

**MINUTES OF THE 3RD DIRECTORS' MEETING OF THE
FINANCE COMMITTEE OF THE
MUNICIPAL BOND BANK AGENCY
HELD ON SEPTEMBER 13, 2012 AT 9:40 A.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Kenneth M. Bialo	Vice Chairman
Renee Nowicki	Division of the budget, representing Robert Megna, Director (via video conference)

ABSENT:

Andrew A. SanFillippo	Director
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Chairman William J. Mulrow opened and chaired the meeting. He noted that Renee Nowicki was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 143, in Albany. A public notice was given of the time and location of that venue.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and asked for a motion and a second to call to order the Directors meeting of the State of New York Municipal Bond Bank Agency Finance Committee. Vice Chairman Kenneth M. Bialo moved to call the meeting to order; Chairman William J. Mulrow seconded the motion.

The first item on the agenda was the approval of the minutes of the Finance Committee Meeting for MBBA held on Thursday, January 27th 2011. There being no objections or corrections by the Directors, the minutes were deemed approved.

The next item on the agenda was a resolution recommending the approval for the issuance of Special Program (City of Buffalo) Refunding Revenue Bonds, 2012 Series A. Marian A. Zucker, President, Office of Finance & Development, highlighted certain information contained in the meeting materials provided in connection with this item which are incorporated herein by reference. She stated that, due to the current low interest rate environment, the City of Buffalo has requested that the Agency refund the remaining MBBA Special Program (City of Buffalo) Revenue Bonds which were issued in 2001 to finance the payment of a litigation settlement by the City to the Buffalo Teachers Federation. She stated that debt service would be payable from state appropriation of annual state school aid.

Vice Chairman Bialo asked if the Agency had a call on the entire amount of school aid. Ms. Zucker replied that there was a call on the \$184 million March payment which is the largest that flows into the Buffalo City School District. Ms. Zucker stated that the improved security structure of the new issued bonds will have a slightly shorter maturity and are expected to produce approximately 20.97% present-value savings, or \$4.6 million for the City of Buffalo.

Chairman Mulrow asked when MBBA was most-recently in the market. Ms. Zucker responded that MBBA was most-recently in the market in 2010. Chairman Mulrow stated that this was a great example of MBBA's importance in helping other municipalities.

Vice Chairman Bialo moved to adopt the resolution; Chairman Mulrow seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE FINANCE COMMITTEE OF THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY RECOMMENDING AN ISSUANCE OF BONDS

The next item on the agenda was a resolution recommending the approval to issue Special School Purpose Revenue Bonds (Prior Year Claims-New York City), 2012 Series A. Ms. Zucker highlighted certain information contained in the meeting materials provided in connection with this item which are incorporated herein by reference. She stated that this item concerns the issuance of bonds to partially refund certain outstanding MBBA bonds issued in 2003 as Series C in order to fund New York City's prior year claims for school aid from the State of New York. She stated that the amount of outstanding Series A and Series B bonds approximated \$2 million. She stated that the new issue will be secured solely by the approximate \$8.4 billion in State school aid that flows to New York City, and that the Agency will have 200% coverage. She stated that the savings generated by this refunding on a percentage basis are 14.8%, which will generate present-value savings of \$49 million to be split between the City and the State.

Mr. Valella noted that revised pages for the General Resolution and Amended and Restated Memorandum of Understanding were provided to the MBBA Board Directors earlier in the day. He stated that the revisions were to provide that the old resolution under which the Series C, as well as the Series A and B Bonds were issued, will be closed off with no further issuances, and that annual payments on the new bonds will be subordinate to payments on the remaining outstanding Series A and B Bonds, as well as the remaining maturities of the Series C Bonds not being refunded at this time.

Chairman Mulrow asked when the Agency would be in the market with this financing, to which Ms. Zucker replied, next week. Chairman Mulrow and Vice Chairman Bialo thanked Ms. Zucker, Mr. Valella and the teams who worked on this financing for their efforts.

Vice Chairman Bialo moved to adopt the resolution; Chairman Mulrow seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE FINANCE COMMITTEE OF THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY RECOMMENDING AN ISSUANCE OF BONDS.

There being no unfinished business, Vice Chairman Bialo moved to adjourn the meeting, Chairman Mulrow seconded the motion; and the MBBA Finance Committee meeting was adjourned at 9:50 a.m.



Alejandro J. Valella, Acting Secretary