

TSASC, Inc.,

Members, Governance, Audit and Board of Directors Meetings

April 28, 2022

>>GOOD AFTERNOON. I'M DAVID WOMACK, PROXY HOLDER FOR THE CITY'S BUDGET DIRECTOR JACQUES JIHA. BEFORE WE BEGIN, I'D LIKE TO ASK THAT EVERYONE KEEP THEIR PHONES ON MUTE FOR THE DURATION OF THIS AFTERNOON'S CALLS UNLESS THEY'RE SPEAKING. I'LL NOW CALL THE MEETING TO ORDER. A MEETING OF THE MEMBERS. JASMINE, COULD YOU PLEASE CALL THE ROLL?

>> CONDUCTING THE ROLL CALL. JACQUES JIHA.

>> DAVID WOMACK FOR DIRECTOR JIHA.

>> BRAD LANDER.

>> MARJORIE HENNING FOR THE COMPTROLLER--

>> SYLVIA HINDS-RADIX.

>> AL RODRIGUEZ FOR SYLVIA HINDS-RADIX.

>> ADRIENNE ADAMS.

>> HECTOR FOR ADRIENNE ADAMS.

>> THANK YOU. WE HAVE A QUORUM.

>> THANK YOU, JASMINE. THE FIRST ITEM ON THE AGENDA IS THE APPROVAL OF THE MINUTES OF THE MEMBERS' LAST MEETING. THE MINUTES HAVE BEEN CIRCULATED FOR REVIEW. ARE THERE ANY COMMENTS, QUESTIONS, OR SUGGESTED CORRECTIONS? HEARING NONE, I'LL CALL THE ROLL FOR A VOTE MS. HENNING, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE PROPOSED RESOLUTION THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE ELECTION OF ALTERNATE DIRECTORS. EACH MEMBERSHIP CLASS BY PROXY IS ENTITLED TO ELECT AN ALTERNATE DIRECTOR TO REPRESENT THEM AT THE COMMITTEE AND BOARD OF DIRECTOR MEETINGS. MS. HENNING, AS THE PROXY HOLDER FOR COMPTROLLER OF THE CITY OF NEW YORK, IS ENTITLED TO ELECT HERSELF AS AN ALTERNATE DIRECTOR. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> BOY, WHAT A SURPRISE. [LAUGHS] MR. RODRIGUEZ, AS THE PROXY HOLDER FOR THE CITY'S CORPORATION COUNSEL, IS ENTITLED TO ELECT HIMSELF AS AN ALTERNATIVE DIRECTOR--ALTERNATE DIRECTOR. MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ IS HEREBY SO ELECTED. MR. GERMAN, AS THE PROXY HOLDER FOR CITY COUNCIL SPEAKER, IS ENTITLED TO ELECT HIMSELF AS AN ALTERNATE DIRECTOR. MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN IS HEREBY SO ELECTED. OK. LET'S SEE. IF THERE IS--HAS MS. BEINART JOINED US?

>> NO.

>> SHE HAS NOT. OK. IF THERE IS NO FURTHER BUSINESS BEFORE THE MEMBERS, I'LL CALL THE ROLL FOR A VOTE TO ADJOURN. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF ADJOURNMENT. THANK YOU FOR YOUR PARTICIPATION. THE MEETING OF THE MEMBERS IS HEREBY ADJOURNED. WE'LL

MOVE ON TO THE AUDIT COMMITTEE MEETING, WHICH WILL BE CHAIRED BY MS. HENNING.

>> THANK YOU, DAVID. GOOD AFTERNOON. I AM MARJORIE HENNING, ALTERNATE DIRECTOR FOR COMPTROLLER LANDER AND CHAIR OF THE AUDIT COMMITTEE OF TSASC, INC. I WOULD LIKE TO CONVENE THE MEETING BY ASKING FOR THE ROLL TO BE CALLED FOR ATTENDANCE. JASMINE?

>> CONDUCTING THE ROLL CALL. JACQUES JIHA.

>> DAVID WOMACK FOR DIRECTOR JIHA.

>> BRAD LANDER.

>> MARJORIE HENNING FOR COMPTROLLER LANDER.

>> SYLVIA HINDS-RADIX.

>> AL RODRIGUEZ FOR SYLVIA HINDS-RADIX.

>> ADRIENNE ADAMS.

>> HECTOR GERMAN FOR ADAMS.

>> THANK YOU. WE HAVE A QUORUM.

