

**TSASC, INC.**  
**MEMBERS, AUDIT, GOVERNANCE, AND BOARD OF DIRECTORS MEETINGS**  
**05/11/20 TRANSCRIPT**

>> GOOD MORNING. I'M JAY OLSON, PROXY HOLDER FOR THE CITY'S BUDGET DIRECTOR. BEFORE WE BEGIN, I'D LIKE TO NOTE THAT THIS MEETING'S TSASC MEETINGS ARE BEING RECORDED AND A TRANSCRIPT WILL BE POSTED TO THE CORPORATION'S WEBSITE. ALL VOTES WILL BE TAKEN BY ROLL CALL, AND ONLY MEMBERS, ALTERNATE DIRECTORS AND CORPORATIONS OFFICERS AND AUDITORS WILL BE PERMITTED TO SPEAK. I WOULD ALSO LIKE TO ASK EVERYONE TO KEEP THEIR PHONES MUTED UNLESS THEY ARE SPEAKING IN ORDER TO HELP AVOID NOISE FEEDBACK. BEFORE WE BEGIN, I'D LIKE TO NOTE THAT AS THE MAYOR ANNOUNCED ON THE CITY'S WEBSITE, ALAN ANDERS, PRESIDENT OF THE CORPORATION PASSED AWAY OVER THE WEEKEND. HIS COMMITMENT TO PUBLIC FINANCE WAS TRULY UNPARALLELED, AND HIS EXPERIENCE IN LEADERSHIP WILL BE DEEPLY MISSED. AT TODAY'S BOARD MEETING, WE'LL BE FORMALLY ACKNOWLEDGING HIS SERVICE AND DEDICATION OF THE CORPORATION AND EXPRESSING OUR DEEP GRATITUDE. I WILL NOW CONVENE THE MEETING OF THE MEMBERS BY ASKING FOR THE ROLL CALL TO BE—ROLL TO BE CALLED FOR ATTENDANCE. MISS PASSARAL.

>> CONDUCTING THE ROLL. MELANIE HARTZOG?

>> JAY OLSON FOR THE BUDGET DIRECTOR.

>> JACQUES JIHA.

>> ROBIN LEE FOR JACQUES JIHA.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR SCOTT STRINGER.

>> JAMES JOHNSON.

>> AL RODRIGUEZ FOR THE CORPORATION COUNSEL.

>> OK, AND WE HAVE QUORUM.

>> THANK YOU. THE FIRST ITEM ON THE AGENDA IS APPROVAL OF THE MINUTES OF THE MEMBERS' LAST MEETING. THE MINUTES HAVE BEEN CIRCULATED FOR REVIEW. ANY QUESTIONS OR COMMENTS OR SUGGESTED

CORRECTIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR THE VOTE.  
MISS HENNING, HOW DO YOU VOTE?

>> I 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, APPROVING THE PROPOSED  
RESOLUTION. THE RESOLUTION APPROVING THE MINUTES IS HEREBY  
APPROVED. NEXT ITEM ON THE AGENDA IS THE ELECTION OF ALTERNATE  
DIRECTORS. THE PROXY HOLDER FOR THE CITY'S CORPORATION COUNSEL  
WISHES TO ELECT AL RODRIGUEZ AS AN ALTERNATE DIRECTOR. MR.  
RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU. THE PROXY HOLDER FOR THE COMMISSIONER OF THE  
DEPARTMENT OF FINANCE WISHES TO ELECT ROBIN LEE AS AN ALTERNATE  
DIRECTOR. MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU. AND THE PROXY HOLDER FOR THE CITY'S COMPTROLLER  
WISHES TO ELECT MARJORIE HENNING AS AN ALTERNATE DIRECTOR. MS.  
HENNING, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU. AND I, JAY OLSON, THE PROXY HOLDER FOR BUDGET  
DIRECTOR MELANIE HARTZOG, HEREBY ELECT MYSELF AS AN ALTERNATE  
DIRECTOR. IF THERE'S NO MORE BUSINESS BEFORE THE [INDISTINCT], I WILL  
NOW CALL THE ROLL FOR THE VOTE TO ADJOURN. MISS HENNING, 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 ADJOURNMENT. THANK YOU ALL FOR YOUR PARTICIPATION. THE MEETING OF THE MEMBERS IS HEREBY ADJOURNED. WE'LL NOW MOVE ON TO THE AUDIT COMMITTEE MEETING WHICH WILL BE CHAIRED BY MS. HENNING. TAKE IT AWAY.

