

SALES TAX ASSET RECEIVABLE CORPORATION

At the April 28, 2020 meetings of the members, Audit Committee, Governance Committee and Board of Directors of the Sales Tax Asset Receivable Corporation, the Corporation enlisted a third party to record audio of the meetings. That party experienced technical difficulties and the meeting was not recorded. This certificate attests that the below reflects a substantial reconstruction of what occurred during the meetings.


[Scott Ulrey \(Jul 9, 2020 12:19 EDT\)](#)

Scott Ulrey
Secretary, Sales Tax Asset Receivable Corporation

Meeting of the members

A meeting of the members of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2020 at approximately 1:00 p.m., via telephone. Mr. Jay Olson, proxy holder for the City of New York’s Budget Director chaired the meeting. Mr. Olson noted that, to avoid confusion, all votes, other than the election of alternate directors, would be conducted via roll call. He then requested that the roll be called for attendance. Rita Pasarell, serving as secretary, called the roll. The following 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. Ms. Pasarell noted that this constituted a quorum of the members and that the meeting could proceed.

The meeting was then called to order by Mr. Olson. He explained that the first order of business on the agenda was the approval of the minutes of the meeting of the Members of the Corporation held on September 26, 2019. He noted that the minutes had been circulated for review and asked if any members had questions or comments regarding the resolution to approve the minutes. Mr. Olson noted that, hearing no discussion regarding the minutes, he would ask each member to vote on the resolution. Mr. Stern voted in favor of the resolution. Mr. Rodriguez voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Olson voted in favor of the resolution, and noted that the resolution approving the minutes was approved.

Mr. Olson then explained that second and final item on the agenda was the election of Alternate Directors. He explained that each Alternate Director’s election was separately voted upon by the corresponding Membership Class, and the below resolution was adopted. He noted that the membership class consisting of the City Corporation Counsel sought to elect Al Rodriguez

as an alternate director, and asked how Mr. Rodriguez, as proxy holder, wished to vote. Mr. Rodriguez voted in favor. He noted that the membership class consisting of the Commissioner of the Department of Finance sought to elect Robin Lee as an alternate director, and asked how Ms. Lee, as proxy holder, wished to vote. Ms. Lee voted in favor. He noted that the membership class consisting of the Director of the Mayor's Office of Operations sought to elect Brady Hamed as an alternate director, and asked how Mr. Hamed, as proxy holder, wished to vote. Mr. Hamed voted in favor. Finally, he noted that as proxy holder for the membership class consisting of the City's Budget Director, he wished to vote in favor of electing himself as alternate director.

Mr. Olson asked if there was any further business to be brought before the members. He noted that, hearing none, he would call the roll for a vote to adjourn. Mr. Stern voted in favor of adjournment. Mr. Rodriguez voted in favor of adjournment. Mr. Hamed voted in favor of adjournment. Ms. Lee voted in favor of adjournment. Finally, Mr. Olson voted in favor of adjournment. Mr. Olson noted that the meeting was now adjourned, and that the Audit Committee would convene shortly, Chaired by Mr. Stern.

Meeting of the Audit Committee

A meeting of the Audit Committee of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2020 at approximately 1:08 p.m., via telephone. Mr. Michael Stern, alternate director for the City’s Comptroller Scott Stringer, chaired the meeting. Mr. Stern convened the meeting by asking that the roll be called for attendance. Rita Pasarell, serving as secretary, called the roll. The following 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. Ms. Pasarell noted that this constituted a quorum of the members and that the meeting could proceed.

The meeting began by Mr. Stern noting that the first order of business on the agenda was the approval of the minutes of the meeting of the Audit Committee of the Corporation held on September 26, 2019. He noted that the minutes had been circulated for review and asked if any members had questions or comments regarding the resolution to approve the minutes. Mr. Stern noted that, hearing no discussion regarding the minutes, he would ask each member to vote on the resolution. Mr. Olson voted in favor of the resolution. Mr. Rodriguez voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Stern voted in favor of the resolution, and noted that the resolution approving the minutes was approved.