>> THANK YOU, JASMINE. THE FIRST ITEM ON THE AGENDA IS APPROVAL OF THE MINUTES OF THE COMMITTEE'S LAST MEETING. THE MINUTES HAVE BEEN CIRCULATED FOR REVIEW BY THE COMMITTEE. ARE THERE ANY COMMENTS OR CORRECTIONS? HEARING NONE, I WILL CALL THE ROLL FOR A VOTE. MR. WOMACK, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. BEINART IS NOT PRESENT. MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF APPROVING THE MINUTES. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS A SELF-EVALUATION AND REVIEW OF THE COMMITTEE'S ANNUAL REPORT. THE COMMITTEE IS REQUIRED TO CONDUCT AN ANNUAL SELF-EVALUATION AND PROVIDE THE RESULTS OF THAT EVALUATION TO THE BOARD

OF DIRECTORS. THE REPORT OUTLINES THE COMMITTEE'S ACTIONS DURING CALENDAR YEAR 2021. THE PROPOSED RESOLUTION EXPRESSES THE COMMITTEE'S BELIEF THAT IT IS FUNCTIONING IN A SATISFACTORY MANNER AND APPROVES PRESENTING THE RESULTS OF THIS SELF-EVALUATION TO THE BOARD OF DIRECTORS. ARE THERE ANY QUESTIONS OR COMMENTS? HEARING NONE, I WILL CALL THE ROLL FOR A VOTE. MR. WOMACK, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE REVIEW OF THE CORPORATION'S INTERNAL CONTROLS MANUAL. THIS IS A REVIEW ITEM ONLY AND THERE WILL BE NO VOTE. THERE HAVE BEEN UPDATES TO THE POLICY AND A BLACK-LINED COPY HAS BEEN PROVIDED. THE COMPTROLLER OF—THE COMPTROLLER OF TSASC, ROBERT BALDUCCI, IS AVAILABLE TO ANSWER ANY QUESTIONS. DOES ANYONE HAVE ANY QUESTIONS FOR MR. BALDUCCI—BALDUCCI ON THE INTERNAL CONTROLS MANUAL? HEARING NONE, THANK YOU VERY MUCH. NO RESOLUTION IS REQUIRED. WE WILL MOVE ON. THE FINAL ITEM ON THE AGENDA IS A PRESENTATION BY THE CORPORATION'S PRESUMPTIVE INDEPENDENT AUDITORS. PRESUMING THE BOARD OF DIRECTORS APPROVES THE ASSIGNMENT OF THE CORPORATION'S CONTRACT WITH MARKS PANETH TO MAYER HOFFMAN, WHO RECENTLY ACQUIRED MARKS PANETH'S ATTEST AUDIT SERVICES, WARREN RUPPEL AND DAN McELWEE ARE HERE TO PRESENT THEIR PLAN FOR THE AUDIT OF THE FINANCIAL STATEMENTS FOR FISCAL YEAR 2022. MR. BALDUCCI, THE CORPORATION'S COMPTROLLER, IS HERE TO INTRODUCE THE AUDITORS. MR. BALDUCCI, THE FLOOR IS YOURS.

>> GOOD AFTERNOON. SO, I'M GOING TO--I'M JUST GOING TO TURN IT OVER TO WARREN AND IF ANYONE HAS ANY QUESTIONS AFTER HIS PRESENTATION, WE'LL BE HAPPY TO ANSWER. WELCOME, WARREN.

>> THANKS, BOB. SO, I'M GOING TO GO THROUGH THE PRESENTATION BRIEFLY THAT HAS BEEN DISTRIBUTED. I'LL REFER TO SLIDE NUMBERS AS WE GO ALONG. IT'S A LITTLE BIT DIFFERENT THIS YEAR AS IN--FROM PRIOR YEARS. THOSE OF YOU WHO HAVE SAT THROUGH MY PRESENTATIONS BEFORE. ONE,

