

**NEW YORK LOCAL GOVERNMENT
ASSISTANCE CORPORATION
MINUTES OF FINANCE COMMITTEE MEETING
October 25, 2010, 9:00 a.m.
Room 143, State Capitol, Albany, New York**

Finance Committee Members Present:

Thomas DiNapoli	Committee Chairperson/Director (via telephone)
Marc Shaw	Director (via Telephone)
Kevin Murray	Director

Also Present:

Patricia Warrington	Office of the State Comptroller
Deborah DeGenova	Office of the State Comptroller
Tom Nitido	Office of the State Comptroller
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

FINANCE COMMITTEE MEETING

Chairperson DiNapoli called the Finance Committee meeting to order at 9:10 a.m.

Comptroller DiNapoli noted that the minutes from the June 29, 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.

Comptroller DiNapoli made reference to a staff memo which was circulated to the Finance Committee members, regarding an issuance of fixed rate bonds to refund \$265.1 million of the Series 1993A and 1994B Variable Rate Demand Bonds and proceeded to give an overview of the memo. He mentioned that the refunding bonds would be issued under the subordinate lien resolution, which reduces the Corporation's capital reserve requirement by approximately \$44 million. The reserve release will be used to decrease the size of the refunding and to fund the Capital Reserve Fund requirement of the refunding bonds. The result of the refunding on LGAC's portfolio composition was also discussed. The refunding bonds will be issued in a competitive sale.

The Committee Members indicated they had reviewed the materials provided and as there were no questions or comments, Comptroller DiNapoli recommended that the

proposal be advanced and recommended for approval by the full Board and the Finance Committee members approved the recommendation.

Comptroller DiNapoli went on to discuss the next item on the agenda regarding the approval of Bank of America as substitute liquidity provider, termination of the FSA insurance policy on the Series 2003A-4V variable rate demand bonds and the remarketing of the bonds as uninsured variable rate demand bonds. The Comptroller made reference to a staff memo that was previously circulated on this subject and gave an overview of the memo. He mentioned that the replacement liquidity facility with Bank of America was for a five year term and was selected by a competitive RFP. It was also mentioned that in conjunction with the liquidity substitution, staff is recommending that the Board authorize the removal of the FSA insurance from these bonds. The bonds will be remarketed as uninsured variable rate demand bonds by JPMorgan, who is the current remarketing agent on the bonds.

The Committee Members indicated they had reviewed the materials provided and as there were no questions or comments, Comptroller DiNapoli 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: October 25, 2010

Melissa Pangburn
Assistant Secretary
New York Local Government
Assistance Corporation