

LONG ISLAND POWER AUTHORITY

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING

HELD ON MARCH 21, 2016

The Finance and Audit Committee of the Long Island Power Authority (the “Authority”) was convened at 8:04 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on March 16, 2016; and electronic notice posted on the Authority’s website annually.

The following Trustees of the Authority were present:

**Shelly L. Cohen, Committee Chair
Elkan Abramowitz
Mark Fischl
Jeffrey Greenfield**

Representing the Authority were Thomas Falcone, Chief Financial Officer; Jon Mostel, General Counsel and Secretary to the Board of Trustees; Bobbi O’Connor, Deputy General Counsel and Assistant Secretary to the Board of Trustees; Kenneth Kane, Managing Director of Finance; Donna Mongiardo, Controller; Corey Horowitz, Director of Power Supply Risk Management; Kathleen Mitterway, Director of Audit; Rick Shansky, Managing Director of Contract Oversight; John Little, Managing Director of Planning and Strategy; Sanna Wong-Chen, Director of Finance; Barbara Ann Dillon, Director of Human Resources and Administration.

Representing KPMG were Todd Fowler, Nicholas DiVirgilio, Mike Percent and John Pontecorvo.

Representing PSEG LI were John O’Connell, Vice President of Transmission & Distribution; David Lyons, Vice President of Business Services; Paul Napoli, Vice President of Power Markets; Daniel Eichhorn, Vice President of Customer Services; and Scott Payant, Senior Manager of Planning and Budgeting.

Committee Chair Cohen welcomed everyone to the Finance and Audit Committee meeting of the Long Island Power Authority Board of Trustees.

Chair Cohen stated that the first item on the agenda is the adoption of the minutes from the January 20, 2016 Committee meeting.

The Chair requested a motion to accept the minutes of the January 20, 2016 meeting, which was duly made and seconded. Trustee Abramowitz abstained from voting because he did not attend the January 20 meeting, and the minutes were approved.

Chair Cohen stated that the next item on the agenda is presentation of 2015 Audit Results, which would be presented by Todd Fowler, Nicholas DiVirgilio, Mike Percent and John Pontecorvo.

Ms. Mongiardo gave a brief introductory presentation regarding the financial statements. Mr. Fowler, Mr. DiVirgilio, Mr. Percent and Mr. Pontecorvo then presented the 2015 Audit Results and then took questions from the Trustees.

At approximately 8:25 a.m. Chair Cohen stated that the Committee would adjourn to Executive Session to discuss personnel matters. Chair Cohen stated that no votes would be taken and that the Committee would resume its public session afterward.

After noting that no votes were taken in the Executive Session, the public portion of the meeting of the Finance and Audit Committee reconvened at approximately 8:30 a.m.

Chair Cohen stated that the next item on the agenda is consideration of recommendation to approve the 2015 Financial Report, which would be presented by Thomas Falcone and Donna Mongiardo.

Mr. Falcone and Ms. Mongiardo presented the following item and then took questions

from the Trustees:

Requested Action

The Finance and Audit Committee (the “Committee”) of the Board of Trustees (the “Board”) is being requested to recommend approval by the Board of the proposed financial report section of the 2015 annual report of the Long Island Power Authority (the “Authority”), prepared in accordance with Section 2800(1) of the Public Authorities Law (“PAL”), in the form attached presented at the meeting.

Background

Section 2800(1) of the PAL requires the Authority to submit an annual report to the Governor, the Chairman and ranking minority member of the Senate Finance committee, the Chairman and ranking minority member of the Assembly Ways and Means committee, the State Comptroller, and the Authorities Budget Office, within ninety days after the end of the Authority’s fiscal year. The annual report includes, among other things, the Authority’s financial report for the fiscal year just ended. Under Section 2800(1)(a)(2) of PAL, the financial report shall include the following: audited financials; grant and subsidy programs; operating and financial risks; current bond ratings; and long-term liabilities (the “Financial Report”).

