MINUTES OF THE
34th MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
GOVERNANCE COMMITTEE
HELD ON TUESDAY, DECEMBER 9, 2014 AT 9:45 A.M.
AT ITS OFFICES AT
641 LEXINGTON AVENUE
NEW YORK, NY 10022

MEMBERS AND DESIGNEES

PRESENT:

Kenneth M. Bialo	Acting Chairman
Elaine McCann	New York State Division of the Budget, representing Robert Megna, Member (via videoconference)

PRESENT:

Cesar A. Perales.	Member

Acting Committee Chairman Kenneth M. Bialo presided over the meeting.

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann, representing Budget Director, Robert Megna, from the New York State Division of the Budget participated in the meeting via video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131 in Albany. He also noted that Marge Rogatz was attending the meeting via video conference from the office of Expedia at 325 Duffy Avenue, Hicksville, NY. A public notice was given of the time and location of the venues in accordance with the New York State Open Meetings Law.

Mr. Kim 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); the State of New York Mortgage Agency (SONYMA); the State of New York Municipal Bond Bank Agency (MBBA) and the Tobacco Settlement Financing Corporation (TSFC). Ms. McCann moved to call the HFA and AHC meetings to order; Mr. Davidson seconded the motion. Commissioner Towns moved to call the SONYMA meeting to order; Ms. McCann seconded the motion. Mr. Bialo called the MBBA and TSFC meetings to order; Ms. McCann seconded the motion.

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 Tobacco Settlement Financing Corporaiton

(TSFC). A record of items considered by the Governance Committees of the other affiliated agencies is contained in the minutes of each Committee respectively. Mr. Kim stated that for purposes of convenience and to make sure the meetings of the respective agencies go smoothly, items shared by one or more of the Agencies will be presented by MBBA/TSFC Acting Committee Chairman Bialo.

Mr. Kim stated 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 Director/Member wishes to record his or her vote differently.

Mr. Kim reported that Steven J. Weiss is the Governance Committee Chairman for the New York State Housing Finance Agency and the New York State Affordable Housing Corporation; that Kenneth M. Bialo will be the Acting Chairman for MBBA and TSFC and that Commissioner Darryl C. Towns will be the Acting Chairman for SONYMA.

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The first item on the agenda was the adoption of the minutes of the Tobacco Settlement Financing Corporation 33rd Governance Committee meeting held on September 9, 2014. 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 approving Financial Advisor Services contracts with firms on the Agencies' prequalified panel. Ms. Lisa Pagnozzi, Contract Administrator reported that the Agencies issued a request for proposals on June 6, 2011 and a MWBE Outreach was conducted on September 12, 2011 to establish a new prequalified panel of financial advisor firms. She reported that contracts were previously approved by the Members at their meeting on December 1, 2011 and contracts with Swap Financial were approved by the Committees at their December 11, 2012 meetings, each for a three-year term with an option to extend the term of the contracts for a further two-year period. She said that Members are being asked to extend the contracts with the panel of advisors for a two-year period.

Ms. Pagnozzi stated that earlier this year, A.C. Advisory, Inc., an MWBE, requested to be added to the panel. She said that after reviewing the proposal, AC Advisory was awarded a financial advisory services contract and the firm was added to the Agencies' Panel.

HFA/AHC Committee Member, Mr. Davidson questioned the process by which an Agency can be approached by proposed bidders outside of its typical procurement process. Ms. Pagnozzi provided a summary of the process, noting that the Agencies are always open to adding qualified MWBE firms to panels, upon a showing of credentials.

Considering the first and second motions previously entered, the motions were carried 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, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING CONTRACTS WITH FIRMS ON THE AGENCIES' PREQUALIFIED PANEL FOR FINANCIAL ADVISORY SERVICES

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The next item on the agenda was a resolution approving salary ranges for senior officers. This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, 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 Agencies' updated and consolidated fiscal year 2015-2016 Master Goal Plan. This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

HFA/AHC Committee Member, Mr. Davidson questioned language in the MWBE Plan that states that the Agencies "cannot influence" the hiring plans of developers. He requested that staff revise this language to ensure that it did not prevent the Agency from working with developers to educate them with respect to the Agencies' MWBE goals and objectives. Mr. Davidson noted that the Agency can do things to effectively influence developer conduct. Ms. Graham agreed to revise the language to address Mr. Davidson's comment.

Considering the first and second motions previously entered, the motions were carried and the following resolution was adopted unanimously.

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING 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 THE ANNUAL UPDATED AND CONSOLIDATED EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION 2015-2016 MASTER GOAL PLAN

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The next item on the agenda was a resolution reviewing and approving the Agencies' Records Policy. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference. HFA/AHC Committee Member, Mr. Davidson noted that it would be helpful to cross reference some of the information by including an appendix to make it clear what the various record-keeping requirements applicable to specific Agency departments are. He also commented on Section 3.2 by noting that both Federal and State Civil Procedures provisions require that records retention policies be adopted.

Mr. Edwin Bonilla, reported that the Records Management Team is meeting with every unit of the Agency, to specifically address the requirements of each unit, and noted that retention schedules are available online. .

Considering the first and second motions previously entered, the motions were carried 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION (COLLECTIVELY, "AGENCIES") RECOMMENDING ADOPTION OF A RECORDS MANUAL

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The next item on the agenda was a resolution reviewing and approving the Agencies' other than personal services Procurement Procedures. This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION (COLLECTIVELY, "AGENCIES") RECOMMENDING ADOPTION OF A PROCEDURES MANUAL

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The next item on the agenda was a resolution adopting Action Plans for the Governance Committees. This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the members in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION (COLLECTIVELY, "AGENCIES") APPROVING AN ACTION PLAN

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The next item on the agenda is the adoption of written procedures for Tax Compliance and Internal Monitoring. This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the members in advance of the meeting, which materials are incorporated herein by reference.

Considering the first and second motions previously entered, the motions were carried and the following resolution was adopted unanimously.

A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION GOVERNANCE COMMITTEE RECOMMENDING THE ADOPTION OF POLICIES AND PROCEDURES FOR TAX COMPLIANCE AND INTERNAL MONITORING

The next item on the agenda was a report on the Agencies' Administration of Ethics Policy. This was an information item and there was no discussion on this item. It was noted that information in connection with this item was contained in the materials provided to the Members

in advance of the meeting, which materials are incorporated herein by reference.

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The next item on the agenda was a Report on Salary Adjustments. This was an information item and there was no discussion on this item. Information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

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There being no unfinished business, Ms. McCann moved to adjourn the meeting; Acting Chairman Bialo seconded the motion and the meeting was adjourned at 10:10 a.m. The Chairman wished everyone a happy and healthy holiday season.

Mr. Kim announced that the next Governance Committee meeting would be held on Tuesday, January 27, 2015 at 9:00 a.m.

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C. Jason Kim, Secretary