

HUDSON YARDS INFRASTRUCTURE CORPORATION

AUDIT, GOVERNANCE, AND DIRECTORS MEETINGS 09/29/2020

>> OK, THE RECORDING HAS STARTED.

>> I'M RECORDING ON MY END AS WELL, SO, JAY, WHENEVER YOU'D LIKE TO BEGIN.

>> LET'S PROCEED. GOOD AFTERNOON. I'M JAY OLSON, DELEGATE FOR THE BUDGET DIRECTOR MELANIE HARTZOG AND CHAIR OF THE AUDIT COMMITTEE OF THE HUDSON YARDS INFRASTRUCTURE CORPORATION. I'D LIKE TO REMIND EVERYONE TO KEEP THEIR PHONES MUTED UNLESS SPEAKING. I WILL NOW CALL THE ROLL—CALL TO ORDER THE MEETING BY ASKING FOR THE ROLL TO BE CALLED FOR ATTENDANCE. MS. PASSERELLE.

>> CONDUCTING THE ROLL. MELANIE HARTZOG.

>> JAY OLSON FOR THE BUDGET DIRECTOR.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR THE COMPTROLLER.

>> COREY JOHNSON. VICKI BEEN.

>> PEDRAM MAHDAVI FOR THE DEPUTY MAYOR.

>> LAURA ANGLIN. OK, WE HAVE A QUORUM.

>> THANK YOU VERY MUCH, RITA. THE FIRST ITEM ON TODAY'S AGENDA IS A RESOLUTION TO APPROVE THE MINUTES OF THE COMMITTEE'S LAST MEETING, WHICH HAVE BEEN CIRCULATED FOR REVIEW. ARE THERE ANY QUESTIONS OR CORRECTIONS? HEARING NONE, I'LL NOW CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> AYE.

>> THANK YOU. MR. MAHDAVI.

>> AYE.

>> AND I VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE MINUTES ARE HEREBY APPROVED. NEXT UP IS A PRESENTATION BY THE CORPORATION'S COMPTROLLER, BOB BALDUCCI, WHO WILL INTRODUCE THE CORPORATION'S INDEPENDENT AUDITORS. MR. BALDUCCI.

>> THANK YOU, JAY. GOOD AFTERNOON, EVERYONE. SO, IN YOUR PACKAGE, YOU SHOULD RECEIVE—YOU SHOULD'VE RECEIVED A PRESENTATION, YOUR AUDIT

PRESENTATION FROM MARKS PANETH, AND WITHIN THE TABS, THERE'S--THE FINANCIAL STATEMENTS ARE THERE, PLUS OTHER DELIVERABLES THAT WARREN'S GONNA SPEAK ON. I'M GONNA GIVE A QUICK OVERVIEW OF THE FINANCIAL STATEMENTS, TAKE ANY QUESTIONS, AND THEN I'M GONNA TURN IT OVER TO WARREN FOR HIS PRESENTATION. SO, IF I CAN DIRECT EVERYBODY'S ATTENTION TO THE AUDITOR'S PRESENTATION AND ITS PAGE, IT'LL BE 39 OF 63. THAT IS THE FINANCIAL STATEMENT PAGE 17, BUT ON THE PDF IT'S 39 OF 63, AND I'LL GIVE SOME—I'LL GIVE FOLKS A FEW SECONDS TO GET THERE.

AND HERE I'M JUST GONNA GO OVER SOME METRICS FOR FISCAL YEAR ENDING JUNE 30, 2020. WE COLLECTED \$440 MILLION. SOME OF THE BREAKDOWN OF THE 440 MILLION IS DIB, 120 MILLION; TEP, 129 MILLION; PYLAMORT IS 57 MILLION; PILOT REVENUE IS 120 MILLION; AND THEN THE OTHER TWO COMPONENTS IS OTHER REVENUE AND INVESTMENT INCOME OF \$9.6 MILLION. THAT \$440 MILLION IS INCREASED FROM \$273 MILLION FROM THE YEAR BEFORE.

