

TSASC INC.

SEPTEMBER 4, 2020 MEETINGS TRANSCRIPT

>> MY NAME IS MICHAEL STERN. I'M CHAIRPERSON OF THE AUDIT COMMITTEE OF TSASC. INC. AND I'D LIKE TO CALL THE MEETING TO ORDER. RITA, WILL YOU PLEASE CALL THE ROLL?

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG?

>> JAY OLSON FOR MELANIE HARTZOG.

>> SCOTT STRINGER?

>> MICHAEL STERN FOR SCOTT STRINGER.

>> JAMES JOHNSON? AL, IF YOU'RE SPEAKING, YOU'RE ON MUTE. JAMES JOHNSON?

>> SORRY. AL RODRIGUEZ FOR JAMES JOHNSON.

>> JACQUES JIHA?

>> ROBIN LEE FOR COMMISSIONER JIHA.

>> WE HAVE A QUORUM.

>> OK, THE FIRST ITEM ON THE AGENDA IS THE APPROVAL OF THE—JUST A SECOND. OK, IS APPROVAL OF THE MINUTES OF THE PRIOR MEETING. WE NEED A MOTION AND A SECOND TO ENTER INTO DISCUSSION.

>> SO MOVED.

>> SECOND.

>> THE MINUTES HAVE BEEN CIRCULATED FOR REVIEW BY THE COMMITTEE. ARE THERE ANY COMMENTS OR CHANGES?

>> NOPE.

>> ANY OPPOSITION TO THE PROPOSED RESOLUTION? IF NONE, THE MEETING IS—JUST ONE SECOND. I'M SORRY. I HAVE A COMPUTER ISSUE. I'M SORRY. DEBRA, COULD YOU PLEASE RESEND TO ME THE—I GUESS WE'RE TESTING. I'M SORRY. RESEND TO ME THE ANNOTATED AGENDA. I HAVE SOMETHING FROM 2019.

>> SURE, MICHAEL. I JUST RESENT IT.

>> OK, I'M SORRY. OK. I'M SORRY TO HOLD PEOPLE UP. THE MINUTES—I THINK—DID WE JUST APPROVE THE MINUTES?

>> I DON'T KNOW THAT WE HAD A VOTE YET.

>> OK, SO FIRST OF ALL, I NEED A RESOLUTION TO DISCUSS APPROVAL OF THE MINUTES.

>> SO MOVED.

>> SECOND?

>> SECOND.

>> OK. ANY COMMENTS OR SUGGESTED CHANGES? MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, MICHAEL STERN, VOTE IN FAVOR OF THE MINUTES, WHICH ARE HEREBY APPROVED. THE NEXT ITEM IS A PRESENTATION BY ROBERT BALDUCCI, THE CORPORATION COMPTROLLER, WHO'LL INTRODUCE THE CORPORATION'S INDEPENDENT AUDITORS, WHO WILL PRESENT THE AUDITED FINANCIAL STATEMENTS AND THEIR REPORT. MR. BALDUCCI, PLEASE PROCEED.

>> GOOD LATE MORNING, EVERYBODY. MY NAME FOR THOSE WHO DON'T KNOW IS BOB BALDUCCI. I'M THE COMPTROLLER OF THIS CORPORATION. AND I AM GOING TO GIVE YOU A BRIEF OVERVIEW OF THE FINANCIAL ACTIVITIES DURING THE YEAR AND TURN IT OVER TO THE AUDITORS FOR THEIR REQUIRED COMMUNICATION. I'M GOING TO DIRECT EVERYBODY, IF THEY COULD PLEASE LOOK AT THE AUDIT PRESENTATION, TAB 3, SPECIFICALLY, PAGE 39 OF 58. AND WE'LL GO OVER THE INCOME STATEMENT. SO I'M GOING TO GIVE EVERYBODY A FEW SECONDS TO GET THERE.

>> AND, BOB, THAT'S PAGE 17 OF THE PRINTED PAGE?

>> THAT'S ABSOLUTELY RIGHT. THANK YOU, JAY.

>> THANK YOU, SIR.