BECAUSE THE FORMAT IS A LITTLE BIT DIFFERENT UNDER THE FIRM WE MERGED WITH, MAYER HOFFMAN McCANN, AND THE SECOND BECAUSE THERE'S A NEW AUDITING STANDARD, STATEMENT NUMBER 134, WHICH REQUIRES US TO DISCUSS A FEW MORE THINGS WITH AUDIT COMMITTEES PRIOR TO THE START OF THE AUDIT. SO, THAT'S A LITTLE DIFFERENT. THE SUBSTANCE OF THE AUDIT IS BASICALLY THE SAME. OPPORTUNITY FOR US TO MEET WITH THE AUDIT COMMITTEE PRIOR TO THE START OF THE AUDIT TO MAKE SOME FRAUD INQUIRIES OF YOU, ASK ANY--FOR ANY INPUT INTO THE AUDIT PROCESS, AND TO, YOU KNOW, JUST MAKE OURSELVES AVAILABLE FOR ANY OTHER INFORMATION YOU'D LIKE FROM US. SO, JUST GOING THROUGH, THE ENGAGEMENT TEAM, YOU KNOW, WE'RE--HAVE A MERGER. IT'S BASICALLY THE SAME TEAM THAT'S IN PLACE FOR THIS YEAR. OBVIOUSLY, YOU HAVE A REPORTING DEADLINE OF SEPTEMBER 30TH AND WE WILL GEAR THE AUDIT WORK TO MAKE SURE THAT WE ENABLE YOU TO MEET THAT DATE. WE WANT TO START THE FIELD WORK IN THE MIDDLE OF AUGUST AND COMPLETE IT IN SEPTEMBER AND MEET BACK WITH THE AUDIT COMMITTEE IN SEPTEMBER TO REPORT THE RESULTS OF THE AUDIT. WE PERFORM THE AUDIT IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED AUDITING STANDARDS AS WELL AS GOVERNMENT AUDITING STANDARDS. THAT'S SLIDE 4 OF THE PRESENTATION. IN THE PAST, I'VE ALWAYS TALKED ABOUT THE RESPONSIBILITY FOR MANAGEMENT PREPARING THE FINANCIALS, WHICH BOB AND HIS TEAM TAKE, REALLY, FULL RESPONSIBILITY FOR, BUT THERE'S REALLY OTHER RESPONSIBILITIES FOR MANAGEMENT THAT THIS NEW AUDITING STANDARD'S REQUIRING US TO DISCUSS WITH YOU, SO, THOSE ARE LISTED OUT ON SLIDE NUMBER 5. JUST A LITTLE BIT MORE DETAILED BESIDES THE FINANCIAL STATEMENTS. YOU'RE RESPONSIBLE FOR INTERNAL CONTROLS, FOR COMPLIANCE WITH LAWS AND OTHER MATTERS, ETC. SO, JUST A LITTLE BIT MORE DETAIL OF WHAT WAS REALLY ALREADY PART OF YOUR RESPONSIBILITY. THE END OF THE AUDIT, WE ISSUE AN OPINION ON THE FINANCIAL STATEMENTS. WE HAVE THIS PRE-AUDIT MEETING AND POST-AUDIT MEETING AS PART OF OUR SCOPE. IF WE HAVE ANY [INDISTINCT] COMMENTS, WE'LL REPORT THEM TO YOU. WE ISSUE OUR REPORTS--WE'LL ISSUE ADDITIONAL REPORTS THAT ARE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND WE'LL ISSUE A REPORT ON TSASC COMPLIANCE WITH ITS INVESTMENT GUIDELINES. SO, SLIDE NUMBER 7. BESIDES THE SPECIFIC INTERNAL CONTROLS THAT WE TAKE A LOOK AT DURING THE COURSE OF THE AUDIT, WE REMIND THE AUDIT COMMITTEE THAT WE ALSO LOOK AT SOME OF THE ENTITY-WIDE CONTROLS, CONSIDERATIONS. PEOPLE CALL IT TONE AT THE TOP. IS IT A CONTROL-CONSCIOUS ORGANIZATION OR NOT A CONTROL-CONSCIOUS ORGANIZATION? YOU KNOW, TSASC AND THE OTHER FINANCING

