MAC Act Short-Term Debt Limits Sect. 3038(9)
June 30, 1982

Sect. 3038(9) (a)

1. Aggregate outstanding City short-term debt \(-0-\)

2. Aggregate principal amount of all notes and bonds issued by MAC (contains $15,000 Series 28 and $5,000 Series 36) $12,854,946,000

3. Less:
   (a) any notes or bonds of MAC which have been redeemed, refunded, paid or cancelled $5,291,628,000
   
   (b) any notes (other than bond anticipation notes) or bonds of MAC issued for a purpose
      
      (i) set forth in Sect. 3037(b) to pay for items permitted to be in the City's capital budget) $1,731,377,788
      
      (ii) Sect. 3010(18) (Federal Guarantee Reserve Fund) $69,909,709
      
      (iii) of making deposits into any MAC capital reserve fund $595,941,389

4. Less any short-term obligations of the City then held by MAC \(-0-\)

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>$5,166,089,114</th>
<th>$7,688,856,886</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit for 1983 fiscal year</td>
<td>$7,260,000,000</td>
<td>$5,166,089,114</td>
</tr>
<tr>
<td>Margin at June 30, 1982</td>
<td>$2,093,910,886</td>
<td></td>
</tr>
</tbody>
</table>
June 30, 1982

Sect. 3038(9) (b)

1. Aggregate City outstanding short-term debt, excluding BANs. -0-

2. Plus aggregate principal amount of all notes and bonds issued by MAC $12,854,946,000

3. Less any MAC notes or bonds which have been refunded or renewed; not reduced by principal payments $12,854,946,000

4. Less MAC notes or bonds in an amount equal to the principal amount of City BANs acquired by MAC (other than BANs acquired in exchange for other BANs) $4,170,683,000

5. Less any MAC notes or bonds issued for the following purposes:

   (i) Sect. 3037(b) (items permitted to be included in the City’s capital budget) $1,731,377,788

   (ii) Sect. 3037(c) (reduction of state advance) $407,851,134

   (iii) Sect. 3037(d) (City seasonal borrowing needs) -0-

   (iv) Sect. 3033(2-a) (the Subordinated Notes) $335,490,000

   (v) Sect. 3010(18) (Federal Guarantee Reserve) $69,909,709

   (vi) deposits into MAC capital reserve funds $595,941,389
June 30, 1982

6. Less any City short-term debt held by MAC other than BANs. -0-

7. Less any City short-term debt issued and payable in the same fiscal year $ -0-

TOTAL $4,529,882,980 $8,325,063,020

Limit $5,000,000,000

Margin at June 30, 1982 $470,117,020
29 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on June 30, 1982, $225,400.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK:dnd

cc: Frances N. Higgins
Pat Santivasci
Administrative Files
28 June 1982

Mr. Richard Schmidt
Building Manager
RUDIN MANAGEMENT CO.
80 Pine Street
New York, New York 10005

Dear Mr. Schmidt:

As we have discussed, this letter is to request permission to utilize the roof area of 80 Pine Street as a site for shooting a panoramic photograph of New York City for use in the Municipal Assistance Corporation's 1982 Annual Report. The Corporation is a public benefit corporation of the State of New York established in 1975 to provide financing for and to oversee the fiscal reform of the City of New York.

For this photography, we are utilizing the services of Mr. Jerry Dantzic, 910 President Street, Brooklyn, New York 11215.

As you have requested, we have obtained a special endorsement to the Corporation's umbrella insurance policy (General Accident Policy No. XC-19170), for the benefit of your building owner, a copy of which is attached to this letter.

Mr. Dantzic will be in touch with you with regard to scheduling.

We very much appreciate your cooperation.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director

SJW/bjw
Attachment

cc: Mr. Jerry Dantzic
GIACCONI INSURANCE AGENCY
226 E Main St
Huntington New York 11743

NAME AND ADDRESS OF INSURED:
Municipal Assistance Corp for the City of NY
One World Trade Center Suite 8901
New York NY 10048

This is to certify that policies of insurance listed below have been issued to the insured named above and are in force at this time. Notwithstanding any requirement, form or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

<table>
<thead>
<tr>
<th>COMPANY LETTER</th>
<th>TYPE OF INSURANCE</th>
<th>POLICY NUMBER</th>
<th>POLICY EXPIRATION DATE</th>
<th>LIMITS OF LIABILITY IN THOUSANDS ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>GENERAL LIABILITY</td>
<td>SMP 271586</td>
<td>12/27/83</td>
<td>BODILY INJURY 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROPERTY DAMAGE 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BODILY INJURY AND PROPERTY DAMAGE COMBINED 1,000 1,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PERSONAL INJURY 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BODILY INJURY (EACH PERSON) 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROPERTY DAMAGE 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BODILY INJURY AND PROPERTY DAMAGE COMBINED 1,000 1,000</td>
</tr>
<tr>
<td>A</td>
<td>EXCESS LIABILITY</td>
<td>XC19179</td>
<td>12/27/83</td>
<td>BODILY INJURY 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROPERTY DAMAGE 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BODILY INJURY AND PROPERTY DAMAGE COMBINED 1,000 1,000</td>
</tr>
<tr>
<td></td>
<td>OTHER THAN UMBRELLA FORM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OTHER</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DESCRIPTION OF OPERATIONS/LOCATIONS/Vehicles

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

NAME AND ADDRESS OF CERTIFICATE HOLDER:
80 Pine Street Incorporated
80 Pine Street
New York NY 10005

DATE ISSUED: June 25, 1982

AUTHORIZED REPRESENTATIVE: [Signature]

ACORD 25 (1-79)
28 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 23, 1982, for settlement on June 24, 1982, to sell to Chemical Bank $10,000,000 par value of United States Treasury Bills due August 26, 1982, ($5,000,000 of which were purchased on February 25, 1982 for a sum of $4,656,980.56, the remaining $5,000,000 for a price of $4,663,805.56), at a discount of 12.27%.

You were also instructed on June 23, 1982, for settlement on June 24, 1982, to purchase from Chemical Bank $10,000,000 par value of United States Treasury Bills due September 2, 1982, at a discount of 12.42%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
**MEMORANDUM**

Date: 25 June 1982  
To: Heather L. Ruth  
From: Claire L. Curry  
Re: Structure as of 7/1/82