GOING THROUGH THE EXPENDITURES, YOU COULD SEE THE MAJORITY OF THE EXPENDITURES, WHILE WE HAVE \$499 MILLION OF EXPENDITURES, 350 WAS MADE UP OF A PAYMENT TO THE CITY OF NEW YORK. THIS IS WHAT WE HAD IN EXCESS THAT WE PAID OVER TO THE CITY OF NEW YORK IN FISCAL YEAR '20. AND THE OTHER LARGE ITEM, WHICH IS \$132 MILLION OF INTEREST EXPENSE THAT WE PAID IN FISCAL YEAR '20. YOU COULD SEE OUR PROJECT EXPENDITURES IS ABOUT—JUST OVER \$15 MILLION, AS WE KNOW THAT IN LISTENING TO OUR—FOR THOSE FOLKS THAT WERE LISTENING TO OUR PREVIOUS MEETING WITH HYDC, THE SUBWAY EXTENSION IS JUST—IT'S DONE BUT IT SEEMS LIKE IT TAKES A WHILE FOR CLOSEOUT AND TO GET THE INVOICES IN AND AUDITED, SO, WE'RE WINDING DOWN THE LAST OF THE INVOICES FOR THAT, AND THE—ONE GOOD THING, AND I'M GLAD—I'M HAPPY TO SHARE THAT WITH FOLKS HERE IS THAT ALL THE CONDEMNATION CASES, AND THIS IS, AGAIN, A REPEAT FROM AN EARLIER MEETING, HAVE BEEN SETTLED FOR THE PHASE ONE PART OF THE PROJECT, SO, WE WERE CARRYING CONTINUED LIABILITY. SO, WITH THAT, YOU'LL SEE AN ANOMALY IN THE FINANCIAL STATEMENTS, AND I'LL TAKE YOU GUYS TO THAT, AND WE COULD SEE IT HERE. YOU'LL SEE A NEGATIVE EXPENSE. AND THAT'S ON PAGE 35 OF 63. THAT'S A STATEMENT OF ACTIVITIES. AND UNDER PROJECT EXPENSES, WHERE IT SAYS LAND ACQUISITION AND PUBLIC AMENITIES, YOU WOULD SEE THAT AS—YOU SHOULD SEE NORMALLY A POSITIVE NUMBER, RIGHT, WHICH IS A NEGATIVE NUMBER, REALLY, AGAINST THE REVENUES. THIS IS ACTUALLY—ACTS LIKE REVENUE, BECAUSE IT'S A NEGATIVE EXPENSE, AND THAT IS BECAUSE WE WERE CARRYING THE CONTINGENT LIABILITY AND WHEN WE SETTLED THE LAST 3 CASES, WE PAID OUT, I THINK IT WAS ABOUT 3—UNDER \$4 MILLION, BUT WE HAD IN RESERVE FOR THAT ABOUT \$12 MILLION. SO, AFTER REVERSING AND MAKING ALL THE PAYMENTS, WE HAD 7 OR \$8 MILLION THAT WE NEEDED—AN \$8 MILLION ACCRUAL THAT WE NEEDED TO REIMBURSE, AND THAT'S WHY YOU SEE A NEGATIVE EXPENSE IN FISCAL YEAR '20. SO, THAT CLEANS ALL THAT UP, AND WE'RE NOT CARRYING ANYTHING FOR CONTINGENT LIABILITY, AND THAT'S ALL EXPLAINED IN THE NOTES TO THE FINANCIAL STATEMENT. I BELIEVE IT'S NOTE 6,

BUT LET ME JUST MAKE SURE. OH, IT'S NOTE 5 NOW. THAT'S RIGHT. IT'S NOTE 5 NOW. AND WE LISTED THE HISTORY FROM THE BEGINNING OF THE CLAIMS HERE UNTIL ITS FINAL DISPOSITION TOWARDS THE END. SO, THIS MORE LIKELY WILL GO AWAY AFTER A YEAR AS IT'LL BE OLD INFORMATION. WE ALSO—I WANT TO ALSO DRAW EVERYONE'S ATTENTION TO A NEW AREA IN OUR MD&A WHICH IS CALLED ECONOMIC CONDITION, AND THAT IS ON PAGE...PAGE 32 OF 63. OOPS. NOPE. I'M SORRY. IT'S PAGE 33 OF 63. OK. AND HOW THIS IS DIFFERENT IS THAT—AHEM—THIS IS BECOMING TO BE, I GUESS, A COMMON DISCLOSURE ON COMPANIES, CORPORATIONS, GOVERNMENT REGARDING COVID-19. HERE WE HAVE A LITTLE BIT OF A MORE GENERIC TYPE OF DISCUSSION ABOUT THE EFFECT OF COVID-19 ON HYIC, BECAUSE WE REALLY DON'T KNOW, YOU KNOW, HOW IT'S GOING TO AFFECT US NOW, BUT WE NEEDED TO REALLY HAVE SOME TYPE OF, YOU KNOW, INFORMATION THAT WE'RE LOOKING INTO IT, AND HERE YOU COULD SEE AT THE RATING AGENCIES, THEY'D HAVE—THEY DID HAVE PUT US—PUT NEGATIVE OUTLOOK ON SOME OF THE CITY ENTITY—THE CITY AND SOME OF ITS ENTITIES, AND WE MADE THAT DISCLOSURE HERE, AND THAT REALLY TIES INTO THE COVID-19—THE RESULTS OF COVID-19 AND IT'S HAVING ON GOVERNMENT. SO, I GUESS WITH ALL THAT SAID, I'M GONNA CONCLUDE MY DISCUSSION, BUT I WOULD LIKE TO TAKE—IF ANYONE HAS ANY QUESTIONS ON THE FINANCIAL STATEMENTS, I COULD TAKE THOSE QUESTIONS NOW. AHEM.

>> EITHER THERE'S NO QUESTIONS OR SOME—OR YOU'RE ON MUTE.

>> BOB, YEAH, I NEED TO—I'M TRYING TO FIND THE PAGE WE WERE ON BEFORE THAT SHOWED...THAT HAD THE NEGATIVE IN THE EXPENSES, SO, IT WAS A POSITIVE, WHAT WAS THAT, BECAUSE IT SHOWED A—WHERE WAS THAT AGAIN? I DID HAVE A QUESTION ON THAT THING.

