

**DRAFT MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF TSASC, INC.**

April 28, 2022

A meeting of the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) was held on April 28, 2022 at approximately 1:56 p.m. via online conference and telephone.

The following directors or their alternates were present:

Jacques Jiha, Director of Management and Budget of The City of New York (the “City”), represented by David Womack;

Brad Lander, Comptroller of the City, represented by Marjorie Henning;

Sylvia O. Hinds-Radix, Corporation Counsel of the City, represented by Al Rodriguez;

Preston Niblack, Commissioner of Finance of the City, represented by Diana Beinart; and

Adrienne Adams, Speaker of the City Council, represented by Hector German, constituting a quorum of the Board. Jasmine Wright 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. Womack, Chairperson of the Board.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Board held on September 15, 2021. The minutes were circulated for the Board’s review. There was a brief discussion and, upon unanimous vote, the resolution was approved.

WHEREAS, the Board of Directors of TSASC, Inc. has reviewed the minutes of its meeting held on September 15, 2021; it is therefore

RESOLVED, that the minutes of the meeting of the Board of Directors held on September 15, 2021 be, and they hereby are, adopted.

Approval of Assignment of Auditor Contract

The second item on the agenda was the approval of an assignment of the Corporation's independent auditor contract. Mr. Womack noted that the Board previously approved the Corporation entering into an agreement with Marks Paneth, LLP ("Marks Paneth") to serve as independent auditors, and that Marks Paneth's attest audit services were acquired by Mayer Hoffman, P.C. ("Mayer Hoffman"), effective January 1, 2022. Mr. Womack explained that the proposed resolution would authorize the assignment of the Corporation's contract with Marks Paneth to Mayer Hoffman, for the same terms and conditions, to allow the same staff of individuals to continue to work on the Corporation's financial statements for the remainder of the term of the contract, which covers the Fiscal Years ended June 30, 2022 and June 30, 2023. There being no further discussion, upon unanimous vote the below resolution was adopted.

WHEREAS, the Board of Directors (the "Board") of TSASC, Inc. (the "Corporation") previously approved a contract with Marks Paneth, LLP ("Marks Paneth") to provide the Corporation with independent auditing services; and

WHEREAS, effective January 1, 2022, Marks Paneth's attest audit services were acquired by Mayer Hoffman, P.C. ("Mayer Hoffman"); and

WHEREAS, Corporation's management propose to enter into an agreement with Marks Paneth whereby the contract is assigned to Mayer Hoffman, effective January 1, 2022, with all other terms and conditions of the agreement with Marks Paneth in full effect; and

WHEREAS, the Board of Directors believes that it is in the best interest of the Corporation to enter into such assignment agreement; it is therefore

RESOLVED, that the Board of Directors hereby approves the assignment agreement between Marks Paneth and Mayer Hoffman in the name of the Corporation whereby as of January 1, 2022, Mayer Hoffman serves as auditor to the Corporation for the remainder of the original term of the Corporation's agreement with Marks Paneth, and directs the President or other authorized Officer of the Corporation to enter into such agreement.

Approval of Budget

The third item on the agenda was approval of the Corporation's budget and financial plan.

Mr. Womack noted that pursuant to Section 2801(2) of the Public Authorities Law, the

Corporation is required to submit a budget report to the Authorities Budget Office, which contains estimated receipts and expenditures for the current and next fiscal year, and the actual receipts and expenditures for the last completed fiscal year, as well as a four year financial plan. These reports were circulated to the Board for review ahead of the meeting.

Mr. Womack explained that the current projections in the budget show the Corporation will not need to draw on its Subordinate Reserve Account to make the Corporation's December debt service payment. He noted that the Corporation projects that it will deposit approximately \$2,000,000 into its Reserve account, and that, following such deposit, the Corporation expects approximately \$9,300,000 to remain in the Reserve Account. Then, upon unanimous vote, the following resolution was adopted.