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Senior Officers/Executive Staff</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1/7/82</td>
<td>H. Ruth Executive Director</td>
<td>65,700</td>
</tr>
<tr>
<td>7/1/82*</td>
<td>S. Weinstein Deputy Executive Director &amp; Counsel</td>
<td>64,700</td>
</tr>
<tr>
<td>6/10/82***</td>
<td>S. Kantor Deputy Executive Director &amp; Treasurer</td>
<td>60,000</td>
</tr>
<tr>
<td>6/10/82***</td>
<td>M. Gillman Corporation Secretary &amp; Associate Counsel</td>
<td>50,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Officers/Policy Staff</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1/7/82</td>
<td>W. Lithgow Director of Cash Management</td>
</tr>
<tr>
<td>1/7/82</td>
<td>T. Posner Director of Budget Studies/Assistant Treasurer</td>
</tr>
<tr>
<td>11/2/81</td>
<td>L. Flood Management Intern</td>
</tr>
<tr>
<td>6/10/82**</td>
<td>F. Higgins Short Term Investment Officer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accounting &amp; Systems Support</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6/10/82**</td>
<td>C. Curry Director of Accounting</td>
</tr>
<tr>
<td>2/1/82*</td>
<td>B. Gilling Assistant Accountant</td>
</tr>
<tr>
<td>3/15/82</td>
<td>S. Finney Summer Intern</td>
</tr>
<tr>
<td>11/2/81</td>
<td>K. Sweeney Director of MIS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Office Support</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1/7/82</td>
<td>B. Alpern Executive Secretary &amp; Administrative Mgr.</td>
</tr>
<tr>
<td>1/21/82**</td>
<td>D. Dean Executive Secretary</td>
</tr>
<tr>
<td>6/28/82</td>
<td>L. Garvey Executive Secretary</td>
</tr>
<tr>
<td>3/22/82</td>
<td>V. Standifer Receptionist</td>
</tr>
</tbody>
</table>

* Denotes effective date of title change only.  
** Denotes effective date of salary change only.  
*** Denotes effective date of salary, associated with title change effective 7/1/82.

CLC:dnd
Date: 25 June 1982
To: S. Kantor; S. Weinstein; M. Gillman; C. Curry; F. Higgins; J. Bove; T. Posner
From: Heather L. Ruth
Re: FISH

Last Friday we agreed that by this Friday, today, the committee chairmen would propose final file structures and retention policy. As the attached status sheet shows, we have proposed retention policy in writing only from the Investment Committee. In addition, I circulated some handwritten suggestions on file structures. I know you're working on it! Let's see if we can put it together Monday.

Attachment
25 June 1982

**FLISH**

**Overall File Structure**

<table>
<thead>
<tr>
<th>Category*</th>
<th>Status</th>
<th>Committee</th>
<th>Sign off</th>
<th>Retention Policy Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 FINANCING</td>
<td>Final Draft</td>
<td><strong>Steve Kantor</strong> Maxine Gillman Steve Weinstein</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02 INVESTMENT</td>
<td>Final Draft</td>
<td><strong>Steve Kantor</strong> Claire Curry Fran Higgins</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>03 LITIGATION</td>
<td>Old structure (any change?)</td>
<td><strong>John Bove</strong> <strong>Steve Weinstein</strong> (as new Counsel) Max Gillman Steve Kantor re &quot;issue&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>04 LEGISLATION</td>
<td>Old Structure (any change?)</td>
<td><strong>Steve Weinstein</strong> John Bove Max Gillman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>05 OVERSIGHT</td>
<td>Final Draft?</td>
<td><strong>Terri Posner</strong> Steve Kantor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>06 ADMINISTRATION</td>
<td>Draft</td>
<td><strong>Max Gillman</strong> Steve Kantor Steve Weinstein Claire Curry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>07 ACCOUNTING</td>
<td>Final Draft</td>
<td><strong>Claire Curry</strong> Steve Kantor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**"A" Level Category, at highest level of generalization. See attached sheets for "B" level and below, as proposed to date.**

**"Committee chair."**
25 June 1982

Members of the Board
Representatives

Heather L. Ruth, Executive Director

Updating biographies for the Corporation's Annual Report.

Attached is a copy of the most recent version of your biographical material appearing in the last official statement of the Corporation, April 27, 1982. If there is anything you would like changed or updated for the Annual Report, please send a marked up version to the attention of my secretary, Denise Dean. She will be contacting the offices of anyone from whom she has not heard in a week or so.

Note that, with respect to prospective changes in your affiliations or other activities, this year's Annual Report will be dated approximately September 7th; it will be published very close to the end of September.

Also note that this year's Annual Meeting is scheduled tentatively for September 30th, Ms. Dean will be calling your offices about a specific date.

HLR:dn
Attachment
Covenant will be able to meet such factual requirements or that such legal uncertainties will be resolved in favor of such enforcement.

**PART 12—MANAGEMENT**

Under the Act, the Corporation is administered by a Board of Directors (the "Board"), consisting of nine directors. All of the directors are appointed by the Governor with the advice and consent of the State Senate; four of the directors are appointed upon written recommendation of the Mayor. The Act also provides for the appointment of representatives to the Board (the "Representatives") by certain State or City officials or bodies politic. The Representatives are entitled to receive notice of and to attend all meetings of the Board but are not entitled to vote. In addition, the State Comptroller or his representative is entitled to attend and participate in the meetings of the Board but is not entitled to vote.

The Act provides that no director (and no Representative) may be an officer or employee of the Federal Government or of the State or of any political subdivision thereof.

The present members of the Board and the Representatives of the Corporation, and the expiration dates of their respective terms of office are as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Expiration of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Felix G. Rohatyn, Chairman</td>
<td>December 31, 1983</td>
</tr>
<tr>
<td>Edward M. Kresky, Vice Chairman (1)</td>
<td>December 31, 1985</td>
</tr>
<tr>
<td>Francis J. Barry (2)</td>
<td>December 31, 1983</td>
</tr>
<tr>
<td>Kenneth J. Bialkin (1)(2)</td>
<td>December 31, 1982</td>
</tr>
<tr>
<td>George M. Brooker (2)(3)</td>
<td>December 31, 1977</td>
</tr>
<tr>
<td>Eugene J. Keilin</td>
<td>December 31, 1982</td>
</tr>
<tr>
<td>Dick Netzer</td>
<td>December 31, 1983</td>
</tr>
<tr>
<td>Andrew P. Steffan (1)(2)(3)</td>
<td>December 31, 1980</td>
</tr>
<tr>
<td>Robert C. Weaver (3)</td>
<td>December 31, 1980</td>
</tr>
</tbody>
</table>

Representatives (4)

- Jerome Belson .................................. Appointed by the Vice-Chairman of the City Council
- John P. Holmes ................................. Appointed by the Minority Leader of the State Assembly
- Leonard Nadel ................................. Appointed by the Speaker of the State Assembly
- Richard D. Parsons ............................ Appointed by the President Pro-Tem of the State Senate
- Bradford J. Race, Jr. ........................ Designated representative of the State Comptroller
- Robert W. Seavey ............................... Appointed by the Minority Leader of the State Senate

Heather L. Ruth is the Executive Director of the Corporation. (5)

(1) Wertheim & Co., Inc., Smith Barney, Harris Upham & Co. Incorporated, and Shearson/American Express Inc., with which Messrs. Kresky, Steffan and Bialkin, respectively, are affiliated as described in their biographies, may act as Underwriters in connection with the sale of the Series 39 Bonds.

(2) Appointed upon the written recommendation of the Mayor.

(3) Messrs. Brooker, Steffan and Weaver are continuing to serve as directors until reappointed or until their successors have been appointed and qualified.

(4) Each Representative serves at the pleasure of the appointing official or body, is eligible for reappointment and holds office until his successor has been appointed.

(5) Merrill Lynch, Pierce, Fenner & Smith Incorporated, of which Ms. Ruth's husband is a Managing Director, is acting as an Underwriter in connection with the sale of the Series 39 Bonds.