>> SURE, SURE, SO, I'M GONNA TAKE YOU THERE NOW. BELIEVE ME, IT TAKES ME TIME TO GET THERE, TOO. I'VE BEEN SCROLLING UP—I'VE BEEN TRYING TO LEARN NOT TO PRINT, SO, YOU KNOW, DOING THAT—YEAH. OK, LET ME GET—SO, I'M—

>> IT'S PAGE 13 OF THE PRINTED PAGE. CORRECT, BOB?

>> RIGHT, AND 35 OF 63 OF THE PDF.

>> THANK YOU. OK. SO...LET ME SEE. SO, THE CHANGE IN THAT POSITION, IT WAS \$25 MILLION NEGATIVE, AND IT WAS POSITIVE IN '19. I MEAN, HELP ME HERE. DOES THAT SUGGEST THAT WE PAID NEW YORK CITY \$25 MILLION TOO MUCH?

>> NO, NO, NO. WHAT IT SUGGESTS IS THAT BASIC—WITH THE REVENUES COMING IN AND THEN THE MATCHING EXPENDITURES COMING—OR THE MATCHING EXPENSES, WE HAD \$24 MILLION. WE HAD \$24 MILLION MORE IN EXPENSES, BUT THEN WE HAVE TO REMEMBER, WE'VE BEEN CARRYING OVER AN AMOUNT FROM PREVIOUS YEARS FOR—IN THE GENERAL FUND THAT ANYTHING THAT WAS SURP—ANYTHING THAT WAS EXCESS OF THE INTEREST PAYMENTS, AND THIS IS JUST \$25 MILLION BEING

USED FROM THAT, AND YOU KNOW WHAT? I THINK MAYBE IF WE LOOKED AT THE FUND FINANCIAL STATEMENTS, IT MIGHT BE EVEN MUCH MORE HELPFUL TO LOOK THERE.

>> I GUESS MAYBE, BOB, IF I COULD, YOU KNOW, SORT OF SHORTCUT, THAT THE \$24 MILLION NEGATIVE JUST INDICATES THAT THAT'S A REDUCTION IN THE ASSET BALANCE FOR FISCAL '21, IF THAT'S—FISCAL '20 IF THAT'S A FAIR COMMENT. AND THE ASSETS AT THE END OF FISCAL '20 ARE STILL PRETTY ROBUST, AS THE BALANCE SHEET INDICATES.

>> YEAH, WE—IF YOU GO TO, ACTUALLY, TO PAGE 17, YOU COULD SEE HOW, YOU KNOW, WE'RE HOLDING—WE HAVE ABOUT \$353 MILLION IN FUND BALANCES.

>> SO, AND THEN MY—

>> THAT'S PAGE 30 OF 63.

>> RIGHT. YEAH. OK. AND THEN, I GUESS, MY QUESTION THAT I MISTAKENLY ASKED AT THE HYDC MEETING, ARE YOU SEEING ANY IMPACT ON THE TAX EQUIVALENCY PAYMENT OR PILOT COLLECTIONS AS A RESULT OF, YOU KNOW, KIND OF REAL ESTATE DISTRESS IN THE HUDSON YARDS DISTRICT?

>> IF I COULD TAKE A FIRST STAB AT THAT, BOB, AND JUMP IN IF I'VE MISSTATED ANYTHING, I THINK REALLY SOMETHING TO LOOK AT IN TERMS OF WHAT'S ACTUALLY COME IN OF LATE IS ON PAGE 14 OF THE PRINTED PAGE, THE GOVERNMENTAL BALANCE SHEET, THE PREPAID PILOT, AND THAT REFLECTS BASICALLY 58 MILLION, WHICH IS THE JUNE PILOT RECEIPT, BUT IT IS ATTRIBUTABLE TO FISCAL '21 RATHER THAN '20, SO, IT'S CARRIED AS A PREPAYMENT, AND THAT'S SORT OF THE MOST CURRENT PAYMENT WE'VE GOTTEN IN. IT'S A WEE BIT LESS THAN THE PRIOR SEMI-ANNUAL PAYMENT WE GOT IN, BUT THAT'S REALLY ATTRIBUTABLE TO CHALLENGED ASSESSMENTS FOR PRIOR YEARS. SO, IT'S REALLY NOT A COVID ISSUE BUT RATHER JUST SORT OF ORDINARY COURSE PROPERTY ASSESSMENTS. ANOTHER THING WAS THERE—TWO OF THE PILOT PAYMENTS WERE RECEIVED EXACTLY ONE DAY LATE, BUT THAT'S NOT A FISCAL DISTRESS INDICATION, BUT I MEAN, AS YOU MIGHT IMAGINE, AND WE'RE ALL DEALING WITH, YOU KNOW, THE ISSUES OF WORKING FROM HOME AND WORKING REMOTELY, YOU KNOW, WAS REALLY AN ADMINISTRATIVE ISSUE RATHER THAN A FINANCIAL DISTRESS ISSUE BY, YOU KNOW, ANY STRETCH, SO, EVERYTHING WAS RECEIVED THAT WAS BILLED IN, YOU KNOW, SHORT ORDER. SO, I THINK IT REMAINS A LITTLE, YOU KNOW, PREMATURE TO DRAW ANY CONCLUSIONS AS OF YET.

