

**Meeting of the Suffolk Tobacco Asset Securitization Corporation
(STASC)
July 20, 2010**

Minutes

Attendees: Steve Levy, Suffolk County Executive, Jim Morgo, Chairman and President, STASC; Terrence Pearsall, Treasurer & Secretary, STASC; Robert Fonti, Independent Director, STASC; Connie Corso, Deputy County Executive for Finance & Management; John D'Amico, Audit & Control; Dennis Brown, Bureau Chief, Municipal Law; Amy Engel, County Executive Assistant, Carmine Chiusano, Assistant Budget Director, Rich Tortora, Capital Markets; Brian Petersen, AVZ; Stephen Antaki, AVZ; Charles Mattern, AVZ, Robert Creighton, Farrell Fritz,

Minutes Approved: The minutes from the March 11, 2010 meeting were approved. T. Pearsall made the motion, J. Morgo seconded. Approved unanimously.

Capital Markets: Rich Tortora provided an overview of the market. He explained that there has been a huge decrease in cigarette consumption and prices are up to \$11.00 a pack. Shipments are down too. If we had waited, we would have been frozen out of the market. Our turbo redemptions are doing very well.

Public Authorities Accountability Act (PAAA): There was a lengthy discussion about new requirements STASC may be required to comply with.

- The Act requires that board members take a course on board membership.
- PAAA also puts restrictions on who can serve as board members.
- It requires that a majority of board members be independent.
- Portions of our Local Law creating STASC may be at odds with PAAA requirements.
- Compliance requirements may become costly.
- The law does state clearly that not-for-profits need to comply.
- Board members would be subject to disclosure requirements.
- An annual budget report would need to be submitted.
- We may need to move up the date for completion of the audit due to the reporting requirements.

Appointments: The County Executive, the sole member of STASC, signed the unanimous consent appointing the three directors and the one ex-officio director.

Disclosure Filings: Rich Tortora indicated that he will provide an annual update document.

Audited Financial Statements: Brian Petersen, AVZ, explained the statements from Ernst & Young. R. Fonti made a motion to accept the Audited Financial Statements, T. Pearsall seconded. Approved unanimously.

Accounting Update; Brian Petersen gave an accounting update. All the debt payments have been made. The turbo redemption payment took place. The Debt Service Account is adequate for the December payments. By year's end there will be \$93,000 in expenses.

Adjourn: Motion to adjourn was made by T. Pearsall, seconded by R. Fonti. Approved unanimously.