**FELIX G. ROHATYN, Chairman.** Mr. Rohatyn is a General Partner of Lazard Freres & Co., investment bankers. He is a former Governor of the New York Stock Exchange, Inc., and is a director of Schlumberger, Ltd., Owens-Illinois, Inc., Pfizer Inc., Pechiney Ugine Kuhlmann Corporation, MCA
Corporation, American Motors Corporation and Minerals and Resources Corp., Ltd. He is also a director of the New York Heart Association and the New York Philharmonic. Mr. Rohatyn is a resident of New York City.

Edward M. Kresky, Vice-Chairman. Mr. Kresky, Chairman of the Corporation's Investment Committee, is a General Partner of Wertheim & Co., investment bankers. He has been with Wertheim since 1971. From 1965 through 1971, he served as Secretary to the Metropolitan Transportation Authority of New York State. He is a member of the Boards of Security Mutual Life Insurance Company of New York, the New York State Council on the Arts and the New York City Ballet. Mr. Kresky served the Corporation as a Representative from June 1975 to January 1979. He also served as an observer to the Control Board from 1976 to January 1979. Mr. Kresky is a resident of New York City.

Francis J. Barry. Mr. Barry is Chairman of the Board of Circle Line-Sightseeing Yachts, Inc. and other of its affiliated companies. From 1967 to date, he has served as an arbitrator for the United Marine Division of Local 333 I.L.A. of the AFL-CIO. He is a member of the Board of Directors of the New York Convention Center Operating Corporation. He is a director and a member of the Executive Committee of the New York Convention and Visitors Bureau. He is a former member of the Control Board. Mr. Barry is a resident of New York City.

Kenneth J. Bialkin. Mr. Bialkin is a member of the law firm of Willkie Farr & Gallagher, New York, New York, and is an Adjunct Professor of Law at the New York University School of Law. He is Chairman of the Section of Corporation, Banking and Business Law of the American Bar Association, and is a former Chairman of the Committee on Federal Regulation of Securities of that Section. He is also a Vice President and a former Chairman of the Committee on Securities and Exchanges of the New York County Lawyers’ Association. He is a director of Shearson/American Express Inc., and E. M. Warburg, Pincus & Co., Inc. Mr. Bialkin is a resident of New York City.

George M. Brooker. Mr. Brooker is a principal stockholder and President of Webb & Brooker, Inc., a real estate management and brokerage firm. He is past President of the Greater New York Institute of Real Estate Management. He was formerly the Chairman and is currently a member of the Board of Directors of the New York Urban League. He is a director of the Regional Plan Association, a member of the Board of Governors of the Real Estate Board of New York and the Realty Advisory Board of New York. He is a trustee of the Educational Broadcasting Corp. (WNET/Channel 13). He is a member of the Management Council, National Center Housing Management of Washington, D.C. and a director of the Realty Foundation of New York and a member of the Advisory Committee of the New York Bank for Savings. Mr. Brooker is a resident of Pelham Manor, New York.

Eugene J. Keilin. Mr. Keilin, Chairman of the Corporation’s Finance Committee, is a Senior Vice President of Lazard Freres & Co., investment bankers, and was Executive Director of the Corporation from October 1976 to January 1979. From 1973 to 1975, he served as General Counsel of the City’s Office of Management and Budget and, from 1975 to October 1976, he was counsel to the City’s first Deputy Mayor for Finance. Prior to his employment by the City, Mr. Keilin was associated with the New York law firm of Sage, Gray, Todd & Sims. Mr. Keilin is a Lecturer in urban problems and municipal finance at Columbia Law School. He is a Trustee of the Citizens Budget Commission and the Community Council of Greater New York, and a member of the Municipal Affairs Committee of the Association of the Bar of the City of New York. Mr. Keilin is a resident of New York City.

Dick Netzer. Mr. Netzer, Chairman of the Corporation’s City Budget Committee, has been Dean of the Graduate School of Public Administration of New York University since 1969, and since September 1981 has served as Director of the University’s Urban Studies Center. He is a nationally recognized expert in the areas of state and local government finance and urban economics and he has published extensively in each of those areas. He is editor of the quarterly New York Affairs and a member of numerous editorial and research advisory boards. Mr. Netzer is a resident of New York City.

Andrew P. Steffan. Mr. Steffan, Chairman of the Corporation’s Audit Committee, is a First Vice President of Smith Barney, Harris Upham & Co. Incorporated. From 1972 until 1976, he was on the staff of
the Securities and Exchange Commission and became the Agency’s first Director of Economic and Policy Research. He is an Exchange Official of the American Stock Exchange. Mr. Steffan is a resident of New York City.

ROBERT C. WEAVER. Dr. Weaver, Chairman of the Corporation’s Administration Committee, was Distinguished Professor of Urban Affairs at Hunter College from 1971 to 1978. He is now Distinguished Professor Emeritus. From 1966 through 1968, he was Secretary of the United States Department of Housing and Urban Development and, from 1968 through 1970, was President of Bernard M. Baruch College. He is a former member of the Board of Trustees of the Metropolitan Life Insurance Co. and the Bowery Savings Bank, and is a former Chairman of the National Association for the Advancement of Colored People. Dr. Weaver is a resident of New York City.

JEROME BELSON, Representative. Mr. Belson is President and Chief Executive Officer of Jerome Belson Associates, Inc., a real estate management firm. He is also a partner in the law firm of Belson, Connolly & Belson. He is a member of Citizens Housing and Planning Council and is a director and Secretary of the Associated Builders and Owners of Greater New York, Inc. He is a director of the Association for Government Assisted Housing, Inc. and the New York Metropolitan Chapter of the National Association for Housing Redevelopment Officials. Mr. Belson serves as President of St. John’s University Law School Alumni Association. Mr Belson is a resident of New York City.

JOHN P. HOLMES, Representative. Mr. Holmes is the owner of the John P. Holmes Co., Inc., a New York based national management consulting firm, which he founded in 1976. He is a director of Integrated Energy Co., Inc. and serves as Chairman of American Onshore Petroleum Co., Inc. He is a member of the Association for a Better New York and the Iona College Board of Advisory Trustees. He is active in supporting the performing arts. Mr. Holmes is a resident of Westchester County, New York.

LEONARD NADEL, Representative. Mr. Nadel, who was Senior Vice President of Abraham & Straus, a division of Federated Department Stores, Inc. until March 1978, established his own management consulting firm, Leonard Nadel Associates Inc., in New York City in April 1978. In July 1980, Mr. Nadel joined Beldoch Industries Corporation, an apparel manufacturer, where he presently serves as an Executive Vice President. He is former Chairman and current member of the Board of Trustees of Adelphi University, a Trustee of Long Island Jewish-Hillside Medical Center, and he was President of the Brooklyn Chamber of Commerce. Mr. Nadel is a resident of Roslyn, New York.

RICHARD D. PARSONS, Representative. Mr. Parsons is a member of the law firm of Patterson, Belknap, Webb & Tyler. He has been with the Patterson firm since 1977. From 1971 through 1974, Mr. Parsons served as an Assistant and First Assistant Counsel to former Governor Rockefeller. In 1975, he became Deputy Counsel to then Vice President Rockefeller and, later that year, was appointed to the White House staff as Counsel to the Domestic Council. He also serves as an observer to the Control Board. Mr. Parsons is a resident of Briarcliff Manor, New York.