>> MM-HMM, AND AS FAR AS YOU KNOW, I MEAN, I KNOW IT'S THE TEP AND THERE MIGHT BE A LITTLE BIT OF A LAG IN THE ACCOUNTING THAT THE HOTELS ARE PAYING THEIR TAXES...

>> I CAN'T REALLY SPEAK TO WHAT UNDERLIES THE TEP. I KNOW THE CITY PAID HUDSON YARDS THE TEP AS ESTIMATED IN A TIMELY FASHION AND THEN, WHEN THE

FEBRUARY PAYMENT IS MADE, ANY TRUE-UPS OR ADJUSTMENTS WILL BE, YOU KNOW, APPLIED TO THAT PAYMENT COME FEBRUARY.

>> OK. SO, THE DOS HAVEN'T GIVEN YOU ANY INFORMATION OFF OF IT...

>> I DON'T HAVE ANYTHING SPECIFIC AT THE MOMENT.

>> MM-HMM. MM-HMM. I KNOW I'VE ASKED THIS BEFORE. OK. THANK YOU.

>> MM-HMM. SO, BOB, BACK TO YOU. DO WE NEED TO TURN IT OVER TO WARREN FOR ANYTHING?

>> OH, YEAH, WE HAVE TO. WARREN'S GOTTA, YOU KNOW. [LAUGHS]

>> I DON'T WANT TO DENY ANYONE THE WARREN RUPO SHOW.

>> LET'S NOT DENY. WARREN, IT'S—YOU'RE UP. [LAUGHS] WARREN, YOU'RE ON MUTE.

>> OK. SORRY ABOUT THAT. I WON'T REPEAT MY JOKE, SO, YOU'LL HAVE TO WAIT.

>> HA HA!

>> HA. THANKS, BOB. I'M GONNA GO THROUGH SOME OF THE REQUIRED COMMUNICATIONS THAT WE HAVE UNDER THE AUDITING STANDARDS, SO, I'M REFERRING TO THE SAME 63-PAGE PDF THAT BOB IS. I'M GONNA SKIP OVER SOME OF THE INTRODUCTORY MATERIALS AND GO RIGHT TO PAGE NUMBER 9, WHICH—AND WERE SUBSTANTIALLY COMPLETED WITH THE AUDIT. SOME OF THE OPEN ITEMS THAT ARE LISTED HERE HAVE ALREADY BEEN TAKEN CARE OF. A COUPLE THINGS ARE STILL OUTSTANDING. WE PLAN TO ISSUE THE REPORT BY TOMORROW, SO YOU CAN MEET YOUR PUBLIC AUTHORITIES ACCOUNTABILITY ACT REPORTING REQUIREMENTS AS WELL AS BE TIMELY WITH SUPPLYING THE FINANCIALS TO THE CONTROLLER'S OFFICE. HIGHLIGHTS, THE—SKIP OVER TO ITEM 4. ACCOUNTING PRINCIPLES ARE BASICALLY ESSENTIALLY THE SAME. GASB, THE CITY IMPLEMENTED ONE NEW ACCOUNTING STANDARD ON FIDUCIARY ACTIVITIES AND THAT HAD NO IMPACT ON HYIC. AHEM. SIGNIFICANT ESTIMATES AND JUDGMENTS INHERENT IN THE FINANCIAL STATEMENTS REALLY WERE NONE. I GUESS HISTORICALLY, THE CONDEMNATION PROCEEDINGS HAVE BEEN THE ESTIMATE, SO, THAT'S NO LONGER WITH US, AND WE HAVE CONFIRMATION FROM THE LEGAL COUNSEL THAT THOSE ARE CLEARED. ITEM 6, THERE WERE A COUPLE ADJUSTING ENTRIES THAT WERE RECORDED FROM THE TIME THAT WE RECEIVED THE TRIAL BALANCE UP TO THE DATE OF THESE FINANC—UP TO THIS DRAFT REPORT. SO, THOSE ARE LISTED HERE. AGAIN, MOSTLY TIMING ISSUES IN TERMS OF RECORDING THEM. THERE WERE NO ADJUSTMENTS THAT WERE NOT RECORDED BECAUSE THEY WERE DEEMED TO BE IMMATERIAL, SO, EVERYTHING THAT AROSE WAS RECORDED, AND AGAIN, THESE ARE MORE CLOSING-TYPE ENTRIES THAN ORDER ADJUSTMENTS. WE HAD NO SIGNIFICANT ISSUES DISCUSSED WITH MANAGEMENT OR DISAGREEMENTS IN

