authorize RIOC to extend the FY 19-20 PPF period to August 31, 2020 for Life Frames, June 30th, 2020 for RIVAA, repurpose the budgeted funds for Island Kids towards insurance, and to authorize RIDA to amortize the cost of their new bus over two additional PPF periods, if awarded. Also, he requested the Board to authorize the extension of the FY 19-20 PPF to June 30th, 2020 for all grantees.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was ADOPTED:

RESOLUTION

AUTHORIZATION OF AMENDMENT OF PUBLIC PURPOSE GRANTS EXPENDITURE FOR FISCAL YEAR 2019-20

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York, as follows:

Section 1. that the amendment of Public Purpose Grants expenditure for Fiscal Year 2019-20 upon such terms and conditions substantially similar to those outlined in the Memorandum from Muneshwar Jagdharry to Susan G. Rosenthal/ RIOC Board of Directors dated April 15, 2020, attached hereto, is hereby authorized;

Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.

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NEW BUSINESS ITEM #4

The fourth item of new business was the authorization to amend the Master Sublease Agreement for Main Street Retail Space with Hudson Related Realty, LLC.

Hudson Related has made a request to discuss if RIOC would consider deferring their monthly fees on the retail leases. Mr. O’Reilly, CFO, mentioned that Hudson Related pays approximately $900,000.00 to RIOC, annually. He stated that Hudson Related requested deferring payments for the months of April, May and June. Mr. O’Reilly mentioned RIOC has received monies collected before – along with – the month of March which significantly decreased, even though it had two regular week periods. Mr. O’Reilly noted that RIOC proposed an April through June deferral, and Hudson Related start regular rent payments in July through September to give them three months to ramp the
business and not be over-burdened. He further explained that from October through March, Hudson Related would pay one-sixth of the deferred amount with its regular rent payment resulting in RIOC receiving normal annual rent for the fiscal year ending March 31st, 2021. Mr. O’Reilly is seeking Board’s approval to amend the Master Sublease.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was ADOPTED:

RESOLUTION

AUTHORIZATION TO AMEND MASTER SUBLEASE AGREEMENT FOR MAIN STREET RETAIL SPACE WITH HUDSON RELATED RETAIL LLC.

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

Section 1. that RIOC is hereby authorized to amend the Master Sublease Agreement with Hudson Related Retail, LLC., for the Main Street retail space upon such terms and conditions substantially similar to those outlined in the Memorandum from Susan G. Rosenthal to the RIOC Board of Directors, dated April 20, 2020, attached hereto;

Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.

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NEW BUSINESS ITEM #5

The fifth item of new business was the authorization to enter into contract with New York State Industries for the Disabled, Inc./ AHRC, NYC Chapter of NYSARC, Inc., for cleaning services at RIOC’s Facilities.

Ms. Cunneen, Director of Organizational Effectiveness and Special Project stated that RIOC has had a contract with the New York State Industries for the Disabled (“NYISID”)/ AHRC since 2016. She mentioned that the original contract was only to oversee custodial services at two or three of RIOC facilities. RIOC has expanded its scope of services and NYISID is currently responsible for eight RIOC facilities throughout the island. Those facilities include the public accommodation spaces, such as the Cultural Center, Sports Park, Youth Center, Good Shepherd, RIOC’s office spaces and (soon to be, upon its opening) Blackwell House. She stated NYISID is an Office of General Services (OGS) preferred vendor, which RIOC is encouraged to utilize when possible if the vendor’s services meet the Corporation’s needs. Ms. Cunneen explained that with the added spaces, NYISID/AHRC will need additional staffing and equipment in order to make sure all facilities are cleaned.
properly. Ms. Cunneen stated that she is seeking Board approval to enter into a contract for cleaning services in the amount of the $511,683.36.

In response to Director Kapell’s question of whether the new contract amount reflects increased requirements due to the current pandemic, Ms. Cunneen stated that RIOC is using a separate invoice to pay for those fees.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was ADOPTED:

RESOLUTION

AUTHORIZATION TO ENTER INTO CONTRACT WITH
NEW YORK STATE INDUSTRIES FOR THE DISABLED, INC./
AHRC, NYC CHAPTER OF NYSARC, INC.
FOR CLEANING SERVICES AT RIOC’S FACILITIES

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

Section 1. that RIOC is hereby authorized to enter into contract with New York State Industries for the Disabled, Inc./ AHRC, NYC Chapter of NYSARC, Inc., for cleaning services at RIOC’s facilities, upon such terms and conditions substantially similar to those outlined in the Memorandum from Mary C. Cunneen to Susan G. Rosenthal/Board of Directors dated April 14, 2020, attached hereto;

Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.

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NEW BUSINESS ITEM #6

The sixth item of new business was the authorization to amend the License Agreement with Roosevelt Island Racquet Club Associates.

