

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

September 26, 2019

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on September 26, 2019 at approximately 12:21 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following Committee members were present:

Melanie Hartzog, Director of the Mayor’s Office of Management and Budget for The City of New York (the “City”), represented by Alan Anders;

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

Corey Johnson, Speaker of the City Council, represented by Davis Winslow;

Lorraine Grillo, Commissioner of the Department of Design and Construction of the City, represented by Michael Garrett; and

Jacques Jiha, Commissioner of Finance of the City, represented by Jacqueline Gold;
constituting a quorum of the Board. Loran Radovicka 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.

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 of Directors which occurred on August 1, 2019. 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 August 1, 2019; it is therefore

RESOLVED, that the minutes of the meeting of August 1, 2019 are hereby approved.

Acceptance of the independent auditors' report on the audited financial statement for the fiscal years ended June 30, 2019 and June 30, 2018 and authorization to release such financial statements

The second item on the agenda was the acceptance of the independent auditor's report on the audited financial statement for the fiscal years ended June 30, 2019 and June 30, 2018 and authorization to release such financial statements. Mr. Anders noted that the Audit Committee of the Authority had recommended the acceptance of the auditors' report and the release of the financial statements after meeting with the Authority's independent auditors and management. Upon motion duly made and seconded, there being no objections, the following resolution was duly adopted:

WHEREAS, the Audit Committee has met with the independent auditors of the New York City Transitional Finance Authority (the "Authority") and has reviewed the independent auditors' report on the audited financial statements of the Authority for the fiscal years ended June 30, 2019 and June 30, 2018 and such financial statements; and

WHEREAS, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board accept the independent auditors' report and authorize the release of the financial statements; it is therefore

RESOLVED, that the Board hereby accepts the independent auditors' report on the audited financial statements of the Authority for the fiscal years ended June 30, 2019 and June 30, 2018 and authorizes the release of such audited financial statements, provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority.

Approval of Investment Guidelines

The third item on the agenda was the approval of the Authority's Investment Guidelines. Mr. Anders noted to refer to the copy included in their folders, to which no changes were proposed. Then, upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, the New York City Transitional Finance Authority (the "Authority"), adopted Investment Guidelines on November 18, 2008 to establish policies for the investment of its funds and subsequently amended those Guidelines; and

WHEREAS, the Authority is required annually to review its Investment Guidelines; and

WHEREAS, the Board of Directors has reviewed the Investment Guidelines, and has deemed them to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines, a copy of which will be filed with the Minutes of the Meeting, are hereby approved.

Approval of Investment Report

The fourth item on the agenda was the approval of the Authority's Investment Report. Mr. Anders explained that pursuant to Section 2925(6) of the Public Authorities Law, the Authority is required to annually prepare and approve an Investment Report. He noted that a draft of the Report had been distributed for the Board's review and approval. Then, upon motion duly made and seconded, the following resolution was approved:

WHEREAS, the New York City Transitional Finance Authority (the "Authority"), pursuant to the Authority's Investment Guidelines, is required to annually prepare and approve an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

Approval of Financially Responsible Parties List

The fifth item on the agenda was the approval of the Authority's list of financially responsible insurers and liquidity agreement and letter of credit providers. An updated list was provided to the Board members for their review. A motion was made to approve the resolution set forth below with respect these entities. The motion was seconded and, there being no objections, approved.

WHEREAS, in accordance with Section 2799-gg(2) of the New York City Transitional Finance Authority Act (the "Act"), the Authority expects from time to time to obtain credit or liquidity facilities and insurance facilities relating to bonds issued by the Authority; and

WHEREAS, the Board of Directors is required to make a determination that the parties to such agreements which will provide credit or liquidity support or insurance to the Authority's bonds are "financially responsible parties" in accordance with paragraph a and paragraphs c through g of Section 168.00 of the Local Finance Law; and

WHEREAS, the Board has determined that a credit or liquidity provider meeting the criteria set forth below shall be deemed to be a financially responsible party in compliance with Section 2799-gg(2) of the Act, it is therefore

RESOLVED, that the financial institutions listed on Schedule I hereto shall be deemed to be financially responsible parties in accordance with paragraph a and paragraphs c through g of Section 168.00 of the Local Finance Law, with which the Authority expects it may, and its Officers are hereby authorized to, enter into agreements to provide credit or liquidity support or insurance during the next 12 months, provided that such repurchase obligation shall not exceed \$2 billion with respect to any single financial institution listed on Schedule I hereto except as otherwise provided therein; and

FURTHER RESOLVED, that a financial institution not listed on Schedule I but otherwise meeting the following criteria shall be deemed to be a financially responsible party in accordance with paragraph a and paragraphs c through g of Section 168.00 of the Local Finance Law, provided that such repurchase obligation shall not exceed \$1 billion with respect to such financial institution and:

- With respect to institutions providing letters of credit or insurance in connection with bonds, long-term credit ratings of such financial institution are provided by at least two of Standard & Poor's Rating Services, Fitch, Inc., and Moody's Investor's Service, or their successors, and the long-term credit ratings of such financial institution are AA- or above by each of Standard & Poor's Ratings Services and Fitch, Inc, or their successors, and Aa3 or above by Moody's Investor's Service, Inc., or its successor;

- With respect to institutions providing liquidity facilities, the short-term credit ratings of such financial institution are provided by at least two of Standard & Poor's Rating Services, Fitch, Inc., and Moody's Investor's Service, or their successors, and the short-term credit rating of such financial institution is A-1 or above by Standard & Poor's Ratings Services, or its successor, F1 by Fitch, Inc., or its successor, and P-1 by Moody's Investor's Services, Inc., or its successor; and
- In each case, such financial institution shall have capital of at least \$500 million dollars.

