

**UNITED NATIONS DEVELOPMENT CORPORATION**

Minutes of the Meeting of the Board of Directors

Via Zoom Video\*

On March 29, 2022 at 2:30 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Robert Abrams

Jan Burman

Adolfo Carrión, Jr. (represented by La Toya Niles)

Christine Falvo

Daniel Garodnick (represented by Barry Dinerstein)

Jessica Healy

Amabel James

David Mack

Samuel Natapoff

Joseph Rutigliano

Andy Shenoy

Joel Silverman

The following persons also attended the meeting: Robert Cole, Jorge Ortiz, Kenneth Coopersmith, Justin Handman, Anastasiya Lee, Erin Beth Turner and Loida Diaz de Jesus (UNDC); Sarah Friedman (Mayor's Office for International Affairs); Cleveland Stair (New York City Housing

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\*Chapter 417 of the Laws of 2021 authorizes public authorities, including the Corporation, "to meet and take such action authorized by law without permitting in public in-person access to meetings and authorize such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed." This law is in effect until April 15, 2022 unless extended.

Preservation and Development); Ross Silver (Fried Frank); Warren Ruppel (CBIZ Marks Paneth); Martin Hammond and Samantha Myers (PFM Asset Management); Charles Laven (Forsyth Street Advisors); Thomas Barrett (Barrett Builders) and William McKay (Corporate Power, IT consultant).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 2:36 p.m.

At the Chairman's request, the meeting entered executive session to discuss the Corporation's leases and related matters. The executive session ended after that discussion concluded, with no action being taken by the Board in executive session.

The Chairman introduced the two new *ex officio* members of the Board -- Daniel Garodnick, Chair of the New York City Planning Commission and Adolfo Carrión, Jr., Commissioner of the New York City Housing Preservation and Development (HPD). Both were present for the initial part of the meeting and assigned representatives to vote on their behalf: Barry Dinerstein represented Mr. Garodnick and La Toya Niles represented Mr. Carrión for the remainder of the meeting.

#### **Minutes of Meeting of January 28, 2022**

The Chairman asked the Board to consider the minutes of the meeting of January 28, 2022, in the form provided to Board members. On motion made and seconded, the minutes of the January 28, 2022 meeting were approved.

#### **Election of Officers**

The Chairman stated that the officers of the Corporation are appointed by the Board at the annual meeting, to hold office for one year and until their successors are elected and qualified. The Chairman recommended the reappointment of each officer named below to their current position.

Robert Cole	Executive Vice President and General Counsel, Secretary
Kenneth Coopersmith	Vice President
Loida Diaz de Jesus	Vice President
Jorge Ortiz	Vice President, Treasurer

On motion made and seconded, the Board reappointed Messrs. Cole, Coopersmith, Ortiz and Ms. Diaz de Jesus to their current positions, to hold office for one year and until their successors are elected and qualified.

### **2021 Measurement Report**

Mr. Cole reviewed the Corporation's proposed 2021 Measurement Report, as required under the Public Authorities Law. The Measurement Report measures the Corporation's performance during a given year against goals set forth in the Mission Statement. The 2021 Measurement Report was previously discussed with the Governance and Compensation Committee and provided to the Board for its review.

After discussion and on motion made and seconded, the Board approved the Corporation's 2021 Measurement Report as provided to the Board.

### **Finance Committee Report**

Mr. Cole reported that the Finance Committee met on March 15, 2022 to review the Corporation's investment performance for 2021 with investment advisor PFM Asset Management. Ms. Myers from PFM summarized the Corporation's investment performance for 2021. She reported that PFM continued to invest exclusively in U.S. Treasury securities with laddered maturities to match the Corporation's funding needs. Mr. Hammond reported that Treasury yields in 2021 continued to be at historic low levels. He advised that PFM would consider other permitted investments such as GSE's (Fannie Mae or Freddie Mac securities) or commercial paper as possible investment opportunities for a portion of the Corporation's portfolio.

Mr. Cole reported that the Corporation with the assistance from PFM, was preparing updated Investment Guidelines based on best practices for future consideration by management and the Finance Committee. Board approval will be required for any amendment to the Investment Guidelines.

### **Board Consideration of Annual Reports**

Mr. Cole referred to the Corporation's Investment Report for 2021, Report on Prompt Payment for 2021 and Procurement Contract Report for 2021, each as required by the Public Authorities Law. The Chairman asked for a motion to approve each Report, and on motion made and seconded, the following resolutions were unanimously adopted:

**RESOLVED, that the Annual Investment Report for 2021, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.**

**RESOLVED, that the Annual Report on Prompt Payment for 2021, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.**

**RESOLVED, that the Corporation's officers are authorized to submit, via the PARIS on-line reporting system, the Annual Procurement Contract Report for 2021, which includes the information presented to the Board of Directors at its meeting on March 29, 2022.**

### **Audit Committee Report**

Mr. Klein reported that the Corporation's Independent auditors, CBIZ Marks Paneth, reviewed the results of the 2021 audit and the draft financial statements (the "2021 Financial Statements") at the Audit Committee meeting on March 15, 2022.