BRADFORD J. RACE, Jr., Representative. Mr. Race is a member of the law firm of Seward & Kissel, New York, New York. He is a member of the New York State Comptroller’s Advisory Committee on New York City Fiscal Affairs, the National Association of Bond Lawyers, and the Municipal Finance Officers Association. Mr. Race is a resident of New York City.

ROBERT W. SEAVEY, Representative. Mr. Seavey is President of N.D.I., a real estate development and construction firm. He is a member of the law firm of Seavey, Fingerit & Vogel, New York, New York, a director of the Citizens Housing and Planning Council of New York, a member of the Committee on Housing and Urban Development of the Association of the Bar of The City of New York, and an Adjunct Professor of Law at Brooklyn Law School. Mr. Seavey is a resident of New York City.

HEATHER L. RUTH, Executive Director. Until July 1980 Ms. Ruth was a self-employed economist and consultant to government and private clients, including agencies of the states of New York and New Jersey. From 1974 to 1978, she was a Vice President of Mathematica Policy Research, Inc., Princeton, N.J. Prior to
that, Ms. Ruth served as an analyst with the New York City Budget Bureau, as an Assistant Administrator of the City's Environmental Protection Administration and as staff to the New York State Charter Revision Commission for the City of New York. Ms. Ruth resides in New York City.

PART 13—LITIGATION

The Corporation is not party to any litigation. Various actions challenging the constitutionality of the imposition and appropriation of the Sales Tax and Stock Transfer Tax to the Corporation have all been dismissed with the State's highest court affirming the constitutionality of the Sales Tax and Stock Transfer Tax as security and sources of payment for the Corporation's obligations. The United States Supreme Court dismissed an appeal from the State court ruling for lack of a substantial Federal question.

PART 14—SUMMARY OF CERTAIN PROVISIONS OF THE SECOND GENERAL BOND RESOLUTION

The following is a summary of certain provisions of the Second General Bond Resolution. The summary is not comprehensive or definitive and is subject to all of the terms and provisions of the Resolution, to which reference is hereby made and copies of which are available from the Corporation. The Capital Reserve Aid Fund is referred to hereinafter as the "Capital Reserve Fund." Section references, unless otherwise indicated, are to the Resolution.

Certain Defined Terms

"Bonds" means all bonds issued pursuant to the Second General Bond Resolution.

"Bond Service Fund" means the fund by that name established by Section 602.

"Capital Reserve Fund" means the fund by that name established by Section 602.

"Capital Reserve Fund Requirement" means, as of any date of calculation, the amount referred to as the capital reserve fund requirement in subdivision 4 of Section 3036-a of the Act, including, as provided in Section 901 for such purposes, any unpaid and matured amounts of principal and interest on the Bonds or such larger amounts as may hereafter be authorized pursuant to the Act as amended from time to time.

"First General Bond Resolution" means the General Bond Resolution dated July 2, 1975, as heretofore and hereafter supplemented in accordance with the terms thereof.

"Fiscal Year" means any twelve consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

"Operating Expenses" means the Corporation's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, as then in effect, and includes administrative expenses, legal, accounting and consultants' services and expenses, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid by the Corporation under the provisions of the Act, as then in effect, or the Resolution or the First General Bond Resolution or otherwise.

"Operating Fund" means the fund by the name established by Section 604 of the First General Bond Resolution.

"Outstanding" means, as of any date, Bonds theretofore or then being delivered under the provisions of the Resolution, except: (i) any Bonds cancelled by the Trustee at or prior to such date, (ii) any Bonds for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in
ANNUAL BUDGET REPORT

June 23, 1982
ANNUAL BUDGET REPORT

June 23, 1982

As required by Section 3040 of the Municipal Assistance Corporation For The City of New York Act, the Corporation has reviewed the City's budget submission for the 1983 fiscal year. In accordance with the Act, we present our initial findings and determinations. Our report reviews the Mayor's Executive Budget for fiscal year 1983 based on our own studies, the reports of the Office of the Special Deputy Comptroller ("OSDC") and the staff analysis of the Financial Control Board ("FCB"). The budget as submitted reflects revenues and expenditures of $15.541 billion and is balanced in accordance with generally accepted accounting principles ("GAAP") for the third consecutive year.

THE BUDGET PROCESS

For the second year in a row (and the third in the last four years), the deadline for the Corporation's statutory report on the City's expense budget will expire before the process leading to an adopted budget and approved Four Year Plan is complete. The uncertainties surrounding the budget and Financial Plan are of particular concern this year because, after seven years of solid accomplishments and significant progress toward recurring budget balance, New York City now faces the most difficult budgetary test since 1975.

In his report dated June 15, 1982, the Special Deputy Comptroller has pointed to a remaining gap totalling $21 to $312 million for the 1983 fiscal year. Included in this estimate of the gap is the possible cost of a labor settlement, not yet concluded, at roughly $55 million per percentage point above the three percent settlement provided in the Mayor's Executive Budget. Contributing to the $21-$312 million estimated gap, OSDC believes that up to $124 million in projected City revenues are at risk. The City's planned expenditure level could be undercut even further during the year by uncertainties which might add to the gap: principally, the possibility of further Federal budget cuts, currently estimated by OSDC at $75 million, and possible shortfalls in State aid, worth up to an additional $193 million.
The budgetary process is made more difficult this year by actions and inaction at the Federal and State levels. Federal budget cuts in social programs have already reduced the resources available to both the State and City budgets and, equally important, the disposable income of the segment of our citizens least able to afford it. The delay in closure over this year's Federal budget raises the level of uncertainty with prospects of additional cuts.

The City is now jeopardized by the lack of an orderly and timely budget process in that it depends upon the Federal and State levels of government and is still in the initial phase of establishing the year-in and year-out fiscal credibility required to sustain and expand its access to the long-term capital markets.

The 1975 crisis taught two important lessons: First, that access to the public credit markets is linked to a predictably recurring balanced budget and, second, that the City and State are interdependent. It is the interdependency of the City and State which makes the issues faced in Albany relevant to the Corporation's examination of the City's 1983 fiscal year budget.

The central debate is over the extent to which the State's revenues will continue to grow at previous rates. The Legislature has enacted a series of programs, some for this fiscal year and others which will cost substantially more in the subsequent fiscal year, without adding new revenue streams to support these programs, thereby creating a new and much higher spending base for the State. One of these major programs, designed to provide relief from Medicaid cost increases for local governments around the State, including New York City, has been adopted but not funded in the State's current fiscal year. Rather, it is proposed to be funded sometime during the first quarter (April-June 1983) of the next (1983-84) State fiscal year, permitting those funds to flow into the City's fiscal 1983 budget.

It is the overlapping calendars of the State and City fiscal years which allow actions pertinent to a future State budget to fund the City's budget at hand. This use of the "Magic Window," which provides the promise but not the presence of State dollars, complicates our ability to judge the City's true fiscal position for 1983.
Beyond this manipulation of the funding cycle, the fundamental disagreement voiced by the Governor relates to the true condition of the State's finances. The Governor's position is that the programs enacted through the legislative process will produce a deficit this year, followed by a far larger deficit next year. If the Governor is correct, substantial new levels of taxation will be required next year to sustain the presently enacted programs, together with their built-in growth. This would reverse the seven year policy of reducing State personal income and certain business taxes. The alternative is to cut back expenditures, thereby jeopardizing the budgets of the City and of other localities throughout the State.