ENTITIES THAT WE HANDLE IN A SIMILAR WAY, WE ALWAYS FIND THAT CONTROL AT THE TOP, THE TONE AT THE TOP TO BE VERY INDICATIVE OR VERY ENABLING IN TERMS OF HAVING GOOD INTERNAL CONTROLS IN PLACE, SO, WE'RE COMFORTABLE WITH THAT. IN TERMS OF OUR ACTUAL AUDIT APPROACH, AGAIN, FOR TSASC, WE CAN FOCUS IN ON CONFIRMATIONS OF VARIOUS ACCOUNTS, THE [INDISTINCT] REVENUES. IT'S A PRUDENT ACCRUAL PIECE, WHICH I'LL TALK ABOUT IN A MINUTE. TO BE CONFIRMED--WE CONFIRM YOUR BONDS, ETC. WE ALSO KIND OF MONITOR THE SITUATION IN TERMS OF YOUR TSASC, DIPPING INTO ITS RESERVES FOR--TO MAKE GOOD ON ITS--SOME OF ITS BOND PAYMENTS. SO, THAT'S SOMETHING THAT WE CONSIDER IN THE COST OF THE AUDIT TO MAKE SURE THAT THAT'S PROPERLY DISCLOSED IN THE FINANCIAL STATEMENTS. I ALREADY MENTIONED--I MENTIONED THE SIGNIFICANT ESTIMATES. REALLY, THE ONLY ONE THAT'S IN TSASC FINANCIAL STATEMENTS. SO, THE TOBACCO SETTLEMENT REVENUES ARE REPORTED ON A CALENDAR YEAR BASIS AND YOU'RE A JUNE 30TH YEAR END, SO, THE PERIOD FROM JANUARY 1ST TO JUNE 30TH IS AN ESTIMATE THAT'S MADE, AND A RECEIVABLE AND CORRESPONDING PAYABLE IS RECORDED IN THE FINANCIAL STATEMENTS FOR TSRS THAT WOULD BE APPLICABLE TO THAT PERIOD. SLIDE 10, THIS NEW AUDITING STANDARDS REQUIRES US TO TALK ABOUT SOME ADDITIONAL AUDIT RISKS THAT ARE INHERENT IN FINANCIAL STATEMENTS. ONE OF THEM IS MANAGEMENT OVERRIDE OF CONTROLS. SO, YOU CAN HAVE A GREAT INTERNAL CONTROL SYSTEM SET UP BUT IF SOMEONE AT A HIGH LEVEL WITHIN THE ORGANIZATION CAN TELL A SUBORDINATE TO, YOU KNOW, OVERRIDE THOSE CONTROLS, THAT'S CALLED MANAGEMENT OVERRIDE OF CONTROLS. SO, THE CERTAIN THINGS WE DO FOR AN AUDIT PERSPECTIVE THAT ARE INCLUDED HERE--FRAUD INQUIRIES, WHICH I'LL DO IN A MINUTE. RETROSPECTIVE REVIEW OF ESTIMATES TO MAKE SURE THAT ANY ESTIMATES THAT ARE BEING MADE ARE REASONABLE. AND WE LOOK AT, YOU KNOW, THE BOARD MINUTES, ETC., TO MAKE SURE WE HAVE A THOROUGH UNDERSTANDING OF WHAT'S GOING ON WITH THE ORGANIZATION. SLIDE 11 TALKS ABOUT OUR ORDERED APPROACH RELATIVE TO FRAUD AND OTHER GOVERNANCE MATTERS. SO, IT'S HERE I'D LIKE TO STOP AND ASK THE AUDIT COMMITTEE MEMBERS WHETHER THEY HAVE ANY KNOWLEDGE OR SUSPICION OF FRAUD AT TSASC AND--OR WHETHER THEY'RE AWARE OF ANY PROVISIONS UNDER THE--ANY ACTIVITY UNDER THE WHISTLEBLOWER PROVISIONS THAT YOU HAVE IN PLACE.

>> NO [INDISTINCT].

>> NO.

>> NO.

>> NO.