Section 2800(3) of PAL requires the Financial Report to be approved by the Trustees.

Recommendation

Based upon the foregoing, it is recommended that the Committee adopt a resolution in the form of the draft resolution attached.

A motion was made and seconded, and the Trustees unanimously adopted the

following resolution:

RECOMMENDATION FOR APPROVAL OF 2015 FINANCIAL REPORT OF THE LONG ISLAND POWER AUTHORITY

WHEREAS, Section 2800(1) of the Public Authorities Law (“PAL”) requires public authorities such as the Long Island Power Authority (the “Authority”) to prepare an annual report; and

WHEREAS, the Authority’s annual report includes, among other things, a financial report, as defined under Section 2800(1)(a)(2) of PAL (the “Financial Report”); and

WHEREAS, the Authority has prepared its Financial Report, which, pursuant to Section 2800(3) of PAL, is subject to the approval of the Trustees:

NOW, THEREFORE, BE IT RESOLVED, that Finance and Audit Committee recommends approval by the Board of Trustees of the 2015 Financial Report of the Long Island Power Authority, in the form presented at this meeting.

Chair Cohen stated that the next item on the agenda is the overview of Financial Results & Hedge Report, which would be presented by Donna Mongiardo, Cory Horowitz, David Lyons and Scott Payant.

Ms. Mongiardo presented LIPA's financial results through March 2016, Mr. Lyons and Mr. Payant of PSEG LI reported on the PSEG LI Operating Results, and Mr. Horowitz discussed the Hedge Report.

Chair Cohen stated that the next item on the agenda is review of Internal Audit Charter and Confirmation of Independence, which would be presented by Kathleen Mitterway.

Ms. Mitterway gave a presentation regarding the Internal Audit Charter and Confirmation of Independence and then took questions from Trustees.

Chair Cohen stated that the next item on the agenda is consideration of recommendation to approve Bond Refinancing, which would be presented by Thomas Falcone.

Mr. Falcone presented the following item and then took questions from the Trustees:

Requested Action

The Finance and Audit Committee (the "Committee") of the Board of Trustees (the "Board") is being requested to adopt a resolution recommending that the Board authorize the issuance of up to \$64,615,000 aggregate principal amount of Electric System Revenue Bonds (the "Authorized Bonds") for the purposes of (i) refunding portions of the Authority's outstanding Electric System General Revenue Bonds, Series 2006A, 2006D, and 2006E (the "Refunded Bonds") and (ii) paying fees and expenses in conjunction with

each of the foregoing and the issuance of the bonds, including reimbursement of fees and expenses expended by the Authority in connection therewith, all as described herein.

Plan of Finance

A portion of certain series of the Authority's outstanding Bonds will be redeemed with moneys paid to the Authority by the Utility Debt Securitization Authority ("UDSA") from proceeds of UDSA bonds to be issued later this year. The Authority's staff has determined that savings may be achieved if certain of the series of bonds left outstanding, the Refunded Bonds, after such refunding are subsequently refunded with the Authorized Bonds.

Authorized Bonds

The Authorized Bonds will be issued as fixed rate bonds and sold either on a negotiated basis (i) to one or more underwriters for resale to investors or (ii) directly to one or more investors or financial institutions at such price or prices and on such terms and conditions as they shall determine to be the most cost effective and advantageous for the Authority. The new Authorized Bonds could be issued in conjunction with such previously authorized, but not yet issued, bonds or be sold separately.