>> I'LL GIVE YOU ANOTHER FEW SECONDS. AND ANYBODY WHO WANTS ME TO HOLD ON A LITTLE BIT MORE, I CAN. IF NOT, I'M GOING TO GO OVER SOME OF THE REVENUES/EXPENDITURES. DURING THE YEAR, WE COLLECTED \$188 MILLION WORTH OF TOBACCO SETTLEMENT REVENUES. WITH THAT MONEY, WE HAVE ON HAND TO PAY DEBT SERVICE. AND WE—SPECIFICALLY PAID PRINCIPAL OF \$29 MILLION DURING THE YEAR AND 53 MILLION, AND WE HAVE TRANSFERRED 118 MILLION BACK TO THE CITY THROUGH ITS TRUSTS PER THE INDENTURE. OUR ASSETS AVAILABLE NOW ARE APPROXIMATELY \$183 MILLION, AND THEY'RE PRIMARILY COMPOSED OF \$86 MILLION OF RESTRICTED CASH AND CASH EQUIVALENTS THAT WE HAVE IN OUR DEBT SERVICE FUND. THE OTHER PORTION OF 96 MILLION IS THE TSR RECEIVABLES. AND A RECEIVABLE IS BASICALLY SINCE WE GET THE TOBACCO SETTLEMENT REVENUES ON APRIL DURING THE YEAR, IT'S ACTUALLY FOR THE PREVIOUS CALENDAR YEAR. SO WE ESTIMATE 6 MONTHS OF TOBACCO SETTLEMENT REVENUE, AND THAT'S WHAT IS THE RECEIVABLE, BECAUSE WE REPORT AS OF JUNE 30th, AND WE NEED TO REPORT ON ACCRUAL BASIS OF ACCOUNTING, AND WE NEED TO DO AN ESTIMATE OF ALL THE TOBACCO SETTLEMENT REVENUES THAT WE'VE EARNED. WE'VE BEEN PRETTY GOOD, ACTUALLY, WITH THESE ESTIMATES. FAIRLY CLOSE BECAUSE WHAT WE'RE DOING IS—WE'RE LOOKING AT THE PREVIOUS HISTORY OF COLLECTIONS. AND BASED ON THAT, WE'RE IN LINE. AND WE'VE DONE A PRETTY GOOD JOB IN RECORDING AND ESTIMATING THOSE

RECEIVABLES. I HAVE SOME OTHER INFORMATION I'D LIKE TO DISCUSS. DURING FISCAL YEAR '20, THE PLEDGED TOBACCO SETTLEMENT REVENUES WAS \$11 MILLION LESS THAN EXPECTED. AND WHEN I SAY \$11 MILLION LESS THAN EXPECTED, I MEAN FROM THE ORIGINAL PROJECTIONS THAT WERE DONE WHEN WE ACTUALLY DID THE REFUNDING THROUGH OUR REPORTS—OUR FORECAST REVENUE, FORECAST REPORTS THAT WE USE FOR THE REFUNDING. SO THE SHORTFALL OF THE PLEDGED TSRS THAT THIS, AGAIN, WAS CAUSED BY THE ADJUSTMENT FOR THE TOBACCO—FOR THE PACKS OF CIGARETTES THAT SOLD IN INDIAN RESERVATIONS. AND THAT'S GOING TO CAUSE US TO ACTUALLY DO ANOTHER DRAW IN A SUBORDINATE RESERVE ACCOUNT OF \$11 MILLION, WHICH WAS EXPECTED IN 2020. AND JUST SO ANYONE WHO'S DOING ANY RECORD KEEPING, THE FISCAL YEAR END TO DATE OF THE DRAWS WE'VE DONE SO FAR IS \$19 MILLION AND WITH ANOTHER EXPECTED \$11 MILLION IN DECEMBER OF 2020. WITH THAT SAID, I AM OPENING UP THE PHONE FOR ANY QUESTIONS THAT WE HAVE ON THE FINANCIAL STATEMENTS. ANY QUESTIONS?

>> NO?

>> HEARING NONE, I WILL TURN IT OVER TO MR. RUPPEL, WARREN, FOR YOUR PRESENTATION.

