

**MINUTES OF THE 39<sup>th</sup> MEMBERS' MEETING OF THE  
TOBACCO SETTLEMENT FINANCING CORPORATION  
HELD ON JANUARY 28, 2010 AT 2:25 P.M. AT  
ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Charles Capetanakis	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member
Susan L. Watson	State of New York Department of the State, Representing Lorraine Cortes-Vasquez, Member
Andrew A. SanFilippo	Member

ABSENT:

Kenneth M. Bialo	Vice Chairman
Michael J. Townsend	Member

Chairman Levy chaired the meeting; Joy F. Willig, Senior Vice President and Counsel, acted as secretary. The meetings of the affiliated Agencies 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 State of New York Municipal Bond Bank Agency. A record of items considered by other Agencies is contained in the minutes of each Agency respectively.

**The first item on the agenda was the Chairman's Report.** Judd S. Levy, the Agencies' Chairman, reported that the Agencies have had a remarkable year despite the condition of the economy and have undergone tremendous growth in the past three years. He noted that even though the economic recession did have some adverse effects the staff was able to find creative ways to follow the Agencies' mission.

Chairman Levy made note of the fact that the recent growth was accomplished by the Agencies with five fewer staff members.

Chairman Levy went on to discuss the proposed consolidation between the leadership of the Agencies and the Division of Housing and Community Renewal (DHCR). He noted that the consolidation is meant to institutionalize the recent cooperation and positive interaction between the Agencies and DHCR and that the merged leadership, when it occurs, will help both agencies operate more efficiently.

Don Lebowitz congratulated and welcomed Brian Lawlor as the new acting commissioner of DHCR and also thanked Chairman Levy for stepping in as the interim president of the Agencies and commended him on the job he was doing.

**The next item on the agenda was the report of the Audit Committees.** Chairman Levy reported that the Audit Committee had approved the minutes of the September 10, 2009 meeting, adopted a resolution reviewing and approving Internal Audit Staff Functions, adopted a resolution approving Follow-Up Audit of 2008 Audit Reports, approved fiscal 2009 Financial Statements, and adopted a resolution approving Action Plan for 2010.

**The next item on the agenda was the report of the Governance Committees.** Chairman Levy reported that the Governance Committee had approved the minutes of the September 10, 2009 meeting, adopted a resolution approving the Agencies Action Plan, adopted a resolution recommending approval of Lobbying Procedure for the Agencies, adopted a resolution recommending approval of the amendment to the Agencies' by-laws including a change to eliminate a requirement for roll call voting, reviewed the key implementation dates and requirements found in the 2009 amendments to the 2005 Public Authority Legislation.

**The next item on the agenda was the approval of the minutes of the 38<sup>th</sup> Members' meeting for TSFC held on September 10, 2009.**

There being no objections or corrections by the Members, the minutes were deemed approved.

**The next item on the Agenda was the Cost Recovery Charge and related Authorization to Amend the NYHOMES Fiscal Year 2010 Administrative Budget and the HFA and SONYMA Financial Plans.** Joanne Hounsell, Senior Vice President and Chief Financial Officer, highlighted certain Information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. Mr. Levy pointed out that the Division of the Budget's (DOB) process for determining the amount due this year showed increased transparency and sensitivity to the agency's needs and concerns about credit ratings. William Myers inquired if the DOB was developing a formulaic approach to figuring out the cost recovery charge on an annual basis. Chairman Levy responded that a formulaic approach would be difficult since public authorities vary greatly; he also added that the cost recovery charge depends on the financial situation of the state and of each individual agency. Andrew SanFilippo asked what the budget offset would be for the cost recovery charge. Ms. Hounsell responded that the cost recovery charge would be considered an administrative charge and the budget offset would be reflected in the fund balance.

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

**A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE AMENDMENT TO THE FISCAL YEAR 2010 ADMINISTRATIVE BUDGET AND FINANCIAL PLANS.**

**The next item on the Agenda was a resolution approving Fiscal 2009 Financial Statements.** Gary Weinstock, Vice President and Comptroller, highlighted certain information contained in the materials provided to the Members in connection with this item in advance of the meeting, which is incorporated herein by reference. The Members had no questions or issues to discuss regarding this item.

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

**A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE FISCAL YEAR 2009 FINANCIAL STATEMENTS.**

**The next item on the Agenda was a resolution approving the Agencies' Annual Procurement Report for fiscal year 2008-2009 (11/1/09-10/31/09) and review of the Agencies' 4<sup>th</sup> Quarterly Procurement Report (6/1/09-10/31/09).** Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions or issues to discuss regarding this item.

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

**A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ANNUAL PROCUREMENT REPORT FOR FISCAL YEAR 2009.**

**The next item on the Agenda was a resolution approving Annual and Quarterly Investment Reports.** Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions or issues to discuss regarding this item.

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

**A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING ANNUAL AND QUARTERLY INVESTMENT REPORTS.**

**The next item on the Agenda was a resolution approving the Agencies' Public Authorities Reporting Information Systems (PARIS) filing.** Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions or issues to discuss regarding this item.

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

**A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEMS FILING.**

**The next item on the Agenda was a resolution approving Lobbying Procedure for the Agencies.** Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions or issues to discuss regarding this item.

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

**A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING LOBBYING PROCEDURE.**

**The next item on the Agenda was a resolution approving the amendment of the Agencies' By-Laws.** Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members requested that the amendment requiring a roll call vote be eliminated.

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

**A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AN AMENDMENT TO THE BYLAWS**

**The following items on the agenda were presented for informational purposes.** Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference:

Summary of the 2009 amendments to the 2005 Public Authority Legislation. Alejandro J. Valella highlighted certain Information contained in the materials provided to the Members. Mr. Lebowitz asked whether AHC grants were considered appropriated funds and would they need to be approved by the comptroller in accordance with the new legislation. Mr. Valella replied that since AHC grants are not procurement on contracts this section of the legislation does not apply.

Annual review of contracts with firms listed on the Agencies' pre-qualified Financial Advisory Panel.

2009 Fiscal Analysis – Budget & Financial Plan.

There being no unfinished business, Ms. McCann moved to adjourn the meeting; Mr. SanFilippo seconded the motion; and the meeting was adjourned at 3:08 PM.

  
Secretary