

MINUTES OF THE ANNUAL MEETING OF THE BROOME TOBACCO ASSET SECURITIZATION CORPORATION

County Executive Conference Room-Edwin L. Crawford County Office Building

Binghamton, New York

November 19, 2015

The meeting was called to order at 3:35 PM

Attending

Debbie Preston, President

Jerry Marinich, Vice President, Director

Kim Myers, Minority Leader, Director

Larry Harris, Independent Director

Marie Kalka, Treasurer, Director

John Bernardo, Deputy County Executive

Robert Behnke, Attorney

Jerome Knebel, Deputy Director, Office of Management and Budget

The following were appointed to serve as directors of the corporation

Ex Officio

County Executive

Debra Preston

Chairman of the County Legislature

Jerry F. Marinich

Minority Leader of the County Legislature

Kim Myers

Independent Director (one year term)

Lawrence M. Harris

Director, Office of Management and Budget

Marie F. Kalka

The 2014 audited annual financial report and Independent Auditors communications were received and placed on file.

All prior actions of the Directors and Officers and Board were ratified and approved.

There being no further business the Meeting of the Member was closed at 3:37 PM

The meeting of the Broome Tobacco Asset Securitization Corporation was opened at 3:37

Attending

Debbie Preston, President  
Jerry Marinich, Vice President, Director  
Kim Myers, Minority Leader, Director  
Larry Harris, Independent Director  
Marie Kalka, Treasurer, Director  
John Bernardo, Deputy County Executive  
Robert Behnke, Attorney  
Jerome Knebel, Deputy Director, Office of Management and Budget

Motion was made by Ms. Kalka, seconded by Ms. Myers to nominate the following individuals as officers of the corporation

Debra Preston County Executive Broome County as President  
Jerry Marinich Chairman, Legislature, Broome County, as Vice President  
Marie F. Kalka, Director of OMB, Broome County as Secretary/Treasurer

Motion was carried unanimously.

The 2014 annual report of the corporation was presented by the Treasurer.

Ms. Preston directed that the annual meeting accepting the report be held earlier in the year beginning with the next year's audited financials to be received.

The audit comment that the web site be kept current was noted.

Discussion took place concerning the corporate cash and investment accounts. 2014 year-end and current balances were seen to have remained level.

That there have been two debt issuances with the second subordinate to the first was described.

Corporate debt balances and future debt services requirements were also considered as were the amounts and trend of tobacco settlement receipts. It was observed that the second debt service payment in 2015 to be made December 1 was likely to require a transfer from the liquidity reserve account.

Tobacco receipts in 2015 were about \$ 87,000 less than the required debt service amounts for the year.

It was noted that the "flexible" amounts not paid since 2010 totaled \$2,450,000.

The NPM Settlement was discussed as resulting in an amount of \$2,453,000 being expected to be received by April 2016.

The impact of provisions such as the credit for sales of cigarettes manufactured on Native American reservations and sold untaxed from smoke shops on those reservations to New York consumers was identified as undetermined.

The exploration of the re-financing of current debt was discussed. The NPM settlement has brought additional considerations into the process. The re-financing would restructure the debt removing current debt unlikely to be redeemed based on current revenue trends which would also provide for a future residual to be received by the County. There is also a cash flow expected to be generated which could be used for capital purposes.

Ms. Kalka made a motion to accept the report. This motion was seconded by Mr. Marinich and unanimously approved.

The annual operating budget was reviewed next. The budget for 2016 was proposed to be \$43,475. The amount of expenses in 2015 projected at \$43,431. Most of these costs were contractual agreements entered into when debt had been issued by the corporation.

Mr. Harris made a motion to approve the budget. This motion was seconded by Mr. Marinich and approved unanimously.

Mr. Harris moved a resolution adopting the Broome Tobacco Asset Securitization Corporation Conflict of Interest policy. This was seconded by Ms. Myers and approved unanimously.

The policy was reviewed and a copy signed by each director to indicate their understanding and agreement.

Mr. Marinich moved a resolution readopting the Broome Tobacco Asset Securitization Corporation Code of Ethics, Whistle Blower Procedure, Investment and Deposit Policy, Procurement Policy and Discretionary Funds Policy. This motion was seconded by Mr. Harris and approved unanimously.

These policies are annually adopted by the corporation.

Mr. Marinich moved a resolution readopting the Mission Statement and confirming responses as presented to the Authorities Budget Office Measurement questions. This motion was seconded by Mr. Harris and approved unanimously.

There being no further business a motion to close the meeting was put forth by Ms. Myers and seconded by Mr. Harris. The motion was approved unanimously.

The meeting was closed at 4:15.