PERFORMING THE AUDIT. I'M SORRY, I'M NOT CALLING OUT THE PAGE NUMBERS. THE ADJUSTING ENTRIES ARE ON PAGE 11, SO, IF YOU'RE FOLLOWING THROUGH. NOW ON 12. AND NO DISAGREEMENTS OR DIFFICULTIES IN PERFORMING THE AUDIT. NO FRAUD OR ILLEGAL ACTIVITIES TO CALL TO YOUR ATTENTION. DIDN'T DETECT ANY MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL. NOR DO WE HAVE ANY BEST PRACTICE RECOMMENDATIONS FOR THE ORGANIZATION. WE'RE NOT AWARE OF ANY CONSULTATION WITH OTHER ACCOUNTANTS AND WE CONFIRM THAT WE'RE INDEPENDENT. WELL, THE FUTURE DELIVERABLES ARE INCLUDED HERE, SO, I'M NOT GONNA SPEND TIME ON THAT PARAGRAPH THERE. NEXT THING THAT'S IN THIS TAB IS A DRAFT ENGAGEMENT LETTER THAT WE'LL BE ASKING MANAGEMENT TO SIGN AND IT'S A PRETTY TYPICAL LANGUAGE OR STANDARD LANGUAGE, AND IT'S NOTHING REALLY NOTABLE TO CALL TO YOUR ATTENTION HERE. NEXT TAB, TAB 3, WHICH IS ON PAGE 19. THIS IS A ONE-PAGE LETTER THAT STATES THAT THERE ARE NO MATERIAL WEAKNESSES IN INTERNAL CONTROL, SO, THIS IS REALLY YOUR MANAGEMENT LETTER. TAB 4, OTHER FINANCIAL STATEMENTS, WHICH BOB WENT THROUGH, AND I'LL JUST POINT OUT WITHIN THAT TAB ON PAGE 23 OF 63 IS A DRAFT OF OUR INDEPENDENT AUDITOR'S REPORT, AND THAT'S CLEAN OR AN UNMODIFIED OPINION SUBJECT TO THOSE COUPLE OF OPEN ITEMS BEING ADDRESSED, WHICH WE FULLY EXPECT. BOB WENT THROUGH THE FINANCIALS, SO, I'M NOT GONNA SPEND ANY TIME ON THOSE. I'LL JUMP TO PAGE 56 OF 63 IN THE PDF. THAT'S A COPY OF OUR INVESTMENT COMPLIANCE REPORT. WE HAD NO EXCEPTIONS THAT WERE NOTED OR INVESTMENTS THAT WERE IN VIOLATION OF YOUR INVESTMENT COMPLIANCE REPORTS, SO, THAT'S A CLEAN REPORT. AND THEN TAB NUMBER 6, BECAUSE THE AUDITORS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, THERE'S AN INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS ON PAGE 60, WHICH NOTES THAT THE AUDIT WAS PERFORMED IN ACCORDANCE WITH GOVERNOR—GOVERNMENT AUDITING STANDARDS. THERE'S A FINAL PARAGRAPH ON PAGE 61, WHICH REFERS THE READER TO A SEPARATE REPORT ON INTERNAL CONTROL AND COMPLIANCE. AND THAT SEPARATE REPORT IS ON PAGE 62. AND AGAIN, IT'S ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE, AND THERE WERE NO FINDINGS OR MATTERS THAT ARE REPORTED IN THIS REPORT, SO, THAT REPORT WAS ALSO A CLEAN REPORT. SO, UNLESS THERE ARE QUESTIONS, BOB, I'LL TURN IT BACK TO YOU.

>> YES, AND IF I CAN, SO, I KNOW THAT WARREN MENTIONED ABOUT THE ADJUSTING ENTRIES, AND I JUST WANT TO MAKE SURE THAT WE DON'T GET CAUGHT IN SEMANTICS HERE. SO, WE COULD SUBSTANTIAL—WE SUBSTANTIALLY CLOSE OUT HYIC'S BOOKS IN EARLY AUGUST, AND JUST TO MAKE PROGRESS IN THE AUDIT, WE GIVE OVER OUR INITIAL TRIAL BALANCE, BUT WE HAVE TO WAIT FOR INFORMATION ON THE PROJECT ACCRUALS THAT WE DEPEND ON COMING FROM AN OUTSIDE PARTY. SO, THAT'S WHAT—YOU KNOW, WHEN WE SAY ADJUSTING ENTRIES, IT'S REALLY TO—THESE ARE THE ACCRUALS THAT ARE NEEDED AND REQUIRED BY GAP, BUT WE JUST DON'T HAVE THEM IN TIME, AND INSTEAD OF WAITING, YOU KNOW, 3

WEEKS OR 4 WEEKS, YOU KNOW, WE COULD GIVE THE AUDITORS A SUBSTANTIALLY COMPLETE TRIAL BALANCE TO AUDIT, AND THEN LOOK AT THESE ENTRIES RIGHT AFTER THAT WHEN THEY COME IN AND WE BOOK THEM. SO I JUST WANT TO, YOU KNOW, I JUST WANT TO MAKE SURE I JUST PUT SOME CLARITY ON THAT. AND THAT'S ALL I HAD.

>> YEAH, AND I CAN CONFIRM—I MEAN, YOU KNOW, AND THE RECOGNITION—IT WAS GOOD EFFORTS TO GET A STRONG BALANCE EARLY. HE GETS TO HAVE ENTRIES REPORTED, SO. I WAS—YOU KNOW, I MENTIONED DURING THE PRESENTATION THAT THESE ARE KIND OF MORE CLOSING TYPE ENTRIES RATHER THAN AUDIT ADJUSTMENTS, PER SE, SO, I JUST WANTED TO CONFIRM THAT, AND THAT'S ESSENTIALLY WHAT BOB SAID.

>> I'LL TURN IT BACK OVER TO YOU, MR. CHAIR.

