MINUTES OF THE
71ST MEMBERS MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
HELD ON DECEMBER 10, 2015 AT 9:00 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

MEMBERS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Kenneth M. Bialo	Vice Chairman
Andrew A. SanFilippo	Member
Linda M. Baldwin	Department of State, representing Cesar A. Perales, Secretary of State, Member (via video conference)
Elaine McCann	New York State Division of the Budget, representing Mary Beth Labate, Member (via video conference)

Chairman William C. Thompson presided over the meeting and welcomed everyone.

Mr. Adam Schuman, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann, representing Budget Director, Ms. Mary Beth Labate, was participating in the meeting via video conference from the New York State Division of the Budget conference center at the Capitol Building, Room 131, in Albany. Joining her in Room 131 at the Capitol Building were Linda Baldwin representing Cesar Perales, Secretary of State; and Eric Mostert, Chief Fiscal Officer representing Commissioner Jerry Boone from the New York State Department of Taxation and Finance.

A public notice was given of the time and location of the venues in accordance with the New York State Open Meetings Law.

Mr. Schuman asked for motions and seconds to call to order the Members and Directors meetings 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"), respectively. Chairman Thompson moved to call the HFA and AHC meetings to order; Ms. Elaine McCann seconded the motion. Ms. McCann moved to call the SONYMA meeting to order; Ms. Rogatz seconded the motion. Mr. SanFilippo moved to call the TSFC and MBBA meetings to order; Mr. Bialo seconded the motions.

Mr. Schuman stated that as items were presented to each Board throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any Board Director wished to record his or her vote differently.

The meetings of the affiliated Agencies were opened in joint session for the President's report, the recital of the Committee reports, the adoption of the minutes of previous meetings and consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the Tobacco Settlement Financing Corporation. A record of items considered by the other Agencies is contained in the minutes of each of the Agencies.

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The first item on the agenda was the President's Report. President Rubin reported that earlier that day, the Mortgage Insurance Committee ("MIC") approved ten (10) items for permanent mortgage insurance for eight (8) projects representing over 1100 units of affordable housing located in Albany, Erie, Bronx and Kings County. He said the Committee also approved insurance for scattered group site housing representing forty-seven (47) units in Suffolk County.

President Rubin reported that on the multifamily side, HFA will be asked to approve two (2) multifamily projects representing over $20 million in bond financing in Dutchess County and Town of Thompson (Sullivan County), for 138 units of senior housing. Also $1.8 million in bond financings will be awarded for 148 units in Harlem. Additionally, over $4 million will be awarded to AHC projects.

President Rubin reported that the Members and Directors will be asked to review several important administrative items such as the Agencies' MWBE Goal Plan and Agency technologies and systems upgrade. He noted that both these items are of great importance to the Agencies.

President Rubin reflected on a day spent with Senator Catharine Young, head of the Senate Housing, Construction and Development Committee (who oversees the Agencies' activities) and his recent travel throughout New York State. He noted that his recent travels had taken him up to the Pennsylvania border, with Chris Leo, Vice President, the Agencies' Community Renewal head; to Albany and to Buffalo. He stressed how these trips in particular afforded him an opportunity to see a different facet of the Agencies' work, particularly in that they cover rural areas. He gave details on a visit to an old rural development project which represents rural housing in areas very different from what Agency heads typically see.

President Rubin shared the Agencies' activities since last month. He reported that there have been meetings in the Bronx, Brooklyn, Rochester, Buffalo, Albany and Watertown areas; staff has been represented at several ribbon cuttings, i.e. the Plattsburgh event. He noted that he had the pleasure of presenting several service awards which highlighted the fact that the Agencies have a very experienced workforce. He referred to the Agency-wide Town Hall meeting held a few weeks ago where there was a presentation from the Fair Housing Justice Center which handles and originates a lot of the anti-discrimination cases, here in New York City, and is able to identify areas where there is housing discrimination against minorities of all kinds. He commented that "it

was a very moving experience" to see the video and hear from Fred Freiberg, Executive Director. He also noted spending time with the Newburg and Mid-Hudson Agency group.

President Rubin stated that Mr. Schuman has been spending a lot of time in Fair Housing issues over the last three months, particularly with support from the Executive Chamber. He said that the goal is to find ways for this Agency to get more involved with anti-discrimination efforts in order to protect tenants.

