MINUTES OF THE JUNE 23, 2022 MEETING OF THE
ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS

A meeting of the Board of Directors was held via videoconference on June 23, 2022 at 5:30 p.m.

Directors Present:
Alex Valella Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky1 Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Christian Director
Conway Ekpo2 Director
David Kraut Director
Howard Polivy Director
Michael Shinozaki Director

Officers and Staff Attending:
Shelton J. Haynes President/Chief Executive Officer
John O’Reilly Vice President/Chief Financial Officer
Kevin Brown Director of Public Safety Department
Daeman DiStefano Assistant CFO/Comptroller
Prince Shah Assistant Director of Capital Planning and Projects
Lada V. Stasko Assistant General Counsel

1 Ms. Levendosky left after the new business #10 discussion.
2 Mr. Ekpo left after the new business #10 discussion.
Ms. Lada Stasko, RIOC’s Assistant General Counsel, noted that she was asked to facilitate the Board meeting today. She welcomed Ms. Fay Christian to the Board of Directors.

Ms. Stasko called the Board meeting to order at 5:35 p.m. The roll was called, and a quorum found to be assembled and present.

***

APPROVAL OF MINUTES

The first item of business was the approval of the minutes of the May 19, 2022, meeting of the RIOC Board of Directors. The proposed draft of the May 19, 2022 Board meeting minutes had been previously distributed to all Board members for their consideration.

Upon a motion duly made, seconded and carried by six votes in favor (Mr. Valella, Ms. Levendosky, Mr. Ekpo, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), and one abstention (Ms. Christian), the minutes of the May 19, 2022 Board meeting were APPROVED and ordered filed.

***

NEW BUSINESS ITEM #1

The first item of new business was the Approval of Procedures for Board Members’ Videoconferencing Pursuant to Public Officers Law § 103-a.

Ms. Stasko stated that recently the New York State Legislature amended Section 103 of the Open Meetings Law (“OML”), permitting Board members of public bodies to attend meetings by videoconferencing under extraordinary circumstances. She explained that Section 103-a(2) allows for hybrid meetings by requiring “that a minimum number of members are present to fulfill the public body’s quorum requirement in the same physical location or locations where the public can attend.” Ms. Stasko also discussed what constitutes “extraordinary circumstances.” She noted that Section 103-a(2)(a) of the OML requires RIOC to adopt a resolution authorizing the limited use of videoconferencing under such circumstances; as well as to approve Procedures for Board Members’ videoconferencing pursuant to Public Officers Law § 103-a. She noted that the language of the resolution and the proposed procedures was suggested by the Committee on Open Government (“COOG”).

Ms. Stasko then answered the questions from the Board Members. Mr. Valella asked if RIOC would need to hold a public hearing prior to the adopting this resolution, as it was done in HCR. Ms. Stasko noted that RIOC never held any public hearings, and per the OML training, the understanding was that such requirement can be waived. She stated that she would reach out to COOG to confirm compliance. If RIOC would still need to conduct public hearing, we will revisit this. The resolution was presented to the Board subject to further clarification as to whether the public hearing is necessary for RIOC.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella, Ms. Levendosky, Ms. Christian, Mr. Ekpo, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was considered for review:
PROPOSED RESOLUTION

APPROVAL OF PROCEDURES FOR BOARD MEMBERS’ VIDEOCONFERENCING PURSUANT TO PUBLIC OFFICERS LAW § 103-A

WHEREAS, by passing Chapter 56 of the Laws of 2022 (“Chapter 56”), the New York State Legislature amended Section 103 of the Open Meetings Law; and

WHEREAS, Chapter 56 adds Section 103-a of the Open Meetings Law, permitting the Roosevelt Island Operating Corporation (“RIOC”) to authorize its members to attend meetings by videoconferencing under extraordinary circumstances; and

WHEREAS, Section 103-a(2)(a) requires RIOC to adopt a resolution authorizing the limited use of videoconferencing under such circumstances; and