>> THANK YOU, JAY. GOOD MORNING. I'M MARJORIE HENNING, ALTERNATE DIRECTOR FOR THE COMPTROLLER 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.

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG?

>> JAY OLSON FOR THE BUDGET DIRECTOR.

>> JACQUES JIHA.

>> ROBIN LEE FOR COMMISSIONER JIHA.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR COMPTROLLER STRINGER.

>> JAMES JOHNSON.

>> AL RODRIGUEZ FOR THE CORPORATION COUNSEL.

>> AND WE HAVE QUORUM.

>> THANK YOU. THE FIRST ITEM ON THE AGENDA IS THE 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? 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. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> AND I, MARJORIE HENNING, ALSO VOTE IN FAVOR OF APPROVING THE MINUTES. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE RESOLUTION RECOMMENDING THE BOARD OF DIRECTORS APPROVE A CONTRACT BETWEEN THE CORPORATION AND MARKS PANETH FOR INDEPENDENT AUDITOR SERVICES. FOLLOWING THE COMPETITIVE REQUEST FOR PROPOSALS, [INDISTINCT] OF THE CORPORATION RECOMMENDED THE RETENTION OF MARKS PANETH TO SERVE AS INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS ENDING JUNE 30, 2020, 2021, 2022, AND 2023, WITH AN OPTIONAL 1-YEAR EXTENSION FOR THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING JUNE 30, 2024. THE RATES ARE LISTED IN THE PROPOSED RESOLUTION. ROBERT BALDUCCI, THE CORPORATION'S COMPTROLLER, IS AVAILABLE TO ANSWER ANY QUESTIONS ON THIS SELECTION. ARE THERE ANY QUESTIONS OR COMMENTS? HEARING NONE, I WILL NOW CALL THE ROLL FOR THE 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, MARJORIE HENNING, VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION 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 2019. 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 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, MARJORIE HENNING, VOTE IN FAVOR OF APPROVING THE 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 CHANGES TO REFLECT CURRENT PRACTICES IN PLACE AND TO ADD MISSING DEFINED TERMS. A BLACK LINE HAS BEEN PROVIDED TO THE COMMITTEE, AND THE CORPORATION'S COMPTROLLER ROBERT BALDUCCI IS AVAILABLE TO ANSWER ANY QUESTIONS. DOES ANYONE HAVE ANY QUESTIONS FOR MR. BALDUCCI ON THE INTERNAL CONTROLS MANUAL? HEARING NONE, WE WILL MOVE ON TO THE NEXT ITEM ON THE AGENDA, WHICH IS THE REVIEW OF THE CORPORATION'S FINANCIAL INTEGRITY COMPLIANCE STATEMENT. AGAIN, THIS IS A REVIEW ITEM AND NO VOTE WILL BE TAKEN. PURSUANT TO SECTION 6.0 OF THE NEW YORK CITY OFFICE OF THE COMPTROLLER'S DIRECTIVE #22, THE AUDIT COMMITTEE IS REQUIRED TO REVIEW THE CORPORATION'S ANNUAL FINANCIAL INTEGRITY COMPLIANCE STATEMENT. THE CORPORATION'S COMPTROLLER BOB BALDUCCI IS AVAILABLE TO EXPLAIN THE STATEMENT AND ANSWER ANY QUESTIONS. ARE THERE ANY QUESTIONS OR COMMENTS REGARDING THE STATEMENT. HEARING NONE, WE'RE GOING TO MOVE ON TO THE NEXT ITEM. THE FINAL ITEM ON THE AGENDA IS A PRESENTATION BY THE COMPTROLLER'S PRESUMPTIVE INDEPENDENT AUDITOR, PENDING BOARD OF DIRECTORS APPROVAL MARKS PANETH. REPRESENTATIVES OF MARKS PANETH ARE HERE TO PRESENT THEIR PLAN FOR THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE CURRENT FISCAL YEAR. ROBERT BALDUCCI, THE CORPORATION'S COMPTROLLER, IS HERE TO INTRODUCE THE AUDITORS. MR. BALDUCCI, PLEASE PROCEED.