Resolution of these and related issues cannot be deferred too long. The sooner they are resolved, the better for all concerned: not only for the City's 1983 fiscal year expense budget, but also for the perceived creditworthiness of New York City and every tax-exempt borrower in the State, including the Municipal Assistance Corporation For The City of New York.

THE CITY'S 1983 EXPENSE BUDGET

City officials are committed to a GAAP-balanced budget, and we believe they will take such actions as are required to achieve that end. The FCB is in the process of reviewing the City's Plan submission and is expected to take action on June 29. Recent State actions, including the Legislature's approval of authority to enact $171 million in local taxes, promise revenues approximating those required to support the Executive Budget as proposed by the Mayor in May, assuming a 3 percent labor settlement.

As was pointed out in the OSDC report, there remains a series of uncertainties underlying the City's 1983 budget. It seems likely that the outstanding gap will be in a range which can be closed by the methods of expenditure control successfully employed by the City in recent years, that is, without resort to drastic cutbacks. There is no guarantee, however, that such controls will permit sustaining or improving the current level of services as planned. Nor will the accommodations yielding a balanced budget for fiscal 1983 represent any structural progress toward recurring budget balance. At best, as with the State
budget, many of the important issues will have been deferred until further events unfold.

In an environment made uncertain not only by the decisions of higher levels of government but also by the fragile state of the national as well as local economies, many actions affecting the budget are beyond the City's control. It is imperative that the City grasp the one variable which is clearly within its purview--the cost of labor.

Total revenue growth for fiscal 1983 is projected to be a mere 3.5 percent: one-half the growth experienced in fiscal 1981 and less than one-third the growth during 1979. The rate of increase in the cost of living has also slowed substantially. While the CPI increased for the region last month, the cost of living actually decreased by 1.1 percent between September 1981 and March 1982.

In the face of these budgetary and economic uncertainties, the labor settlement should be negotiated in a manner which takes into account actual changes in the cost of living and the final determination must take into account the City's ability to pay. Use of these criteria suggests that increases provided in the wage settlement should not be fixed for the entire length of the contract. Rather, the contract should provide a mechanism for periodically looking back at actual revenue growth and changes in the cost of living as a way of determining changes in compensation. The parties should agree to the development of a procedure which provides for the means of adjustment during the life of the contract.

The Corporation also supports the City's effort to continue the current Tier Three pension system. The establishment of Tier Three was a fundamental pension reform negotiated at the height of the fiscal crisis, and we believe the legislature should resist union efforts to undo this agreement.

CAPITAL NEEDS VERSUS MARKET ACCESS

The same external circumstances which call for continued austerity and caution with respect to the City expense budget demand more rigorous scrutiny of the City's capital spending priorities. Despite efforts in that direction, the City has yet to develop a comprehensive infrastructure
maintenance and rehabilitation program capable of identifying and accomplishing the highest priority capital projects, of spending available capital funds on such projects at projected rates, and of insuring construction is accomplished at the lowest unit cost.

It is perhaps understandable that, beginning earnestly in 1978, the City's initial efforts to re-start its capital program should have focussed on the priority of gearing up the spending process using plans in hand. Indeed, the Corporation remains concerned that City capital spending and commitment rates, despite a large surge this month, will again become "stuck" at a plateau which falls short of the targets against which the Corporation and City jointly formulate the Four-Year Debt Issuance Plan.

The Corporation currently holds in escrow $812 million and is scheduled to borrow $1.25 billion more by December 31, 1984, when our statutory authority to issue new debt for the City's capital program expires. In this relatively short period, the so desperately needed renewal of the infrastructure is constrained by the City's capability to spend and not by the access of the Corporation or the City to capital.

To end there, however, is to take a fatally short-sighted view. Beginning January 1, 1985, the Municipal Assistance Corporation For The City of New York will be authorized to sell bonds and notes only for refunding outstanding debt. Otherwise, our task will be limited to payment of our bonds through 2008. The City will stand alone for raising capital under current plans at an average rate of $1.7 billion per year. Few are prepared to argue that even this projected capital spending level is "adequate" when compared with the true needs of the City's antiquated infrastructure.

The issue is two-fold: first, whether the City is putting its capital resources to the best possible use and, second, whether the City is prepared to make the kinds of difficult choices required if and when market access proves to fall short of current plans. As indicated in the attached memorandum from the Chairman of the Corporation's City Budget Committee, Dick Netzer, there are several areas in which we believe the City should assume a more aggressive posture: among them, in the establishment of capital priorities, the management of project costs, and wider
consideration of alternatives to borrowing for capital spending.

The Corporation and the City—whether separately or together—have yet to raise so much as $1 billion in long-term capital in the public markets since 1975. Moreover, we sell bonds today, in modern history's most adverse capital markets, at almost twice the cost per dollar borrowed, that the Corporation did in the depths of the crisis.

When tax-exempt rates were seven percent and we borrowed $1 billion, we paid back $1 billion in principal plus $1 billion in interest over the fifteen-year average life of the bonds. At tax-exempt rates approaching fourteen percent for the same bonds, we pay back $1 billion in principal plus $2 billion in interest. Notwithstanding legitimate arguments concerning the City's projected level debt service for this decade and the capacity of the real property base to sustain the level of debt service indicated, there is a point beyond which debt service at 14 cents or more per dollar borrowed is no longer affordable and "pay as you go" is the only alternative.

The City's accomplishments to date in reentering the public markets on its own account are impressive and heartening. Barring utter collapse of the markets, further significant progress will doubtless be made each year. But nothing in the immediate prospects for the national economy or the bond market, in the uncertainties underlying the City's budget or the State's, suggests that the City can afford to be less hard-headed about its rock bottom capital priorities and standards of productivity than it has been forced to be on the expense budget since 1975.

Attachment: Memorandum from Dick Netzer to the Board of Directors (June 18, 1982).
18 June 1982

To: Board of Directors

From: Dick Netzer, Chairman, City Budget Committee

Re: Reflections on the Problem of Financing the City's Capital Program

Intermediate and long-term economic and financial forecasts tend to be as highly colored by the short-term outlook as are short-term forecasts. That is, even the longer-term outlook, at any given moment, is heavily affected by the prevailing tenor of pessimism or optimism. This being a time of fairly deep pessimism, it may be that all of us are unduly gloomy about the ability to finance the capital program needed over the next decade to preserve and restore New York City's public infrastructure and other basic components of the public stock.

It would take a remarkable act of imagination, however, to contemplate seriously a scenario in which the local and national economies are in such good shape and the markets for long-term debt securities in general and tax-exempt bonds in particular are so buoyant that the financing of the City's capital program poses only technical, not substantive, problems. The more likely scenario is one in which economic and financial conditions external to the City government itself severely constrain the financing of the capital program.