SCHEDULE I ¹

LIST OF FINANCIALLY RESPONSIBLE INSTITUTIONS WITH WHICH THE AUTHORITY EXPECTS IT MAY ENTER INTO CREDIT, LIQUIDITY OR INSURANCE FACILITIES DURING THE NEXT 12 MONTHS

Updated 9/26/19

Bank of America, N.A.
 Bank of Montreal
 Bank of New York Mellon
 Bank of the West
 Barclays Bank, PLC
 Citibank, N.A.
 JPMorgan Chase Bank, N.A.
 Mizuho-Bank, Ltd.
 Morgan Stanley Bank, N.A.
 MUFG Bank, Ltd
 PNC Bank, National Association
 Royal Bank of Canada
 State Street Bank and Trust Company
 Sumitomo Mitsui Banking Corporation
 TD Bank, N.A.
 U.S. Bank, N.A.

Approval of Financial Advisor Contract

The sixth item on the agenda was the approval the Financial Advisor Contract and

¹ Certain financial institutions were included in the Authority's determination of Financial Responsible Parties during previous periods. Agreements entered into pursuant to such previous authorizations may continue.

Swap Advisor Contract. Mr. Anders explained that following a competitive request for proposals, the Authority has selected Public Resources Advisory Group to serve as Co-Financial Advisor and Frasca & Associates LLC to serve as Co-Financial Advisor, and Mohanty Gargiulo LLC to serve as Swap Advisor to the Authority, each for a period of three years and with the option of the Authority to extend for three additional one-year periods. A motion was made to approve the resolution set forth below approving the Financial Advisor Contract and Swap Advisor Contract. The motion was seconded and, there being no objection, 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 to make and execute contracts necessary or convenient to carry out its powers and functions; and

WHEREAS, the Authority, in conjunction with the City of New York, has completed a procurement process including a competitive request for proposals for a Financial Advisor and Swap Advisor; and

WHEREAS, as a result of such procurement process, the Officers of the Authority have recommended the retention of Public Resources Advisory Group (“PRAG”) to serve as Co-Financial Advisor and Frasca & Associates LLC (“Frasca”) to serve as Co-Financial Advisor, and Mohanty Gargiulo LLC (“Mohanty”) to serve as Swap Advisor to the Authority; it is therefore

RESOLVED, that either of the Executive Director or Treasurer of the Authority is hereby authorized and directed to enter into agreements in the name of the Authority whereby PRAG will serve as Co-Financial Advisors to the Authority for the fees listed in Schedule I, Frasca will serve as Co-Financial Advisor to the Authority for the fees listed in Schedule II, and Mohanty will serve as Swap Advisor to the Authority for the fees listed in Schedule III, upon such other terms as the Executive Director or Treasurer deems reasonable and appropriate provided, however, that such agreements shall be effective October 1, 2019 through September 30, 2022 or until their earlier termination as provided therein, and further provided that such agreements may be extended at the option of the Authority without additional Board action required for three additional one year terms.

Schedule I

Financial Advisor – PRAG

Position	Hourly Rate
President	\$400
Senior Managing Director	\$375
Managing Director	\$295
Vice President	\$275
Associate/Analyst	\$200

Financial Advisor Fee Caps:

- Total compensation shall be capped at \$2,100,000 for the period from October 1, 2019 through September 30, 2022 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 15 during such period).
- If the optional extension through September 30, 2023 is exercised, such cap shall be increased to \$2,600,000 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 20 during the full term of the Agreement including such extension).
- If the optional extension through September 30, 2024 is exercised, such cap shall be increased to \$3,100,000 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 25 during the full term of the Agreement including such extension).
- If the optional extension through September 30, 2025 is exercised, such cap shall be increased to \$3,600,000 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 30 during the full term of the Agreement including such extension).

Schedule II - Frasca

Financial Advisor

Position	Hourly Rate
Principal & Managing Director	\$400
Director	\$300
Associate	\$200
Analyst	\$150

Financial Advisor Fee Caps:

- Total compensation shall be capped at \$2,100,000 for the period from October 1, 2019 through September 30, 2022 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 15 during such period).
- If the optional extension through September 30, 2023 is exercised, such cap shall be increased to \$2,600,000 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 20 during the full term of the Agreement including such extension).
- If the optional extension through September 30, 2024 is exercised, such cap shall be increased to \$3,100,000 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 25 during the full term of the Agreement including such extension).
- If the optional extension through September 30, 2025 is exercised, such cap shall be increased to \$3,600,000 (which cap shall be increased by \$90,000 for each Authority transaction in excess of 30 during the full term of the Agreement including such extension).

Schedule III – Mohanty Swap Advisor

Swap Advisor: Mohanty

\$1,500 per quarterly report, with all other services governed by the below fee schedule:

Position	Hourly Rate
Managing Director	\$415
Director	\$405
Associate/Analyst	\$350

Presentation by Governance Committee Chair

The seventh and final item on the agenda was a presentation by the Chairperson of the Governance Committee of the Authority. Davis Winslow, the Chairperson of the Governance Committee, presented the report of the Governance Committee and noted that the Committee had conducted a self-evaluation and found that it had conducted itself 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.


GENERAL COUNSEL