MINUTES OF THE 26th MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
GOVERNANCE COMMITTEE MEETING
HELD ON DECEMBER 11, 2012 AT 9:10 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

MEMBERS AND DESIGNEES

PRESENT:

Naomi Bayer	Committee Chairperson
Kenneth M. Bialo	Member
Elaine McCann	Division of the Budget, representing Robert L. Megna, Director, (via video conference)
Susan L Watson	Department of State, representing Cesar A. Perales, Member, (via video conference)

The meetings of the Governance Committees were opened in joint session by Ms. Naomi Bayer, Governance Committee Chairperson of the State of New York Municipal Bond Bank Agency (MBBA) and Tobacco Settlement Financing Corporation (TSFC). .

Mr. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. He noted that Elaine McCann, Division of the Budget, Susan Watson, Department of State, and Mr. Thomas H. Mattox, Commissioner, NYS Taxation and Finance were participating in the meeting by video conference from the New York State Division of Budget conference center at the Capital Building, Room 131, in Albany; Mr. Andrew SanFilippo and Mr. Steven Weiss from the Agency's Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105,Buggalo, New York, and Ms. Marge Rogatz from the office of Expedia at 325 Duffy Avenue, Hicksville, NY. A public notice was given of the time and locations of both venues.

Mr. Valella stated that Mr. Steven J. Weiss is the Governance Committee Chairman for the New York State Housing Finance Agency and the New York State Affordable Housing Corporation and will chair the Committee meetings for HFA and AHC. Mr. Don Lebowitz is the Governance Committee Chairman for the State of New York Mortgage Agency and would chair the meeting for that Agency. Ms. Naomi Bayer is the Chairperson for the Municipal Bond Bank Agency and the Tobacco Settlement Financing Corporation and will chair the Committee meetings for MBBA and TSFC.

Mr. Thomas H. Mattox, Member of the Audit Committee of the New York State Housing Finance Agency (HFA) and New York State Affordable Housing Corporation

(AHC); Mr. Andrew SanFilippo, Member/Director of MBBA/TSFC and Ms. Marge Rogatz, Director of the SONYMA Audit Committee attended the meeting as guests.

Mr. Valella asked for motions and seconds to call the Governance Committee meetings to order of the New York State Housing Finance Agency (HFA), New York State Affordable Housing Corporation (AHC), State of New York Mortgage Agency (SONYMA), State of New York Municipal Bond Bank Agency, (MBBA), and Tobacco Settlement Financing Corporation (TSFC). Chairman Weiss made a motion to call the HFA and AHC Governance Committee meetings to order; Ms. McCann seconded the motion. Ms. Bayer made a motion to call the SONYMA meeting to order; Ms. Marge Rogatz seconded the motion; Ms. Bayer made a motion to call the MBBA meeting to order; Ms. McCann seconded the motion. Ms. Bayer made a motion to call the TSFC meeting to order; Ms. McCann seconded the motion.

Mr. Valella noted that as items are presented to each Committee throughout the meetings, these motions and seconds will be used, unless specific items call for a different vote, or unless any Committee member wishes to record his or her vote differently. The meetings of the Governance Committees were opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Directors of the State of New York Mortgage Agency Governance Committee. A record of items considered by the other Agencies' Governance Committees is contained in the minutes of each Committee respectively.

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The first item on the agenda was the approval of the minutes of the Tobacco Settlement Financing Corporation 25th Governance Committee Members' meeting held on September 11, 2012. Absent comments or corrections from the Members, the minutes were deemed approved.

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The next item on the agenda was a resolution recommending the approval of MWBE Goal Plan for 2013-2014. Ms. Naomi Bayer stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference.

Wanda Graham, Vice President/Director, Office of Fair Housing & Equal Opportunity made a presentation regarding the MWBE Goal Plan to the Governance Committee. Ms. Graham stated that as of the last fiscal the Agencies have made great improvements in MWBE participation and the Agencies were looking to continue that effort. Ms. Marge Rogatz, SONYMA Committee Member congratulated Ms. Graham and her staff for their hard work in quickly moving this effort forward. Mr. Steve Weiss, HFA/AHC Governance Committee Chairman also echoed Ms. Rogatz's comments and complimented Ms. Graham and her staff for all the good work they are doing.