>> GREAT. THANK YOU. [INDISTINCT] PRONOUNCEMENTS. THIS YEAR SHOULD BE CONSISTENT. THE CITY IS IMPLEMENTING GASB 87, WHICH IS A LEASE ACCOUNTING STANDARD, BUT IT'S NOT EXPECTED TO REALLY HAVE A SIGNIFICANT IMPACT ON TSASC'S FINANCIAL STATEMENTS. WE WILL REPORT TO YOU ANY ADJUSTMENTS THAT WE MAKE TO THE FINANCIAL STATEMENTS THAT WE RECEIVE OR PROPOSE ANY ADJUSTMENTS TO THE FINANCIAL STATEMENTS THAT WE RECEIVE. I WILL ALSO REPORT ANY MISSTATEMENTS THAT ARE NOT CORRECT BECAUSE THEY WERE DEEMED TO BE IMMATERIAL BY MANAGEMENT. WE HAVE ANY INTERNAL CONTROL DEFICIENCIES THAT RISE TO THE LEVEL OF BEING SIGNIFICANT DEFICIENCIES OR MATERIAL WEAKNESSES, WE'LL REPORT THOSE TO YOU AS SUCH, AND IF WE HAVE ANY BEST PRACTICE RECOMMENDATIONS, WE'LL ALSO REPORT THOSE TO YOU. SLIDE 13 ADDRESSES INDEPENDENCE. SOME OF THE FACTOR--INDEPENDENCE KIND OF CENTERS AROUND, FIRST OF ALL, NON-ATTEST SERVICES, SO, MANAGEMENT PREPARES THE FINANCIAL STATEMENTS, SO, THAT'S NOT A NON-ATTEST SERVICE. THERE'S NO TAX RETURN INVOLVED, SO, THERE'S REALLY NO NON-ATTEST SERVICES, AND WE DO HAVE PROCEDURES IN PLACE, BOTH UNDER THE OLD MARKS PANETH AS WELL AS IN MARKS PANETH--MAYER HOFFMAN McCANN TO MAKE SURE THAT NO INELIGIBLE--NO COVERED PERSON WOULD OWN ANY SECURITIES IN TSASC. SO, LONG WAY OF SAYING, WE CONFIRM THAT WE'RE INDEPENDENT. THE AUDITING--THE TWO INDUSTRY UPDATES OF SLIDE 14, THE UPDATED AUDITING STANDARDS I TOUCHED ON BRIEFLY, BUT ALSO--HAS--REQUIRES A CHANGE IN THE FORMAT OF THE AUDIT OPINION, SO, YOU'LL SEE THAT IN A COUPLE MINUTES, AND--AS WELL AS THE ADDITIONAL ITEMS THAT I'VE DISCUSSED AS PART OF THIS PRESENTATION. SO, THIS IS A SAMPLE OF THE ENGAGEMENT LETTER. MHM HAS A LITTLE DIFFERENT FORMAT THAN MARKS PANETH, SO, HAD THESE ENGAGEMENT LETTERS UNDER REVIEW. OUR FEE IS THE SAME AS--IT'S BASICALLY THE SAME AS MARKS PANETH WOULD HAVE BEEN PAID. IT'S THE AMOUNT THAT'S IN OUR CONTRACT, WHICH WOULD BE--GOING TO GIVE YOU A LITTLE [INDISTINCT] OF THAT A LITTLE BIT LATER. WE ALSO PRESENT THE PEER REVIEW REPORT FOR MHM, WHICH IS A CLEAN REPORT. AND NOW ON PAGE 27 OF THE PDF HAS A DRAFT OF OUR FINANCIAL--AUDITOR'S REPORT, WHICH, AGAIN, THE SUBSTANCE IS PRETTY MUCH THE SAME. SOME OF THE PARAGRAPHS ARE REARRANGED. THERE IS A MORE DETAILED DISCUSSION OF SOME OF THE THINGS THAT WE DO IN PERFORMING AN AUDIT IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS, WHICH ARE LAID OUT IN BULLET FORMAT. AND THEN FINALLY, PART OF THIS PACKET, WE INCLUDE SOME ADDITIONAL INFORMATION ON CBIZ AND MAYER HOFFMAN McCANN, WHICH ARE TWO ENTITIES THAT WORK

TOGETHER TO PROVIDE BOTH AUDIT SERVICES AND NON-AUDIT SERVICES TO OUR CLIENTS. AND WE'RE PART OF A MUCH LARGER FIRM NOW THAN WE WERE UNDER MARKS PANETH, SO, JUST PROVIDED SOME--I USUALLY HAVE THE ONE-PAGE SUMMARY OF MARKS PANETH. WILL GIVE YOU A LITTLE BIT MORE INFORMATION TO--MAKE YOU--HELP YOU BECOME A LITTLE BIT MORE FAMILIAR WITH THE NEW STRUCTURE. SO, THE ONLY THING LEFT TO DO FROM MY PERSPECTIVE IS TO ASK THE AUDIT COMMITTEE MEMBERS AS TO WHETHER OR NOT YOU HAVE ANY PARTICULAR AREAS OF AUDIT CONCERN THAT YOU WOULD LIKE US TO TAKE A LOOK AT AS PART OF THE AUDIT.

>> NONE FOR ME.

>> NONE HERE. THANK YOU.

>> NONE HERE.

>> GREAT. IN THAT CASE, I'LL TURN IT BACK TO BOB OR MARGE, WHOEVER WOULD LIKE...

>> I THINK IT'S BACK TO ME. THANK YOU. THANK YOU, WARREN. THANKS, BOB. IF THERE'S NO FURTHER BUSINESS BEFORE THE COMMITTEE, I WILL NOW CALL THE ROLL FOR A VOTE TO ADJOURN. MR. WOMACK, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

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

>> THANK YOU, [INDISTINCT] MARGE.