The Office of Management and Budget's ten-year capital program, for the fiscal years 1983-1992, contained in the Mayor's 1983 Executive Budget contemplates capital expenditures averaging almost $3.5 billion annually, of which $1.7 billion is to come from City (including MAC) sources. Even this huge program is considered inadequate by some observers. For example, David Grossman (in a draft chapter for Setting Municipal Priorities 1983) concludes that the $750 million or so in City funds programmed for infrastructure (narrowly defined to include only water, sewer, roads and bridges) may be no more than is sufficient to match the current rate of deterioration, with an additional 50 percent required to make much of a dent in the huge backlog created by past undermaintenance. Grossman suggests that an overall $6 billion annual rate of capital spending could be justified easily. But, of course, there is nothing like an assured capacity to finance the much smaller program planned.

Are there ways to mitigate the probable severity of the financing problem? At least two come to mind.

First, there is serious question as to whether the City's capital program has been subjected to the kind of painful paring the operating expense budget has been subjected to
since mid-1975. The monitors quite correctly assert, at frequent intervals, that there are numerous opportunities for further economies and better management in the everyday operations of City government. But the fact is that there have been enormous economies in the operating expense budget, effected by lay-offs, attrition, declines in compensation in real terms and reductions in "expenditures for other than personal services." In some areas, services have been fairly well maintained in the face of expenditure restraint by dint of better management practices, resulting in lower unit costs in real terms. In other areas, services have been reduced but selectively—in other words, priorities were changed and services deemed "essential" before July 1975 became no longer essential. In still others, services were reduced more or less across-the-board.

In contrast, the capital program has gone through much more limited scrutiny. Capital spending was turned off almost completely, and pretty indiscriminately. The spigot was turned on again in 1978: rather abruptly, long lists of capital spending projects were at hand and included in the ten-year capital program.

Many of the departmental lists of capital projects that suddenly surfaced in 1978 were rather similar to the departmental lists that had evolved during the 1960s and early 1970s (and, in some cases, very likely had elements dating back before World War II) but were put into the file drawers in 1974, 1975 and 1976. Now, most of those old lists of capital projects did not reflect anything like a careful ordering of priorities, but instead a blend of narrow-gauge planning by old hands in the departments, passing fancies and fads of commissioners and community groups, and changing short-term policies of successive mayors. In some cases, there is considerable question about even the narrow technical competence underlying the old lists: it's hard not to question the capital program of a department that (a) has no inventory of the infrastructure for which it is supposedly responsible and (b) has a history of being unable to program everyday repairs in any rational manner.

So, it is most unlikely that the ten-year capital program is an up-to-date list of projects ranked by priority, with one department's list dovetailed with that of others, for example, in connection with work in the same streets. The operating expense budget has been subjected to a triage-type of scrutiny, imperfect and rough and ready though it may
18 June 1982
Page -3-

have been. Surely, such a scrutiny is appropriate for the capital program; surely, it will result in a significant scaling-down of the lists.

Moreover, there is little evidence that there has been much attention paid to the unit costs of the projects on these lists, comparable to the management improvement efforts on the operating expense side. To be sure, the City lets contracts for construction work and the unit costs are set by the low bidders. But the bids are very much influenced by the conditions set by the City—the specifications for the projects (and in the good old days of ample capital budget funds, there was no great incentive to minimize capital costs by careful setting of realistic specifications), the required scheduling of the work (e.g., doing the work at off-hours) and similar conditions. In addition, the City must become an aggressive fighter against the bid-rigging, collusion and pay-offs that are said to be worse in the construction industry in New York than elsewhere. Here, too, it is likely that hard-boiled management can scale down the costs of the capital program significantly.

It would also be wise for the City to expand its consideration of alternatives to issuance of general obligation debt to support the capital programs. The City hopes to obtain—through the creation of a new State authority or otherwise—the capacity to issue revenue bonds for water and sewer commitments, supported by dedicated revenues. The expansion of the City's flexibility to do so in this area makes sense.

In addition, a second approach to mitigation of the financing problem could lie in greater reliance on current revenue, i.e. "pay as you go" financing of capital outlays, particularly in connection with activities amenable to user-charge support. If the City is going to be spending approximately $250 million a year for the next two decades on water and sewer lines, consideration should be given to funding all or a portion of this program directly through increased sewer and water charges.

By eliminating or reducing the need of a new water and sewer authority to issue $280 million of revenue bonds annually, other city needs might be more easily financed. The City could increase the water and sewer charges (FY 1982 revenues were about $270 million, so doubling them would produce roughly $250 million more annually) and appropriate that
additional revenue to the water and sewer capital program as an expense item.

Either approach—water and sewer revenue bonding or "pay as you go"—will result in higher water and sewer charges in the early years of the program. In the case of "pay as you go," however, overall project costs would be reduced. Moreover, increases in user charges which are unmistakably dedicated to capital improvements that directly benefit users are extremely unlikely to have the kind of negative impact on the local economy that increases in general taxes have.

If the external economic and financial conditions are indeed dreadful, then these approaches will be far from adequate to solve the financing problem. Even so, they will help. And if the external conditions are only moderately bad, these approaches may make it possible, by reducing significantly the amount of debt financing required each year, to create a reasonable adequate long-term City capital program.

/dnd
25 June 1982

Honorable Edward V. Regan
Comptroller
STATE OF NEW YORK/DEPARTMENT OF
    AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12224

Dear Mr. Regan:

This letter is to request your approval of commencement of the sale by the Municipal Assistance Corporation For The City of New York to individual purchasers of short-term notes (the "Commercial Paper") upon the terms contained in the resolutions of the Corporation adopted June 3, 1982 and the Revolving Credit and Term Loan Agreement (the "Credit Agreement"), the Security Agreement, the Issuing and Paying Agency Agreement, and the Dealer Agreement, all dated as of June 3, 1982, unexecuted copies of which are enclosed. Under the Commercial Paper Program (the "Program"), the Corporation will issue and continually refund at maturity its Commercial Paper. However, at no time will the Commercial Paper outstanding, together with interest, if any, to maturity, exceed $100 million.

The Program was designed to take advantage of the continuing marked differential in the public credit market between long-term and short-term tax-exempt yields, in order to provide funds to the City of New York (the "City") for a portion of its capital expenditures. We estimate that this Program will produce net debt service savings to the City, after deducting applicable expenses, of approximately $3 million annually, as compared with a $100 million bond issuance.

The Program is part of the Debt Issuance Plan formulated by the City and the Corporation for the purpose of financing the City's capital requirements through the 1985 fiscal year. The Program will be in substitution for the sale prior to January 1, 1985 of $100 million of the Corporation's long-term bonds and does not represent an addition to our borrowing program. As you know, the Debt Issuance Plan is designed to permit the City to attain long-term financing self-sufficiency in the public markets and to fund the City's capital program in the interim. Continued adherence to the Plan is one basis on which the Federal government has issued guarantees of City bonds placed with State and City employee pension funds.
In the event that the Corporation is unable to refund the Commercial Paper due to either general market conditions or changes in its creditworthiness, the Program provides for an irrevocable line of credit from Citibank, N.A. ("Citibank"). Upon termination of the Program, any outstanding borrowings on the line of credit are repayable over a five year period. This ensures that the Commercial Paper will be funded over a period of not less than five years, a period comparable to many of the Corporation's serial bonds, and that its repayment will not have an adverse fiscal impact on the City's budget in any one year.