>> YES, GOOD MORNING, MEMBERS. PENDING BOARD APPROVAL, WE'D LIKE TO WELCOME BACK MARKS PANETH. AND HERE TO PRESENT THE AUDIT PLAN FOR THE YEAR IS THE PARTNER WARREN RUPPEL. WARREN.

>> OK, THANKS, BOB. THE MATERIAL I'M GOING TO GO THROUGH IS OUR PRE-AUDIT PRESENTATION, WHICH IS ONE OF THE SEPARATE PDFs THAT YOU RECEIVED. AND I'LL JUST HIT THE HIGHLIGHTS OF THIS 'CAUSE MANY OF YOU HAVE BEEN THROUGH THESE PRESENTATIONS BEFORE, SEPARATED INTO TABS. I'LL SPEND MOST OF MY TIME IN THIS SECOND TAB, WHICH ARE SOME OF THE REQUIRED COMMUNICATIONS WE HAVE DURING THE PRE-AUDIT TIME. SO, BASICALLY, I'LL BE EXPLAINING OUR AUDIT PLAN. I HAVE CERTAIN FRAUD

INQUIRIES THAT I NEED TO MAKE OF THE COMMITTEE MEMBERS, AND I'LL JUST GIVE YOU SOME INFORMATION ON THE AUDIT. SO IF YOU COULD TURN TO PAGE 925 OF THE PDF, YOU CAN SEE THE TIMEFRAME FOR PERFORMING THE AUDIT. IT'LL BE PERFORMED DURING THE SUMMER WITH THE EXPECTATION THAT THE REPORT WILL BE ISSUED BY SEPTEMBER 30<sup>th</sup> TO ALLOW THE ORGANIZATION TO MEET ITS REPORTING REQUIREMENTS FOR THE CITY COMPTROLLER'S OFFICE AS WELL AS THE PUBLIC AUTHORITIES ACCOUNTABILITY OFFICE. THE SIGNIFICANT ESTIMATES THAT ARE INHERENT IN THE FINANCIAL STATEMENTS ARE INCLUDED IN ITEM NUMBER 5, WHICH IS PAGE 10 OF THE PDF. AND FOR TSASC, IT'S THE TOBACCO SETTLEMENT REVENUES, RECEIVABLE AND PAYABLE TO THE TRUST FOR THE TSRs FOR THE PERIOD FROM JANUARY 1<sup>st</sup> TO JUNE 30<sup>th</sup>, SINCE THE TSRs WORK ON A CALENDAR YEAR. SO WE'LL BE REVIEWING THAT ESTIMATE AND DETERMINING WHETHER WE BELIEVE THAT TO BE REASONABLE OR NOT. WE'LL ALSO INFORM THE COMMITTEE AT THE END OF THE AUDIT ABOUT ANY ADJUSTMENTS MADE TO THE FINANCIAL STATEMENTS, DISAGREEMENTS, OR DIFFICULTIES IN PERFORMING THE AUDIT OR ANY UNUSUAL ITEMS OR SIGNIFICANT ISSUES THAT ARE DISCUSSED. I THINK ONE OF THE SIGNIFICANT ISSUES WILL BE THE DRAW FROM THE RESERVE ACCOUNTS, AND WE WILL OBTAIN A STATUS OF WHERE THE FINANCES OF THE ORGANIZATION ARE AS OF JUNE 30<sup>th</sup> THIS YEAR. THE FRAUD INQUIRIES ARE ON PAGE 1125 OF THE PDF, ITEM NUMBER 9. IT'S A SERIES OF GOVERNANCE ISSUES THAT WE'LL COVER DURING THE COURSE OF THE AUDIT. BUT FOR THE AUDIT COMMITTEE MEMBERS, I'D LIKE TO SPECIFICALLY ASK YOU WHETHER YOU HAVE ANY KNOWLEDGE OF SUSPICION OF FRAUD AT THE ORGANIZATION AND WHETHER YOU'RE AWARE OF ANY ACTIVITIES UNDER THE WHISTLEBLOWER PROVISIONS THAT ARE IN EFFECT.