>> ...AL, AL, BEFORE YOU START, DIANA BEINART HAS JOINED US AND SHE'D REALLY LIKE TO ATTEND THE NEXT COUPLE OF MEETINGS AS A VOTING MEMBER, SO, IF WE COULD JUST REALLY QUICKLY RECONVENE THE MEMBERS MEETING, ELECT DIANA, AND IT'LL JUST TAKE A COUPLE OF MINUTES.

>> SURE.

>> OK. SO, DAVID WOMACK, BACK TO YOU.

>> SURE. THANK YOU, DEB. GOOD AFTERNOON. DAVID WOMACK, PROXY HOLDER FOR THE BUDGET DIRECTOR JIHA. WE ARE GOING TO RECONVENE THE MEETING OF THE MEMBERS. JASMINE, WOULD YOU TAKE THE ROLL, PLEASE?

>> CONDUCTING THE ROLL CALL. JACQUES JIHA.

>> DAVID WOMACK FOR DIRECTOR JIHA.

>> BRAD LANDER.

>> [INDISTINCT] FOR COMPTROLLER LANDER.

>> SYLVIA HINDS-RADIX.

>> AL RODRIGUEZ FOR SYLVIA HINDS-RADIX.

>> PRESTON NIBLACK.

>> DIANA BEINART FOR COMMISSIONER NIBLACK.

>> ADRIENNE ADAMS.

>> HECTOR GERMAN FOR SPEAKER ADAMS.

>> THANK YOU. WE HAVE A QUORUM.

>> THANK YOU, JASMINE. WE'VE CONVENED THIS MEETING TO FINISH THE ELECTION OF ALTERNATE DIRECTORS. MS. BEINART, AS PROXY HOLDER FOR THE COMMISSIONER OF FINANCE, IS ENTITLED TO ELECT HERSELF AS AN ALTERNATE DIRECTOR. MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. BEINART IS HEREBY SO ELECTED. IF THERE IS NO FURTHER BUSINESS BEFORE THE MEMBERS, I WILL CALL THE ROLL FOR A VOTE TO ADJOURN. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF ADJOURNMENT. THANK YOU FOR YOUR PARTICIPATION. THE MEETING OF THE MEMBERS IS HEREBY ADJOURNED. WE'LL MOVE ON TO THE GOVERNANCE COMMITTEE, WHICH IS CHAIRED BY MR. RODRIGUEZ.

>> THANK YOU. THANK YOU, DAVID. GOOD AFTERNOON. I'M AL RODRIGUEZ, ALTERNATE DIRECTOR FOR THE CORPORATION COUNSEL FOR THE CITY OF NEW YORK AND CHAIR OF THE GOVERNANCE COMMITTEE OF TSASC. I'D LIKE TO CALL TO ORDER THE COMMITTEE MEETING AND ASK FOR A ROLL CALL FOR ATTENDANCE. JASMINE?

>> CONDUCTING THE ROLL CALL. JACQUES JIHA.

>> DAVID WOMACK FOR DIRECTOR JIHA.

>> BRAD LANDER.

>> HENNING FOR COMPTROLLER LANDER.

>> SYLVIA HINDS-RADIX.

>> AL RODRIGUEZ FOR THE CORPORATION COUNSEL.

>> PRESTON NIBLACK.

>> DIANA BEINART FOR PRESTON NIBLACK.

>> ADRIENNE ADAMS.

>> HECTOR GERMAN FOR SPEAKER ADAMS.

>> THANK YOU. WE HAVE A QUORUM.

>> THANK YOU, JASMINE. THE FIRST ITEM ON THE COMMITTEE AGENDA IS A RESOLUTION TO APPROVE THE MINUTES OF THE COMMITTEE'S LAST MEETING, WHICH WAS HELD ON SEPTEMBER 15TH, 2021. THE MINUTES HAVE BEEN CIRCULATED TO THE COMMITTEE FOR REVIEW. WERE THERE ANY COMMENTS OR CORRECTIONS? HEARING NONE, WE WILL NOW CALL THE ROLL FOR A VOTE. JAS--MS. HENNING, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> GREAT. MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. WOMACK, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. THE NEXT AND FINAL ITEM ON THE COMMITTEE'S AGENDA IS THE REVIEW AND APPROVAL OF THE CORPORATION'S POLICY ON THE PROCUREMENT OF GOODS AND SERVICES. THE COMMITTEE IS REQUIRED TO PERIODICALLY REVIEW THE CORPORATION'S POLICY ON THIS MATTER. NO CHANGES ARE PROPOSED AT THIS TIME. ARE THERE ANY QUESTIONS OR COMMENTS? HEARING NONE, WE WILL NOW CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> IN FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND MR. WOMACK, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. IF THERE'S NO FURTHER BUSINESS BEFORE THE MEMBERS, I WILL NOW CALL THE ROLL FOR A VOTE TO ADJOURN THE MEETING. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. WOMACK, HOW DO YOU VOTE?

