

**SALES TAX ASSET RECEIVABLE CORPORATION**  
**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

April 28, 2016

A meeting of the Board of Directors (the “Board”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2016 at approximately 3:28 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following members of the Committee were represented by their alternates:

Dean Fuleihan, Director of Management and Budget of The City of New York (the “City”), represented by Alan Anders;

Scott M. Stringer, Comptroller of the City, represented by Michael Stern;

Melissa Mark-Viverito, Speaker of the City Council, represented by Raymond Majewski; and

Mindy Tarlow, Director of the Mayor’s Office of Operations, represented by George Davis, III;

constituting a quorum of the Board. Charlotte T. Borroughs served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City.

The meeting was called to order by Mr. Anders.

### **Approval of Minutes**

The first item on the agenda was the approval of the minutes of the meeting of the Board held on September 11, 2015. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved:

**WHEREAS**, the Board of Directors of the Sales Tax Asset Receivable Corporation has reviewed the minutes of its meeting held on September 11, 2015; it is therefore

**RESOLVED**, that the minutes of the meeting of September 11, 2015 be, and they hereby are, approved.

### **Approval of Independent Auditor Contract**

The second item on the agenda was the proposed approval of Independent Auditor's Contract. Mr. Anders asked the members of Toski & Co. to leave the room. After the members of Toski & Co. left the room, a motion was made and seconded to enter into a discussion about the proposed approval of the Independent Auditor Contract. Mr. Anders explained that following a request for proposals for independent auditors, the selection committee of the Corporation recommended the appointment and retention of Toski & Co. to serve as independent auditor for the Corporation's audited financial statements for the fiscal years ending June 30, 2016, 2017 and 2018. He also noted that Toski was selected based on the quality of their proposal and the competitiveness of their proposed fees. There being no discussion and no objections, the resolution was approved.

**WHEREAS**, following a request for proposals for independent auditors, the selection committee of the Sales Tax Asset Receivable Corporation (the "Corporation") has selected the firm of Toski & Co. ("Toski"); and

**WHEREAS**, the Audit Committee of the Corporation has recommended the appointment and retention of Toski as the Corporation's independent auditors; it is hereby

**RESOLVED**, that the Board of Directors authorizes the Officers of the Corporation to enter into an agreement with Toski to serve as independent auditors for the Corporation's financial statements for the fiscal years ending June 30, 2016, 2017 and 2018 with a one one-year extension with a one one-year extension at the discretion of Corporation staff to cover the audit of the Corporation's financial statements for the fiscal year ending June 30, 2019, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the staff of the Corporation shall determine, and which agreement shall provide for compensation not to exceed the following rates:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Audit	\$12,500	\$12,500	\$12,500	\$12,500

Special Projects (per hour)

Partner / Director	\$170	\$170	\$170	\$170
Manager / Supervisor	\$120	\$120	\$120	\$120
Senior Accountant	\$100	\$100	\$100	\$100
Staff Accountant	\$85	\$85	\$85	\$85

**Approval of Budget**

The third item on the agenda was the proposed approval of the Budget of the Corporation. A motion was made and seconded to enter into a discussion about the proposed approval of the Budget. Mr. Anders explained that Section 2801(2) of the Public Authorities Law requires that the Corporation submit a budget report to various City and State officials and that such Budget contain estimated and actual receipts and expenditures. He noted that the Budget was in the packet provided to the Directors. There being no discussions and no objections, the resolution was approved.

**WHEREAS**, the Sales Tax Asset Receivable Corporation (the “Corporation”), pursuant to Section 2801(2) of the Public Authorities Law (the “PAL”), is required to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at least sixty days before the commencement of its fiscal year, budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year; and

**WHEREAS**, the Corporation is also required, pursuant to the PAL, Section 2800(2)(a)(14) to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;

**WHEREAS**, the Board of Directors of the Corporation has reviewed the budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

**RESOLVED**, that the Board of Directors of the Corporation approves the budget information and financial plan as attached hereto.

#### **Approval of Directors’ and Officers’ Insurance**

The fourth item on the agenda was the proposed approval of Directors’ and Officers’ Liability Insurance. A motion was made and seconded to enter into discussion about the proposed approval of the Directors’ and Officers’ Insurance. Mr. Anders explained that such insurance is to be procured from a number of insurance companies through Wells Fargo acting as a broker and that the insurance would cover directors, members and officers of the Corporation. He noted that the premium cannot exceed \$200,000 annually and that the authorizing rate includes a cushion. There being no discussion and no objections, the resolution was approved.

