MINUTES OF THE 14th MEETING OF THE TOBACCO SETTLEMENT FINANCING CORPORATION GOVERNANCE COMMITTEE HELD ON SEPTEMBER 10, 2009 AT 11:35 A.M. AT ITS OFFICES AT 641 LEXINGTON AVENUE NEW YORK, NEW YORK 10022

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Charles Capetanakis	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member
Kenneth M. Bialo	Member

Chairman Levy chaired the meeting; Joy Willig, Senior Vice President and General Counsel, acted as secretary. The meetings of the Governance Committees opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Member of the Tobacco Settlement Financing Corporation Governance Committee. A record of items considered by other Committees is contained in the minutes of each Committee respectively.

The first item on the agenda was the approval of the minutes of the 13th TSFC Governance Committee Members' meeting, held on April 2, 2009. There were no objections or corrections by the Members, and the minutes were deemed approved.

The next item on the agenda was a resolution recommending approval of Best Practices for procurement of legal services as per the Minority and Women-Owned Business Enterprise Task Force. Joy Willig, Senior Vice President and Counsel, highlighted certain information contained in the materials provided to the Members in advance of the meeting, which information is incorporated herein by reference. She described the efforts of the Governor's task force to develop guidelines for best practices to procure diverse talented cost-effective legal consulting services. She noted that NYHomes and a number of other state entities had participated in developing the practices, and highlighted procedures for ensuring distribution of work and evaluation of providers. In response to an inquiry by Mr. Levy, Ms. Willig confirmed that these were guidelines and would allow staff to continue to procure legal services appropriate to the Agency's needs.

Mr. Bialo moved to recommend approval of the resolution; Chairman Levy 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, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION REVIEWING AND RECOMMENDING APPROVAL OF THE MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE TASK FORCE RECOMMENDATIONS REGARDING LEGAL SERVICES.

The next item on the agenda was a resolution recommending approval of the Third Annual Evaluation by the Governance Committees. Alejandro Valella, Deputy General Counsel, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. Chairman Levy recommended that the sessions for the Governance Committee meetings be expanded to allow time for ongoing education and training.

Mr. Bialo moved to adopt the resolution; Chairman Levy 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, STATE OF NEW YORK AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION CONCERNING SELF-EVALUATION.

The next item on the agenda was an information item reviewing the Authorities Budget Office Guidance on Use of Executive Sessions. Mr. Valella highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He noted the guidance clarified situations when it is permissible to go into executive session, and that the Governance Committee's Board practice would need to change in order to comply with the recommendations. Specifically, he noted that in the past the Board or Audit Committees would go into executive session to discuss the external auditor's report, without participation by Agency staff. Mr. Valella noted that the recommendation was that such a discussion be made in public session.

There being no unfinished business, Mr. Bialo moved to adjourn the meeting; Chairman Levy seconded the motion, and the meeting was adjourned at 11:48 a.m.

Joey F. Williams
Secretary