WHEREAS, Section 103-a(2) allows for hybrid meetings by requiring “that a minimum number of members are present to fulfill the public body’s quorum requirement in the same physical location or locations where the public can attend”; and

WHEREAS, Section 103-a(2)(c) requires that members be physically present at any such meeting “unless such member is unable to be physically present at any such meeting location due to extraordinary circumstances, “including disability, illness, caregiving responsibilities, or any other significant or unexpected factor or event which precludes the member’s physical attendance at such meeting”; and

WHEREAS, in accordance with Section 103-a(2)(d), any members attending by videoconference must, excerpt during executive session, be “heard, seen and identified, while the meeting is being conducted, including but not limited to any motions, proposals, resolutions, and any other matter formally discussed or voted upon”; and

WHEREAS, Section 103-a(2)(g) requires that any meeting where a member attends by videoconference be recorded, posted to the RIOC webpage within five business days, and transcribed upon request; and

WHEREAS, Section 103-a(2)(h) requires that members of the public be permitted to attend and participate, if authorized, in any meeting by videoconference when a member attends by videoconference.

BE IT RESOLVED, that RIOC authorizes its members who experience an extraordinary circumstance, as described above and further defined by any rules or written procedures later adopted, to attend meetings by videoconference: (i) as long as a quorum of the members attend in-person at one or more locations open to the public; (ii) as long as the member can be seen, heard, and identified while the open portion of the meeting is being conducted; and (iii) as otherwise permitted under Chapter 56 of the Laws of 2022; and be it further

RESOLVED, that RIOC shall create written procedures further governing its use of videoconferencing by its members in compliance with Chapter 56 of the Laws of 2022.
Mr. Valella noted that new business items #2 through #6 are financial reports for the annual PARIS filing. He suggested discussing and voting on these items as a bulk, as in the previous meeting.

NEW BUSINESS ITEM #2

The second item of new business was the Presentation of Audited Financial Statements for Fiscal Year Ending March 31, 2022.

Mr. Daeman DiStefano, RIOC’s Comptroller, provided a brief overview of the audited financial statements and financial reports for Fiscal Year ending on March 31, 2022. He stated that these items were previously discussed in detail at the Audit Committee meeting, where RIOC’s auditors from EFPR Group presented the audited financials piece. Mr. DiStefano noted that the annual audit, and the annual report were considered excellent by the auditors. The auditors are ready to issue an unmodified opinion which is the highest and best audit opinion that you can get. Per Mr. DiStefano, it indicates that the financials were presented fairly and in accordance with GAAP or generally accepted accounting principles.

Mr. DiStefano noted that the auditors did not have any findings and they also did not propose any adjustments, which is an indication that the financials and the reporting of financial transactions is “capped off,” and kept well, and is done neatly. He stated that the deadline for PARIS filing, and all of these financial items included in the annual report, is June 30, 2022. Mr. DiStefano noted that he is seeking Board approval for all of these materials so that RIOC can meet that statutory deadline.

Director Polivy noted that the Audit Committee met on June 8th, 2022 and reviewed these items #2 through #6 of the agenda in a little bit more detail. He noted that all of the reports are consistent over the years because they are meant to meet the format necessary for PARIS, which is the Public Authority Reporting Information System. This filing includes the annual report, the bylaws, all the financials, the procurement report, and the investment report. Mr. Polivy stated that the Committee Members were pleased with the quality of the audit and the materials presented. He noted that the Committee recommended these items for Board’s approval.

Mr. Valella noted that Homes and Community Renewal does the same filing. In addition to the documents that Mr. Polivy mentioned, the PARIS filing also includes the mission statement, the performance measures, as well as the Board Members’ evaluations.

Mr. Haynes, RIOC’s President/CEO, thanked the auditors and the Audit Committee for their due diligence, and commended Mr. DiStefano and the Finance Department for their thorough preparation of the PARIS reports.

