

**MINUTES OF THE 70th DIRECTORS' MEETING OF THE
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
HELD ON NOVEMBER 16, 2009 AT 1:30 P.M. AT
ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Kenneth M. Bialo	Vice Chairman
Charles Capetanakis	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director (Via video conference)
Susan L. Watson	State of New York Department of the State, Representing Lorraine Cortes-Vasquez, Director
Andrew A. SanFilippo	Director

ABSENT:

Michael J. Townsend	Director
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Chairman Levy chaired the meeting; Joy F. Willig, Senior Vice President and Counsel, acted as secretary.

The first item on the agenda was a resolution authorizing the issuance of Recovery Act Bonds. George Graham, coordinator of MBBA's pooled financing program, highlighted certain information contained in the materials provided to the Directors in advance of the meeting, which information is incorporated herein by reference. He stated that the Agency was seeking approval for a resolution to issue bonds which would take advantage of provisions of the American Recovery and Reinvestment Act (ARRA) of 2009. He explained that ARRA provides for subsidies on taxable bonds for municipal governments to fund capital projects. He said that few municipalities in New York had taken advantage of these subsidies to date, and that the proposed pooled financing would provide for more efficient use of resources and allow municipalities to finance projects more efficiently as part of a pool. He noted that six municipalities would participate in the first offering under the requested authorization, and that there was widespread interest among other municipalities to work with the Agency in the future.

Mr. Capetanakis inquired as to the use of the proceeds from the bond sale and whether there would be a follow up audit by the Agency. Ned Flynn from Jeffries & Company, Inc., the

underwriter for the transaction explained that proceeds would be used for capital expenditures, that each of the six participating municipalities has identified specific projects that will be financed and that each municipality would be required to comply with all tax code eligibility requirements set forth in the tax code and agreements with the Agency. He added that the Agency could monitor expenditures from trustee accounts.

Mr. SanFilippo asked about precautions to ensure prompt payment on the Agency's bonds. Mr. Graham responded that while there was no debt service reserve fund, state aid could be intercepted by the Trustee in the event that a municipality did not make timely debt service payments. He said that municipalities also had a newly authorized option of a sales and mortgage recording tax intercept, which was not being used by the present participants.

Mr. Bialo inquired about the level of debt of the six municipalities and how that related to their constitutional debt ceiling. Mr. Flynn responded that each participating municipality is far below its constitutional ceiling and that there have not been any defaults among New York State municipalities in the past ten years. Mr. Bialo expressed concern about facilitating municipal borrowing. President Almodovar commented that the purpose of the Agency was to assist borrowing by municipalities and make it more cost effective, adding that MBBA involvement in the bond issuance was beneficial to the municipalities because the pooled bond structure would be an efficient mechanism for borrowing that municipalities would otherwise do independently. Mr. Capetanakis asked about the statutory authority of the Agency to issue this debt. Alejandro Valella, Vice President and Deputy Counsel, explained that the MBBA statute calls for the Agency to allow municipalities to access bond markets, and is not limited to municipalities with difficulties. Mr. Graham noted that municipal bond banks in other states have conducted similar deals in the past with success. Mr. Bialo praised the quality of the Agency's work on developing the program, but noted that due to the current economic climate he felt compelled to vote against authorization. Mr. Capetanakis stated that he agreed with Mr. Bialo's opinion, and would also vote against authorizing the program.

Mr. SanFilippo asked how the underwriter was chosen for this program. Ms. Willig explained that, pursuant to Agency procurement guidelines, a panel of professional advisors had been selected and approved by the Board of Directors in April 2009 and that the Authorized Officer of the Agency had chosen Jeffries, Inc., which was on that panel. Chairman Levy proposed to amend the Resolution by adding "in accordance with agency procurement and bond sales guidelines" to sections 10, 11, and 12(D) of the resolution.

Ms. Watson moved to adopt the resolution; Mr. SanFilippo seconded the motion; and the following resolution was adopted with four directors voting in favor and two directors voting against authorization:

A RESOLUTION OF THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$275,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS RECOVERY ACT BONDS, TO FINANCE THE ACQUISITION OF LOCAL ARRA BONDS ISSUED BY MUNICIPALITIES AND TO PAY COSTS OF ISSUANCE OF THE SERIES 2009 BONDS; APPROVING THE FORM OF SOME OF THE

FOLLOWING AND IN ALL CASES AUTHORIZING THE ADOPTION OR EXECUTION AND DELIVERY OF (A) THE MASTER ARRA BOND FINANCING PROGRAM BOND RESOLUTION, (B) ONE OR MORE SERIES RESOLUTIONS, (C) A PRELIMINARY OFFICIAL STATEMENT, (D) A FINAL OFFICIAL STATEMENT, (E) ONE OR MORE BOND PURCHASE AGREEMENTS, AWARDED THE SALE OF THE SERIES 2009 BONDS TO JEFFERIES & COMPANY, INC., SENIOR MANAGING UNDERWRITER, AS REPRESENTATIVE OF THE UNDERWRITERS, (F) A CONTINUING DISCLOSURE AGREEMENT, (G) A LOCAL ARRA BOND PURCHASE AGREEMENT WITH EACH PARTICIPATING MUNICIPALITY, AND (H) A MEMORANDUM OF UNDERSTANDING BETWEEN THE AGENCY AND THE COMPTROLLER OF THE STATE OF NEW YORK PROVIDING FOR THE SELECTION OF A TRUSTEE AND A BOND REGISTRAR; THE SPECIFICATION OF THE MAXIMUM INTEREST RATES, MATURITY DATES, AND REDEMPTION TERMS OF THE SERIES 2009 BONDS; AUTHORIZING PERMITTED INVESTMENTS; AUTHORIZING CERTAIN OFFICERS OF THE AGENCY TO DO ALL ACTS NECESSARY, CONVENIENT OR DESIRABLE FOR CARRYING OUT THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

There being no unfinished business, Mr. Bialo moved to adjourn the meeting; Mr. SanFilippo seconded the motion; and the meeting was adjourned at 3:17 PM.


Secretary