>> THIS IS MARJORIE HENNING. I HAVE NO SUCH KNOWLEDGE OR AWARENESS. ANY OTHER MEMBERS, PLEASE RESPOND.

>> THIS IS AL RODRIGUEZ. I DON'T HAVE ANY KNOWLEDGE OF ANY FRAUD OR HAVE ANY SUSPICION OF FRAUD.

>> JAY OLSON. THE SAME.

>> ROBIN LEE. SAME.

>> AND JAY OLSON. THE SAME.

>> OK, GREAT. I THINK WE HAVE EVERYONE. PAGE 13, THE PDF GIVES YOU A BROAD OVERVIEW OF OUR AUDIT PLAN, WHICH WILL INVOLVE UPDATING OUR UNDERSTANDING OF INTERNAL CONTROLS THAT ARE IN PLACE, OBTAINING

THE TRIAL BALANCES FROM THE—FROM MANAGEMENT, AUDITING THE MAJOR BALANCE SHEET, AND REVENUE ACCOUNTS, AND THEN REVIEWING THE FINAL REPORT AND REVIEWING SUBSEQUENT EVENTS TO MAKE SURE ANY ARE ADEQUATELY DISCLOSED IN THE FINANCIAL STATEMENTS. CONTINUING ON, JUST HITTING THE HIGHLIGHTS, THERE'S A NUMBER OF AUDITING STANDARDS THAT ARE LISTED HERE. WE'RE NOT ANTICIPATING ANY OF THESE TO HAVE AN IMPACT ON TSASC'S FINANCIAL STATEMENTS FOR THIS YEAR. AND ACTUALLY GADSBY'S DEFERRING THE EFFECTIVE DATES OF A NUMBER OF THESE STANDARDS. AND THEN, FINALLY, IN THE PRESENTATION IS TAB 3, WHICH IS A DRAFT OR COPY OF OUR ENGAGEMENT LETTER. THE FEES THAT ARE REFLECTED ON PAGE 20 ARE THE FEES THAT ARE INCLUDED IN THE PROPOSAL AND THE ULTIMATE CONTRACT THAT WE'LL BE SIGNING ON APPROVAL OF THE BOARD. SO, WITH THAT, I'D LIKE TO ASK TWO THINGS: WHETHER THE AUDIT COMMITTEE MEMBERS HAVE ANY INPUT INTO THE AUDIT PROCESS THAT THEY'D LIKE US TO CONSIDER AND ALSO WHETHER YOU HAVE ANY ADDITIONAL QUESTIONS. OK, HEARING NONE, I'LL TURN IT BACK TO YOU, BOB.

>> MARGE?

>> YES, THANK YOU. IF THERE IS NO FURTHER BUSINESS BEFORE THE MEMBERS, I WILL NOW THE CALL THE ROLL FOR A VOTE TO ADJOURN. 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, MARJORIE HENNING, 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, MISS HENNING. GOOD MORNING. MY NAME IS AL RODRIGUEZ. I'M THE CHAIR OF THE GOVERNANCE COMMITTEE OF TSASC, INC. IN MY CAPACITY AS THE PROXY FOR THE CORPORATION COUNSEL JAMES JOHNSON. I WOULD LIKE TO CALL TO ORDER A MEETING OF THE COMMITTEE AND ASK FOR A ROLL CALL FOR ATTENDANCE. MISS PASSARAL?

>> CONDUCTING THE ROLL. MELANIE HARTZOG?

>> JAY OLSON FOR THE BUDGET DIRECTOR.

>> JACQUES JIHA.

>> ROBIN LEE FOR COMMISSIONER JIHA.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR COMPTROLLER STRINGER.

>> JAMES JOHNSON.

>> AL RODRIGUEZ FOR THE CORPORATION COUNSEL.

>> AND WE HAVE QUORUM.

>> THANK YOU. THE FIRST ORDER OF BUSINESS IS A RESOLUTION TO APPROVE THE MINUTES OF THE COMMITTEE'S LAST MEETING, WHICH WAS HELD ON SEPTEMBER 26, 2019. THE MINUTES HAVE BEEN CIRCULATED TO THE COMMITTEE FOR THEIR REVIEW. ARE THERE ANY COMMENTS OR CORRECTIONS TO THE MINUTES THAT WERE DISTRIBUTED? THERE BEING NO COMMENTS OR CORRECTIONS, I WILL NOW CALL THE ROLL FOR A VOTE. MISS HENNING, HOW DO YOU VOTE?