>> OK, THANKS, BOB. I REMEMBERED TO BE OFF MUTE THIS TIME. I GOT SOME REQUIRED COMMUNICATIONS TO GO THROUGH AS A RESULT OF THE AUDIT. SO IF YOU COULD TURN TO PAGE 9 OF 58 OF THE PDF, WHICH IS THE SECOND TAB. WE'RE SUBSTANTIALLY COMPLETED WITH THE AUDIT. WE EXPECT TO ISSUE AN UNMODIFIED OR CLEAN OPINION ON THE FINANCIAL STATEMENTS SUBJECT TO THAT SHORT LIST OF OPEN ITEMS THAT ARE LISTED HERE. AND, CERTAINLY, WE SHOULD BE ABLE TO ISSUE THE FINANCIAL STATEMENTS WELL BEFORE THE SEPTEMBER 30TH DUE DATE. ACCOUNTING PRINCIPLES THIS YEAR WITHIN TSASC ARE ESSENTIALLY THE SAME. THERE'S NO CHANGES. SIGNIFICANT ESTIMATES AND JUDGMENTS THAT ARE INHERENT IN THE FINANCIAL STATEMENTS, BOB HAD ALREADY MENTIONED THAT THE TSR RECEIVABLE THAT'S RECORDED FOR THE PERIOD FROM JANUARY 1ST TO JUNE 30TH, WE'LL TAKE A LOOK AT THAT ESTIMATE WITH THE RETROSPECTIVE REVIEWS ON HOW THE PRIOR ESTIMATES HELD UP. AND, YOU KNOW, WE'RE COMFORTABLE WITH THE ESTIMATE THAT'S RECORDED. WE DIDN'T HAVE ANY ADJUSTING JOURNAL ENTRIES BASED ON THE FINANCIAL STATEMENTS OR ANY ADJUSTMENTS THAT WERE NOT RECORDED BECAUSE THEY WERE DEEMED TO BE IMMATERIAL. IN TERMS OF SIGNIFICANT ISSUES DISCUSSED WITH MANAGEMENT, THERE WERE NONE THAT ARE REPORTED HERE BUT CONVERSATIONS WE HAD—TWO OF THEM, REALLY. ONE REVOLVED AROUND COVID-19 DISCLOSURES. AND IF YOU LOOK AT THE MD&A, YOU COULD SEE THAT THERE'S A BRIEF PARAGRAPH ABOUT—BASICALLY SAYING THAT THERE'S REALLY NO WAY TO PREDICT THE IMPACT OF COVID-19 ON TOBACCO SETTLEMENT REVENUES. I'VE READ THAT CIGARETTE SMOKING IS INCREASING DURING THE PANDEMIC, BUT, YOU KNOW, WHO KNOWS? SO WE KIND OF DISCUSSED IT WITH BOB, AND WE THOUGHT IT WAS APPROPRIATE THAT THERE WOULD BE SOME DISCUSSION IN THE MANAGEMENT'S DISCUSSION AND ANALYSIS. WE ALSO HAD A CONVERSATION REGARDING THE DRAWS ON THE SUBORDINATE LIQUIDITY FUND. AND YOU'LL NOTICE, IF YOU LOOK IN THE FINANCIAL STATEMENTS, THERE'S A DETAILED DISCUSSION OF THE DRAWS THAT OCCURRED OVER THE PAST 3 YEARS. THE DRAW THAT'S ANTICIPATED IN DECEMBER OF 2020 IS \$11 MILLION. AND THAT WOULD LEAVE ONLY ABOUT \$11 MILLION LEFT IN THE LIQUIDITY RESERVE. SO WE HAD SOME CONVERSATIONS IN TERMS OF WHAT WOULD HAPPEN TO TSASC IF, YOU KNOW, GOING BEYOND THAT, YOU DIDN'T MAKE—YOU WEREN'T ABLE TO MAKE THOSE SUBORDINATED DEBT SERVICE PAYMENTS. WE GOT A LETTER FROM THE BOND COUNSEL WHICH BASICALLY SAYS THAT THOSE SUBORDINATED DEBT PAYMENTS WOULD BE MADE AS REVENUES BECOME AVAILABLE, WHICH MEANS THAT THEY WOULDN'T