The Corporation, at the meeting of its Board of Directors held on June 3, 1982, adopted all of the resolutions required to enable it to commence the Program, authorizing issuance of the Notes and execution of all necessary agreements. In order to implement the Program, your approval is required under Section 3012(l)(e) of the Corporation's enabling legislation. In addition, the Secretary of the Treasury of the United States must approve a Waiver of certain terms of the Bond Purchase Agreement dated as of November 15, 1978, already approved by the parties to that agreement, and the Mayor and the Comptroller of the City must consent to the pledging by the Corporation of City bonds held by the Corporation as collateral to secure Citibank. We expect to obtain each of these other approvals within the next two weeks, and to commence the Program by the end of this month. We have requested each of the rating agencies to rate the Commercial Paper. Standard & Poor's Corporation has informed us that they will rate the Commercial Paper "A1+". Fitch Investors Service has rated the Commercial Paper "F-1". Moody's Investors Service, Inc., has not yet announced its rating.

The Commercial Paper has been authorized to be issued pursuant to the Commercial Paper Note Resolution (the "Note Resolution") and not pursuant to either the Corporation's First or Second General Bond Resolution. The Note Resolution provides that the Commercial Paper, which is a general obligation of the Corporation subordinate to obligations issued under the First or Second General Bond Resolution, may be issued from time to time during the course of the Program, subject to the following limitations: the aggregate principal amount of the Commercial Paper, when added to interest payable at maturity on the Commercial Paper, may not exceed $100 million outstanding at any time; no Commercial Paper may be issued for purposes other than refunding already outstanding Commercial Paper after
December 31, 1984; no Commercial Paper may mature later than July 1, 1987; and the term of any Commercial Paper may not exceed 45 days.

The Commercial Paper will be marketed pursuant to an agreement (the "Dealer Agreement") among the Corporation, the First Boston Corporation, as senior dealer, and Salomon Brothers Inc and Citibank, N.A. as co-dealers (collectively, the "Dealers") and may be described in an offering memorandum to be prepared and made available by the Dealers to prospective purchasers. The Commercial Paper will be issued in denominations not less than $250,000 and will mature on dates not more than 45 days after issuance, both as selected by the individual investors. The Commercial Paper may be sold at a discount, in which event the obligations will not bear interest, or as interest-bearing obligations. At the investor's election, the Commercial Paper will be in bearer or registered form. The effective rate of interest on any Commercial Paper may not exceed the maximum rate permitted by applicable law at the time of issuance. It is anticipated that the Commercial Paper will be priced competitively in accordance with market conditions existing at the time of issuance.

In addition to the line of credit provided by Citibank, the Corporation's arrangement with the Dealers obviates the need to utilize the Credit Agreement for periods of up to five weeks. In the event that purchasers cannot be found for all or a portion of the Commercial Paper to be marketed on a given day, the Dealers have agreed, upon certain conditions, to purchase for their own accounts Commercial Paper with maturities of seven days. The Dealers are obligated to make such purchases for a maximum of five successive seven-day periods if during that period there are no investors found for any or all of the Commercial Paper, subject only to annual holding limitations and their determination that the inability to market the Commercial Paper is not due to the creditworthiness of the Corporation.

Proceeds of the Commercial Paper will be used to finance capital expenditures of the City (until December 31, 1984), to pay maturing Commercial Paper, or to repay advances under the Credit Agreement. In addition, maturing Commercial Paper may be paid with proceeds of a long-term bond issuance of the Corporation, revenues of the Corporation not otherwise required for payment of debt service on outstanding bonds issued under the First or Second General Bond Resolution or from advances made under the Credit Agreement.
The Corporation's obligation to repay Citibank the advances, if any, made under the Agreement, will be evidenced by a note (the "Bank Note") which will be executed simultaneously with the Credit Agreement. The Bank Note is payable in an aggregate principal amount equal to the amount of the advances actually made, but not to exceed $100 million. Amortization of the Bank Note will be made on a quarterly basis in substantially equal installments over a period of approximately, but not less than, five years commencing upon termination of the line of credit.

Interest is payable on the Bank Note from the date any advance is made until payment at the following rates: from the date of any such advance to the termination date of the Credit Agreement, 0.5% above the higher of Citibank's "base rate" or "alternate base rate" (as defined in the Credit Agreement); from the termination date to its second anniversary, 1% above the higher of such rates; and thereafter until final payment of the Bank Note, 1.5% above the higher of such rates. Upon the occurrence of an event of default under the Credit Agreement the rate is increased to 2.0% above such rates.

In addition, the Bank Note may be converted, at the option of Citibank or, under certain circumstances, the Corporation, to Second Resolution Bonds to be issued by the Corporation. In the event that the Bank Note is to be converted to bonds, the Corporation will issue to Citibank bonds pursuant to its Series 37 Resolution. Such Series 37 Bonds will mature not later than seven years after the first day of July next succeeding their delivery. The Series 37 Bonds may mature serially or be amortized by operation of substantially equal mandatory sinking fund payments.

The interest rate on such bonds will be established by the Corporation, with the concurrence of Citibank, taking into consideration the market prices and yields to maturity of other Second Resolution Bonds then outstanding which have substantially similar characteristics. If Citibank does not concur, an independent appraiser is to determine the rate in accordance with the market criteria set forth in Section 1.08 of the Credit Agreement.

Your approval of the sale of the obligations comprising the Program, upon the terms described herein and set forth in detail in the relevant agreements and resolutions, is respectfully requested. We further request your approval of the system of accounts of the Corporation, as required by
Honorable Edward V. Regan  
25 June 1982  
Page -5-  

Section 3013(4) of the Corporation's enabling legislation, to the extent the same are prescribed in its Note Resolution, Bank Note Resolution and Series 37 Resolution, all adopted June 3, 1982.

Sincerely,

[Signature]

Heather L. Ruth  
Executive Director

HLR/bjw  
Enclosures(7):
  Commercial Paper Note Resolution  
  Bank Note Resolution  
  Series 37 Resolution  
  Revolving Credit and Term Loan Agreement  
  Security Agreement  
  Issuing and Paying Agency Agreement  
  Dealer Agreement

The sale of the above described obligations of the Municipal Assistance Corporation For The City of New York comprising its Commercial Paper Program upon the terms above described and the system of accounts of the Corporation to the extent the same are prescribed in the Commercial Paper Note Resolution, the Bank Note Resolution, and the Series 37 Resolution adopted June 3, 1982, are hereby approved. Notwithstanding the above, this approval shall not be effective for Commercial Paper bearing a per annum interest rate in excess of 50 percent.

Edward V. Regan, Comptroller

Dated: , 1982
25 June 1982

Ms. Lalla R. Grimes
Assistant to the Dean
Graduate School of Business
Columbia University
101 Uris Hall
New York, NY 10027

Dear Lalla:

Thank you for the materials you sent. I am slightly panicked by the textbook order! Obviously, I should get "cracking" in deciding precisely what I want to do.

