

# WESTCHESTER TOBACCO ASSET SECURITIZATION CORPORATION

Minutes of the June 30, 2020 Board of Directors meeting

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*“Noting that in Executive Order 202.1 the Governor relaxed the Open Meetings Law to allow meetings of public bodies to be held remotely by conference call or similar services.”*

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Noting a quorum was present; the Westchester Tobacco Asset Securitization Corporation’s annual board meeting was called to order at 4:40 p.m. by Ann Marie Berg, the Chairman of the corporation.

The following items from the agenda were reviewed on an individual basis by the Board members present:

1. A. It was noted as defined in Article II –Section2 (b) of the Corporation’s By-Laws, one director is designated by the Westchester County Health Care Corporation (“WCHCC”) to be the WCHCC board representative, selected by the Majority Leader of the Westchester County Board of Legislators in accordance with Section 3303(2) of the New York Public Authorities Law. **Hence no motion for election of Michael Rosenblut as a board member is required.**
  
1. B. Election of Ann Marie Berg as Chairman and Dennis C. Kelly as Secretary of the Corporation. It was noted as defined in Article II- Section 2 (b) of the Corporation’s By-Laws, one director shall be the individual from time to time exercising the powers and duties of the Commissioner of Finance of Westchester County, *ex officio*. Also as defined in Article III- Section 1 of the Corporation’s By-Laws, the Treasurer shall at all times be the individual from time to time exercising the powers and duties of the Commissioner of Finance of Westchester County. **A motion for elections was made by Peter Pucillo, seconded by Ann Marie Berg and unanimously approved.**
  
1. C. Election of Peter P. Pucillo as Director (as Independent Director). It was noted as defined in Article II- Section 2 (b) of the Corporation’s By-Laws, one director shall be designated jointly by the other two directors in accordance with the provisions of the Certificate of Incorporation of the Corporation. **Motion for election was made by Ann Marie Berg, seconded by Michael Rosenblut and unanimously approved.**

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2. Approval of PKF O'Connor Davies, LLP fee of \$20,000 (not to exceed \$22,000) for the year ending 2020 audit of the financials of Westchester Tobacco Asset Securitization Corporation ("WTASC"). **Motion for approval was made by Ann Marie Berg, seconded by Peter Pucillo and unanimously approved.**
  
3. Approval of WTASC Financials for 2019. Review of the financials was performed by Ann Marie Berg and Dennis C. Kelly highlighting WTASC had received Tobacco Settlement Revenues of \$11,060,852 on April 16, 2020 and \$2,552,979 on April 21, 2020 which were both recorded as a receivable at December 31, 2019. The related Residual payment to Westchester County of \$1,885,516 was recorded as a liability also at December 31, 2019 as well. **A motion for approval of the WTASC financials was made by Peter Pucillo, seconded by Ann Marie Berg and unanimously approved.**
  
4. Approval of Annual Report for 2019, inclusive of the List of Additional Questions & Answers – **attached (The board members present have acknowledged that they have read and understood the mission of WTASC and also acknowledged that they have read and understood the responses to the "list of additional questions & answers" included in the 2019 Annual Report).** A review of the Annual Report was made by Ann Marie Berg and Dennis C. Kelly noting the disclosure in the Annual Report the October 2019 S&P Global Ratings Upgrade in ratings from the May 2019 "watch negative" ratings noting that many bonds have been paid down further than anticipated since they were last analyzed by S & P, mainly due to Non-Participating manufacturers settlements and the remaining length of time until maturity has moved bonds into other maturity buckets for evaluation.

Also, the bond amount associated with each bond maturity rating was indicated in this year's Annual Report. **A motion for approval of the Annual Report for 2019 was made by Peter Pucillo, seconded by Ann Marie Berg and unanimously approved.**

5. Review and approval of previously adopted WTASC Mission Statement attached. - attached. **A motion for approval of Mission Statement was made by Ann Marie Berg, seconded by Peter Pucillo and unanimously approved.**
  
6. Review and approval of previously adopted Investment Guidelines- Policies and Procedures regarding cash flows and investments for Westchester Tobacco Asset Securitization Corporation –attached. **A motion for approval of Investment Guidelines was made by Peter Pucillo, seconded by Ann Marie Berg and unanimously approved.**
  
7. Review and approval of previously adopted Internal Controls- Policies & Procedures – attached (The board members present continue to be satisfied with internal controls of WTASC) - attached. **A motion for approval of Internal Controls-Policies & Procedures was made by Ann Marie Berg, seconded by Peter Pucillo and unanimously approved.**
  
8. Review and approval of previously adopted Travel & Discretionary Funds Policy – attached. **A motion for approval of Travel & Discretionary Funds Policy was made by Peter Pucillo, seconded by Ann Marie Berg and unanimously approved.**

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9. Review and approval of previously adopted Amended Procurement Policy (amended June 13, 2017)- attached.  
As is required, an annual report for 2019 on the scope and implementation of WTASC's prompt payment policy was also sent on June 24, 2020 to NYS Comptroller, the Chair of the Senate Finance Committee, NYS Division of the Budget, and the Chair of the Assembly Ways and Means Committee. All invoices submitted to WTASC were paid within 30 days. **A motion for approval of the Amended Procurement Policy and the Statement of Prompt Payment Policy was made by Ann Marie Berg, seconded by Peter Pucillo and unanimously approved.**
10. Review and approval of previously adopted Code of Ethics- attached. **A motion for approval of the Code of Ethics was made by Peter Pucillo, seconded by Ann Marie Berg and unanimously approved.**
11. Review and approval of the WTASC 2021 budget. A review of the WTASC 2021 budget was made with the forecast of reduced tobacco settlement revenues (TSR) based on the previous history of receipts. It was noted the reducing TSR receipt assumption should still be sufficient to make the required debt service in 2020 through 2024. –attached. **A motion for approval of the 2021 budget was made by Peter Pucillo, seconded by Ann Marie Berg and unanimously approved.**
12. Approval of Westchester County finance department fees of \$35,000 for 2020. (Ann Marie Berg recused herself.) **A motion for approval of the finance department's 2020 fees of \$35,000 was made by Michael Rosenblut, seconded by Peter Pucillo and unanimously approved.**

The following items from the agenda were discussed and reviewed by the Board members present:

13. Each member of the board was provided a "Confidential Evaluation" form to complete which will then be given to the Secretary of the WTASC to be summarized and included in the 2019 Annual Report.
14. As part of the requirement of the 2016 Indenture, the EMMA filing of the 2019 financial report is required to be posted within 180 days of year end. It was posted on June 17, 2020.
15. The 2019 New York State PARIS filing will be completed shortly after this meeting and members will be notified of filing.
16. The Annual Tax Certificate for FY 2020 of the County of Westchester in the State of New York Re: Westchester Tobacco Asset Securitization Corporation, Series 2016B and Series 2016C was received by the Corporation.
17. Discussed all board members have completed the "Acknowledgement of Fiduciary Duty" and received Public Authorities Board Member Training required under section 2824 of the Public Authorities Law.

**A motion for approval of the minutes of this meeting was made by Ann Marie Berg, seconded by Michael Rosenblut and unanimously approved.**

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Having no other business to attend to, a motion to adjourn this meeting at 5:02 p.m. was made by Ann Marie Berg and seconded by Peter Pucillo and unanimously approved.