BE CONSIDERED IN EVENT OF DEFAULT, AND ALL THE BONDS WOULDN'T BECOME DUE, WHICH GAVE US SOME COMFORT IN NOT REPORTING ANYTHING IN OUR AUDITORS' REPORT IN AN EMPHASIS OF MATTER PARAGRAPH REGARDING ANY GOING CONCERN, CONSIDERATIONS FOR TSASC. SO I WANTED TO CALL IT TO YOUR ATTENTION THAT WE HAD THOSE CONVERSATIONS. WE KIND OF WOUND UP IN A PLACE THAT WE'RE COMFORTABLE WITH, BUT I THOUGHT IT WAS WORTH MENTIONING. ITEM 8, WE HAD NO DISAGREEMENTS WITH MANAGEMENT OF DIFFICULTIES IN PERFORMING THE AUDIT. WE DIDN'T DETECT ANY FRAUD OR LEGAL ACTIVITIES. WE ALSO DIDN'T DETECT ANY MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL, NOR DO WE HAVE ANY BEST PRACTICE RECOMMENDATIONS FOR YOU TO CONSIDER. WE'RE NOT AWARE OF ANY CONSULTATION WITH OTHER ACCOUNTANTS. WE CONFIRM THAT WE'RE INDEPENDENT. WE HAVE A LITTLE DISCUSSION HERE--ON PAGE 13 ABOUT THE COVID-19 AS WELL AS, AS I MENTIONED, SOMETHING IN MD&A RELATED TO THAT. THE BALANCE—WE ALSO PROVIDED DRAFTS OF THE REPRESENTATION LETTER THAT WE'LL BE ASKING MANAGEMENT TO SIGN. THAT'S ONE OF THOSE OPEN ITEMS THAT I MENTIONED BEFORE. THE OTHER REPORTS THAT ARE INCLUDED IN THIS PRESENTATION ARE A LETTER THAT STATES THAT THERE ARE NO MATERIAL WEAKNESSES IN INTERNAL CONTROL. IT'S ESSENTIALLY A MANAGEMENT LETTER. THERE'S AN INVESTMENT COMPLIANCE REPORT THAT REPORTS NO DEVIATIONS OR EXCEPTIONS THAT WE NOTED FROM INVESTMENTS AS PART OF YOUR INVESTMENT GUIDELINES. AND ALSO THE GOVERNMENT AUDITING STANDARDS REPORT ON COMPLIANCE AND INTERNAL CONTROL RELATIVE TO THE PREPARATION OF FINANCIAL STATEMENTS, AND THERE ARE NO FINDINGS RECORDED IN THAT REPORT. SO WITH THAT, I'D BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MIGHT HAVE.

>> DOES ANYBODY HAVE ANY QUESTIONS FOR MR. RUPPEL?

>> NO, THANK YOU.

>> HEARING NONE, THE NEXT ITEM ON THE AGENDA IS A RESOLUTION WHICH WOULD RECOMMEND TO THE BOARD OF DIRECTORS THE ACCEPTANCE OF THE INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS FOR THE 15 YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019. ARE THERE ANY ADDITIONAL COMMENTS OR QUESTIONS FOR OUR AUDITORS OR FOR THE CORPORATION'S COMPTROLLER? SO I'LL NOW CALL THE ROLL FOR A VOTE. MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, MICHAEL STERN, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS A RESOLUTION WHICH WOULD APPROVE THE AUDIT COMMITTEE'S CHARTER. PURSUANT TO THE AUDIT COMMITTEE'S CHARTER SECTION III(S) AND (U), THE COMMITTEE IS REQUIRED TO ANNUALLY REVIEW AND APPROVE ITS CHARTER. NO CHANGES ARE PROPOSED AT THIS TIME. ARE THERE ANY COMMENTS OR QUESTIONS?

>> NOPE.

>> HEARING NONE, I WILL CALL THE ROLL FOR A VOTE. MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, MICHAEL STERN, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE ANNUAL REVIEW COMMITTEE'S SCHEDULE OF DATES. THIS IS A REVIEW ITEM ONLY, AND NO VOTE IS REQUIRED. NO CHANGES ARE PROPOSED AT THIS TIME. ARE THERE ANY QUESTIONS OR COMMENTS?

>> NOPE.

>> OK, IF THERE'S NO FURTHER BUSINESS BEFORE THE COMMITTEE, I WILL NOW CALL THE ROLL FOR A VOTE ON ADJOURNMENT. MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, MICHAEL STERN, VOTE IN FAVOR OF ADJOURNMENT. THANK YOU FOR YOUR PARTICIPATION. THE AUDIT COMMITTEE MEETING IS NOW ADJOURNED. WE WILL NOW MOVE ON TO THE GOVERNANCE COMMITTEE, WHICH IS CHAIRED BY MR. RODRIGUEZ.