Lastly, President Rubin's turned to the topic of homelessness. He noted that Governor Andrew M. Cuomo has been focusing on homelessness for the last thirty (30) years, starting with his stint as Chairman of the New York City Commission on the Homeless. He noted how the issue has once again become the subject of intense scrutiny. He stated that there's been a focus to bring together all of the State's activities surrounding solving homelessness and some ideas will be made public during the Governor's State of the State address. He noted that the Agency is responsible for financing much of the supportive housing that exists in New York State and that role will essentially increase. He thanked Mr. Bret Garwood, Senior vice President, Multifamily Housing, and Ms. Marian Zucker, President, Finance and Development, and her team. He expressed hope that this Agency will play the lead role on the homelessness agenda since it is a State-wide problem and it fits our role.

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The next item on the agenda was the Report of the Audit Committee. Mr. Schuman reported that the Audit Committee held a meeting earlier, on today, and adopted the minutes of its September 8, 2015 meetings. He next reported that the Audit Committee adopted the following resolution:

- All five Committees adopted a resolution reviewing and approving Internal Audit Staff Functions.

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The next item on the Agenda was the report of the Governance Committee. Mr. Schuman reported that the Governance Committee held a meeting earlier that day and adopted the minutes of the September 8, 2015 meeting. He next reported that the Governance Committee adopted the following resolutions:

- All five Agencies adopted a resolution recommending the approval of the Agencies' Master Goal Plan.
- All five Agencies adopted a resolution approving the Governance Committee action plan.
- All five Agencies adopted a resolution approving Salary Ranges for Senior Officers.
- HFA, SONYMA, MBBA and TSFC approval a resolution to enter into financial advisor services contract with firms on the Agencies' newly established prequalified panel.
- HFA and SONYMA approved a resolution to amend contracts with InfoPeople Corporations (InfoPeople) and Systems Application Information Network, Inc. (d/b/a)

Computer Resources of America (CRA) for information technology consultant services.
- All five Agencies reviewed a report on Salary Adjustment (Management Confidential)
- All five Agencies reviewed a Report on Agency Administration of Ethics Policy.

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The first item on the agenda was the adoption of the minutes of the 70th TSFC Members meeting held on September 10, , 2015. Absent comments or corrections from the Members, Mr. Schuman reported that the minutes were deemed approved.

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Mr. Schuman announced that the Members and Directors of the various Agencies would be going into Executive Session in accordance with Section 105(f) of the Public Meetings Law to discuss the financial, credit or employment history of a particular corporation. Chairman Thompson moved to go into Executive Session, Mr. Bialo seconded the motion, and the Members and Directors entered into Executive Session at 9:16 a.m.

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Mr. Schuman called for a motion to reconvene from Executive Session which ended at 10:05 a.m. Chairman Thompson moved to reconvene; Mr. Bialo second the motion and the public meeting reconvened. Mr. Schuman announced that no votes were taken in Executive Session.

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The next item on the agenda was resolution approving Master Goal Plan. Chairman Thompson noted that this item was discussed and voted on earlier in the day at the Governance Committee meetings and is now up for vote. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were adopted unanimously:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ANNUAL UPDATED AND CONSOLIDATED EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION FOR 2016-2017 MASTER GOAL PLAN

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The next item on the agenda was a resolution authorizing Senior Officers parity increases. Chairman Thompson noted that this item was distributed to the Members under separate cover. He inquired about health care premium contributions.

President Rubin noted that that a salary adjustment is recommended for Senior Officers in accordance with the State's methodology. He said that earlier today, the Governance Committee received the requisite annual report for salary adjustments Management Confidential employees who are not senior officers. He said the Agencies intend to begin phasing in employee health care contributions in 2016 for Management Confidential employees. He noted that health care contributions are also subject to discussion with the Agency's unionized employees. Chairman Thompson asked if there was any additional discussion on this item.

MBBA/TSFC Director/Member, Mr. SanFilippo inquired about the use of the word "parity". His question was answered by Ms. Robinson who confirmed that the salary adjustment would be retroactive from July 2015 and the adjustment was triggered by a New York State Division of Budget bulletin that was distributed in 2009.

Chairman Thompson acknowledged receipt of a letter from The Technical, Office and Professional (TOP) Union, Local 2110 President. He stated that there will be a follow-up discussion with staff.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were adopted unanimously:

> **A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE HOUSING FINANCE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION AUTHORIZING SENIOR OFFICER PARITY INCREASES**

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The next item on the agenda was a review of the report on the Agency's Administration of its Ethics Policy. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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The next item on the agenda was a review of the report on the Agency's Board Self Evaluation. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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There being no unfinished business, Mr. Schuman asked for a motion to adjourn the meeting. Mr. SanFilippo moved to adjourn; Vice Chairman Bialo seconded the motion, and the meeting was adjourned at 10:10 a.m.

Mr. Schuman informed the Directors that the next Board meeting is scheduled for Thursday, January 28, 2016, at 8:30 a.m.

Adam Schuman, Secretary