>> I VOTE IN FAVOR.

>> THANK YOU.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MM-HMM.

>> MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU. AND I, AL RODRIGUEZ, VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. THE NEXT AND FINAL ITEM ON THE 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 THE PROCUREMENT OF GOODS AND SERVICES. WE'VE MADE NO CHANGES TO THAT POLICY AT THIS TIME. ARE THERE ANY



COMMENTS OR QUESTIONS ABOUT THE POLICY? THERE BEING NO COMMENTS OR QUESTIONS, I WILL NOW CALL THE ROLL FOR A VOTE. MISS HENNING, HOW DO YOU VOTE?

>> I VOTE IN FAVOR.

>> MM-HMM.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU. AND I, AL RODRIGUEZ, VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. IS THERE ANY FURTHER BUSINESS FOR THIS COMMITTEE? THERE BEING NO FURTHER BUSINESS, I WILL NOW CALL THE ROLL FOR A VOTE TO ADJOURN. MISS HENNING, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU.

>> MS. LEE, HOW DO YOU VOTE?

>> IN FAVOR.

>> MR. OLSON, HOW DO YOU VOTE?

>> IN FAVOR.

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

>> THANK YOU, AL. GOOD MORNING. I'M JAY OLSON, ALTERNATE DIRECTOR FOR BUDGET DIRECTOR MELANIE HARTZOG AND CHAIR OF THE TSASC BOARD OF DIRECTORS. I'D LIKE TO CONVENE THE BOARD OF DIRECTORS— CONVENE THE BOARD MEETING BY ASKING FOR A ROLL CALL TO BE CALLED FOR ATTENDANCE. MISS PASSARAL.

>> CONDUCTING THE ROLL. MELANIE HARTZOG?

>> JAY OLSON FOR MELANIE HARTZOG.

>> JACQUES JIHA.

>> ROBIN LEE FOR COMMISSIONER JIHA.

>> SCOTT STRINGER.

>> MARJORIE HENNING FOR COMPTROLLER STRINGER.

>> JAMES JOHNSON.

>> AL RODRIGUEZ FOR THE CORPORATION COUNSEL.

>> AND WE HAVE A QUORUM.

>> THANK YOU. THE FIRST ITEM ON THE AGENDA, AS WE'VE ALLUDED TO EARLIER, IS A RESOLUTION RECOGNIZING ALAN ANDERS, PRESIDENT OF THE CORPORATION. AS NOTED EARLIER, THE CORPORATION'S PRESIDENT ALAN ANDERS PASSED AWAY OVER THE WEEKEND. THE PROPOSED RESOLUTION RECOGNIZES MR. ANDERS' COMMITMENT AND DEDICATION TO THE CORPORATION AND EXPRESSES THE BOARD OF DIRECTORS' AND THE CORPORATION'S STAFF DEEP GRATITUDE FOR HIS DECADES OF SERVICE AND LEADERSHIP. AND BEGGING YOUR INDULGENCE, I'D LIKE TO READ THE RESOLUTION IN FULL. "ACKNOWLEDGEMENT OF ALAN L. ANDERS. WHEREAS THE BOARD OF DIRECTORS OF TSASC, INC. IS DEEPLY SADDENED TO LEARN OF THE PASSING OF ALAN L. ANDERS, PRESIDENT OF THE CORPORATION; AND WHEREAS ALAN ANDERS WAS FIRST APPOINTED VICE-PRESIDENT AND TREASURER OF THE CORPORATION IN 1999 AND SUBSEQUENTLY APPOINTED PRESIDENT IN 2006; AND WHEREAS MR. ANDERS ALSO SERVED AS AN ALTERNATE DIRECTOR ON THE AUDIT COMMITTEE, FINANCE COMMITTEE, AND GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS OF THE CORPORATION SINCE 2012; AND WHEREAS MR. ANDERS PROVIDED UNPARALLELED GUIDANCE AND WISDOM DURING HIS MANY YEARS OF DEDICATED SERVICE TO THE CORPORATION, IT IS THEREFORE RESOLVED THAT THE BOARD OF DIRECTORS OF THE CORPORATION, ON BEHALF OF THEMSELVES AND THE STAFF OF THE CORPORATION, WISH TO RECOGNIZE MR. ANDERS' IMMEASURABLE CONTRIBUTION TO THE CORPORATION AND EXPRESS ITS GRATITUDE FOR DECADES OF SERVICE AND LEADERSHIP HE PROVIDED AND SEND ITS DEEPEST SYMPATHIES TO MR. ANDERS' FAMILY." I'LL NOW CALL A ROLL FOR THE VOTE. MS. LEE?