>> IN FAVOR.

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

>> THANK YOU, AL. I'M DAVID WOMACK. GOOD AFTERNOON. THIS IS DAVID WOMACK, ALTERNATE DIRECTOR FOR BUDGET DIRECTOR JIHA AND CHAIR OF THE TSASC BOARD OF DIRECTORS. I WOULD LIKE TO CONVENE THE BOARD MEETING BY ASKING FOR THE ROLL TO BE CALLED. JASMINE?

>> CONDUCTING THE ROLL CALL. JACQUES JIHA.

>> DAVID WOMACK FOR BUDGET DIRECTOR JIHA.

>> BRAD LANDER.

>> MARJORIE HENNING FOR THE COMPTROLLER.

>> SYLVIA HINDS-RADIX.

>> AL RODRIGUEZ FOR SYLVIA HINDS-RADIX.

>> PRESTON NIBLACK.

>> DIANA BEINART FOR COMMISSIONER NIBLACK.

>> ADRIENNE ADAMS.

>> HECTOR GERMAN FOR SPEAKER ADAMS.

>> THANK YOU. WE HAVE A QUORUM.

>> THANK YOU, JASMINE. THE FIRST ITEM ON THE AGENDA IS A RESOLUTION TO APPROVE THE MINUTES OF THE BOARD'S LAST MEETING OF SEPTEMBER 15TH, 2021. THE MINUTES HAVE BEEN CIRCULATED FOR THE BOARD'S REVIEW. ARE THERE ANY COMMENTS OR CORRECTIONS? HEARING NONE, I'LL CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE RESOLUTION. THE MINUTES ARE HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE APPROVAL OF AN ASSIGNMENT OF THE CORPORATION'S INDEPENDENT AUDITOR CONTRACT TO MAYER HOFFMAN. THE BOARD OF DIRECTORS PREVIOUSLY APPROVED A CONTRACT WITH MARKS PANETH. THEY SERVED AS INDEPENDENT AUDITORS THROUGH THE FISCAL YEAR 2023 AUDIT. EARLIER THIS YEAR, MARKS PANETH'S ATTEST AUDIT SERVICES WERE ACQUIRED BY MAYER HOFFMAN. THE PROPOSED RESOLUTION WOULD AUTHORIZE AN ASSIGNMENT OF THE CURRENT CONTRACT TO MAYER HOFFMAN, ALLOWING THE SAME EMPLOYEES TO CONTINUE WORKING ON THE CORPORATION'S FISCAL YEAR 2022 AND FISCAL YEAR 2023 AUDITS. ARE THERE ANY QUESTIONS? HEARING NONE, I'LL CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS HEREBY ADOPTED. HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE APPROVAL OF THE AUTHORITY'S BUDGET AND FINANCIAL PLAN. PURSUANT TO THE PUBLIC AUTHORITIES LAW, THE CORPORATION IS REQUIRED TO SUBMIT A BUDGET REPORT AND A 4-YEAR FINANCIAL PLAN. THE BUDGET CONTAINS ESTIMATED RECEIPTS AND EXPENDITURES FOR THE CURRENT AND NEXT FISCAL YEAR, AND THE ACTUAL RECEIPTS AND EXPENDITURES FOR THE LAST COMPLETED FISCAL YEAR. THE CURRENT PROJECTIONS IN THE BUDGET SHOW THE CORPORATION WILL NOT NEED TO DRAW ON ITS SUBORDINATE RESERVE ACCOUNT IN ORDER TO MAKE ITS DECEMBER DEBT SERVICE PAYMENT.