Mr. Stern stated that the second item on the agenda was a resolution which would recommend to the Board of Directors that the Board approve the Corporation entering into a contract with Marks Paneth LLP (“Marks Paneth”) to serve as independent auditor to the Corporation. He explained that, following a competitive request for proposals process, the Corporation’s staff 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. Mr. Stern noted that 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. He explained that the terms of the contract are still being finalized between the Corporation and the selected auditor, and that, if for some reason a new auditor needs to be selected, the Committee will reconvene to approve that selection. He noted that the proposed resolution lists the fees and rates of the proposed contract and that the Corporation's Comptroller, Robert Balducci, was present to answer any questions. Mr. Stern asked if the Committee members had any questions for Mr. Balducci, or had any comments regarding the resolution. He noted that, upon hearing no comments or discussion, he would call the roll for a vote. Mr. Olson voted in favor of the resolution. Mr. Rodriguez voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Stern voted in favor of the resolution, and noted that the resolution was approved.

Mr. Stern noted that the third item on the Committee's agenda was a self-evaluation and review of the Annual Report of the Committee. Mr. Stern noted that a list of the Committee's actions in the prior calendar year was in the materials provided to the Committee members. He explained that the proposed resolution would express the Committee's finding that it is functioning in a satisfactory manner, consisting with the Committee's Charter, and authorizes him to present the results of the self-evaluation to the Board of Directors. Mr. Stern asked if there were any questions or comments regarding the self-evaluation or report of the Committee. There being no discussion, Mr. Stern then called the roll for a vote. Mr. Olson voted in favor of the resolution. Mr. Rodriguez voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Stern voted in favor of the resolution, and noted that the resolution was approved.

Mr. Stern then noted the fourth item on the agenda was the annual review of the Corporation's Internal Controls Policy, a copy of which was in the materials provided to the Committee members. He explained that this was a review item only, and no vote would be taken. Mr. Stern explained that pursuant to the Charter of the Audit Committee, the Committee is required to annually review the Internal Controls Policy. He noted that changes are proposed to the Policy to update practices in place and add missing defined terms. He noted that the Comptroller of the Corporation, Robert Balducci, was present to answer any questions. He asked the Committee if there were any questions for Mr. Balducci. Upon hearing no questions, Mr. Stern moved on to the next item on the agenda.

Mr. Stern explained that a review of the Corporation's Financial Integrity Compliance Statement, a copy of which was in the materials provided to the Committee members, was next on the Committee's agenda. He explained that this was a review item only, and no vote would be taken. Mr. Stern explained that City Comptroller's Directive 22 requires that the Committee review the Financial Integrity Compliance Statement annually, and that the Corporation's Comptroller, Bob Balducci, was present to explain the statement and answer any questions. Mr. Stern asked if the Committee had any questions regarding the Compliance Statement, and noted that there were no questions from the Committee.

Mr. Stern then noted that the sixth and final item on the agenda was the presentation of the audit plan by the Corporation's presumptive independent auditors, Marks Paneth. He noted that Marks Paneth's appointment was contingent upon the Board of Directors authorizing the Corporation to enter into a contract with them. Mr. Stern said that the audit presentation was included in the materials provided to Committee members. Mr. Balducci then introduced Warren Ruppel, the lead audit partner from Marks Paneth began his presentation. Mr. Ruppel noted that his firm has completed the independent audit of the Corporation's financial statements in the past, and that he wanted to highlight some differences in their current pre-audit plan as compared to prior years. He directed Committee members to Tab 2 of the presentation provided to them and

noted that they are all familiar with the timing and management's responsibility in drafting the financial statements. He explained that the accounting principles would be consistent with prior years, and that the City is adopting one new GASB statement on fiduciary activities, but that it's unlikely this will have any impact on the Corporation's financial statements. He noted that they would be discussing whether it is appropriate to include a COVID-19 disclosure in the financial statements with the Corporation's management and that they expected to have a better idea of that closer to when the financial statements are issued. Mr. Ruppel then asked if any Committee members have knowledge of or suspicion of fraud in the Corporation, or if they have any knowledge of activities they would like to report under the whistleblower provisions. The Committee members expressed that they had no such knowledge. Mr. Ruppel then asked if there are any particular areas of concern they would like Marks Paneth to focus on during the audit. The Committee members expressed no such areas of concern. Mr. Ruppel then noted that his contact information is included in the audit presentation, and that if the Committee would like to contact him they may do so. Finally, Mr. Ruppel explained that Tab 3 of the presentation was Marks Paneth's engagement letter, which contains legal boilerplate terms as well as their agreed upon fee. He asked if there were any questions from the Committee members from him.