Mr. Ruppel reported that effective January 1, 2021, the non-attest (non-audit) assets of Marks Paneth had been acquired by CBIZ Inc. and its attest (audit) business had been acquired by Mayer Hoffman McCann, PC. He stated that the combined firm is now known as CBIZ Marks Paneth. Mr. Ruppel advised that staffing on the Corporation's account would not change due to the acquisition and that the combine firm would be able to provide additional resources to its clients.

Mr. Ruppel reviewed the results of the 2021 audit. He stated that an unqualified opinion on the 2021 Financial Statements would be issued, and that there were no disagreements with management during the audit. Mr. Ruppel stated that the audit did not detect any material weaknesses or significant deficiencies in the Corporation's internal control measures.

Mr. Ruppel reported that the 2021 Financial Statements included a reserve from amounts that would otherwise be considered Consolidated Surplus for 2021.

Mr. Cole stated that Board approval of the 2021 Financial Statements would be requested later during the meeting.

### **Management Report**

Mr. Cole referred to the Management Report dated March 23, 2022. He reported that Board action was necessary for these items: (1) a reserve from 2021 net revenues of \$14,792,981; (2) approval of the 2021 Financial Statements, and (3) approval of a Property Management contract with Cushman & Wakefield as property manager.

Mr. Cole reported that net revenues for 2021 were approximately \$16.3 million, an increase of 12.7% over 2020 results. He advised that, as described in the Management Report, the increase in net revenues was mainly attributable to a reduction in operating expenses of approximately \$3.4 million, or 17.5%, as compared to 2020 results. The reduction in operating expenses for 2021 was mainly due to decreased costs for cleaning, security and utilities during the Covid pandemic. The increase in net revenues was partially offset by a reduction in interest income and a modest increase in administrative office expenses.

Mr. Cole reported that, from 2021 net revenues of approximately \$16.3 million, the Corporation deposited \$1.5 million into the renewal and replacement fund to pay costs for capital improvement projects previously approved by the Board.

Mr. Cole stated that the 2021 Financial Statements included a reserve of \$14,792,981, representing 100% of the amounts that would otherwise constitute 2021 Consolidated Surplus under

the Corporation's leases with the City of New York. He advised that management, with the concurrence of the Audit Committee, recommended that the Board establish the reserve to cover costs for possible capital improvements at One and Two UN Plaza relating to UN lease extensions at One and Two UN Plaza, or for other corporate purposes.

Mr. Cole advised that 90% of \$14,792,981, or \$13,313,682, would be payable to the City as additional City rent if the Board did not establish this reserve. He reported that the draft 2021 Financial Statements would be modified if the Board did not establish the reserve.

Following discussion, and on motion made and seconded, the Board unanimously approved the following resolutions:

**WHEREAS, the Corporation's Phase II Lease with the City of New York (the "Phase II Lease") requires that the Corporation pay to the City as additional rent under the Phase II Lease ninety percent (90%) of Consolidated Surplus; and**

**WHEREAS, the Phase II Lease defines Consolidated Surplus as the excess of the Corporation's revenues during a fiscal year over payments for current expenses, debt service and the performance of the Corporation's other obligations under its financing documents, and base rent to the City, less reserves approved by the Corporation's Board of Directors in accordance with the Phase II Lease.**

**NOW THEREFORE, BE IT RESOLVED, that pursuant to the Phase II Lease, establishment of a reserve of \$14,792,981 be and hereby is approved, such reserve to be available for the Corporation to pay costs related to capital improvement projects at One and Two UN Plaza, costs related to lease renewals at One and Two UN Plaza, or other corporate purposes, with such reserve to be established from 2021 net revenues of the Corporation that would constitute, if such reserve were not**

**established, the Corporation's 2021 "Consolidated Surplus," as defined in the Phase II Lease.**

Mr. Cole requested Board approval of the 2021 Financial Statements. On motion made and seconded, the Board approved the 2021 Financial Statements.

Mr. Cole referred to the memorandum, included as Attachment C to the Management Report, describing the competitive bid process and selection of a property management firm. Mr. Cole reported that Cushman and Wakefield had submitted a bid with the lowest management fees and overall payroll cost among the bidders (CBRE, Cushman & Wakefield and Jones Lang LaSalle). Mr. Cole stated that management recommended the continued engagement of Cushman & Wakefield under a three-year contract, with two optional one-year extensions available to the Corporation at fixed management fees.

After discussion and on motion made and seconded, the Board authorized management to engage Cushman & Wakefield as the Corporation's property manager on the terms described in the memorandum.

**Other Business**

There being no other business, the meeting was adjourned at 3:56 p.m.

  
Loida Diaz de Jesus  
Acting Secretary