Any underwriter will be one of the firms selected pursuant to the Authority's most recent procurement for underwriting, investment banking and swap counterparty services, which firms include Academy Securities, Barclays, BMO Capital Markets GKST Inc., Citigroup, Drexel Hamilton LLC, First Tennessee Bank National Association, Goldman, Sachs & Co., J.P. Morgan Securities, LLC, Jefferies, Key Banc Capital Markets, Loop Capital Markets, Merrill Lynch, Pierce, Fenner & Smith, Morgan Stanley & Co. LLC, Ramirez & Co., Inc., Raymond James & Associates Inc, RBC Capital Markets, Siebert Brandford Shank & Co. LLC, TD Securities, LLC, US Bancorp and Wells Fargo Bank NA. The Trustees are requested to permit the Chief Executive Officer, the Chief Financial Officer, or the Managing Director of Finance of the Authority to designate, as necessary, the underwriters as applicable, assigned to each bond series from the list of pre-qualified firms.

Recommendation

Based upon the foregoing, Mr. Falcone recommended that the Committee adopt the draft resolution below recommending that the Board authorize the issuance of up to \$64,615,000 aggregate principal of Electric System General Revenue Bonds, as described above.

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RECOMMENDATION OF AUTHORIZATION RELATING TO THE ISSUANCE OF ELECTRIC SYSTEM GENERAL REVENUE BONDS FOR THE PURPOSE OF REFUNDING OF CERTAIN OUTSTANDING BONDS

WHEREAS, on May 13, 1998, Long Island Power Authority (the "Authority") adopted its Electric System General Revenue Bond Resolution (the "General Resolution"), which

authorizes bonds, notes or other evidences of indebtedness of the Authority, such bonds to be designated as “Electric System General Revenue Bonds” (the “Bonds”), as special obligations of the Authority in accordance with the terms thereof for, among other purposes, refunding other bonds or notes of the Authority; and

WHEREAS, the Authority may sell Bonds on a negotiated basis to one or more underwriters for resale to the public or by private placement to one or more investors or institutions at such price or prices as the Authority shall determine; and

WHEREAS, Article II of the General Resolution requires that the issuance of each series of Bonds by the Authority shall be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance, subject to further delegation to certain officers to establish the details of the terms of such Bonds; and

WHEREAS, the Authority has various series of outstanding bonds that may advantageously be refunded; and

WHEREAS, the Authority wishes to authorize the issuance of Bonds (the “Authorized Bonds”) for the purpose of refunding portions of the Authority’s Electric System General Revenue Bonds Series 2006A, 2006D, and 2006E, which Authorized Bonds shall be in an aggregate principal amount not to exceed \$64,615,000; and

WHEREAS, the Authority wishes to issue the Authorized Bonds as fixed rate; and

WHEREAS, in order to achieve such purposes there has been prepared and submitted to the Finance and Audit Committee of the Board of Trustees a form of Twenty-Fifth Supplemental Resolution (the “Twenty-Fifth Supplemental General Resolution”):

NOW, THEREFORE, BE IT RESOLVED THAT THE FINANCE AND AUDIT COMMITTEE OF THE AUTHORITY RECOMMENDS ADOPTION OF THE FOLLOWING RESOLUTION BY THE BOARD OF TRUSTEES:

The Twenty-Fifth Supplemental General Resolution, in the form presented to this meeting and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Chief Executive Officer, Chief Financial Officer and Managing Director of Finance are each hereby authorized to deliver the Twenty-Fifth Supplemental General Resolution to The Bank of New York Mellon, as the Trustee for the Bonds, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chief Executive Officer, Chief Financial Officer or Managing Director of Finance, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.

The Chief Executive Officer, Chief Financial Officer, and Managing Director of Finance, are each authorized to sell all Bonds issued either on a negotiated basis (i) to one or more underwriters for resale to investors or (ii) by private placement to one or more investors at such price or prices as determined to be the most cost effective and advantageous for the Authority.

Each Authorized Representative (as defined in the General Resolution) is hereby authorized with respect to each series of the Authorized Bonds, to execute and deliver a

Bond Purchase Agreement (each, a “Bond Purchase Agreement”) in substantially the forms of the bond purchase agreements executed by the Authority in connection with the issuance of the Authority’s Electric System General Revenue Bonds, Series 2015B and Series 2015C, with such modifications thereto as any Authorized Representative of the Authority, upon the advice of counsel to the Authority, approves, or in in connection with any private placement of the Authorized Bonds, a placement, continuing covenant or other financing, loan or credit agreement (each a “Placement Agreement”) with the purchaser(s) thereof in such form, upon advice of counsel to the Authority, as may be approved by such Authorized Representative, which approval in each case shall be conclusively evidenced by the execution thereof by such Authorized Representative.