>> THANK YOU, MR. BALDUCCI. SO, I DON'T KNOW IF THERE'S ANYTHING FURTHER ON THAT. I THINK THAT THEN BRINGS US TO A RESOLUTION WHICH WOULD RECOMMEND TO THE BOARD OF DIRECTORS TO ACCEPT THE INDEPENDENT AUDITOR'S REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR THE CORPORATION FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019, AND THE ISSUANCE OF SUCH FINANCIAL STATEMENTS. ARE THERE ANY ADDITIONAL QUESTIONS REGARDING THESE FINANCIAL STATEMENTS? OK. HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> I VOTE AYE.

>> THANK YOU. MR. MAHDAVI.

>> AYE.

>> THANK YOU. AND I ALSO VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THANK YOU ALL. NEXT UP IS THE APPROVAL OF THE AUDIT COMMITTEE'S CHARTER. PURSUANT TO THE AUDIT COMMITTEE CHARTER SECTIONS 3, S, AND U, THE COMMITTEE IS REQUIRED TO ANNUALLY REVIEW AND APPROVE ITS CHARTER. THERE ARE NO CHANGES PROPOSED AT THIS TIME. ANY QUESTIONS? SO, THAT BEING THE CASE, LET ME CALL THE ROLL FOR A VOTE. MS. HENNING.

>> I VOTE AYE.

>> THANK YOU. MR. MAHDAVI.

>> AYE.

>> THANK YOU. AND I ALSO VOTE IN FAVOR OF THE PROPOSED RESOLUTION. HENCEFORTH, IT IS HEREBY APPROVED. NEXT UP IS THE AUDIT COMMITTEE'S SCHEDULE OF DATES, WHICH PROVIDES A GUIDELINE FOR THE ITEMS TO BE ADDRESSED AT ANNUAL MEETINGS OF THE AUDIT COMMITTEE. NO CHANGES ARE

PROPOSED AND THIS IS A REVIEW ITEM AND NO VOTE IS NECESSARY. ANY QUESTIONS? HEARING NONE, IF THERE'S NO FURTHER BUSINESS BEFORE THE COMMITTEE, I'D LIKE TO CALL THE ROLL FOR A VOTE TO ADJOURN. MS. HENNING.

>> I VOTE IN FAVOR.

>> THANK YOU. MR. MAHDAVI.

>> AYE.

>> THANK YOU. AND I ALSO JOIN YOU IN VOTES IN FAVOR OF THE PROPOSED RESOLUTION. THE COMMITTEE MEETING IS HEREBY ADJOURNED. THANK YOU ALL FOR YOUR PARTICIPATION. WE NOW MOVE ON TO THE GOVERNANCE COMMITTEE MEETING, WHICH IS CHAIRED BY MARGE HENNING.

>> GOOD AFTERNOON. I'M MARJORIE HENNING, ALTERNATE DIRECTOR FOR COMPTROLLER SCOTT M. STRINGER, AND CHAIR OF THE GOVERNANCE COMMITTEE. I WILL NOW CALL TO ORDER THE COMMITTEE MEETING BY ASKING FOR THE ROLL TO BE CALLED FOR ATTENDANCE. RITA.

>> CONDUCTING THE ROLL. MELANIE HARTZOG.

>> JAY OLSON FOR THE BUDGET DIRECTOR.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR THE COMPTROLLER.

>> VICKI BEEN.

>> PEDRAM MAHDAVI FOR THE DEPUTY MAJOR.

>> OK, AND WE HAVE A QUORUM.

>> THANK YOU. THE FIRST ITEM ON THE AGENDA IS A RESOLUTION TO APPROVE THE MINUTES OF THE COMMITTEE'S LAST MEETING. THE MINUTES HAVE BEEN CIRCULATED FOR THE COMMITTEE'S REVIEW. ARE THERE ANY COMMENTS OR CORRECTIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MR. OLSON, HOW DO YOU VOTE?

>> I VOTE IN FAVOR.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU. AND I, MARJORIE HENNING, VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS A SELF-EVALUATION OF THE COMMITTEE AND A RESOLUTION

WHICH WOULD AUTHORIZE THE PRESENTATION OF THE SELF-EVALUATION OF THE BOARD OF DIRECTORS. SECTION 3G OF THE GOVERNANCE COMMITTEE CHARTER REQUIRES THE GOVERNANCE COMMITTEE TO CONDUCT A SELF-EVALUATION OF ITS FUNCTIONS ANNUALLY. A REPORT OF THE COMMITTEE'S ACTIONS TAKEN IN THE PAST FISCAL YEAR IS INCLUDED IN TODAY'S FOLDERS. THE PROPOSED RESOLUTION EXPRESSES THE COMMITTEE'S OPINION THAT IT IS FUNCTIONING IN A SATISFACTORY MANNER CONSISTENT WITH ITS CHARTER AND AUTHORIZES THE CHAIR OF THE COMMITTEE TO PRESENT THE RESULTS OF THIS SELF-EVALUATION TO THE BOARD. ARE THERE ANY QUESTIONS OR COMMENTS? HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I, MARJORIE HENNING, ALSO VOTE AYE. THE RESOLUTION IS HEREBY APPROVED. THE FOLLOWING IS A REVIEW ITEM ONLY AND IT'S A REVIEW OF THE CORPORATION'S COMPENSATION AND BENEFITS EXPENSES. SECTION 3I OF THE GOVERNANCE COMMITTEE CHARTER REQUIRES THE GOVERNANCE COMMITTEE TO ANNUALLY REVIEW THIS INFORMATION. THE INFORMATION PROVIDED STATES THAT THE CORPORATION HAS NO EMPLOYEES AND DESCRIBES THE TOTAL COMPENSATION THAT THE CORPORATION REIMBURSES TO OTHER ENTITIES FOR PERSONAL SERVICES PROVIDED TO THE CORPORATION. ARE THERE ANY QUESTIONS ON THIS? IF THERE IS NO FURTHER BUSINESS BEFORE THE MEMBERS, I WILL NOW CALL THE ROLL FOR A VOTE TO ADJOURN. MR. OLSON, HOW DO YOU VOTE?

