

**MINUTES OF THE REGULAR MEETING OF THE
THE 227TH MEMBERS' MEETING OF THE
NEW YORK STATE AFFORDABLE HOUSING CORPORATION
HELD ON SEPTEMBER 15, 2011 AT 2:59 P.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Karen A. Phillips	Vice Chairperson
Thomas H. Mattox	Member
Royce A. Mulholland	Member
Darryl C. Towns	Member
Steven J. Weiss	Member
Meghan Anderson	Division of the Budget, representing Robert Megna, Member (via video conference)
Aida Brewer	Division of Taxation and Finance, representing Thomas A. Mattox, Member

Vice Chairperson Phillips chaired the meeting; Alejandro J. Valella, Vice President and Deputy Counsel, acted as secretary. The meetings of the Affiliated Agencies opened in joint session for consideration of matters of shared importance. These minutes reflect only those items being considered by the Members of the New York State Affordable Housing Corporation. 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 President's Report. Commissioner Towns stated he wanted to hold his remarks because the meeting was beginning behind schedule since previous meetings took longer than expected.

The next item on the agenda was the report of the Audit Committees for the Affiliated Agencies. Vice Chairperson Phillips reported that the Audit Committee had approved the minutes of June 14th, 2011, adopted a resolution approving an Internal Audit Report together with Management's response, reviewed Financial Statement Update 3rd Quarter Fiscal Year 2011 (First Quarter Fiscal Year 2012), and reviewed Auditor's (Ernst & Young) Presentation.

The next item on the agenda was the approval of the minutes of the 226th Members' meeting for AHC, held on July 14, 2011. There were no objections or corrections by the Members therefore the minutes were deemed approved.

The next item on the agenda was a resolution approving the Fiscal Year 2012 Administrative Budget and Financial Plans. Joanne Hounsell, Senior Vice President and Interim Chief Financial Officer presented the Budget Plan. She first discussed that approval of the Budget Plan was required by statute, regulations, and various Agency resolutions.

Next, Ms. Hounsell summarized some of the key figures in the Budget Plan. She emphasized that the Budget Plan considered the uniqueness of each Agency. She then detailed the \$52.4 million Budget Plan, which represents a 3% budget decrease relative to fiscal year 2011. Her presentation detailed the following:

- The Agencies' largest expense is \$17.3 million for salaries. However, this allocation is the same as fiscal year 2011. Ms. Hounsell noted that the Agencies are budgeted for 221 positions and that 36 of these positions are currently vacant.
- The largest increase in this Budget Plan is the \$890,000 expense for the Early Retirement Incentive. This lump-sum expense was assessed as a result of 15 employees electing to participate in this program.
- The second largest increase relates to hiring consultants to help convert the Agencies' Database Management System. The Agencies need to convert the Database Management System because its current system, FoxPro, is no longer sold or supported by Microsoft. The Database Management System is used for the general ledger, mortgage billing, expenditure control, budgeting, investment, debt service and tax and insurance escrow functions.
- The third largest increase is an increase of \$420,000 in annual pension contributions. This increase is due to lower investment returns in the pension funds.
- Lastly, an additional increase is health insurance premiums, which the Agencies have budgeted an additional \$389,000 for.

Ms. Bayer, a SONYMA Director, asked about the impact of eliminating the workshop and training expense allocated in fiscal year 2011. Ms. Hounsell noted that the decrease related to the termination of the Agency's contract with NeighborWorks. Ms. Marian Zucker, President of the Office of Finance and Development, commented that the Agencies had been satisfied with the initial benefits from the contract, but that the benefits of the contract decreased over time.

Meghan Anderson then asked what was included in the \$17 million expense for salaries. Ms. Hounsell outlined that this figure included the expenses for budgeted positions and the lump-sum expense for the Early Retirement Incentive. Meghan Anderson then asked whether

any portion of employee health insurance premiums were paid by the employees. Ms. Hounsell confirmed that the Agencies pay 100% of employee health insurance premiums.

Lastly, Don Lebowitz, a SONYMA Director, asked how the Early Retirement Incentive was affecting the Agencies. Ms. Hounsell said that senior management is currently evaluating the effect.

Royce Mulholland moved to adopt the resolution; Steven Weiss seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, THE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION ADOPTING AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2011 TO OCTOBER 31, 2012 AND

FINANCIAL PLAN FOR FISCAL YEARS 2013, 2014, 2015, AND 2016 FOR THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION

The next 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:

- **Review of the Agencies' Quarterly Investment Reports**
- **Report of the Administrative Budget as of July 31, 2011**
- **Financial Statement Update 3rd Quarter Fiscal year 2011 (First Quarter Fiscal 2012**
- **Third Quarterly Procurement Contract Report for the period ending July 31, 2011.**
- **Status of Funds report**
- **County Cumulative Report**

There being no unfinished business, Royce Mulholland moved to adjourn the meeting; Commissioner Towns seconded the motion; and the meeting was adjourned at 5:00 p.m.



Secretary