Mr. Stern reiterated Mr. Ruppel's question, and asked if the Committee had any questions for the presumptive independent auditors. Upon hearing none, Mr. Stern asked if there was any further business before the Committee. Upon hearing none, Mr. Stern said that he would call the roll for a vote to adjourn. Mr. Olson voted in favor of adjournment. Mr. Rodriguez voted in favor of adjournment. Mr. Hamed voted in favor of adjournment. Ms. Lee voted in favor of adjournment. Finally, Mr. Stern voted in favor of adjournment. Mr. Stern noted that the meeting was now adjourned, and that the Governance Committee would convene shortly, Chaired by Mr. Rodriguez.

Meeting of the Governance Committee

A meeting of the Governance Committee of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2020 at approximately 1:25 p.m., via telephone. Al Rodriguez, alternate director for the City’s Corporation Counsel, chaired the meeting. Mr. Rodriguez convened the meeting by asking that the roll be called for attendance. Rita Pasarell, serving as secretary, called the roll. 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. Ms. Pasarell noted that this constituted a quorum of the members and that the meeting could proceed.

The meeting began by Mr. Rodriguez noting that the first order of business on the agenda was the approval of the minutes of the meeting of the Governance Committee of the Corporation held on September 26, 2019. He noted that the minutes had been circulated for review and asked if any members had questions or comments regarding the resolution to approve the minutes. Mr. Rodriguez noted that, hearing no discussion regarding the minutes, he would ask each member to vote on the resolution. Mr. Olson voted in favor of the resolution. Mr. Stern voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Rodriguez voted in favor of the resolution, and noted that the resolution approving the minutes was approved.

Mr. Rodriguez noted that the second and final item on the agenda was the approval of the Corporation's Policy on the Procurement of Goods and Services. Mr. Rodriguez explained that the Committee is required to periodically review the Corporation's Policy on the Procurement of Goods and Services and recommend any changes it deems reasonable to the Board of Directors. He noted that no changes were proposed to the Policy and asked if the Committee members had any questions or comments. Upon hearing none, Mr. Rodriguez said he would call the roll for a vote. Mr. Olson voted in favor of the resolution. Mr. Stern voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Rodriguez voted in favor of the resolution, and noted that it was approved.

Mr. Rodriguez asked if there was any further business before the Committee. Upon hearing none, he called the roll for a vote to adjourn. Mr. Olson voted in favor of adjournment. Mr. Stern voted in favor of adjournment. Mr. Hamed voted in favor of adjournment. Ms. Lee voted in favor of adjournment. Finally, Mr. Rodriguez voted in favor of adjournment. Mr. Rodriguez noted that the meeting was now adjourned, and that a meeting of the Board of Directors Committee would convene shortly, Chaired by Mr. Olson.

Meeting of the Board of Directors

A meeting of the members of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2020 at approximately 1:30 p.m., via telephone. Mr. Jay Olson, Alternate Director for the City of New York’s Budget Director chaired the meeting. Mr. Olson began by asking for the roll to be called for attendance. Rita Pasarell, serving as secretary, called the roll. The following 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. Ms. Pasarell noted that this constituted a quorum of the members and that the meeting could proceed.

Mr. Olson began the meeting with the first item on the agenda, which he explained was the approval of the Board of Director’s previous meeting, which took place on September 26, 2019. He noted that the minutes had been circulated for review and asked if any Board members had questions or comments regarding the resolution to approve the minutes. Mr. Olson noted that, hearing no discussion regarding the minutes, he would ask each member to vote on the resolution. Mr. Rodriguez voted in favor of the resolution. Mr. Stern voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Olson voted in favor of the resolution, and noted that the resolution approving the minutes was approved.

