

**NEW YORK LOCAL GOVERNMENT
ASSISTANCE CORPORATION
MINUTES OF FINANCE COMMITTEE MEETING
June 29, 2011, 2:00 p.m.
State Capitol, Albany, New York**

Finance Committee Members Present:

Robert Megna	Director
Marc Shaw	Director (via Telephone)
Kevin Murray	Director (via Telephone)

Also Present:

Patricia Warrington	Office of the State Comptroller
Deborah DeGenova	Office of the State Comptroller
Tom Nitido	Office of the State Comptroller
Joseph Conroy	Division of the Budget
Melissa Pangburn	Division of the Budget
William Storrs	Department of Law
Maureen Madden	Office of the State Comptroller
Henrik Westin	Office of the State Comptroller
Kirstee Iacobucci	Office of the State Comptroller
Maria Moran	Office of the State Comptroller
Suzette Baker	Office of the State Comptroller
Philip Fields	Assembly Ways & Means
Seth Hennard	Toski, Schaefer & Co. (via telephone)
Chris Bonghi	Toski, Schaefer & Co. (via telephone)
Eileen Heitzler	Orrick, Herrington & Sutcliffe (via telephone)
Kevin Roche	Orrick, Herrington & Sutcliffe (via telephone)
Monika Conley	Public Resources Advisory Group (via telephone)
Maurice Peaslee	Former Counsel in the Office of the State Comptroller

FINANCE COMMITTEE MEETING

Committee Member, Robert Megna called the Finance Committee meeting to order at 2:05 p.m. He mentioned that he was serving as temporary Chairperson of the Committee after consultation with the Finance Committee Chair, Tom DiNapoli, who was unable to attend the meeting.

Mr. Megna noted that the minutes from the October 25, 2010 Finance Committee meeting had been previously distributed and made a motion to approve the minutes. The motion was seconded and the Finance Committee members approved the minutes.

Mr. Megna indicated that the Public Authorities Law requires LGAC to enter into an agreement with the State Comptroller whereby the Comptroller is the "Exclusive Agent" for the sale of Corporation bonds and notes. The current Agreement expired on March 31, 2011 and staff had recommended that an extension of the Agreement be executed through March 31, 2012.

The Committee Members had no questions or comments and Mr. Megna recommended that the proposal be advanced and recommended for approval by the full Board and the Finance Committee members approved the recommendation.

Next, Mr. Megna made reference to a staff memo which was circulated to the Finance Committee members, which outlined the results of a previously issued Request for Proposals for Underwriting, Remarketing Agent and Broker/Dealer Services.

Mr. Megna mentioned that eight firms have been recommended to be on the Corporation's Qualified Underwriter List in the capacity as Senior Manager, while 10 firms have been recommended to be on this List in the capacity as Co-Manager. Staff had also recommended 31 firms to be in the Corporation's Selling Group and that six firms be included in the Remarketing Agent pool and six firms be included in the Broker/Dealer pool.

The Committee Members indicated they had reviewed the materials provided and as there were no questions or comments, Mr. Megna recommended that the proposal be advanced and recommended for approval by the full Board and the Finance Committee members approved the recommendation.

Next, Mr. Megna referenced a staff memo relating to the issuance of fixed rate bonds in a competitive sale to refund \$188.7 million of Series 2008B-BV2 Variable Rate Demand Bonds. He mentioned that these bonds were supported by Dexia liquidity and that Dexia's credit strength had been under pressure since 2008 and most recently, Dexia's long and short-term ratings from Moody's and Standard and Poor's had been threatened. He mentioned that staff is continuing to analyze the situation, but that staff is requesting the authorization to refund the Bonds with fixed rate bonds should Dexia's condition continue to deteriorate. Included in the authorization is the ability to terminate swaps associated with the bonds.

The Committee Members indicated they had reviewed the materials provided and as there were no questions or comments, Mr. Megna recommended that the proposal be advanced and recommended for approval by the full Board and the Finance Committee members approved the recommendation.

After it was determined that there were no further issues to be brought before the Board by the Finance Committee, the Finance Committee Meeting was adjourned.

Date: June 29, 2011

Joseph Conroy
Secretary
New York Local Government
Assistance Corporation