HFA/AHC Committee Chairman Weiss stated that he had many conversations with Ms. Graham regarding MWBE and appreciated her approach to this effort.

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

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE HOUSIGN FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ANNUAL UPDATED AND CONSOLIDATED EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION 2013-2014 GOAL PLAN.

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The next item on the agenda was a resolution recommending the approval of revisions to the Agencies' Lobbying Reform Law Policies. Mr. Valella stated that one of the functions of the Governance Committee is to review the Agencies' lobbying policies. Mr. Valella stated that in 2013 there are new lobbying provisions that will affect public authorities; he stated there are a number of provisions that do not relate to the Agencies but the Agencies have incorporated the one provision that specifically relates to the Agencies' procurement process.

Mr. Bialo inquired as to where the new provision is highlighted in the policy. Mr. Valella directed him to the new Article referenced Project Sunlight. Susan Watson inquired if that was the only change. Mr. Valella stated that it was the only change. Mr. Valella stated the main substantive change was Section 3 – Requirements under the Project Sunlight PSL Directors. He stated that until now, if someone attempts to contact a board member or staff to try to influence a particular contract, the law required the board member or staff member to record the contact only if the Agencies have initiated procurement. He said that the difference with the PSL is that going forward for all contracts, this requirement kicks in even if the Agencies have not initiated procurement. He stated that any time a board member or senior staff is contacted, not in a purely informational or casual capacity, but in an attempt to influence an actual or potential procurement opportunity, there is now a requirement beginning January 1, 2013 that the board member or senior staff member reports that appearance to the Agencies. He stated that the contact is permissible but it will be noted on OGS's website and the public can see who is attempting to lobby. Mr. Valella said that it applies not only to lobbyists but individuals lobbying on their own behalf. He said that OGS does not yet have the system in place for us to record this, but the requirement will be that the board member must contact the Agencies through the legal department and report the contact within five business days. He stated the Governance Committee reviewed and approved this item at their December 11, 2012 meeting and the revisions that the Agencies are making to the lobbying policies are only to incorporate the PSL as it relates to the Agencies.

Ms. Bayer moved to adopt the resolution; Ms. Rogatz seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOHUSING FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AMENDED AND CONSOLIDATED LOBBYING POLICIES

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The next item on the agenda was a resolution reviewing and approving financial advisors services contract with firms on the Agencies prequalified panel. Mr. Valella stated that this is a contract item and the only one that is being asked to be approved is an existing contract with SWAP Financial Group LLC. Mr. Valella stated that this is a standard procurement item now before the committee.

Ms. Bayer moved to adopt the resolution; Ms. McCann seconded the motion, and the following resolution was adopted unanimously:
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A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOHUSING FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING CONTRACTS WITH SWAP FINANCIAL GROUP LLC.

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The next item on the agenda was a resolution approving salary ranges for Senior Officers. Mr. Bialo, asked what are the current salary ranges for Senior Officers. Mr. Valella stated that the actual salary range is $118,965 to $250,000, although the maximum salary paid to Senior Vice Presidents is substantially lower than the maximum allowed. Mr. Bialo requested clarification on salary ranges that the boards have approved. Mr. Valella stated that in the past the range was roughly from $122,000 to $250,000 but now the minimum salary for Senior Vice Presidents was being lowered.

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

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOHUSING FINANCE AGENCY, NEW YORK

STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION ADOPTING SALARY RANGES FOR SENIOR OFFICERS.

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The next item on the agenda was a resolution approving the extension of the legal services agreement with K & L Gates LLP. Mr. Valella stated that this is a resolution approving the extension of the legal services contract with K & L Gates, LLP. Mr. Bialo requested a copy of all K & L Gates bills. He stated that he wanted to review them and that he would like the opportunity to speak to K & L about the status of this case and what are their expectations regarding the billing over the next couple of years. Mr. Bialo further noted that the bills are mounting in this matter. He requested that this item be tabled until completion of his review.

Vice Chairperson Bayer stated that this item is tabled until the next board meeting at Mr. Bialo's request.

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There being no further business, Vice Chairperson Bayer moved to adjourn; Ms. McCann seconded the motion, and the meeting was adjourned at 9:25 a.m.

Alejandro J. Valella, Acting Secretary