>> AL?

>> OH, HI. SORRY. I KEEP HAVING PROBLEMS WITH MY MUTE. GOOD MORNING, EVERYBODY. I'M AL RODRIGUEZ, CHAIR OF THE GOVERNANCE COMMITTEE OF TSASC. I'M FUNCTIONING IN MY CAPACITY AS A PROXY FOR THE CORPORATION COUNSEL JAMES JOHNSON. I'D LIKE TO CONVENE THE MEETING OF THE GOVERNANCE COMMITTEE. AND, RITA, WOULD YOU PLEASE CALL THE ROLL FOR ATTENDANCE?

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG?

>> JAY OLSON FOR MELANIE HARTZOG.

>> SCOTT STRINGER?

>> MICHAEL STERN FOR SCOTT STRINGER.

>> JAMES JOHNSON?

>> AL RODRIGUEZ FOR JAMES JOHNSON.

>> JACQUES JIHA?

>> ROBIN LEE FOR COMMISSIONER JIHA.

>> WE HAVE A QUORUM.

>> ALL RIGHT. THE FIRST ITEM ON OUR AGENDA IS A RESOLUTION TO APPROVE THE MINUTES OF THE COMMITTEE'S LAST MEETING, WHICH TOOK PLACE ON MAY 11, 2020. THE MINUTES HAVE BEEN CIRCULATED FOR REVIEW BY THE COMMITTEE. ARE THERE ANY QUESTIONS OR CORRECTIONS REGARDING THE MINUTES? HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, AL RODRIGUEZ, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION APPROVING THE MINUTES IS HEREBY ADOPTED. NEXT IS A SELF-EVALUATION OF COMMITTEE FUNCTIONS AND A REVIEW OF THE COMMITTEE'S ACTIONS IN THE PREVIOUS FISCAL YEAR, MEANING FISCAL YEAR 2020. THE COMMITTEE MUST ANNUALLY CONDUCT A SELF-EVALUATION PURSUANT TO SECTION III(G) OF THE GOVERNANCE COMMITTEE CHARTER. A REPORT HAS BEEN PROVIDED TO THE COMMITTEE WITH A LIST OF THE COMMITTEE'S ACTIONS IN THE PREVIOUS FISCAL YEAR. THE PROPOSED RESOLUTION WOULD EXPRESS THE COMMITTEE'S OPINION THAT ITS FUNCTIONING IS SATISFACTORY AND AUTHORIZES ME, AS CHAIR OF THE COMMITTEE, TO PRESENT THE RESULTS OF THE SELF-EVALUATION TO THE BOARD OF DIRECTORS. ARE THERE ANY COMMENTS OR QUESTIONS ABOUT THAT, ANY OF THAT? NOPE?

>> NO.

>> NOT HEARING ANY QUESTIONS, I WILL NOW CALL THE ROLL FOR A VOTE ON THE RESOLUTION. MR. OLSON, HOW DO YOU VOTE?

>> IN THE AFFIRMATIVE.

>> THANK YOU. MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, AL RODRIGUEZ, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY ADOPTED. THE NEXT ITEM ON THE AGENDA IS A REVIEW OF THE CORPORATION'S COMPENSATION AND BENEFITS EXPENSES AS REQUIRED BY SECTION III(i) OF THE GOVERNANCE COMMITTEE CHARTER. THIS IS A REVIEW ITEM ONLY. NO VOTE IS REQUIRED. THE PARAGRAPH IN THE FOLDERS STATES THAT THE

CORPORATION HAS NO EMPLOYEES AND DESCRIBES THE TOTAL COMPENSATION THAT THE CORPORATION REIMBURSES THE OTHER ENTITIES FOR PERSONAL SERVICES PROVIDED TO THE CORPORATION. ARE THERE ANY QUESTIONS REGARDING THE REPORT?

>> NOPE.

>> OK, THANK YOU. IF THERE'S NO FURTHER BUSINESS BEFORE THE COMMITTEE, I WILL NOW CALL THE ROLL FOR A VOTE FOR ADJOURNMENT. MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, AL RODRIGUEZ, VOTE IN FAVOR. THANK YOU, ALL, FOR YOUR PARTICIPATION. THE GOVERNANCE COMMITTEE MEETING IS NOW ADJOURNED. WE WILL NOW MOVE ON TO THE BOARD OF DIRECTORS MEETING, WHICH IS CHAIRED BY MR. OLSON.

