

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

April 28, 2020

A meeting of the Board of Directors (the “Board”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2020 at approximately 1:46 p.m., via telephone.

The following Committee members were represented by their designees:

Melanie Hartzog, Director of Management and Budget of The City of New York (the “City”), represented by Jay Olson;

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

James Johnson, Corporation Counsel of the City, represented by Al Rodriguez;

Jeff Thamkittikasem, Director of the Mayor’s Office of Operations, represented by Brady Hamed; and

Jacques Jiha, Finance Commissioner, represented by Robin Lee, constituting a quorum of the Board. Rita Pasarell 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. Olson, Chairperson of the Board.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Board held on September 26, 2019. There being no further discussion, upon unanimous vote the below

resolution was adopted.

WHEREAS, the Board of Directors of the Sales Tax Asset Receivable Corporation has reviewed the minutes of its meeting held on September 26, 2019; it is therefore

RESOLVED, that the minutes of the meeting of September 26, 2019 be, and they hereby are, approved.

Approval of Independent Auditors Contract

The second item on the agenda was approval of a contract with Marks Paneth LLP (“Marks Paneth”) to serve as independent auditor to the Corporation. Following a competitive request for proposals process, the Corporation’s staff have recommended the retention of Marks Paneth to serve as independent auditor to the Corporation for the Fiscal Years ended June 30, 2020; 2021; 2022; and 2023; with an optional one year extension at the Corporation’s discretion for Fiscal Year 2024. Marks Paneth was selected on the basis of the quality of their proposal, the competitive nature of their fees and the excellent service they have provided to other City-related Issuers. The proposed resolution lists the fees and rates of the proposed contract. The Audit Committee of the Corporation has recommended the Board of Directors approve the proposed resolution. There being no further discussion, upon unanimous vote the below resolution was adopted.

WHEREAS, following a request for proposals for independent auditors, the selection committee of the Corporation has selected the firm of Marks Paneth; and

WHEREAS, the Audit Committee of the Corporation has recommended the appointment and retention of Marks Paneth 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 Marks Paneth to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2020, 2021, 2022 and 2023 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, 2024, 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:

Audit:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$10,000	\$10,250	\$10,500	\$10,750	\$11,000

Special Projects (per hour)

Position	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Partner	\$320	\$330	\$340	\$350	\$360
Manager	\$225	\$230	\$235	\$240	\$245
Senior	\$160	\$165	\$170	\$175	\$180
Staff	\$115	\$120	\$125	\$130	\$135

Approval of Budget

The third item on the agenda was the proposed approval of the Budget of the Corporation, a copy of which was in the packet provided to the Directors. Mr. Olson explained that Section 2801(2) of the Public Authorities Law requires that the Corporation annually submit a budget report to the Authorities Budget Office. The Budget contains estimated receipts and expenditures for the current fiscal year and coming fiscal year, actual receipts and expenditures for the most recently completed fiscal year, and a four year plan. The Corporation’s Comptroller, Robert Balducci, was present to answer any questions. There being no further discussion, upon unanimous vote the below resolution was adopted.

WHEREAS, 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, provided that the Corporation's Comptroller may make non-material changes to the budget and financial plan prior to its submission.

Approval of Mission Statement and Measurement Report

The fourth item on the agenda was the review and approval of the Corporation's Mission Statement and completed Measurement Report and authorization to publish the Measurement Report, a copy of which was in the packet provided to the Directors. Mr. Olson explained that pursuant to Section 2800 of the Public Authorities Law, the Corporation has previously adopted and amended a Mission Statement and Performance Measures, which are a means for the Corporation to evaluate whether its performance and policies are consistent with its stated mission. The Corporation subsequently amended the Mission Statement and Performance Measures. There are currently no changes proposed to the Mission Statement. Additionally, the Measurement Report has been completed. There being no further discussion, upon unanimous vote the below resolution was adopted.

WHEREAS, pursuant to Section 2800 of the Public Authorities Law (the "PAL"), the Board of 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.

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 Directors and Officers Insurance Contracts

The fifth item on the agenda was the proposed approval of Directors and Officers Liability Insurance. The proposed resolution would approve the procurement of Directors and Officers insurance policies from several insurance companies. Mr. Olson explained that the premium cannot exceed \$250,000 annually to provide \$50 million of coverage. Last year the Corporation paid just under \$150,000 but the Corporation's broker has recommended that a cushion be built in to account for the fluctuating market as policies are being brokered. The policies would cover the period from June 25, 2020 through June 24, 2021. Upon unanimous vote, the resolution was adopted.

WHEREAS, despite their diligence and good faith, 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 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 Board of Directors hereby approves the procurement of Directors' and Officers' Liability Insurance policies from American International Group ("AIG"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual"), Aspen Insurance ("Aspen" and together with AIG, Zurich, Liberty Mutual, the "Insurers") or similarly rated insurers, through USI Insurance Services LLC as broker, providing coverage for the period from June 25, 2020 through June 24, 2021 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, Vice President, Secretary or such other Officer of the Corporation shall deem necessary, desirable or appropriate and that the President, Vice President, Secretary or other such Officer shall be authorized to procure such insurance coverage.

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

The sixth 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 the Audit Committee is required to perform an annual self-evaluation and review of the work that Committee has performed over the course of the year. 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 unanimous vote, the meeting was duly adjourned.


ASSISTANT SECRETARY