>> IN FAVOR.

>> MR. RODRIGUEZ.

>> IN FAVOR.

>> MISS HENNING.

>> WITH GREAT SADNESS, IN FAVOR.

>> INDEED. AND I, JAY OLSON, VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS A RESOLUTION TO APPROVE THE MINUTES OF THE BOARD'S LAST MEETING. THE MINUTES HAVE BEEN CIRCULATED FOR THE BOARD'S REVIEW. ARE THERE ANY COMMENTS OR CORRECTIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR THE VOTE. MISS HENNING, HOW DO YOU VOTE?

>> I 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 RESOLUTION. THE RESOLUTION APPROVING THE MINUTES IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS A RESOLUTION APPROVING THE CONTRACT FOR THE INDEPENDENT AUDITOR. THE PROPOSED RESOLUTION WOULD AUTHORIZE THE CORPORATION ENTER INTO A CONTRACT WITH MARKS PANETH TO SERVE AS INDEPENDENT AUDITOR FOR THE CORPORATION'S FINANCIAL STATEMENTS FOR FISCAL YEARS 2020 THROUGH 2023 WITH AN OPTIONAL 1-YEAR EXTENSION. THE CORPORATION STAFF HAS MADE THIS RECOMMENDATION FOLLOWING COMPETITIVE REQUESTS FOR PROPOSAL PROCESS, AND THIS ACTION HAS BEEN RECOMMENDED BY THE AUDIT COMMITTEE. THE COMMITTEE'S COMPTROLLER ROBERT—BOB BALDUCCI IS AVAILABLE TO DISCUSS THIS SELECTION. ARE THERE ANY QUESTIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MISS HENNING, HOW DO YOU VOTE?

>> IN FAVOR.

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

>> IN FAVOR.

>> MR. RODRIGUEZ, HOW DO YOU VOTE?

>> IN FAVOR.

>> THANK YOU. AND I, JAY OLSON, VOTE IN FAVOR OF THE RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS APPROVAL OF THE CORPORATION'S BUDGET AND FINANCIAL PLAN. PURSUANT TO SECTION 2801-2 OF THE PUBLIC AUTHORITIES LAW, THE CORPORATION IS REQUIRED TO SUBMIT A BUDGET REPORT TO THE PUBLIC AUTHORITIES OFFICE. THE BUDGET CONTAINS ESTIMATED RECEIPTS AND EXPENDITURES TO THE CURRENT AND NEXT FISCAL YEAR AND ACTUAL RECEIPTS AND EXPENDITURES THE LAST COMPLETED FISCAL YEAR, AS WELL AS A PROJECTED 4-YEAR PLAN. THE CURRENT PROJECTIONS IN THE BUDGET SHOW AN INABILITY OF TSASC TO MEET ITS SUBORDINATE DEBT SERVICE FUNDING REQUIREMENTS IN FISCAL '23, DECEMBER OF 2022 UNLESS ADDITIONAL REVENUES BEYOND WHAT IS ASSUMED IN THE PLAN ARE RECEIVED. TSASC WILL MONITOR THIS CLOSELY, WEIGH ALL OPTIONS, INCLUDING REFINANCINGS. ARE THERE ANY QUESTIONS FROM OUR BOARD MEMBERS? HEARING NONE, I WILL CALL A ROLL FOR THE VOTE. MISS HENNING, HOW DO YOU VOTE?

