

UNITED NATIONS DEVELOPMENT CORPORATION

Minutes of a Meeting of the Board of Directors

Held at Two United Nations Plaza, 27th Floor

New York, New York

On September 15, 2022 at 2:30 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Robert Abrams

Daniel Garodnick (represented by Barry Dinerstein)

Amabel James

David Mack

Samuel Natapoff

Joseph Rutigliano

Andy Shenoy

Joel Silverman

The following persons were also present: Robert Cole, Kenneth Coopersmith, Loida Diaz de Jesus, Jorge Ortiz, Justin Handman, Anastasiya Lee (UNDC); Commissioner Edward Mermelstein and Sarah Friedman (Mayor's Office for International Affairs); William McKay (Corporate Power) and Thomas Barrett (Barrett Builders). The following persons participated via Video Conference: Jan Burman, Christine Falvo and Jessica Healy (all members of the UNDC Board of Directors); Warren Ruppel (Marks Paneth); Samantha Myers (PFM Asset Management); Scott Gottlieb (CBRE) and Charles Laven (Forsyth Street Advisors)

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 2:35 p.m.

Minutes of Meeting of March 29, 2022

The Chairman requested approval of the minutes of the March 29, 2022 Board meeting. On motion made and seconded, the minutes of the March 29, 2022 Board meeting were approved as provided to Board members.

Governance and Compensation Committee Report

Mr. Cole reviewed the Governance and Compensation Committee (“G&C Committee”) Report as provided to the Board. He reported that the G&C Committee met on September 8, 2022 to review the Corporation’s Mission Statement and Performance Goals for 2023 (together the “Mission Statement”) and its compensation and benefits program.

Mission Statement for 2023

Mr. Cole stated that the Board reviews the Corporation’s Mission Statement annually, as required under the Public Authorities Law, to confirm that it reflects the Corporation’s mission and that the performance goals properly relate to that mission. He reported that the G&C Committee believed that the Mission Statement, as currently written, appropriately described the Corporation’s mission and performance goals, and therefore did not require any changes for 2023.

After discussion, and on motion made and seconded, the Board approved the Corporation’s Mission Statement as provided to the Board.

Compensation and Benefits Program.

Mr. Cole reported that the G&C Committee reviewed the Corporation’s compensation and benefits program with management on September 8, including comparisons with other public benefit corporations in the New York City area. No Board action was required on this matter.

Audit Committee Report

Mr. Cole referred to the Audit Committee Report of September 8, 2022. He reported that the Audit Committee met with representatives of CBIZ Marks Paneth on September 8 to review the Corporation’s 2021 Form 990 – *Return of Organization Exempt from Income Tax*, as prepared

by CBIZ Marks Paneth with management's assistance. Mr. Ruppel summarized the Form 990 for Board members.

After discussion, and on motion made and seconded, the Board approved the 2021 Form 990 and authorized its filing with the Internal Revenue Service.

Mr. Cole reported that Mr. Ruppel had reviewed the Pre-Audit Presentation for 2022 with the Audit Committee on September 8. Mr. Ruppel advised that audit field work would begin in February 2023, with delivery of the audit report in March 2023.

Finance Committee Report

Mr. Cole reported that the Finance Committee met on September 8 to review the Corporation's investment performance for the six months ended June 30, 2022 and to review proposed revisions to the Corporation's Investment Guidelines.

Ms. Meyers summarized the Corporation's investment performance for the six months ended June 30, 2022. She stated that all of the Corporation's investments are held in U.S. Treasury securities consistent with PFM's recommendations.

Ms. Myers described the proposed changes to the Corporation's Investment Guidelines consistent with PFM's recommendations, best practices and requirements of the Corporation's bond indenture and New York State.

After discussion and on motion made and seconded, the Board approved the revised Investment Guidelines in the form provided to the Board.

Management Report

Mr. Cole referred to the Management Report dated September 9, 2022. He noted that Board consideration and approval of the Corporation's 2023 operating budget, 2024-2026 projected operating budgets and statement of 2024-2026 projected capital costs would be requested later during the meeting.

Results of Operations for the Six Months Ended June 30, 2022

Mr. Cole reviewed the Corporation's results of operations (unaudited) for the six months ended June 30, 2022 (Attachment 5A to the Management Report). He reported that Net Revenues in excess of Debt Service and Base Rent to New York City for the six months ended June 30, 2022 were \$7,172,500, a decrease of \$1,412,300, or 16.5%, over the 2021 period. He advised that all tenants were current on rents as required under their leases with the Corporation. The decrease in Net Revenues primarily reflects an increase in Office Space Operating expenses for the first six months of 2022 of \$1,063,700, or 13.7%, as costs for security, cleaning and electricity returned to normal levels following reductions in service during the Covid pandemic due to reduced occupancy at the Corporation's buildings.

2023 Budgets and 2024-2026 Projected Budgets

Mr. Cole reviewed the Corporation's Budget and Financial Plans for 2023-2026 and the 2023 Budget of Revenues and Expenses (Attachments 5B and 5C, respectively, to the Management Report). Mr. Cole noted that the proposed Budgets (after March 2023 following expiration of the One and Two UN Plaza leases) assumed the same rents under existing leases (because lease discussions with the UN, UNDP and other tenants were ongoing and rents under the new leases have not been decided). In addition, projected capital costs do not include additional costs for certain building and tenant improvements that will be funded from the proceeds of a future bond financing by the Corporation. Mr. Cole advised that the Budgets will be updated when more information on future rents and projected capital expenditures is known.

He reported that the Budget and Financial Plans for 2023-2026 included in Attachment 4B would be submitted to New York State and posted on the Corporation's website.


After discussion and on motion made and seconded, the Board approved the Corporation's Budget and Financial Plans for 2023-2026 (Attachment 5B to the Management Report), the

Budget of Revenues and Expenses for 2023 (Attachment 5C to the Management Report), and the Capital Budgets for 2023-2026 (Attachment 5D to the Management Report).

At the Chairman's request and with the Board's approval, the meeting entered executive session to discuss leasing and related matters. No action was taken by the Board in executive session.

Other Business

There being no other business, the meeting was adjourned at 4:19 p.m.


Loida Diaz de Jesus
Acting Secretary