MINUTES OF THE
33RD MEETING OF THE NEW YORK STATE HOUSING FINANCE AGENCY
GOVERNANCE COMMITTEE
HELD ON JUNE 11, 2013 AT 9:00 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

MEMBERS AND DESIGNEES

PRESENT:

Darryl C. Towns	Acting Committee Chairman
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)

ABSENT:

Steven J. Weiss	Chairman

The meetings were opened by Acting Chairman Darryl C. Towns, Member of the Governance Committees of the New York State Housing Finance Agency (HFA) and the New York State Affordable Housing Corporation (AHC).

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. He noted that Elaine McCann was participating in the meetings via video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany; and that Marge Rogatz was participating in today's meetings via video conference from the office of Expedia at 325 Duffy Avenue in Hicksville, New York. A public notice was given of the time and locations of both venues.

Mr. Valella asked for motions and seconds to call the Governance Committee meetings to order of the New York State Housing Finance Agency (HFA), the New York State Affordable Housing Corporation (AHC), and the State of New York Mortgage Agency (SONYMA). Ms. McCann made a motion to call the HFA Governance Committee meeting to order; Commissioner Towns seconded the motion. Ms. McCann made a motion to call the AHC Governance Committee meeting to order; Commissioner Towns seconded the motion. Ms. Rogatz made a motion to call the SONYMA Governance Committee meeting to order; Ms. McCann seconded the motion.

Mr. Valella stated that in the absence of Steven J. Weiss, Governance Committee Chairman for HFA and AHC, Commissioner Towns would chair the Governance Committee meetings for HFA and AHC; and in the absence of Don Lebowitz, Governance Committee Chairman for SONYMA, Ms. Rogatz would chair the Governance Committee meeting for SONYMA.

Mr. Valella stated that as items are presented to each Committee throughout the meetings, these motions and seconds would be used, unless specific items call for a different vote, or unless any Committee Member or Director wishes to record his or her vote differently. He stated that, for purposes of convenience and to ensure that the Committee meetings of the respective Agencies run smoothly, items shared by one or more of the Agencies will be presented by Acting Chairman Towns.

The meetings of the Governance Committees of the affiliated Agencies were opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the New York State Housing Finance Agency. A record of items considered by the Governance Committees of the other affiliated Agencies is contained in the minutes of each Committee respectively.

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The first item on the agenda was the adoption of the minutes of the 32nd New York State Housing Finance Agency ("HFA") Governance Committee meeting held on April 9, 2013. Absent comments or corrections from the Members, the minutes were deemed approved.

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Acting Chairman Towns stated that the next four items on the Agenda were consent items and that there would be no discussion unless the Members or Directors so desired.

The next item on the agenda was a resolution authorizing the approval of certain contracts monitored by the Accounting Department relating to administration services for the Agencies' Qualified Transportation Expense Benefit Plan and payroll processing services, and an annual review of certain contracts monitored by the Accounting Department relating to independent auditor services and GASB 45 consultant services. HFA/AHC Acting Chairman Towns stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Ms. McCann moved to adopt the resolution; Acting Chairman Towns seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY AND NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING APPROVAL OF CONTRACTS FOR ADMINISTRATION SERVICES OF THE QUALIFIED TRANSPORTATION EXPENSE BENEFIT PLAN AND PAYROLL PROCESSING SERVICES.

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The next item on the agenda was a resolution authorizing the approval of various contracts monitored by the Facilities and Administration Department and an

annual review of various other contracts monitored by the Facilities and Administration Department. HFA/AHC Acting Chairman Towns stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Ms. McCann moved to adopt the resolution; Commissioner Towns seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY AND NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING APPROVAL OF CONTRACTUAL AGREEMENTS FOR FACILITY, ADMINISTRATION, AND INSURANCE RELATED SERVICES.

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The next item on the agenda was a resolution authorizing the approval of the contract with CQ Roll, Inc. and an annual review of contracts with the New York State Legislative Bill Drafting Commission, Reed Elsevier, Inc., West Publishing d/b/a West Group and Seisinit Inc. HFA/AHC Acting Chairman Towns stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Ms. McCann moved to adopt the resolution; Acting Chairman Towns seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEE OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING APPROVAL OF THE CONTRACT WITH CQ ROLL, INC. FOR FEDERAL LEGISLATIVE TRACKING SERVICES.

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The next item on the Agenda was a new information item concerning the report on Governance Committee Activities. Mr. Valella stated that at the last Committee meeting, HFA Audit Committee Member Commissioner Thomas Mattox and HFA Committee Chairman Weiss had asked about the fact that contracts were coming up before the Committee. He stated that when Chairman Mulrow joined the Agency to be chair, his desire was that contract items be removed from board meetings and taken up at the Committee level because he wanted to focus board meetings on transactions and mortgage issues relating to the core mission of the Agency, and at that time, the Governance Committee Charter was amended to add that function to the functions of the Committee and the bylaws of the Committee were amended to permit that to occur. Mr. Valella stated further that a new committee could have been created for that purpose, but the feeling at the staff level was, due to scheduling issues, and because the Committee already had procurement review as one of its core functions, procurement functions could fall into this Committee, and

the Committee approved that. Mr. Valella noted that the Committee members and the board can revisit this issue and a new committee could be created.

Mr. Valella then reviewed what the Charter called for the Governance Committee to do. He stated that the main items were to review and recommend board approval of governance guidelines and that the Committee did this in 2006; to review on a regular basis and update the Agencies' code of conduct and that the Committee last did this in 2011; to review and approve whistleblower policies, and that the Committee last did this in 2012; to review compensation for senior officers, which the Committee does every year in December and had done last December; to review procurement guidelines, which the Committee had done; and to review MWBE functions, which the Committees had done recently. Mr. Valella noted that in 2012, the Committee reviewed the mission statement, evaluations, amendment to bylaws, and whistleblower policy, and that in 2011, the Committee reviewed an amendment to the code of ethics and the definition of municipal advisers. Mr. Valella then stated that lately, procurement activity has taken up an increasing amount of time. Mr. Valella stated that he leaves it to the Committee to recommend what should be done about that issue. He made two recommendations to be done this year: first, the Governance Committee Charter allows it to make recommendations on the structure of the Board meetings; and, second, the Governance Committee could review the committee structure.

Ms. McCann stated that more discussion might be needed regarding what would be the reason to have a separate procurement committee. She stated that short of a separate committee, the Committee might consider what information they might want to provide for continued handling by the Governance Committee. She stated that perhaps they could continue doing this in the Governance Committee with more attention to what information the Members and Directors would like to see.

SONYMA Acting Chair Rogatz stated that she would prefer not adding another committee. As the Governance Committee is doing procurement already, and this would add a small task to that, her preference would be to do it that way. She stated that they would have to see what the other members want.

Acting Chairman Towns stated that they would have further discussions in September, when the permanent leadership of the Committees will be involved.

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There being no unfinished business, Ms. McCann moved to adjourn; Acting Chairman Towns seconded the motion, and the meeting was adjourned at 9:14 A.M.

Alejandro J. Valella, Acting Secretary