

# **SALES TAX ASSET RECEIVABLE CORPORATION**

## **MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

April 27, 2012

A meeting of the Board of Directors (the “Board”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 27, 2012 at approximately 3:35 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following directors were represented by their alternates:

- Mark Page, Director of Management and Budget of The City of New York (the “City”), represented by Alan Anders
- 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
- Elizabeth Weinstein, Director of the Mayor’s Office of Operations, represented by George Davis, III
- Michael A. Cardozo, Corporation Counsel of the City, represented by Albert F. Moncure, Jr.

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. Anders.

### **Approval of Minutes**

The first item on the agenda was the approval of the minutes of the meeting of the Board held on September 20, 2011. 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 20, 2011; it is therefore

**RESOLVED**, that the minutes of the meeting of September 20, 2011 be, and they hereby are, approved.

### **Ratification of Extension of Independent Auditor Contract**

The second item on the agenda was the ratification and extension of the Corporation’s contract with KPMG, LLP (“KPMG”), the Corporation’s independent auditors. The representatives of

KPMG left the meeting room. Mr. Anders explained that the Audit Committee of the Corporation has recommended that the contract be extended. A motion was made to approved the resolution set forth below with respect to such contract. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Sales Tax Asset Receivable Corporation (the “Corporation”), as authorized by the Board of Directors, previously retained the firm of KPMG LLP for such firm to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending on June 30, 2009, 2010 and 2011 with an optional one-year extension; and

**WHEREAS**, the Officers of the Corporation have expressed their satisfaction with the independent auditor KMPG LLP; and

**WHEREAS**, the Audit Committee has recommended that the Board of Directors ratify the extension of the KPMG LLP contract for one year to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2012, as well as any other documents necessary to effectuate the continued retention of the independent auditors; it is hereby

**RESOLVED**, that the Board of Directors hereby ratifies and approves the extension of the KPMG contract for one year to cover audit of the Corporation’s financial statements for the fiscal year ending June 30, 2012, as well as any other documents necessary to effectuate the continued retention of the independent auditors.

The representatives of KPMG 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. Anders 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 noted that no changes have been proposed. A motion was made to approve the resolution set forth below approving the Corporation’s Mission Statement and Performance Measurements. 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 Board has reviewed the mission statement and measurements 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. Anders explained that pursuant to Section 2896 of the Public Authorities Law the Corporation is required to annually review such Policy and that the Governance Committee of the Corporation has recommended its approval. He noted that no changes have been proposed. 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 Corporation has reviewed the attached policy, as amended, and has deemed it to be reasonable and appropriate; 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. Anders 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 and that no changes have been proposed. 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 Disposition of Personal Property; and

**WHEREAS**, pursuant to Section 2896 of the Public Authorities Law, the Corporation is required annually to review such policy; and

**WHEREAS**, the Corporation has reviewed the attached policy and has deemed it to be reasonable and appropriate; it is therefore

**RESOLVED**, that the Policy on the Disposition of Personal 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. Anders explained that the resolution approves acquisition of such insurance through Wells Fargo acting as a broker and that the insurance would cover directors, members and officers of the Corporation. A brief discussion ensued. 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, 2012 through May 24, 2013; provided that the annual premium payable by the Corporation to the Insurers will not exceed \$200,000, 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.

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

The seventh 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, reported that the Audit Committee had met three times in 2011 and that the accomplishments of the Committee were in the Annual Report contained in the packet provided to the Directors. He stated the Committee has expressed satisfaction with itself and its functioning in 2011.

### **Approval of Budget**

The eighth and last item on the agenda was the proposed approval of the budget of the Corporation. Mr. Anders explained that the Public Authorities Law requires that the Corporation submit a budget 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 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