NEW BUSINESS ITEM #3

The third item of new business was Approval of Annual Report for Fiscal Year Ending March 31, 2022.
Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella, Ms. Levendosky, Ms. Christian, Mr. Ekpo, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the following resolution was ADOPTED:

RESOLUTION

APPROVAL OF ANNUAL REPORT
FOR FISCAL YEAR ENDING MARCH 31, 2022

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

Section 1. that the Annual Report for fiscal year ending March 31, 2022, annexed hereto, is hereby approved and may be submitted to the Governor, the chairman and ranking minority member of the Senate Finance Committee, the chairman and ranking minority member of the Assembly Ways and Means Committee, the State Comptroller, the Authorities Budget Office, and any other governmental entity as required by law;

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

Section 3. that this resolution shall take effect immediately.

***

NEW BUSINESS ITEM #4

The fourth item of new business was the Approval of Report on Procurement Contracts for Fiscal Year Ending March 31, 2022.

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

RESOLUTION

APPROVAL OF REPORT ON PROCUREMENT CONTRACTS FOR FISCAL YEAR ENDING MARCH 31, 2022

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

Section 1. that the report of procurement contracts for fiscal year ending March 31, 2022 (the “Procurement Contract Report”) and the Guidelines Regarding the Use, Awarding, Monitoring and Reporting of Procurement Contracts, annexed hereto, are hereby approved, and the Procurement Contract Report may be
submitted to the Division of the Budget, the Department of Audit and Control, the Senate Finance Committee, the Assembly Ways and Means Committee, and the Department of Economic Development, and any other governmental entity as required by law;

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

Section 3. that this resolution shall take effect immediately.

* * *

NEW BUSINESS ITEM #5

The fifth item of new business was the Approval of Report on Investments for Fiscal Year Ending March 31, 2022.

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

RESOLUTION

APPROVAL OF REPORT ON INVESTMENTS
FOR FISCAL YEAR ENDING MARCH 31, 2022

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

Section 1. that the report of the corporation’s investments for fiscal year ending March 31, 2022 (the “Investment Report”), and the Investment Guidelines, annexed hereto, are hereby approved, and the Investment Report may be submitted to the NYS Division of the Budget, the Department of Audit and Control, the Senate Finance Committee and Assembly Ways and Means Committee, and any other governmental entity as required by law;

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

Section 3. that this resolution shall take effect immediately.

* * *
NEW BUSINESS ITEM #6

The sixth item of new business was the Approval of Property Report for Fiscal Year Ending March 31, 2022.

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

RESOLUTION

APPROVAL OF PROPERTY REPORT
FOR FISCAL YEAR ENDING MARCH 31, 2022

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

Section 1. that the Property Report for fiscal year ending March 31, 2022, and the Guidelines Regarding Acquisition and Disposal of Property, annexed hereto, are hereby approved and may be furnished to the State Comptroller, the Director of the Budget, the Commissioner of General Services, the Majority Leader of the Senate, the Speaker of the Assembly, the Authorities Budget Office, and any other governmental entity as required by law;

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

Section 3. that this resolution shall take effect immediately.

***

NEW BUSINESS ITEM #7

The seventh item of new business was the Approval of Insurance Binder for Public Officials/Employment Practices Policy.

Mr. John O’Reilly, RIOC’s Chief Financial Officer, stated that prior to the April 1, 2022 insurance renewal, the Public Officials carrier (XL Insurance Group) had requested a 60-day extension through May 31, 2022 to further evaluate and market the coverage. RIOC had accepted the extension at the existing premium rate. RIOC had also expected premium and/or retention increases for the policy upon renewal, however, XL Insurance Group did not offer renewal terms due to loss history.

According to Mr. O’Reilly, following extensive marketing of the policy, RIOC’s brokers bound a policy with Chubb at a premium increase of approximately 1.5% year over year. Mr. O’Reilly noted that although the premium increase was modest, the terms of the new policy are less favorable than the expiring policy with respect to the Employment Practices Liability retention, although the Public Officials’ retention remains the same. Mr. O’Reilly noted that management
anticipated a reduction in future claims which should make next year’s renewal easier. Additionally, Chubb is open to further discussions on the retention terms and any measures being taken by RIOC to mitigate future claims.