Mr. Olson stated that 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. He

explained that, 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. Mr. Olson noted that 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. He explained that the proposed resolution lists the fees and rates of the proposed contract and that the Audit Committee of the Corporation had recommended the Board of Directors approve the proposed resolution. He asked if there were any comments or questions from the Board members regarding the proposed resolution. Upon hearing none, Mr. Olson called the roll for a vote. Mr. Rodriguez voted in favor of the resolution. Mr. Stern voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Olson voted in favor of the resolution, and noted that it was thereby approved.

Mr. Olson noted the third item on the agenda was the proposed approval of the Budget of the Corporation, a copy of which had been circulated 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, and that such 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. Mr. Olson noted that the Corporation's Comptroller, Robert Balducci, was present to answer any questions. Mr. Olson asked the Board members if they had any questions or concerns regarding the budget. Upon hearing none, Mr. Olson called the roll for a vote. Mr. Rodriguez voted in favor of the resolution. Mr. Stern voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Olson voted in favor of the resolution, and noted that it was thereby

approved.

Mr. Olson then moved on to the fourth item on the agenda, which he explained 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 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. He explained that the Corporation subsequently amended the Mission Statement and Performance Measures, but that no changes were being proposed at this time. He noted that the Measurement Report had also been completed. He asked if any Board members had questions or comments regarding the proposed resolution. Upon hearing none, Mr. Olson called the roll for a vote. Mr. Rodriguez voted in favor of the resolution. Mr. Stern voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Olson voted in favor of the resolution, and noted that it was thereby approved.

Mr. Olson explained that the next item on the agenda was the proposed approval of Directors and Officers Liability Insurance. Mr. Olson explained that the proposed resolution would approve the procurement of Directors and Officers insurance policies from several insurance companies. Mr. Olson explained that resolution authorizes a not to exceed aggregate fee of \$250,000 to provide \$50 million of coverage for the period from June 25, 2020 through June 24, 2021. He asked if any Board members had questions or comments regarding the proposed resolution. Upon hearing none, Mr. Olson called the roll for a vote. Mr. Rodriguez voted in favor of the resolution. Mr. Stern voted in favor of the resolution. Mr. Hamed voted in favor of the resolution. Ms. Lee voted in favor of the resolution. Finally, Mr. Olson voted in favor of the resolution, and noted that it was thereby

approved.

Mr. Olson moved on to the sixth and final item on the agenda, which he explained 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. Mr. Stern recited the Audit Committee's accomplishments in the previous fiscal year, as provided in the Report of the Audit Committee which was presented to the Board. He noted that the Committee met twice in calendar 2019, on April 30, 2019 and September 26, 2019. Mr. Stern stated that at the April 30, 2019 meeting of the Audit Committee, the Committee reviewed the Corporation's annual Agency Financial Integrity Compliance Statement, conducted a self-evaluation and approved an annual report of the Committee's activities, reviewed the Corporation's internal control policy, and met with the independent auditors to review the auditors' audit plan for the fiscal year 2019 audit and several new accounting and auditing standards. He stated that at the September 26, 2019 Committee meeting, the Committee met with the independent auditors and management of the Corporation to discuss the annual audited financial statements and independent auditors' report for the fiscal years ended June 30, 2019 and June 30, 2018, and recommended to the Board of Directors of the Corporation the acceptance and release of such report and financial statement, and the Committee reviewed and approved the Audit Committee Charter and Schedule of Dates. He finished his presentation by noting that the Committee had found it was acting in a satisfactory manner, in compliance with its stated mission and Charter.

Mr. Olson thanked Mr. Stern for the presentation, and asked if there was any further business to be brought before the Board. He noted that, hearing none, he would call the roll for a vote to adjourn. Mr. Stern voted in favor of adjournment. Mr. Rodriguez voted in favor of adjournment.

Mr. Hamed voted in favor of adjournment. Ms. Lee voted in favor of adjournment. Finally, Mr. Olson voted in favor of adjournment. Mr. Olson noted that the meeting was now adjourned, and thanked everyone for their participation.

STAR - April 28, 2020 meetings record

Final Audit Report

2020-07-09

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