WHEREAS, TSASC, Inc. (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 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, provided that the Corporation's Comptroller may make non-material changes to the budget and financial plan prior to its submission.

Discussion of EMMA Filing

The fourth item on the agenda was a discussion of the Corporation's planned filing to

the Electronic Municipal Marketplace Access database (“EMMA”) regarding receipt of the payment of the April 2022 Tobacco Settlement Revenue distribution. Mr. Womack noted that after the New York State Attorney General’s office confirms that the payment is final, the Corporation will file the EMMA notice. There was no further discussion. This was a review item only and no vote was taken.

Approval of Directors & Officers Insurance

The fifth item on the agenda was approval of the Corporation’s procurement of Directors & Officers Insurance Policies from several insurance companies through the Corporation’s Broker, USI, providing for \$50 million of coverage for the period from June 24, 2022 through June 25, 2023 for directors, members, and officers of the Corporation. Mr. Womack noted that the proposed resolution provides that the annual premium payable by the Corporation to the insurers shall not exceed \$325,000, which includes a large cushion to account for market fluctuations. He explained that last year, the Corporation paid just over \$200,000, but the Corporation’s broker recommended the aforementioned cushion due to the current volatility in the insurance market. He noted that the broker is in the process of procuring the policies. There being no further discussion, upon unanimous vote, the below resolution was approved.

WHEREAS, despite their diligence and good faith, directors and officers of TSASC, Inc. (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 Board of Directors hereby approves the procurement of Directors’ and Officers’ Liability Insurance policies from American International Group (“AIG”), Zurich American Insurance Company (“Zurich”), Liberty Mutual Insurance Company (“Liberty Mutual”), Aspen Insurance (“Aspen” and together with AIG, Zurich, Liberty Mutual, the

“Insurers”) or similarly rated insurers, through USI Insurance Services LLC as broker, providing coverage for the period from June 25, 2022 through June 24, 2023 provided that the annual premium payable by the Corporation to the Insurers will not exceed \$325,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the Vice President, Secretary or authorized representative of the Corporation shall deem necessary, desirable or appropriate and that the President shall be authorized to procure such insurance coverage.

Approval of Mission Statement and Performance Measures and Authorization to Publish Measurement Report

The sixth item on the agenda was the approval of the Corporation’s Mission Statement and completed Measurement Report. Mr. Womack noted that, pursuant to Section 2800 of Public Authorities Law, the Board of Directors previously adopted 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. There were no proposed changes to the Mission Statement/Performance Measures and the Measurement Report had been completed. There being no discussion, upon unanimous vote, the following resolution was adopted.

WHEREAS, pursuant to Section 2800 of the Public Authorities Law (the “PAL”), the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) previously adopted a Mission Statement on October 4, 2007 and amended it on March 2, 2011 to add Performance Measures by which the Corporation could evaluate whether its policies and performance meet the stated goals of its Mission Statement, and subsequently amended the Mission statement and Performance Measures; and

WHEREAS, the Corporation is required to annually review the Mission Statement and Performance Measures and to publish a Measurement Report which utilize the Performance Measures to evaluate whether the Corporation’s policies and performance meet the stated mission of the Corporation; and

WHEREAS, the Board has reviewed the Mission Statement and the completed Measurement Report and finds them to be reasonable and accurate; it is therefore

RESOLVED, that Board accepts the Corporation’s amended Mission Statement and Performance Measures as attached hereto and authorizes the completed Measurement Report to be published on the Corporation’s website and submitted to the Authorities Budget Office.

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

The seventh and final item on the agenda was a presentation by Ms. Henning, the Audit Committee Chair. Ms. Henning stated that the Audit Committee had conducted a self evaluation, and found it was conducting itself in a satisfactory manner in accordance with its Charter.

Adjournment

There being no further business to come before the Board, upon unanimous vote, the meeting was duly adjourned.


ASSISTANT SECRETARY