Each Authorized Representative is hereby authorized and directed to execute and deliver any and all documents, including but not limited to the execution and delivery of one or more official statements or other disclosure documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out each Bond Purchase Agreement or Placement Agreement, the issuance, sale and delivery of the Authorized Bonds and for implementing the terms of each Bond Purchase Agreement or Placement Agreement, and the transactions contemplated thereby, the Twenty-Fifth Supplemental General Resolution and this resolution.

As and to the extent that the Chief Executive Officer, the Chief Financial Officer or the Managing Director of Finance determines that it would be advantageous in current market conditions to issue bond anticipation notes, such officer is hereby authorized to determine whether such bond anticipation notes shall be issued as “Bonds” or “Subordinated Indebtedness” (as defined in the General Resolution). In the event that bond anticipation notes are issued as Subordinated Indebtedness, the details thereof shall be incorporated in a Note Certificate executed by such officer and delivered to the trustees under the General Resolution and the Authority’s Electric System General Subordinated Revenue Bond Resolution, along with a copy of this resolution. Such Note Certificate may include such amendments and modifications to the provisions of this resolution as such officer shall determine necessary and appropriate to effectuate such determinations and details. A copy of such Note Certificate also shall be filed with this resolution into the records of the Authority and, upon such filing, shall be deemed to be a part of this resolution as if set forth in full herein.

Each Authorized Representative is hereby further authorized and directed to execute and deliver any and all documents and instruments and to do any and all acts necessary or proper for carrying out and implementing the terms of, and the transactions contemplated by this resolution and each of the documents authorized thereby and hereby.

This resolution shall take effect immediately.

Chair Cohen stated that the next item on the agenda is consideration of recommendation to approve Strategic Policy Related to Property Taxes and PILOTs, which would be presented by Thomas Falcone and John Little.

Mr. Falcone and Mr. Little presented the following item and then took questions from the Trustees:

Requested Action

The Finance and Audit Committee of the Board of Trustees is requested to approve a resolution recommending that the full Board adopt the proposed Statement of Policy regarding Taxes, Payments in-lieu-of Taxes (“PILOTs”), and Assessments for the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority”), which was presented at the meeting and appears below.