>> I 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 RESOLUTION. THE RESOLUTION APPROVING THE BUDGET AND PLAN IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE DISCUSSION OF THE CORPORATION'S RECENT EMMA FILING. THIS IS NOT A RESOLUTION. NO VOTE WILL BE TAKEN. THE CORPORATION RECENTLY FILED A NOTICE ON THE ELECTRONIC MUNICIPAL MARKETPLACE ACCESS DATABASE RELATED TO THE APRIL 2020 TOBACCO SETTLEMENT REVENUE DISTRIBUTION OF PLEDGED TOBACCO SETTLEMENT REVENUES. A NOTICE HAS BEEN PROVIDED TO THE BOARD FOR REVIEW. TSASC RECEIVED APPROXIMATELY 70.47 MILLION OF TSRs, WHICH IS LESS THAN THE PROJECTED 84.95 MILLION PROJECTED IN THE 2017 OFFERING CIRCULAR. TSASC BELIEVES THIS IS DUE PRIMARILY FROM CONTINUED USE OF THE 175 MILLION TRIBAL MP IMPACTS SOLD IN THE CALCULATION OF THE

2020 PAYMENT. DUE TO THIS DIFFERENCE, TSASC PROJECTS IT WILL BE REQUIRED TO DRAW UPON ITS SUBORDINATE LIQUIDITY RESERVE ACCOUNT IN THE AMOUNT OF APPROXIMATELY 11.2 MILLION TO PAY DEBT SERVICE DUE DECEMBER 1, 2020. UPON THAT DRAW, TSASC PROJECTS 11.6 MILLION WILL BE LEFT IN THE SUBORDINATE RESERVE, THE SUBORDINATE LIQUIDITY RESERVE ACCOUNT. ARE THERE ANY QUESTIONS OR DISCUSSION? THIS IS A REVIEW ITEM ONLY. THANK YOU. HEARING NONE, 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 OF COVERAGE FOR THE PERIOD FROM JUNE 25, 2020 THROUGH JUNE 24, 2021 FOR DIRECTORS, MEMBERS, AND OFFICERS OF THE CORPORATION. THE PROPOSED RESOLUTION AUTHORIZES A NOT-TO-EXCEED PAYMENT OF 300,000, WHICH INCLUDES A LARGE PUSH INTO ACCOUNT FOR MARKET FLUCTUATIONS. THE BROKER IS CURRENTLY PROCURING POLICIES NOW. ARE THERE ANY QUESTIONS OR CONCERNS?

>> NO.

>> HEARING—THANK YOU. HEARING NONE, I WILL CALL A ROLL FOR THE VOTE. MISS HENNING, 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 RESOLUTION. THE RESOLUTION IS HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS THE APPROVAL OF THE CORPORATION'S MISSION STATEMENT AND COMPLETED MEASUREMENTS 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 AND PERFORMANCE MEASURES, AND THE MEASUREMENT REPORT HAS BEEN COMPLETED. THE

RESOLUTION WOULD APPROVE THE MISSION STATEMENT AND AUTHORIZE COMPLETED MEASUREMENT REPORT TO BE PUBLISHED. ARE THERE ANY QUESTIONS? I WILL NOW CALL THE ROLL FOR THE VOTE. MISS HENNING, 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 RESOLUTION. THE RESOLUTION IS THEN HEREBY APPROVED. THE NEXT ITEM ON THE AGENDA IS A PRESENTATION BY MARJORIE HENNING, THE AUDIT COMMITTEE CHAIR, REGARDING THE COMMITTEE'S SELF-EVALUATION. MISS HENNING, THE FLOOR IS YOURS.

>> THANK YOU. THE AUDIT COMMITTEE CONDUCTED A SELF-EVALUATION AND FOUND THAT OUR PERFORMANCE WAS SATISFACTORY.

>> THANK YOU, MISS HENNING. THAT BEING THE CASE, IF THERE'S NO FURTHER BUSINESS BEFORE THE BOARD, I WOULD NOW CALL ROLL FOR THE VOTE TO ADJOURN. MISS HENNING, 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 ADJOURNMENT. THANK YOU ALL VERY MUCH FOR YOUR PARTICIPATION. THIS MEETING OF THE BOARD OF DIRECTORS IS HEREBY ADJOURNED. THANK YOU ALL.

>> THANK YOU.

>> THANK YOU.