He recommended that the Board of Directors approve the insurance binder with Chubb for the period from June 1, 2022, through May 31, 2023 at a $64,942 premium with a $1 million retention for employment liability claims.

Mr. Polivy noted that this item was also discussed at the June 8, 2022 Audit Committee meeting, and that the Committee recommended that the Board approve this policy. He thanked Mr. O’Reilly and his team for getting to this conclusion in a currently, tough market.

In response to a question from Director Shinozaki, Mr. O’Reilly confirmed that he is satisfied with the quality of the service RIOC is getting from our insurance broker. He noted that Gallagher provides coverage to a number of different state agencies within the State of New York, and they are very well regarded. Mr. O’Reilly stated that they have done a very good job at marketing this program, and the other programs that RIOC is dealing with, to a number of different underwriters, to RIOC’s satisfaction.

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

RESOLUTION

APPROVAL OF INSURANCE BINDER FOR PUBLIC OFFICIALS/EMPLOYMENT PRACTICES POLICY

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 Public Officials/Employment Practices Insurance Binder for the period from June 1, 2022 through May 31, 2023, upon such terms and conditions substantially similar to those outlined in the Memorandum from John O’Reilly to Shelton J. Haynes/Board of Directors, dated June 7, 2022, attached hereto, are hereby approved;

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

Section 3. that this resolution shall take effect immediately.

***
NEW BUSINESS ITEM #8

The seventh item of new business was the Authorization to Enter into Contract with Cameron Engineering & Associates for Design Services in Connection with the Roadway and Paved Surfaces Rehabilitation Design Project.

Mr. Valella noted that this item is being tabled.

***

NEW BUSINESS ITEM #9

The ninth item of new business was the Authorization to Amend the License and Operating Agreement with Main Street Theatre & Dance Alliance.

Ms. Stasko stated that MSTDA is a well-regarded community-based non-profit organization that has been serving the residents of Roosevelt Island for over thirty-five years. MSTDA provides high quality performance and dance training opportunities for all members of the Roosevelt Island community. MSTDA has been operating out of the Cultural Center Theater since 2015, per the License and Operating Agreement with RIOC. The license is renewed annually and is expiring at the end of June.

Ms. Stasko noted that on June 7, 2022, MSTDA’s Board of Directors, by its letter to RIOC’s Board of Directors and RIOC’s President, requested an approval to extend their license for five (5) years with renewal options to make the organization eligible for certain art grants. The terms of the original license will remain the same.

Ms. Stasko recommended that the Board of Directors approve the amendment of the License and Operating Agreement with MSTDA, thereby extending the non-exclusive license to last until June 30, 2027; with an option to renew.

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

RESOLUTION

AUTHORIZATION TO AMEND THE LICENSE AND OPERATING AGREEMENT WITH MAIN STREET THEATRE & DANCE ALLIANCE

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 and Operating Agreement with Main Street Theatre & Dance Alliance, upon such terms and conditions substantially similar to those outlined in the Memorandum from Gretchen Robinson to Shelton J. Haynes/Board of Directors dated June 17, 2022, attached hereto;
Section 2. that the President/Chief Executive Officer or President’s designee is hereby authorized to take such actions and execute such instruments as deemed necessary to effectuate the foregoing; and

Section 3. that this resolution shall take effect immediately.

***

NEW BUSINESS ITEM #10

The tenth item of new business was the Authorization to Amend the License Agreement with the Roosevelt Island Racquet Club Associates, LLP (“RIRCA”).

Ms. Stasko provided a brief background of the license agreement with HCK/RIRCA, one of RIOC’s oldest and most reliable commercial licensees. She noted that the License Agreement is set to expire on May 1, 2046, and RIRC now wishes to extend the License Agreement by another 20 years, with an expected expiration on April 30, 2066, to allow the Club to continue to maintain its infrastructure with suitable long-term financing. RIRCA anticipates various repairs and/or improvements in the next ten (10) years estimated at $3,385,000. The actual amount might even exceed the estimate due to inflation as well as other corrosion repairs that will be needed due to the proximity or the tennis bubble to the East River.

