

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Investment Committee
200 Liberty Street, 24th Floor
New York, NY 10281
July 27, 2022

Members Present

Catherine McVay Hughes, Chairman
Martha Gallo, Member

Authority Staff in Attendance: Pamela Frederick, Chief Financial Officer/Treasurer
Marie Baptiste, Deputy Treasurer
Vanessa Mesine, Treasury/Revenue Accountant
Eric Munson, Chief Operating Officer
Lauren Murtha, Paralegal/Assistant Corporate Secretary

Others in Attendance: Steve Faber, PFM Asset Management
Robert Cheddar, PFM Asset Management
Jacob Farabee, PFM Asset Management
Samantha Myers, PFM Asset Management
David Reeser, PFM Asset Management
Jim Haddon, Ramirez Asset Management
Zach Grob, Ramirez Asset Management
Louis Sarno, Ramirez Asset Management

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 12:35 p.m.

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The first item on the agenda was the approval of the minutes of the May 25, 2022 Investment Committee meeting. Upon a motion made by Ms. Gallo and seconded by Ms. McVay Hughes the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE MAY 25, 2022 INVESTMENT COMMITTEE MEETING

BE IT RESOLVED, that the minutes of the meetings of the Investment Committee of the Hugh L. Carey Battery Park City Authority held on May 25, 2022 are hereby approved.

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The first item of business was a summary of the investment portfolio, as well as current market conditions provided by the Authority's Investment Advisors, represented by Steve Faber and Bob Cheddar of PFM Asset Management, and Jim Haddon and Lou Sarno of Ramirez Asset Management. In terms of a market review, the advisors discussed the Fed's rate increase as of 2:00 p.m. that afternoon by an additional 75 basis points, and the potential changes they might be made

in the next couple of years. The summary also focused on the shape of the yield curve and the investment advisors' theories there. With the lion's share of the Authority's portfolio at the front end of the curve (it was noted 70% was less than one-year maturity), inversion has a bit of a positive impact in that we're able to reinvest the short-term assets at a higher rate. Ms. Frederick relayed further that our long-term portfolios continue to maintain a defensive posture as the shape of the curve is not positive for longer maturity assets.

The second topic that was discussed was the net zero investment strategy. In June, the State requested that we provide an outline of the Authority's plan to achieve a net zero investment strategy by the year 2040. On short notice, our financial advisors, in consultation with the Authority's Finance team, quickly prepared a report that includes a short, medium, and long-term plan to achieve that goal. It was anticipated that the plans submitted by the Authorities would contribute to the understanding of a working group that can develop best practices and discover other actions that the Authorities might make in concert.

Ms. Frederick explained that the investment guidelines would remain the Authority's priority in terms of how our investment portfolio is managed with a focus on liquidity, safety, and returns, and the net zero investments will still need to meet those key objectives. Ms. Frederick concluded that, in the short term, we would create a baseline measurement of our portfolio as it relates to the net zero goals and would keep the Investment Committee and Board apprised of any proposed changes to the investment plan. Updated investment guidelines reflecting some of these net zero strategies was anticipated to be presented to the Board by January.

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There being no further business, upon a motion made by Ms. Gallo and seconded by Ms. McVay Hughes, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 1:27 p.m.

Respectfully submitted,



Lauren Murtha
Assistant Corporate Secretary