RATHER, THE CORPORATION PROJECTS THAT IT WILL DEPOSIT APPROXIMATELY \$2 MILLION INTO ITS RESERVE ACCOUNT. FOLLOWING SUCH DEPOSIT, THE CORPORATION EXPECTS APPROXIMATELY 9.3 MILLION TO REMAIN IN THE RESERVE ACCOUNT. ARE THERE ANY QUESTIONS RELATED TO THE BUDGET AND FINANCIAL PLAN? HEARING NONE, I WILL CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION APPROVING THE BUDGET AND PLAN IS HEREBY APPROVED. A DRAFT OF THE NOTICE THE CORPORATION EXPECTS TO FILE ON EMMA TOMORROW HAS BEEN PROVIDED TO THE BOARD. THE NOTICE LISTS THE APRIL 2022 PAYMENT RECEIVED AS WELL AS THE AMOUNT THAT WILL BE DEPOSITED IN THE SUBORDINATE RESERVE ACCOUNT AND THE APPROXIMATE AMOUNT THAT WILL REMAIN IN THE RESERVE ACCOUNT FOLLOWING THAT DEPOSIT. THIS NOTICE IS PURELY VOLUNTARY. ARE THERE ANY QUESTIONS? THANK YOU. THIS IS A REVIEW ITEM ONLY. THERE IS NO VOTE REQUIRED. THE NEXT ITEM ON THE AGENDA IS THE APPROVAL OF THE CORPORATION'S PROCUREMENT OF DIRECTORS AND OFFICERS INSURANCE. THE PROPOSED RESOLUTION WOULD APPROVE THE PROCUREMENT OF D&O LIABILITY POLICIES FROM SEVERAL INSURANCE COMPANIES THROUGH THE CORPORATION'S BROKER USI, PROVIDING \$50 MILLION IN COVERAGE FOR THE PERIOD JUNE 25TH, 2022 THROUGH JUNE 24, 2023 FOR DIRECTORS, MEMBERS, AND OFFICERS OF THE CORPORATION. THE PROPOSED RESOLUTION AUTHORIZES A NOT TO EXCEED PAYMENT OF 325,000, WHICH INCLUDES A LARGE CUSHION TO ACCOUNT FOR MARKET FLUCTUATIONS. LAST YEAR, WE PAID JUST OVER \$200,000, BUT OUR BROKER HAS ADVISED THAT VOLATILITY REMAINS IN THE INSURANCE MARKET RIGHT NOW AND HAS RECOMMENDED THAT WE BUILD IN A CUSHION. THE BROKER IS CURRENTLY PROCURING THE POLICIES. ARE THERE ANY QUESTIONS OR

CONCERNS? I WILL NOW CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE APPROVAL OF CORPORATION'S MISSION STATEMENT AND COMPLETED MEASUREMENT REPORT. PURSUANT TO SECTION 2800 OF THE 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 ARE NO CHANGES PROPOSED TO THE MISSION STATEMENT, PERFORMANCE MEASURES, AND THE MEASUREMENT REPORT HAS BEEN COMPLETED. THE RESOLUTION WOULD APPROVE THE MISSION STATEMENT AND AUTHORIZE THE COMPLETED MEASUREMENT REPORT TO BE PUBLISHED. ARE THERE ANY QUESTIONS? HEARING NONE, I WILL CALL THE ROLL FOR A VOTE. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS A PRESENTATION BY MARJORIE HENNING, THE AUDIT COMMITTEE CHAIR, REGARDING THE COMMITTEE'S SELF-EVALUATION. MS. HENNING, PLEASE PROCEED.

>> THANK YOU, DAVID. AT TODAY'S AUDIT COMMITTEE MEETING, AFTER REVIEWING THE COMMITTEE'S ACTIONS IN THE PREVIOUS CALENDAR YEAR, THE COMMITTEE CONDUCTED A SELF-EVALUATION. THE COMMITTEE FOUND THAT IT HAD CONDUCTED ITSELF IN A SATISFACTORY MANNER CONSISTENT WITH ITS CHARTER. THAT CONCLUDES MY REPORT.

>> THANK YOU, MS. HENNING. IF THERE IS NO MORE BUSINESS--NO FURTHER BUSINESS BEFORE THE BOARD, I'LL NOW CALL THE ROLL FOR A VOTE TO ADJOURN. MS. HENNING, HOW DO YOU VOTE?

>> FAVOR.

>> MS. BEINART, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. GERMAN, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I VOTE IN FAVOR ADJOURNMENT--OF ADJOURNMENT AS WELL. THANK YOU ALL FOR YOUR PARTICIPATION. THE MEETING OF THE BOARD IS HEREBY ADJOURNED AND THAT CONCLUDES TODAY'S TSASC MEETINGS. SO LONG. THANK YOU.

>> THANK YOU ALL.

>> THANK YOU.