Mr. O’Reilly, RIOC’s CFO, went through the financial terms of the proposed extension, which are consistent with the existing agreement, as well as the current financial market. He explained that a 20-year extension would allow RIRCA to obtain better 20-to 30-year financing for these various projects as opposed to a 5-to 13 years financing, based on the remaining 24 years of the current License Agreement. Mr. O’Reilly then answered the questions from the Board Members and recommended the License extension for the Board’s approval.

Director Fay Christian stated that she would like for RIRCA to provide some free services to the community as a condition for the license extension. Mr. O’Reilly was able to confirm Mr. Hartman’s commitment to further providing certain programs and services to the Island’s community.

Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella, Ms. Levendosky, Ms. Christian, Mr. Ekpo, 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, LLP

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, LLP, upon such terms and conditions substantially similar to those outlined in the Memorandum from
Gretchen Robinson to Shelton J. Haynes/Board of Directors dated June 17, 2022, attached hereto;

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

Section 3. that this resolution shall take effect immediately.

***

PRESIDENT’S REPORT

Mr. Shelton Haynes welcomed Director Fay Christian back to the Board. He stated that the Board and the community appreciate her presence.

Mr. Haynes first provided the Capital Planning and Projects updates. He noted that the Tram overhaul - rope replacement work is nearing completion for the southern cabin. Mr. Haynes stated that Pomagalski has done a great job with facilitating this work. He also noted that RIOC will be doing road painting and stripping. With regards to the Sportspark renovation, it is scheduled to be completed in the fall of 2022. Mr. Haynes noted that the facility will be closed until the fall, including the pool.

RIC is also working on the Island’s beautification. Mr. Haynes credited RIOC’s horticulture and grounds team, and the Department’s Director, Matthew Kibby. Mr. Haynes noted that there has been improvement with beautification of our public spaces. Examples of these improvements include the turnaround near Blackwell House, and the area by Blue Dragon sculpture, among other spaces.

As for Island events, Mr. Haynes noted that we had a very successful Roosevelt Island Day on June 11, 2022. He thanked the staff that volunteered their time and all the community groups that came together for this event. Mr. Haynes noted that, currently, RIOC is actively planning the Fourth of July event. The event team is coordinating among various agencies; looking at the health and safety components, while also making sure that it will be an enjoyable event for all participants. He thanked the entire team that stepped up to help facilitate this. Mr. Haynes noted that RIOC will also run the Summer Movie Series from June 24 through August 19, 2022.

Mr. Haynes stated that the summer youth camp program is slated to begin very soon. He thanked Anna Medina, Assistant Director of the Youth Center Program, and her team who have done an amazing job with helping build the program. The camp program will last from July 11th through August 26th. Some of the activities are noted on RIOC’s website and include photography, gardening, basketball, outdoor sports, dance step, yoga and chess, and so forth. Mr. Haynes invited parents to register their kids for the Youth Center programs, noting that there is limited space right now as we have a student to counselor ratio.

Mr. Haynes also announced that Mr. Gerrald Ellis, RIOC’s new Deputy General Counsel, will be joining Legal Department on June 28, 2022. Mr. Haynes noted that Mr. Ellis would bring a wealth of experience and that we are looking forward to him being an addition to our RIOC team. Mr. Valella added that Gerrald Ellis has been working with DHCR for several years and that he is a terrific attorney.
Finally, Mr. Haynes thanked the Board Members for their support, feedback and insight throughout the year and wished everyone a good summer.

* * *

COMMITTEE REPORTS

AUDIT COMMITTEE

The Audit Committee met on June 8, 2022 to discuss the audit and the financial reports approved at this Board meeting.

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

Ms. Stasko noted that the Public Safety Report was included in the Board package.

* * *

Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella, Ms. Christian, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the meeting was adjourned at 7:32 p.m.

______________________________
Gretchen K. Robinson, Secretary