

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

April 2, 2013

A meeting of the Board of Directors (the “Board”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 2, 2013 at approximately 10:45 a.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following member of the Committee was present in person:

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

the following members of the Committee were represented by their alternates:

John C. Liu, Comptroller of the City, represented by Michael Stern;

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

David M. Frankel, Commissioner of Finance of the City, represented by John Sarich; and

Elizabeth Weinstein, Director of the Mayor’s Office of Operations, represented by George Davis, III;

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 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 September 13, 2012. 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 September 13, 2012; it is therefore

RESOLVED, that the minutes of the meeting of September 13, 2012 be, and they hereby are, approved.

Approval of Independent Auditor Contract

The second item on the agenda was the approval of a contract with Marks, Paneth & Shron (“Marks Paneth”) for independent auditor services. Warren Ruppel of Marks Paneth left the meeting room. Mr. Page explained that such approval had been recommended by the Audit Committee of the Corporation. A motion was made to approve the resolution set forth below with respect to such contract. 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 Marks, Paneth & Shron; and

WHEREAS, the Audit Committee of the Corporation has recommended the appointment and retention of Marks, Paneth & Shron 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 & Shron to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2013, 2014 and 2015 with a one one-year extension 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, 2016, 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:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Audit	\$12,000	\$12,500	\$13,000	\$13,500

Special Projects (per hour)

Partner	\$300	\$305	\$310	\$315
Manager	\$165	\$170	\$175	\$180
Senior	\$125	\$130	\$135	\$140
Associate	\$105	\$110	\$115	\$120
Specialists	\$220	\$225	\$230	\$235

Mr. Ruppel returned to the meeting room.

Approval of Mission Statement and Measurements

The third item on the agenda was the approval of the Corporation’s Mission Statement and Performance Measurements (a copy of which was in the packet provided to the Directors). Mr. Page explained that pursuant to Section 2800 of the Public Authorities Law the Corporation has previously adopted and amended a Mission Statement and that it is required to annually review such Statement. He indicated that a minor change has been proposed, which was to refer to the Corporation as the “Corporation” rather than the “Authority”. A motion was made to approve the resolution set forth below approving the Corporation’s Mission Statement and Measurements as revised. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant Section 2800 of the Public Authorities Law (the “PAL”), the Board of Directors (the “Board”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) previously adopted a mission statement on October 4, 2007 and amended it on March 4, 2011; and

WHEREAS, the Corporation is required to annually review the mission statement and measurements; and

WHEREAS, the Corporation’s staff has recommend minor revisions to the mission statement and measurements; and

WHEREAS, the Board has reviewed the mission statement and measurements, as amended, and found them to be reasonable; it is hereby

RESOLVED that Board accepts the mission statement and measurements as attached hereto.

Approval of Policy on the Acquisition and Disposition of Real Property

The fourth item on the agenda was the proposed approval of the Corporation's Policy on the Acquisition and Disposition of Real Property (a copy of which was in the packet provided to the Directors). Mr. Page explained that pursuant to Section 2896 of the Public Authorities Law the Corporation is required to annually review such Policy. He noted that the Governance Committee of the Corporation has recommended its approval with no changes. A motion was made to approve the resolution set forth below approving such Policy. The motion was seconded and, there being no objections, approved.

WHEREAS, the Sales Tax Asset Receivable Corporation (the "Corporation"), on July 31, 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 Corporation is required annually to review such policies; and

WHEREAS, the Governance Committee has reviewed the attached policy and has recommended its approval; 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.

Approval of Policy on the Disposition of Personal Property

The fifth item on the agenda was the proposed approval of the Corporation's Policy on the Disposition of Personal Property (a copy of which was in the packet provided to the Directors). Mr. Page explained that pursuant to Section 2896 of the Public Authorities Law the

Corporation is required to annually review such Policy. He noted that the Governance Committee has recommended approval of the Policy with no changes. A motion was made to approve the resolution set forth below approving such Policy. The motion was seconded and, there being no objections, approved.

WHEREAS, the Sales Tax Asset Receivable Corporation (the “Corporation”), on July 31, 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 Corporation is required annually to review such policies; and

WHEREAS, the Governance Committee has reviewed the attached policy and has recommended its approval; 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.

Approval of Directors’ and Officers’ Insurance

The sixth item on the agenda was the proposed approval of Directors’ and Officers’ Liability Insurance. Mr. Page explained that such insurance is to be procured from a number of insurance companies through Wells Fargo acting as a broker and that the insurance would cover directors, members and officers of the Corporation. He noted that the premium cannot exceed \$225,000 annually. 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, despite their diligence and good faith, directors and officers of the Sales Tax Asset Receivable Corporation (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 Corporation hereby approves the procurement of Directors' and Officers' Liability Insurance policies through Wells Fargo Insurance Services, USA, Inc. 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, 2013 through May 24, 2014; provided that the annual premium payable by the Corporation to the Insurers, plus the brokers fee, will not exceed \$225,000, 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.

Approval of Bond Counsel Contract

The seventh item on the agenda was approval of a contract for Bond Counsel services. Mr. Page explained that a request for proposals had been issued by the City in conjunction with the Corporation and other issuers and a committee consisting of representatives of the Corporation, the City Law Department and the Office of the Comptroller of the City had recommended retention of Nixon Peabody to serve as Bond Counsel to the Corporation. He indicated that the contract was for the period from January 1, 2013 through December 31, 2014 with one two-year optional extension. He noted that the rates of the contract are in the resolution with respect to such contract. A brief discussion ensued. A motion was made to approve such resolution, which is set forth below. The motion was seconded and, there being no objections, approved.

WHEREAS the City of New York (the "City"), in conjunction with the Sales Tax Asset Receivable Corporation (the "Corporation") and other issuers, issued a request for proposals for bond counsel on September 13, 2012; and

WHEREAS, the selection committee, consisting of representatives of the Corporation, the New York City Law Department and the New York City Office of the Comptroller, has recommended the retention of Nixon Peabody LLP ("Nixon") as bond counsel to the Corporation; it is hereby

RESOLVED, that the Board of Directors of the Corporation hereby approves the retention of Nixon to serve as bond counsel to the Corporation to serve as bond counsel to the Corporation for the period from January 1, 2013 through December 31, 2014 with one two-year extensions at the option of the Corporation's management at rates not to exceed a rate of \$250 per hour for partners, \$200 per hour for associates with 4 or more years' experience and counsel, \$150 for associates with less than 4 years' experience and \$75 for paralegals, plus reasonable expenses.

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

The eighth 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 such Committee is required to perform an annual self-evaluation and review of the work it has done. He noted that a description of the accomplishments of the Audit Committee had been provided and that based on such accomplishments the Audit Committee believes that it has performed in a satisfactory manner.

Approval of Budget

The ninth and final item on the agenda was the proposed approval of the Budget of the Corporation. Mr. Page explained that Section 2801(2) of the Public Authorities Law requires that the Corporation submit a budget report to various City and State officials and that such Budget contain estimated and actual receipts and expenditures. He noted that the Budget was in the packet provided to the Directors. 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 (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.

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