>> I VOTE IN FAVOR.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I ALSO VOTE AYE IN FAVOR OF ADJOURNMENT. THANK YOU ALL FOR YOUR PARTICIPATION. THE COMMITTEE IS HEREBY ADJOURNED. WE WILL NOW MOVE ON TO THE BOARD OF DIRECTORS MEETING, WHICH IS CHAIRED BY MR. OLSON.

>> THANK YOU, MARGE. GOOD AFTERNOON. I'M JAY OLSON, ALTERNATE DIRECTOR FOR BUDGET DIRECTOR MELANIE HARTZOG AND CHAIR OF THE HUDSON YARDS INFRASTRUCTURE CORPORATION'S BOARD OF DIRECTORS. I WOULD LIKE TO CONVENE THE BOARD OF DIRECTORS MEETING BY ASKING FOR THE ROLL TO BE CALLED FOR ATTENDANCE. MS. PASSERELLE.

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG.

>> JAY OLSON FOR MELANIE HARTZOG.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR COMPTROLLER STRINGER.

>> VICKI BEEN.

>> PEDRAM MAHDAVI FOR VICKI BEEN.

>> AND WE HAVE A QUORUM.

>> THANK YOU. FIRST ITEM ON THE AGENDA IS A RESOLUTION TO APPROVE THE MINUTES OF THE BOARD'S LAST MEETING. THE MINUTES HAVE BEEN CIRCULATED FOR THE BOARD'S REVIEW. ARE THERE ANY COMMENTS OR CORRECTIONS? HEARING NONE, I'LL CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> I VOTE AYE.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> I, JAY OLSON, VOTE IN FAVOR OF THE RESOLUTION AS WELL. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. NEXT UP IS A RESOLUTION WHICH WOULD ACCEPT THE INDEPENDENT AUDITOR'S REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 2020 AND JUNE 30, 2019, AND THE AUTHORIZATION TO RELEASE SUCH FINANCIAL STATEMENTS. THIS ACTION HAS BEEN RECOMMENDED BY THE AUDIT COMMITTEE. ANY QUESTIONS? HEARING NONE, I WILL NOW CALL A ROLL FOR THE VOTE. MS. HENNING?

>> AYE.

>> MR. MAHDAVI?

>> AYE.

>> AND I, JAY OLSON, SHARE MY COLLEAGUES IN VOTING IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. NEXT ITEM ON THE AGENDA IS A RESOLUTION WHICH WOULD AUTHORIZE AND VERIFY THE ANNUAL REPORT FOR PRESENTATION OF THE CORPORATION'S MEMBERS. PURSUANT TO SECTION 519 OF THE NOT-FOR-PROFIT CORPORATION LAW, THE REPORT INCLUDES ASSETS AND LIABILITIES OF THE CORPORATION, PRINCIPAL CHANGES IN SUCH ASSETS AND LIABILITY, RECEIPTS—REVENUE OR RECEIPTS OF THE CORPORATION, EXPENSES OR DISBURSEMENTS OF THE CORPORATION, AND INFORMATION ABOUT THE MEMBERS OF THE CORPORATION. ARE THERE ANY QUESTIONS? AS SUCH, I WILL NOW CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> I VOTE AYE.

>> THANK YOU. MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> I, JAY OLSON, VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. NEXT ITEM ON THE AGENDA IS THE APPROVAL OF THE CORPORATION'S INVESTMENT GUIDELINES. THE CORPORATION IS REQUIRED TO ANNUALLY REVIEW ITS INVESTMENT GUIDELINES. MINOR CHANGES ARE PROPOSED TO ALLOW REPORTS TO BE SENT BY ANY AUTHORIZED OFFICER OF THE CORPORATION RATHER THAN THE PRESIDENT. ARE THERE ANY QUESTIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> I VOTE AYE.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I, JAY OLSON, ALSO VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. NEXT UP ON THE AGENDA IS A RESOLUTION WHICH WOULD APPROVE THE CORPORATION'S INVESTMENT REPORT FOR FISCAL YEAR 2020. PURSUANT TO SECTION 2925(6) OF THE PUBLIC AUTHORITIES LAW, THE CORPORATION IS REQUIRED ANNUALLY TO PREPARE AND APPROVE AN INVESTMENT REPORT. THE INVESTMENT REPORT ALSO CONTAINS THE INVESTMENT GUIDELINES, THE INDEPENDENT AUDIT OF INVESTMENTS, AN INVESTMENT INCOME RECORD OF THE CORPORATION, AND A LIST OF FEES, COMMISSIONS, AND OTHER CHARGES PAID FOR INVESTMENT SERVICES. ARE THERE ANY QUESTIONS OR COMMENTS? AS SUCH, I'D LIKE TO CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> I VOTE AYE.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I, JAY OLSON, ALSO VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. NEXT ITEM ON THE AGENDA IS A PRESENTATION BY THE CORPORATION'S GOVERNANCE COMMITTEE CHAIR, WHO WILL PRESENT THE GOVERNANCE COMMITTEE'S SELF-EVALUATION. MS. HENNING, YOU'RE UP.