Mr. O’Reilly, CFO mentioned the Roosevelt Island Racquet Club Associates (“RIRCA”) is seeking a similar agreement to earlier discussions with respect to Hudson Related. He stated the RIRCA is seeking to defer rents from April, May, June, and start paying regular rent from July, August, and September. Commencing with October of 2020 and for the following six months, RIRCA will continue to timely pay regular license fees then due, as well as make up the Deferred Fees in six equal monthly installments.
Mr. O’Reilly noted the one difference in this amendment is that RIRCA is a small business that has applied for a small business loan. Mr. O’Reilly mentioned the caveat in the document – that if RIRCA does get a small business loan, it will pay its payroll first; because by doing so will convert the loan into a grant that will not have to be repaid. He noted that RIOC will allow RIRCA to pay its payroll first and then require that it use the remaining funds from the small business loan to repay the deferred amount based on the remaining funds. There would also be a requirement that RIRCA supply RIOC with an accounting of how the funds were used in the small business loan. Mr. O’Reilly asked the Board to authorize the amendment to the license agreement with RIRCA.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was ADOPTED:

RESOLUTION

AUTHORIZATION TO AMEND THE LICENSE AGREEMENT WITH ROOSEVELT ISLAND RACQUET CLUB ASSOCIATES

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

Section 1. that RIOC is hereby authorized to amend the License Agreement with Roosevelt Island Racquet Club Associates upon such terms and conditions substantially similar to those outlined in the Memorandum from Susan G. Rosenthal to RIOC’s Board of Directors, dated April 20, 2020, attached hereto;

Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.

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PRESIDENT’S REPORT

President Susan Rosenthal stated RIOC’s Public Safety Department has lost two valued officers who have been with the corporation for over twenty years to COVID-19, Officer Fisher and Officer Jones and several weeks earlier, also lost Mr. Jack McManus, the former Chief of Public Safety. Ms. Rosenthal further remarked about the toll it has taken on RIOC’s officers. President Rosenthal noted that RIOC has started-and, will continue to utilize the State’s program for grief counseling. Ms. Rosenthal praised Chief Kevin Brown and Deputy Director Anthony Amoroso during this pandemic, as they continued to keep the morale up within the department. Ms. Rosenthal mentioned the outpouring of love and care from the community for the essential employees working during the pandemic.

Ms. Rosenthal then provided updates on current projects. With respect to RIOC’s construction projects during the pandemic, Ms. Rosenthal stated that RIOC will solely focus on essential projects,
including the Tramway elevators and the Motorgate Garage. Ms. Rosenthal stated that the Southpoint Park project was modified after the March 5th Board meeting; at the request of the community. The RFP for this construction project had been posted; and plans were in place to have a contractor selected by the next board meeting in order to move forward with this project. Ms. Rosenthal noted that there is a timeframe of when the actual work with respect to the seawall could be done. In-water construction activities could only occur in certain window pursuant to State and Federal regulations concerning natural resources.

Ms. Rosenthal mentioned that design work on all projects are moving forward, and that the architects and engineers are working remotely. President Rosenthal stated that design work on all the projects of which RIOC sought approval, will proceed. She also noted that RIOC’s Capital Planning and Projects department will proceed with the Citi Bike project.

Finally, Ms. Rosenthal reminded everyone to follow the Governor's Executive Orders by wearing face masks and continuing the practice of social distancing; as these measures are quite effective to mitigate the potential coronavirus spread. Ms. Rosenthal shared her sentiments for Governor Andrew Cuomo, in stating that though we are part of the state government, everyone could feel a real sense of pride under his leadership. She also expressed her gratitude to everyone and for the State of New York.

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COMMITTEE REPORTS

AUDIT COMMITTEE

The Audit Committee did not meet.

GOVERNANCE COMMITTEE

The Governance Committee did not meet.

OPERATIONS ADVISORY COMMITTEE

The Operations Advisory Committee did not meet.

REAL ESTATE DEVELOPMENT ADVISORY COMMITTEE

The Real Estate Development Advisory Committee did not meet.

PUBLIC SAFETY REPORT

Chair’s Designee Ms. Manley noted that the Public Safety Report was included in the Board package. President Rosenthal invited Chief Kevin Brown to speak.

Mr. Kevin Brown, Director of RIOC’s Public Safety Department (“PSD”), expressed his appreciation to the Board and the staff for their support during their time of mourning over the loss of Officers Fisher and Jones, and former Chief McManus. Mr. Brown stated that the officers are extremely dedicated and will continue to work with Deputy Anthony Amoroso, 24 hours, 7 days a
week to maintain a level of protection on Roosevelt Island. Chief Brown credited the former Chief, who had served PSD in that capacity for over seven years. Chief Brown mentioned that former Chief McManus’s teachings were exhibited by every officer that worked for Public Safety, especially by the two officers recently lost. Kevin Brown stated the officers were 20-year veterans, – Officers Fisher and Jones were professionals who were both extremely dedicated to Roosevelt Island. Chief Brown noted that calls for service have increased on the island; however, PSD is able to respond despite the current crisis.

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Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley, Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kapell, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the meeting was adjourned at 6:35 p.m.

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Gretchen K. Robinson, Secretary