

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

March 2, 2011

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on March 2, 2011 at approximately 4:15 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following director was present:

Mark Page, Director of Management and Budget of The City of New York (the “City”); and

the following directors were represented by their designees:

John C. Liu, Comptroller of the City, represented by Carol Kostik;

Christine C. Quinn, Speaker of the City Council, represented by Raymond Majewski;

David M. Frankel, Commissioner of the Department of Finance of the City, represented by Dara Jaffee; and

David Burney, Commissioner of the Department of Design and Construction of the City, represented by Michael Garrett;

constituting a quorum of the Board. Jeffrey Perlman served as secretary of the meeting.

Also in attendance were members of the public, officers of the Authority, and employees of various agencies of the City and the State of New York.

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 of Directors which occurred on February 1, 2011. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was duly approved:

WHEREAS, the Board of Directors of the New York City Transitional Finance Authority has reviewed the minutes of its meeting held on February 1, 2011; it is therefore

RESOLVED, that the minutes of the meeting of February 1, 2011 be, and they hereby are, approved.

Appointments: Deputy Comptroller and Assistant Comptroller

The second item on the agenda was the approval of the appointment of the Authority's Deputy Comptroller and Assistant Comptroller. Mr. Page explained that the proposed appointments before the board were a result of the retirement of the Authority's Deputy Comptroller, Eileen Moran. Mr. Page noted that Robert Balducci, proposed to be appointed Deputy Comptroller, had been the Authority's Assistant Comptroller since December 2008 and Kenny Narine, proposed to be appointed Assistant Comptroller, had worked in the Accounting Unit at The City's Office of Management and Budget since December 2001. A motion was made to approve the resolution set forth below with respect to the appointments. The motion was seconded and, there being no objections, approved.

WHEREAS, the Board of the New York City Transitional Finance Authority (the “Authority”) is duly authorized pursuant to Section 2799-ee of the New York City Transitional Finance Authority Act to appoint such officers and employees as it may require for the performance of its duties;

WHEREAS, Eileen Moran, who served as Deputy Comptroller of the Authority since November of 2007, and has made a significant contribution to the successful operation of the Authority, is retiring; and

WHEREAS, the staff of the Authority, having worked very closely with Robert L. Balducci in his capacity as Assistant Comptroller, believes he is highly qualified to succeed Ms. Moran as Deputy Comptroller of the Authority, and has recommended his appointment to the Board; and

WHEREAS, the staff of the Authority, having worked very closely with Kemraj Narine in his capacity in the Accounting Unit of the New York City Municipal Water Finance Authority, believes he is highly qualified to succeed Mr. Balducci as Assistant Comptroller of the Authority, and has recommended his appointment to the Board; it is hereby

RESOLVED, that Robert L. Balducci is hereby appointed Deputy Comptroller of the Authority, effective March 5, 2011; and

FURTHER RESOLVED, that Kemraj Narine is hereby appointed Assistant Comptroller of the Authority, effective March 5, 2011; and

FURTHER RESOLVED, that the Board expresses its sincere gratitude to Eileen Moran for her years of dedicated service to the Authority and expresses its best wishes to her in her retirement.

Approval of Extension of Independent Auditor Contract and Authorization of Engagement Letter

The third item on the agenda was the approval of the extension of the Authority’s independent auditor contract and the authorization of an engagement letter. Mr. Page noted that this item was recommended by the audit committee and explained that the proposed resolution would authorize the exercise of a one-year extension of the Authority’s contract with its independent auditor, Marks Paneth and Shron, and the signing of an engagement letter with Marks Paneth and Shron. A motion was made to approve the resolution set forth below with respect to the independent auditors. The motion was seconded and, there being no objections, approved.

WHEREAS, the New York City Transitional Finance Authority (the “Authority”), as authorized by the Board of Directors, previously retained the firm of Marks Paneth & Shron LLP for such firm to serve as independent auditors for the Authority’s financial statements for the fiscal years ending on June 30, 2008, 2009 and 2010 with an optional one-year extension; and

WHEREAS, the Officers of the Authority have expressed their satisfaction with the independent auditors and recommended that the Authority extend the contract with Marks Paneth & Shron LLP for one year and sign an engagement letter for Marks Paneth & Shron LLP for the audit of the Authority’s financial statements for the fiscal year ending June 30, 2011;

WHEREAS, the Audit Committee has recommended that the Board of Directors authorize the Authority’s Officers to extend the contract with Marks Paneth & Shron LLP and sign an engagement letter with Marks Paneth & Shron LLP for the audit of the Authority’s financial statements for the fiscal year ending June 30, 2011, as well as any other documents necessary to effectuate the continued retention of the independent auditors; it is hereby

RESOLVED, that the Board of Directors hereby authorizes the Authority’s Officers to extend the contract with Marks Paneth & Shron LLP and sign an engagement letter with Marks Paneth & Shron LLP for the audit of the Authority’s financial statements for the fiscal year ending June 30, 2011, as well as any other documents necessary to effectuate the continued retention of the independent auditors.