Background on Strategic Planning Process

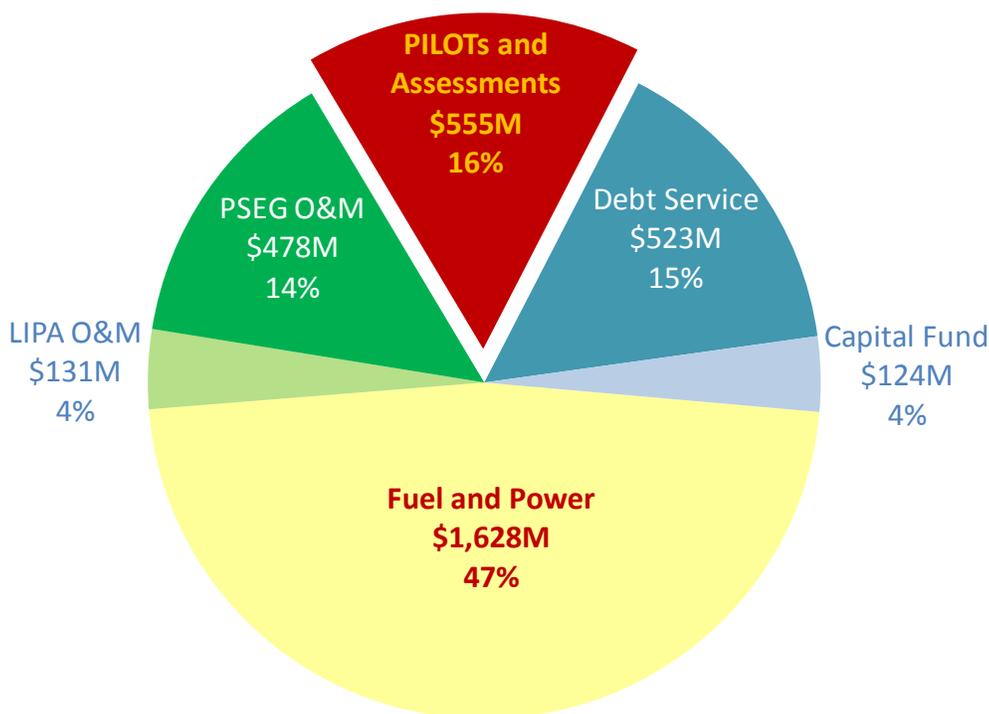
The Finance and Audit Committee of the Board of Trustees (the “F&A Committee”), in its Charter, was delegated the responsibility for overseeing the strategic planning process of the Authority. The strategic planning process anticipates that the direction of the Authority will be developed and periodically reviewed through a series of policy statements approved by the Board. Such policy statements are also a key element of the Authority’s Enterprise Risk Management (“ERM”) program, which was adopted by the Board at its August 7, 2015 meeting. A proposed schedule for the development of policy statements during 2016 and respective committee assignments for each policy statement were reviewed by the F&A Committee on December 16, 2015. The Policy on Taxes, Payments in-lieu-of Taxes, and Assessments is one such policy statement. The intent of this policy statement is to establish the Trustees’ intentions and strategic direction for the Authority regarding taxes, PILOTs and assessments to be carried out by the Authority staff. This policy statement is hereby presented for review and consideration by the F&A Committee.

Background on the Policy on Taxes, Payments in-lieu-of Taxes, and Assessments

Taxes, PILOTs and assessments represent a significant portion of the Authority’s revenue requirements and until recently represented one of the fastest growing components of expenses to be recovered from customers. As shown in the chart below, taxes, PILOTs, and assessments combined represent approximately 16% of our customers’ bills and exceed the amount that the Authority pays to service its debt. An examination of comparable burdens on other utility systems indicates that the average tax burden on electricity rates for New York State is only 9.2% and the national average ranges from 4.2% to 5.5%.¹

¹ See the table on page 3.

2016 Approved Budget



The proposed Board policy is informed by an extensive legislative precedent and litigation record surrounding the Authority's obligations to make tax and PILOT payments, which includes the following developments:

- The LIPA Act, which established requirements for PILOTs on Authority property and revenues.²
- The LIPA Reform Act, which relieved LIPA of certain obligations for revenue-based PILOTs and capped the Authority's payments of property-based PILOTs at 102% of the prior year's payment.
- The ongoing litigation of the National Grid property taxes for the legacy generating facilities whose output is sold to LIPA pursuant to the Amended and Restated Power Supply Agreement.

² The New York Public Authorities Law, as amended by the LIPA Act and the LIPA Reform Act, provides, in relevant part:

Each year after property theretofore owned by LILCO is acquired by the authority by any means authorized by this title and, as a consequence, is removed from the tax rolls, the authority shall make payments in lieu of taxes to municipalities and school districts equal to the taxes and assessments which would have been received from year to year by each such jurisdiction if such acquisition had not occurred, provided, however, that for the calendar year starting on January first, two thousand fifteen, and for each calendar year thereafter, such payments in lieu of taxes shall not exceed the in lieu of tax payments made to such municipalities and school districts in the immediately preceding year by more than two percent.

- The allocation of the Shoreham Property Tax Settlement benefits among the Authority's customers that is being repaid over a 25 year period.