>> GUTEN TAG. I REMAIN JAY OLSON, ASSISTANT ALTERNATE FOR BUDGET DIRECTOR MELANIE HARTZOG, CHAIR OF THE BOARD OF DIRECTORS OF TSASC. I WILL NOW CALL TO ORDER A MEETING OF THE BOARD OF DIRECTORS. MS. PASARELL?

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG?

>> JAY OLSON FOR MELANIE HARTZOG.

>> SCOTT STRINGER?

>> MICHAEL STERN FOR COMPTROLLER STRINGER.

>> JAMES JOHNSON?

>> AL RODRIGUEZ FOR JAMES JOHNSON.

>> JACQUES JIHA?

>> ROBIN LEE FOR COMMISSIONER JIHA.

>> WE HAVE A QUORUM.

>> THANK YOU. FIRST UP ON THE AGENDA IS A RESOLUTION APPROVING THE MINUTES OF THE LAST MEETING OF THE BOARD. THE MINUTES HAVE BEEN CIRCULATED FOR THE BOARD'S APPROVAL. ARE THERE ANY COMMENTS, CHANGES, OR QUESTIONS? HEARING NONE, I WILL CALL THE ROLL FOR A VOTE. MR. STERN?

>> IN FAVOR.

>> MS. LEE?

>> IN FAVOR.

>> MR. RODRIGUEZ?

>> IN FAVOR.

>> I, JAY OLSON, VOTE IN FAVOR OF THE PROPOSED RESOLUTION, AS WELL. THE MINUTES ARE HEREBY APPROVED. NEXT ITEM ON THE AGENDA IS THE ACCEPTANCE OF THE CORPORATION'S INDEPENDENT AUDITORS' REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019. APPROVAL OF THIS REPORT AND THE FINANCIAL STATEMENTS HAS BEEN RECOMMENDED BY THE AUDIT COMMITTEE AFTER THEIR MEETING WITH THE INDEPENDENT AUDITORS AND MANAGEMENT. ARE THERE ANY COMMENTS, SUGGESTED CHANGES, OR QUESTIONS? HEARING NONE, I'D LIKE TO CALL THE ROLL FOR A VOTE. MR. STERN?

>> IN FAVOR.

>> MS. LEE?

>> IN FAVOR.

>> MR. RODRIGUEZ?

>> IN FAVOR.

>> AND I, JAY OLSON, HAPPY TO JOIN MY COLLEAGUES IN VOTING IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. NEXT UP ON THE AGENDA IS THE REVIEW AND AUTHORIZATION FOR PRESENTATION TO THE MEMBERS OF THE CORPORATION'S ANNUAL REPORT. PURSUANT TO SECTION 519 OF THE NOT-FOR-PROFIT CORPORATION LAW, THE REPORT INCLUDES ASSETS AND LIABILITIES FOR THE CORPORATION, PRINCIPAL CHANGES IN THOSE ASSETS AND LIABILITIES, REVENUES OR RECEIPTS, EXPENSES OR DISBURSEMENTS, AND INFORMATION ABOUT THE MEMBERS OF THE CORPORATION. THE PROPOSED RESOLUTION WOULD AUTHORIZE THE SUBMITTAL OF THIS REPORT TO THE MEMBERS OF THE CORPORATION. ARE THERE ANY COMMENTS OR SUGGESTED CHANGES OR QUESTIONS? HEARING NONE, I'D LIKE TO CALL A ROLL FOR THE VOTE. MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, TOO, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. MOVING RIGHT ALONG, THE NEXT ITEM IS THE REVIEW AND APPROVAL OF THE CORPORATION'S INVESTMENT GUIDELINES. THE INVESTMENT GUIDELINES MUST BE REVIEWED ANNUALLY. THERE ARE VERY MINOR CHANGES PROPOSED AT THIS TIME. ARE THERE ANY COMMENTS OR SUGGESTED CHANGES OR QUESTIONS? HEARING NONE, I WILL CALL THE ROLL FOR A VOTE. MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ?

>> IN FAVOR.