>> THANK YOU. THE GOVERNANCE COMMITTEE CONDUCTED A SELF-EVALUATION AT TODAY'S COMMITTEE MEETING AND FOUND THAT IT HAD CONDUCTED ITSELF IN A SATISFACTORY MANNER CONSISTENT WITH ITS CHARTER. THAT CONCLUDES MY REPORT.

>> THANK YOU VERY MUCH, MADAME CHAIR. CAN'T QUITE LET THINGS GO JUST YET. BEAR IN MIND WE DO HAVE A MEMBERS' MEETING AFTER THE ADJOURNMENT OF THIS BOARD MEETING, SO, AFTER WE ADJOURN, HANG TIGHT. WE'LL DO A MEMBERS' MEETING. SO, WITH THAT IMPORTANT CAVEAT, IF THERE ARE NO FURTHER

BUSINESS TO BRING BEFORE THE BOARD, I WILL NOW CALL THE ROLL FOR A VOTE TO ADJOURN. MS. HENNING, HOW DO YOU VOTE?

>> AYE.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I, JAY OLSON, AM HAPPY TO CONCUR WITH ALL OF YOU AND VOTE IN FAVOR OF ADJOURNMENT. THANK YOU ALL FOR THE—THANK YOU ALL. THE BOARD MEETING IS NOW ADJOURNED, AND HANG TIGHT. WE WILL MOVE ON TO THE MEMBERS' MEETING, WHICH I WILL ALSO CHAIR. SO, TO THE BOARD—TO THE MEMBERS' MEETING, PLEASE. AS PROXY HOLDER FOR BUDGET DIRECTOR MELANIE HARTZOG, I WILL NOW CALL TO ORDER THE HYIC MEETING OF THE MEMBERS BY ASKING FOR THE ROLL TO BE CALLED. MS. PASSERELLE.

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG.

>> JAY OLSON FOR BUDGET DIRECTOR MELANIE HARTZOG.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR COMPTROLLER SCOTT STRINGER.

>> VICKI BEEN.

>> PEDRAM MAHDAVI FOR VICKI BEEN.

>> WE HAVE A QUORUM.

>> OUTSTANDING. THANK YOU. THE FIRST ITEM ON THE AGENDA IS THE APPROVAL OF THE MINUTES OF THE MEMBERS' LAST MEETING. THE MINUTES HAVE BEEN CIRCULATED FOR REVIEW. ARE THERE ANY COMMENTS, QUESTIONS, OR SUGGESTED CORRECTIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> I VOTE AYE.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I, JAY OLSON, VOTE IN FAVOR OF APPROVING THE PROPOSED RESOLUTION. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. NEXT ITEM ON THE AGENDA IS A RESOLUTION WHICH WOULD ACCEPT THE ANNUAL REPORT TO THE MEMBERS. THIS REPORT HAS BEEN VERIFIED BY THE BOARD OF DIRECTORS AS REQUIRED BY SECTION 519 OF THE NEW YORK NOT-FOR-PROFIT CORPORATION LAW.

ARE THERE ANY QUESTIONS OR COMMENTS? AS SUCH, I WILL CALL THE ROLL FOR A VOTE. MS. HENNING.

>> I VOTE AYE.

>> THANK YOU. MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I, JAY OLSON, VOTE IN FAVOR OF APPROVING THE PROPOSED RESOLUTION. THE RESOLUTION APPROVING THE ACCEPTANCE OF THE ANNUAL REPORT IS HEREBY APPROVED. SO, WITH THAT, IF THERE ARE NO FURTHER BUSINESS TO BE BRINGING BEFORE THE MEMBERS, I WILL NOW CALL THE ROLL FOR A VOTE TO ADJOURN THE MEMBERS' MEETING. MS. HENNING, HOW DO YOU VOTE?

>> AYE.

>> MR. MAHDAVI, HOW DO YOU VOTE?

>> AYE.

>> AND I, JAY OLSON, ALSO VOTE IN FAVOR OF ADJOURNMENT. THANK YOU ALL FOR YOUR PARTICIPATION. THE MEETING OF THE MEMBERS IS HEREBY ADJOURNED, AND THAT CONCLUDES TODAY'S MEETINGS OF THE HUDSON YARDS INFRASTRUCTURE CORPORATION. THANK YOU VERY MUCH FOR YOUR PARTICIPATION. I THINK WE COULD CUT PEOPLE LOOSE NOW, RIGHT, DEB?

>> THANK YOU, EVERYONE.

>> THANK YOU ALL. BE WELL.

>> THANK YOU. THANKS VERY MUCH. BYE-BYE.