Substantial savings on taxes, PILOTs, and assessments have already been realized as a result of the LIPA Reform Act, which provided savings of approximately \$210 million over the Three Year Rate Plan (2016 – 2018) through the elimination of sales and gross receipts taxes and the imposition of the 2% property tax PILOT cap. Those benefits, however, are already recognized in the pie chart on page 2, and there is still opportunity for substantial improvement to reduce cost for LIPA's customers.

For example, the table below demonstrates that the tax burden imposed on LIPA's customers exceeds the level borne by electric customers throughout the State and the nation.

| Utility | 2014 Non-Income Taxes as % of Total Revenue | 2014 Non-Income Taxes \$ Million |
|--|--|---|
| Long Island Power Authority | 15.4% | \$555 |
| Consolidated Edison | 12.2% | \$1,457 |
| Rochester Gas and Electric | 8.0% | \$67 |
| New York State Electric and Gas | 5.9% | \$104 |
| Orange and Rockland | 4.9% | \$41 |
| Central Hudson Gas & Electric | 4.8% | \$43 |
| National Grid | 4.7% | \$204 |
| New York State Weighted Average (excluding Authority) | 9.2% | \$1,916 |
| National Average for Public Power and Investor Owned Utilities | 4.2% - 5.5% | - |

A substantial portion of this burden comes from the taxes imposed on the National Grid power plants located on Long Island which serve and are paid for by LIPA customers. Compared to the property tax burdens on new power plants constructed on Long Island, and power plants located elsewhere in New York State, these plants are taxed at more than double the rate for plants of similar size and vintage.

Taxes Paid by LIPA on PSA Plants Compared to Other New York State Generation

| Site | Commercial Operation Date | Plant Capacity (MW) | 2015 Property Taxes | | | |
|------------------------|------------------------------|------------------------|---------------------|---------------|--------------|-----------|
| | | | Municipal | School | Total | \$/MW |
| Northport | 1967, 1968, 1972, 1977 | 1,580 | \$ 24,415,987 | \$ 52,190,131 | \$76,606,118 | 48,485 |
| Port Jefferson | 1958, 1960 | 392 | 8,280,330 | 19,369,316 | 27,649,646 | 70,535 |
| Barrett ⁽³⁾ | 1956, 1963, 1970, 1971 | 668 | 14,124,408 | 21,548,766 | 35,673,174 | 53,403 |
| Glenwood | (1) | 114 | 3,930,606 | 12,701,424 | 16,632,030 | 145,895 |
| Total | | 2,754 | 50,751,331 | 105,809,637 | 156,560,969 | \$ 56,849 |

Estimated PILOTs on New Plants on Long Island \$ 25,000

Property Taxes on Selected New York State Plants of a Similar Vintage⁽⁴⁾:

| | | | | |
|-----------------|------------------|-------|---------------|-----------|
| Indian Point | 1974, 1976 | 2,083 | \$ 30,000,000 | \$ 14,402 |
| Nine Mile Point | 1969, 1988 | 1,757 | 24,000,000 | 13,660 |
| Fitzpatrick | 1975 | 850 | 17,300,000 | 20,353 |
| Ginna | 1970 | 581 | 10,000,000 | 17,212 |
| Cayuga | 1955, 1958 | 306 | 1,852,000 | 6,052 |
| Dunkirk | n/a | 600 | 13,100,000 | 21,833 |
| Huntley | 1950, 1959, 1960 | 445 | 5,800,000 | 13,034 |
| Average | | 6,622 | 102,052,000 | \$ 15,411 |

Notes:

(1) Glenwood 200MW steam units demolished in 2013 and 2014; Glenwood gas turbines 1-3 = 114 MW (1967, 1972, 1972)

(2) Illustrative; modern units are more efficient and have higher value than 40-60 year old generating units

(3) Barrett steam units 1 & 2 = 391.4 MW (1956, 1963); Barrett gas turbines 1-12 units = 276.6 MW (1970, 1971)

(4) Based on press reports; data not independently verified by LIPA

Cognizant of this background, the proposed policy statement seeks to provide clear direction about the Board's intent regarding the Authority's obligation to make tax, PILOT and assessment payments and how it wishes to monitor and influence the level of those future payments.