Approval of Financial Advisor Contract Extensions

The fourth item on the agenda was the approval of the extension of the Authority’s financial advisor contracts. Mr. Page explained that the contracts expire March 31, 2011 and the proposal would extend them one year, through March 31, 2012, at the same compensation, which would match the expiration dates of the Water Authority and City General Obligation financial advisor contracts. A brief discussion ensued, following which a motion was made to approve the resolution set forth below with respect to the financial advisor contracts. The motion was seconded and, there being no objections, approved.

WHEREAS, the New York City Transitional Finance Authority (the “Authority”) is authorized, pursuant to Section 2799-ee of the New York City Transitional Finance Authority Act (the “Act”), to make and execute contracts and agreements necessary and convenient to carry out its powers and functions; and

WHEREAS, the Authority, at the direction of the Board of Directors, previously entered into contracts for financial advisor services with Public Resources Advisory

Group (“PRAG”) and A.C. Advisory, Inc. (“A.C. Advisory”), respectively, following a Request for Proposals process; and

WHEREAS, the Board of Directors previously authorized several extensions to the contracts with PRAG and A.C. Advisory, respectively, through March 31, 2011; and

WHEREAS, the Board of Directors believes that it is in the best interest of the Authority to approve additional extensions to the contracts with PRAG and A.C. Advisory, respectively, for the period from April 1, 2011 through March 31, 2012, on the terms set forth in Schedule I, attached hereto, and to provide for the not-to-exceed amounts set forth therein so as to properly compensate both firms; it is therefore

RESOLVED, that the extensions of the contracts with PRAG and A.C. Advisory, respectively, for the period from April 1, 2011 through March 31, 2012, are hereby approved and ratified on the terms set forth in Schedule I, attached hereto, including the not-to-exceed amounts specified therein, and the Executive Director of the Authority is authorized to enter into contracts on such terms, and all actions taken by such officers consistent with the terms provided herein are hereby ratified.

Approval of Mission Statement and Measurements

The fifth item on the agenda was the approval of the Authority’s amended mission statement and performance measurements. Mr. Page explained that though the Board of Directors had already adopted a mission statement, recent amendments to the New York Public Authorities Law require additional information to be added to the statement as well as the approval of performance measurements relating to the statement. He also noted that the statement and measurements would be posted on the Authority’s website. A motion was made to approve the resolution set forth below with respect to the mission statement. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant to recent amendments to the Public Authorities Law (the “PAL”), the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) is required to adopt a mission statement and a list of measurements by which performance of the Authority and the achievement of its goals may be evaluated; and

WHEREAS, the Board previously adopted a mission statement on September 20, 2007; and

WHEREAS, to comply with recent amendments to the PAL, Section 2824-a, management of the Authority has recommended certain revisions to the mission statement as previously adopted as well as the addition of goals and measurements; and

WHEREAS, the Board finds the mission statement and measurements to be reasonable; it is hereby

RESOLVED that the mission statement and measurements as attached hereto are hereby adopted.

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

The sixth item on the agenda was the approval of the Authority's real property acquisition and disposition policy. Mr. Page explained that pursuant to the New York Public Authorities Law, the Authority is required to annually review and approve its policy on the acquisition and disposition of real property. He noted that no changes were proposed. A motion was made to approve the resolution set forth below with respect to the real property policy. The motion was seconded and, there being no objections, approved.

WHEREAS, the New York City Transitional Finance Authority (the "Authority"), on June 16, 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 Authority is required annually to review such policies; and

WHEREAS, the Authority has reviewed the attached policy, as amended, and has deemed it to be reasonable and appropriate; 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.

Annual Approval of Policy on the Disposition of Personal Property

The seventh item on the agenda was the approval of the appointment of the Authority's personal property disposition policy. Mr. Page explained that pursuant to the New York Public

Authorities Law, the Authority is required to annually review and approve its policy on the disposition of personal property. He noted that no changes were proposed. A motion was made to approve the resolution set forth below with respect to the personal property policy. The motion was seconded and, there being no objections, approved.

WHEREAS, the New York City Transitional Finance Authority (the “Authority”), on June 16, 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 Authority is required annually to review such policy; and

WHEREAS, the Authority has reviewed the attached policy and has deemed it to be reasonable and appropriate; 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

The eighth item on the agenda was a report of the Authority’s audit committee chair, Raymond Majewski. Mr. Majewski presented the annual report of the audit committee to the board of directors.

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.



GENERAL COUNSEL