

# **SALES TAX ASSET RECEIVABLE CORPORATION**

## **MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

April 24, 2009

A meeting of the Board of Directors (the "Board") of the Sales Tax Asset Receivable Corporation (the "Corporation") was held on April 24, 2009 at approximately 4:50 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following director was present in person:

- Mark Page, Director of Management and Budget of The City of New York (the "City")

The following directors were represented by their designees:

- William C. Thompson, Jr., Comptroller of the City, represented by Michael Stern
- Christine Quinn, Speaker of the City Council, represented by Raymond Majewski
- Michael Cardozo, Corporation Counsel of the City, represented by Albert Moncure, Jr.
- Jeffrey Kay, Director of the Mayor's Office of Operations, represented by George Davis, III

A quorum of directors was present. Uyen Nguyen served as secretary of the meeting.

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

The meeting was called to order by Mr. Page.

### **Approval of Minutes**

The first item on the agenda was the approval of the minutes of the meeting of the Board held on February 4, 2009. 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 February 4, 2009; it is therefore

**RESOLVED**, that the minutes of the meeting of February 4, 2009 be, and they hereby are, approved.

### **Approval of Independent Auditors Contract**

The second item on the agenda was the Independent Auditor's Contract. Prior to this discussion, the representatives from KPMG LLP ("KPMG") left the room. Mr. Page explained that an RFP was issued following the expiration of the Corporation's contract with Deloitte & Touche LLP. He further explained that the selection committee has selected KPMG based on criteria such as

qualifications and cost and the Audit Committee has recommended the appointment and retention of KPMG as the Corporation’s independent auditors. A motion was made to approve the resolution set forth below. The motion was seconded and, there being no objections, 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 KPMG LLP; and

**WHEREAS**, the Audit Committee of the Corporation has recommend the appointment and retention of KPMG LLP as the Corporation’s independent auditors; it is hereby

**RESOLVED**, that the Board of Directors authorize the Officers of the Corporation to enter into an agreement with KPMG LLP to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2009, 2010 and 2011 with a one one-year extension upon recommendation of the Audit Committee to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2012, 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; and

**FURTHER RESOLVED**, that the Corporation’s Officers are authorized to take any necessary actions to effectuate the retention of the independent auditors, including but not limited to signing an annual engagement letter.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Audit	\$14,000	\$14,000	\$14,000	\$14,000
Special Projects (per hour)				
Partners	\$228	\$228	\$228	\$228
Managing Directors	\$220	\$220	\$220	\$220
Managers	\$164	\$164	\$164	\$164
Senior Associates	\$128	\$128	\$128	\$128
Associates	\$96	\$96	\$96	\$96

**Approval of Budget**

The third item on the agenda was the approval of the Corporation’s budget. The Board reviewed the budget and a brief discussion ensued. A motion was made to approve the resolution set forth below approving the budget. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Sales Tax Asset Receivable Corporation (the “Corporation”), pursuant to Section 2801(2) of the Public Authorities Law of New York, is required to submit to the Mayor of the City of New York (the “City”), the Comptroller of the City, the Speaker of the City Council and the Authority Budget Office, within 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 Board of Directors has reviewed the budget information, attached hereto; it is therefore

**RESOLVED**, that the Board of Directors approves the budget information as attached hereto.

### **Approval of the Amended Policy on the Procurement of Goods and Services**

The fourth item on the agenda was the approval of the Amended Policy on the Procurement of Goods and Services. Mr. Page explained that the Governance Committee has recommended a change to the policy, specifically with respect to the provision regarding goods and services costing less than \$7,500. A motion was then made to approve the resolution set forth below providing for the adoption of the amended policy. The motion was seconded and, there being no objection, approved.

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

**WHEREAS**, pursuant to subsection III(a)(viii) of the Governance Committee Charter, the Governance Committee of the Corporation has reviewed the Policy; and

**WHEREAS**, the Governance Committee of the Corporation has recommended that the Policy be amended to clarify that contracts for goods and services the value of which is less than \$7,500 shall not require Board of Directors approval, in conformance with existing Corporation practice; and

**WHEREAS**, the Board of Directors has reviewed the Policy, as amended and attached hereto, and found it to be reasonable and appropriate; it is therefore

**RESOLVED**, that the Board of Directors hereby approves and adopts the Policy on the Procurement of Goods and Services, as amended and attached hereto.

### **Approval of Directors' and Officers' Insurance Contracts**

The fifth item on the agenda was the approval of the procurement of Director's and Officers' Liability Insurance Contracts. Mr. Page explained that this resolution will authorize the Corporation's staff to work with an insurance broker, Wachovia, to procure insurance coverage which is most cost effective. A motion was made to approve the resolution set forth below approving the procurement of Directors' and Officers' Liability Insurance. The motion was seconded and, there being no objection, approved.

**WHEREAS**, the officers, directors and members of the Sales Tax Asset Receivable Corporation (the "Corporation") who are public employees, serve as officers, directors and members of the Corporation as part of their public employment without compensation from the Corporation; and

**WHEREAS**, despite their diligence and good faith, members, directors and officers of 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 Fourteenth of the Certificate of Incorporation and Article VI of the By-laws of the Corporation provide 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 from Allied World Assurance Company, Inc. ("AWAC"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual") and Arch Insurance Group, Inc. ("Arch" and together with AWAC, Zurich and Liberty Mutual, the "Insurers"), or such other substitute insurers as the President shall determine, providing coverage for the period from May 25, 2009 through May 24, 2010 for directors, members, and officers of the Corporation for loss, subject to customary exclusions, arising from a claim or claims resulting from any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by such persons in connection with their service to the Corporation to the extent not indemnified by the Corporation; provided that the annual premium payable by the Corporation to the Insurers will not exceed \$250,000, 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.

### **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