Policy on Taxes, Payments in-lieu-of Taxes, and Assessments

The proposed Policy Statement on Taxes, Payments in-lieu-of Taxes, and Assessments states as follows.

It is the policy of the Long Island Power Authority to:

- a) *Pay only such taxes, Payments in-lieu-of Taxes ("PILOTs"), and assessments as are required by law or the Authority's PILOT agreements with local municipalities and avail itself of the lawful right to challenge excessive payment obligations, including a reasonable and economically justifiable level of property taxes imposed on our customers contractually through the providers of generation and transmission service to the Authority.*
- b) *Promote tax equity among taxing jurisdictions for all of the Authority's customers to minimize the cross-subsidization of tax payers in some jurisdictions by ratepayers in other jurisdictions and balance the amount of taxes imposed on electricity users compared to all other sources of state and local taxation.*
- c) *Inform customers of the burden of taxes, PILOTs, and assessments in their electric rates.*

- d) *Seek input from the public on the appropriate balance between taxes, PILOTs, and assessments imposed on electric utility service relative to all other direct and indirect sources of funding for State and local government services.*

Annual Review of the Policy on Taxes, PILOTs and Assessments

Annually, the Authority staff will present a review of the Authority's activities related to the Policy on Taxes, PILOTs and Assessments to the F&A Committee, which review will include:

- Measurement of T&D PILOTs imposed/paid annually on LIPA property compared with its recovery through rates by Town or City within each County.
- Measurement of taxes on generation sources by plant or other source.
- Comparison of LIPA's tax, PILOT, and assessment burden to other utilities in the State, surrounding states, and other major public power utilities.
- A summary of actions taken by the Authority since the last policy review in furtherance of the Authority's Policy on Taxes, PILOTs and Assessments and those planned or being evaluated for the coming twelve months.

Recommendation

Based upon the foregoing, Mr. Falcone and Mr. Little recommended approval of the above requested action by adoption of a resolution in the form of the draft resolution below.

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RECOMMENDATION OF APPROVAL OF STATEMENT OF POLICY REGARDING TAXES, PAYMENTS IN LIEU OF TAXES, AND ASSESSMENTS

WHEREAS, the Finance and Audit Committee ("F&A Committee") of the Board of Trustees, in its Charter, was delegated the responsibility for overseeing the strategic planning process of the Authority; and

WHEREAS, the F&A Committee recognizes that a comprehensive and coherent statement regarding Taxes, Payment in-lieu-of Taxes, and Assessments is in the long-term interest of the Authority's customers; and

WHEREAS, the F&A Committee has considered and is in agreement with the Policy Regarding Taxes, Payment in-lieu-of Taxes, and Assessments set forth in the accompanying memorandum:

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the proposed Policy Regarding Taxes, Payment in-lieu-of Taxes, and Assessments in the form contained in the accompanying memorandum, is hereby

recommended for approval by the full Board; and

BE IT FURTHER RESOLVED, that the F&A Committee recommends that the Policy Regarding Taxes, Payment in-lieu-of Taxes, and Assessments be subject to annual review and evaluation by the F&A Committee in accordance with the accompanying memorandum.

Chair Cohen stated that the next item on the agenda is discussion of Authority's 2016 Goal Plan, which would be led by John Little.

After the discussion of the Authority's 2016 Goal Plan, staff took questions from the Trustees.

Chair Cohen stated that the next item on the agenda is discussion of Committee's Annual Report to the Board of Trustees, which would be presented by Jon Mostel.

Mr. Mostel discussed the Committee's Annual Report to the Board of Trustees and then took questions from the Trustees.

Chair Cohen then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 9:37 a.m.