**WHEREAS**, despite their diligence and good faith, directors and officers of the Sales Tax Asset Receivable Corporation (the “Corporation”) may be subject to potentially large personal financial liability in connection with the Federal securities laws or otherwise arising from their service to the Corporation; and

**WHEREAS**, Article VI of the Bylaws of the Corporation provides that the Corporation shall indemnify each member, director and officer, to the fullest extent permitted by law; and

**WHEREAS**, Directors’ and Officers’ Liability Insurance is a prudent supplement to such indemnification; it is therefore

**RESOLVED**, that the Corporation hereby approves the procurement of Directors' and Officers' Liability Insurance policies through Wells Fargo Insurance Services, USA, Inc. from American International Group ("AIG"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual"), Aspen Insurance ("Aspen") and Chubb Group of Insurance Companies ("Chubb" and together with AIG, Zurich, Liberty Mutual and Aspen, the "Insurers"), or such other substitute insurers as the President shall determine, providing coverage for the period from May 25, 2016 through May 24, 2017; provided that the annual premium payable by the Corporation to the Insurers, plus the brokers fee, will not exceed \$200,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the President or such other officer of the Corporation shall deem necessary, desirable or appropriate and that the President shall be authorized to procure such insurance coverage.

### **Approval of Mission Statement and Measurements**

The fifth item on the agenda was the approval of the Corporation's Mission Statement and Performance Measurements (a copy of which was in the packet provided to the Directors). A motion was made and seconded to enter into discussion about the proposed approval of the Mission Statement and Measurements. Mr. Anders explained that pursuant to Section 2800 of the Public Authorities Law the Corporation has previously adopted and amended a Mission Statement and that it is required to annually review such Statement. He noted that there were no proposed changes and the Measurement Report has been completed. There being no discussion and no objections, the resolution was approved.

**WHEREAS**, pursuant to Section 2800 of the Public Authorities Law (the "PAL"), the Board of Directors (the "Board") of the Sales Tax Asset Receivable Corporation (the "Corporation") previously adopted a Mission Statement on October 4, 2007 and amended it on March 4, 2011 to add Performance Measures by which the Corporation could evaluate whether its policies and performance meet the stated goals of its Mission Statement, and subsequently amended the Mission statement and Performance measures; and

**WHEREAS**, the Corporation is required to annually review the Mission Statement and Performance Measures and to publish a Measurement Report which utilize the Performance Measures to evaluate whether the Corporation's policies and performance meet the stated mission of the Corporation; and

**WHEREAS**, the Board has reviewed the Mission Statement and Performance Measures, and the completed Measurement Report, and has found them to be reasonable and accurate; it is hereby

**RESOLVED** that Board accepts the Mission Statement and Performance Measures as attached hereto and authorizes the completed Measurement Report to be published on the Corporation's website and submitted to the Authorities Budget Office

**Approval of Policy on the Acquisition and Disposition of Real Property**

The sixth item on the agenda was the proposed approval of the Corporation's Policy on the Acquisition and Disposition of Real Property (a copy of which was in the packet provided to the Directors). A motion was made and seconded to enter into discussion about the proposed approval. Mr. Anders explained that pursuant to Section 2896 of the Public Authorities Law the Corporation is required to annually review such Policy. He noted that the Governance Committee of the Corporation has recommended its approval with no changes. A motion was made to approve the resolution set forth below approving such Policy. There being no discussion and no objections, the resolution was approved.

**WHEREAS**, the Sales Tax Asset Receivable Corporation (the "Corporation"), on July 31, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the "Public Authorities Law"), adopted a Policy on the Acquisition and Disposition of Real Property; and

**WHEREAS**, pursuant to Section 2896 of the Public Authorities Law, the Corporation is required annually to review such policies; and

**WHEREAS**, the Governance Committee has reviewed the attached policy and has recommended its approval; it is therefore

**RESOLVED**, that the Policy on the Acquisition and Disposition of Real Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

### **Approval of Policy on the Disposition of Personal Property**

The seventh item on the agenda was the proposed approval of the Corporation's Policy on the Disposition of Personal Property (a copy of which was in the packet provided to the Directors). A motion was made and seconded to enter in discussion about the proposed resolution. Mr. Anders explained that pursuant to Section 2896 of the Public Authorities Law the Corporation is required to annually review such Policy. He noted that the Governance Committee has recommended approval of the Policy with no changes. There being no discussion and no objections, the resolution was approved.

**WHEREAS**, the Sales Tax Asset Receivable Corporation (the "Corporation"), on July 31, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the "Public Authorities Law"), adopted a Policy on the Disposition of Personal Property; and

**WHEREAS**, pursuant to Section 2896 of the Public Authorities Law, the Corporation is required annually to review such policy; and

**WHEREAS**, the Governance Committee has reviewed the attached policy and has recommended its approval; it is therefore

**RESOLVED**, that the Policy on the Disposition of Personal Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

### **Presentation by Audit Committee Chair regarding Audit Committee's Annual Report and Self Evaluation**

The eighth and final item on the agenda was a presentation by the Audit Committee Chair regarding the Committee's Annual Report and self-evaluation. Mr. Stern, the Chair of the Audit Committee, explained that such Committee is required to perform an annual self-evaluation and review of the work it has done. He described the accomplishments of the Audit Committee and stated that the Audit Committee believes that it has performed in a satisfactory manner.

**Adjournment**

There being no further business to come before the Board, upon motion duly made and seconded, there being no objections, the meeting was duly adjourned.

  
ASSISTANT SECRETARY