>> AND I, JAY OLSON, ALSO VOTE IN FAVOR OF THE PROPOSED RESOLUTION. AS SUCH, THE RESOLUTION IS HEREBY APPROVED. NEXT UP IS THE REVIEW AND APPROVAL OF THE CORPORATION'S INVESTMENT REPORT. PURSUANT TO SECTION 2925(6) OF THE PUBLIC AUTHORITY'S LAW, THE CORPORATION IS REQUIRED ANNUALLY TO PREPARE AND APPROVE AN INVESTMENT REPORT. IT CONTAINS THE INVESTMENT GUIDELINES, INDEPENDENT AUDIT OF INVESTMENTS, AN INVESTMENT INCOME RECORD OF THE CORPORATION, A LIST OF FEES, COMMISSIONS, OR OTHER CHARGES PAID BY THE CORPORATION FOR INVESTMENT SERVICES. THE PROPOSED RESOLUTION WOULD APPROVE THE INVESTMENT REPORT. ARE THERE ANY COMMENTS OR SUGGESTED CHANGES OR QUESTIONS? HEARING NONE, I WILL CALL A ROLL FOR THE VOTE. MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, JAY OLSON, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. AS SUCH, THE RESOLUTION IS HEREBY APPROVED. MOVING ALONG, THE NEXT ITEM ON THE AGENDA IS APPROVAL OF APPOINTMENT FOR THE CORPORATION'S DEPUTY TREASURER AND ASSISTANT TREASURER. LAURA TARBOX HAS SERVED AS THE CORPORATION'S ASSISTANT TREASURER SINCE 2014. SARAH LUM HAS WORKED WITH THE CORPORATION'S STAFF SINCE 2016 IN HER ROLE IN THE FIN. POLICY UNIT OF OMB. THE CORPORATION'S STAFF, INCLUDING ME, OF COURSE, BELIEVE THAT MS. TARBOX AND LUM ARE HIGHLY QUALIFIED TO TAKE ON THE ROLES OF DEPUTY AND ASSISTANT TREASURER. I WON'T ELABORATE FURTHER AS YOU ALL HAVE HEARD MY COMMENTS IN A PRIOR MEETING. THE BIOGRAPHIES OF MS. TARBOX AND MS. LUM HAVE BEEN PROVIDED FOR THE BOARD. THE PROPOSED RESOLUTION WOULD APPROVE THESE APPOINTMENTS. ARE THERE ANY COMMENTS OR SUGGESTED CHANGES OR QUESTIONS?

>> CONGRATULATIONS TO LAURA AND SARAH. VERY WELL DESERVED.

>> THANK YOU, MR. STERN. AS SUCH, I WILL NOW CALL THE ROLL FOR A VOTE. MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> VERY MUCH IN FAVOR.

>> MR. RODRIGUEZ?

>> IN FAVOR.

>> AND I, JAY OLSON, VOTE YES, YES, A THOUSAND TIMES YES. AS SUCH, THE RESOLUTION IS HEREBY APPROVED. NEXT UP IS A REPORT OF THE GOVERNANCE COMMITTEE CHAIR PURSUANT TO THE GOVERNANCE COMMITTEE CHARTER SECTION III(J). AL RODRIGUEZ, CHAIR OF THE GOVERNANCE COMMITTEE, WILL PRESENT THE RESULTS OF THE COMMITTEE'S SELF-EVALUATION FROM THE COMMITTEE'S MEETING EARLIER TODAY. MR. RODRIGUEZ, IF YOU WOULD, PLEASE.

>> THANK YOU, JAY. THE GOVERNANCE COMMITTEE CONDUCTED A SELF-EVALUATION. AND IT SOUNDS THAT IT IS FUNCTIONING IN A SATISFACTORY MANNER CONSISTENT WITH ITS CHARTER. A REPORT OF THE COMMITTEE'S ACTIONS IN THE PREVIOUS FISCAL YEAR ARE INCLUDED IN TODAY'S BOARD MATERIALS. IF THERE'S ANY QUESTIONS OR COMMENTS, PLEASE SPEAK UP.

>> NOTHING FROM ME, SIR.

>> OK, THANK YOU. THANK YOU.

>> THANK YOU, SIR. THANK YOU. IF THERE ARE NO FURTHER BUSINESS TO BE BROUGHT BEFORE THE BOARD, I WILL NOW CALL THE ROLL FOR ADJOURNMENT. MR. STERN?

>> IN FAVOR.

