

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

September 26, 2013

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on September 26, 2013 at approximately 10:30 a.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following Committee members were present:

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

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

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

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

and

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

constituting a quorum of the Board. Kathy Blyn 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. 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 June 11, 2013. 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 June 11, 2013; it is therefore

RESOLVED, that the minutes of the meeting of June 11, 2013 be, and they hereby are, approved.

Acceptance of the independent auditors' report on the audited financial statement for the fiscal year ended June 30, 2013 and June 30, 2012 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 year ended June 30, 2013 and June 30, 2012 and authorization to release such financial statements. Mr. Page 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. Brief discussion ensued. 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, 2013 and June 30, 2012 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, 2013 and June 30, 2012 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 Graphic Design Consultant Contract

The next item on the agenda was the approval of a contract with a graphic designer to produce the Authority's Comprehensive Annual Financial Report ("CAFR"). Mr. Page explained that, following a competitive request for proposals, Authority staff has recommended the retention of Creative Source to produce the Authority's 2013 CAFR. He explained the compensation to Creative Source, and noted that this would be the second year the CAFR would be electronic only. Then, upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, the Transitional Finance Authority (the "Authority") conducted a Request for Proposals process for a graphic design consultant to work with the Authority in connection with the preparation of the Authority's Comprehensive Annual Financial Report ("CAFR"); and

WHEREAS, Creative Source was selected based on price, experience and prior demonstrated ability to provide excellent service; and

WHEREAS, the Board of Directors believes that it is in the best interests of the Authority to authorize a contract with Creative Source; it is therefore

RESOLVED, that the Executive Director or the Treasurer of the Authority is each hereby authorized and directed to enter into an agreement in the name of the Authority whereby Creative Source will serve as graphic design consultant to the Authority upon such terms as the Executive Director or the Treasurer deems reasonable and appropriate; provided, however, that such agreement shall be limited to work on the fiscal year 2013 CAFR; and provided, further, that compensation to Creative Source shall be limited to \$10,300

Approval of Investment Guidelines

The next item on the agenda was the approval of the Authority's Investment Guidelines. Mr. Page noted that one minor amendment to the Guidelines was proposed, and asked the Board to refer to the blackline copy included in their folders. 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 the Investment Guidelines on June 25, 2001, August 1, 2001, March 14, 2005 and March 16, 2009; and

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

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

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

Approval of Investment Report

The next item on the agenda was the approval of the Authority’s Investment Report. Mr. Page 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 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 next item on the agenda was the approval of the Authority's list of financially responsible insurers and liquidity agreement and letter of credit providers. Mr. Page noted that no changes to the list were proposed. 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, 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, 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 (unless a rating is not issued by any of such rating agencies);
- With respect to institutions providing liquidity facilities, the short-term ratings of such financial institution are 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 (unless a rating is not issued by any of such rating agencies); and

- In each case, such financial institution shall have capital of at least \$500 million dollars.

Appointment of Secretary and Assistant Secretaries

The next item on the agenda was the appointment of the Authority's Secretary and Assistant Secretaries. Mr. Page explained that the Authority's Secretary, Marjorie Henning, had resigned and would be replaced by the Authority's Assistant Secretary, Scott Ulrey. Additionally, Albert Rodriguez and Jeffrey Werner would be appointed Assistant Secretaries. A brief discussion ensued. Then, upon motion duly made and seconded, the following resolution was adopted:

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, Al Moncure, Jr., who served as Assistant Secretary of the Authority has submitted his resignation to the Authority; and

WHEREAS, Marjorie Henning, who had served as Secretary of the Authority, has submitted her resignation to the Authority; and

WHEREAS, the Board believes that Jeffrey Werner is highly qualified to assume the duties of Assistant Secretary; and

WHEREAS, the Board believes that Albert Rodriguez is highly qualified to assume the duties of Assistant Secretary; and

WHEREAS, the Board believes that Scott Ulrey, who has served as General Counsel to the Authority, is highly qualified to assume the duties of Secretary in addition to his duties as General Counsel; it is therefore

RESOLVED, that Jeffrey Werner is hereby appointed Assistant Secretary of the Authority; and it is therefore

FURTHER RESOLVED, that Albert Rodriguez is hereby appointed Assistant Secretary of the Authority; and it is therefore

FURTHER RESOLVED, that Scott Ulrey is hereby appointed Secretary of the Authority.

Presentation by Governance Committee Chair

The final item on the agenda was a presentation by the Chairperson of the Governance Committee of the Authority. Raymond Majewski, 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 they were conducting themselves 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