>> MS. LEE?

>> IN FAVOR.

>> MR. RODRIGUEZ?

>> IN FAVOR.

>> AND I, JAY OLSON, VOTE IN FAVOR OF ADJOURNING. THANK YOU, ALL, FOR YOUR PARTICIPATION ON THE BOARD OF DIRECTORS MEETING. IT IS NOW ADJOURNED. AND WE WILL MOVE ON TO A MEETING OF THE MEMBERS, WHICH I ALSO CHAIR. MOVING RIGHT ALONG, APOLOGIES FOR BEING TRITE. I PERSIST IN BEING JAY OLSON. I WILL NOW CONVENE A MEETING OF THE MEMBERS OF TSASC. MS. PASARELL?

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG?

>> JAY OLSON FOR MELANIE HARTZOG.

>> SCOTT STRINGER?

>> MICHAEL STERN FOR SCOTT STRINGER.

>> JAMES JOHNSON? AL, IF YOU'RE ON MUTE, WE DON'T HEAR YOU. JAMES JOHNSON?

>> WE MAY HAVE HEARD A DROP-OFF. AND, HOPEFULLY, THAT WASN'T AL. DEB, ARE WE ABLE TO PROCEED OR, UH, SHALL WE...

>> YEAH, WE HAVE A QUORUM. I THINK IT WAS AL. WE DO HAVE A QUORUM, THOUGH.

>> OK. JACQUES JIHA?

>> ROBIN LEE FOR COMMISSIONER JIHA.

>> WE HAVE A QUORUM.

>> ALL RIGHT. WELL, WE ALL WILL PROFOUNDLY MISS AL'S PARTICIPATION, BUT WE MUST—CARRY ON. THE FIRST ITEM ON THE AGENDA IS A RESOLUTION APPROVING THE MINUTES OF THE MEETING OF THE MEMBERS WHICH TOOK PLACE JUNE 26, 2020. THE MINUTES HAVE BEEN CIRCULATED FOR THE REVIEW BY THE MEMBERS. ARE THERE ANY QUESTIONS, COMMENTS, OR SUGGESTED CORRECTIONS? HEARING NONE, I'D LIKE TO CALL A ROLL FOR A VOTE. MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> I, JAY OLSON, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. AS SUCH, THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. MOVING ALONG, THE NEXT ITEM ON THE AGENDA IS THE RECEIPT AND ACCEPTANCE OF THE ANNUAL REPORT TO THE MEMBERS. SECTION 519 OF THE NEW YORK NOT-FOR-PROFIT CORPORATION LAW REQUIRES THAT THE BOARD OF DIRECTORS OF NOT-FOR-PROFIT CORPORATIONS PRESENT AN ANNUAL REPORT RELATING TO THE FINANCIAL CONDITIONS--TO THE MEMBERS OF SUCH CORPORATIONS AT THEIR ANNUAL MEETING. THAT'S QUITE A MOUTHFUL. THE BOARD OF DIRECTORS HAVE AUTHORIZED THE RELEASE OF THIS REPORT TO THE MEMBERS. THE PROPOSED RESOLUTION WOULD ACCEPT THIS ANNUAL REPORT. ARE THERE ANY DISCUSSIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR THE VOTE. MR. STERN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, JAY OLSON, HAPPY TO JOIN YOU IN VOTING IN FAVOR OF THE PROPOSED RESOLUTION. AS SUCH, THE RESOLUTION IS HEREBY APPROVED. IF THERE'S NO FURTHER BUSINESS BEFORE THE MEMBERS OF THE CORPORATION, I WILL NOW CALL THE ROLL FOR A VOTE TO ADJOURN. MR. STERN?

>> IN FAVOR.

>> MS. LEE?

>> IN FAVOR.

>> I, JAY OLSON, HAPPY TO JOIN YOU IN FAVOR OF VOTING FOR ADJOURNMENT. THANK YOU, ALL, VERY MUCH FOR YOUR PARTICIPATION. THE MEMBER MEETING IS NOW ADJOURNED. DEB, IS THERE ANYTHING ELSE?

>> NO. THANK YOU, ALL, SO MUCH.

>> THANK YOU.

>> AND WE'LL BE BACK SHORTLY FOR TFA.

>> THANK YOU, ALL, SO MUCH. PEACE.

[COMPUTER CHIMES]