In the meantime, enclosed is my resume, as you requested. I am also enclosing a more informal "biography" in case that should ever prove to be useful in the files.

Sincerely,

Heather L. Ruth
Executive Director
SPECIAL MEETING

BOARD OF DIRECTORS
Wednesday, June 23, 1982
9:30 A.M.
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue/Room 2811/12
New York, New York

AGENDA

1. Adoption of the Minutes of the Meeting of the Board of Directors held June 3, 1982 (copy enclosed).

2. Review of 1983 City Budget.

3. Other Business
23 June 1982

Honorable Edward I. Koch, Mayor  
ATT: Alair A. Townsend, Director  
OFFICE OF MANAGEMENT AND BUDGET  
1210 Municipal Building  
One Centre Street  
New York, New York 10007

Honorable Edward V. Regan, Comptroller  
ATT: Gerald Shrager, Director  
Contracts and State Expenditures  
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL  
A. E. Smith Office Building  
Albany, New York 12236

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 44 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated June 23, 1982.

Certificate Number 44 relates to the cash needs of the Corporation for fiscal years 1982 and 1983 with respect to the Series A through Series JJ Bonds issued pursuant to its First General Bond Resolution and to its Operating Fund requirements.

Sincerely,

Steven J. Kantor  
Treasurer

Enclosures

cc: Attached
cc:  Alexandra Altman, Esq.
     Mr. Rudy Runko
     Mr. Mike Gibbons
     Mr. Martin Ives
     Mr. Steve Levine
     Joseph Moss, Esq.
     Lawrence Remmel, Esq.
     Donald J. Robinson, Esq.
     Ms. Heather L. Ruth
     Mr. Pat Santivasci
     Allen L. Thomas, Esq.
     Stephen J. Weinstein, Esq.
CERTIFICATE NUMBER 44 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036 of the Public Authorities Law of the
State of New York, the undersigned, Chairman of the Board of
Directors of the Municipal Assistance Corporation For The City of
New York (the "Corporation"), hereby certifies to the Comptroller
of the State of New York and to the Mayor of the City of New York
the revised schedule of cash requirements of the Corporation.

The Certificate and Schedule A hereto which is incorporated
herein expressly revise any and all certifications heretofore
made pursuant to said Section 3036 in respect of bonds issued
pursuant to the First General Bond Resolution to the aforesaid
Comptroller and Mayor.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the
seal of the Corporation this 23rd day of June, 1982.

[Signature]

Chairman
### SCHEDULE A

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Date Required on or before</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Fund Under Section 3036 of the Public Authorities Law, Established Pursuant to the First General Bond Resolution Adopted July 2, 1975</td>
<td>$62,800,000</td>
<td>10/12/82</td>
</tr>
<tr>
<td></td>
<td>62,800,000</td>
<td>01/12/83</td>
</tr>
<tr>
<td></td>
<td>60,100,000</td>
<td>04/12/83</td>
</tr>
<tr>
<td></td>
<td>60,100,000</td>
<td>06/30/83</td>
</tr>
<tr>
<td><strong>TOTAL (Fiscal Year 1983)</strong></td>
<td>$245,800,000</td>
<td></td>
</tr>
<tr>
<td>Operating Fund Under Section 3036 of the Public Authorities Law</td>
<td>$ 8,000,000</td>
<td>06/30/83</td>
</tr>
<tr>
<td><strong>TOTAL (Fiscal Year 1983)</strong></td>
<td>$ 8,000,000</td>
<td></td>
</tr>
</tbody>
</table>

23 June 1982

Certificate Number 44
23 June 1982

Honorable Edward I. Koch, Mayor
ATT: Alair A. Townsend, Director
OFFICE OF MANAGEMENT AND BUDGET
1210 Municipal Building
One Centre Street
New York, New York 10007

Honorable Edward V. Regan, Comptroller
ATT: Gerald Shragar, Director
Contracts and State Expenditures
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12236

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 34 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated June 23, 1982.

Certificate Number 34 relates to the cash needs of the Corporation for fiscal years 1982 and 1983 with respect to the Series 1 through 39 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,

Steven J. Kantor
Treasurer

Enclosures

cc: Attached
23 June 1982
Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc: Alexandra Altman, Esq.
Mr. Rudy Runko
Mr. Mike Gibbons
Mr. Martin Ives
Mr. Steve Levine
Joseph Moss, Esq.
Lawrence Remmel, Esq.
Ms. Heather L. Ruth
Donald J. Robinson, Esq.
Mr. Pat Santivasci
Allen L. Thomas, Esq.
Stephen J. Weinstein, Esq.
CERTIFICATE NUMBER 34 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036-a of the Public Authorities Law of the
State of New York, the undersigned, Chairman of the Board of
Directors of the Municipal Assistance Corporation For The City of
New York (the "Corporation"), hereby certifies to the Comptroller
of the State of New York and to the Mayor of The City of New York
the revised schedule of cash requirements of the Corporation (in
addition to the total amount certified in Certificate 44 of the
Corporation dated June 23, 1982 pursuant to Section 3036 of the
Public Authorities Law).

This Certificate and Schedule A hereto which is incorporated
herein expressly revise any and all certifications heretofore
made pursuant to said Section 3036-a in respect of bonds issued
pursuant to the Second General Bond Resolution to the aforesaid
Comptroller and Mayor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
seal of the Corporation this 23rd day of June, 1982.

[Signature]
Chairman
MUNICIPAL ASSISTANCE CORPORATION  
SCHEDULE A  

Bond Service Fund Under  
Section 3036-a of the  
Public Authorities Law,  
Established Pursuant to  
the Second General Bond  
Resolution Adopted  
November 25, 1975*  
Total (Fiscal Year 1982)  

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date Required on or before</th>
</tr>
</thead>
<tbody>
<tr>
<td>$86,000,000</td>
<td>06/25/82**</td>
</tr>
<tr>
<td>$155,000,000</td>
<td>10/12/82</td>
</tr>
<tr>
<td>$155,000,000</td>
<td>01/12/83</td>
</tr>
<tr>
<td>$155,000,000</td>
<td>04/12/83</td>
</tr>
<tr>
<td>$616,000,000</td>
<td>06/25/83***</td>
</tr>
</tbody>
</table>

Capital Reserve Aid Fund  
Under Section 3036-a of  
the Public Authorities Law,  
Established Pursuant to  
the Second General Bond  
Resolution Adopted  
November 25, 1975  
Total (Fiscal Year 1983)  

$25,700,000  

Date Required on or before  
06/25/83**

NOTES:  
* Any payment or payments on June 30, or October 12, 1982 or  
January 12, April 12, or June 30, 1983 from revenues derived from  
the sales and compensating use taxes imposed pursuant to Section  
1107 and 1108 of the Tax Law and stock transfer tax imposed  
pursuant to Article 12 of the Tax Law are subject and subordinate  
to and after payments required by such dates under Certificate  
Number 44 of the Chairman of the Corporation delivered pursuant  
to Section 3036 of the Act.

** To the extent payments made to the Corporation for the 1982  
fiscal year on or before June 25, 1982 are less than the amount  
certified as set forth above, the deficiency shall be required to  
be made up from the June 30, 1982 payments to the Corporation  
subject and subordinate to the payments referred to in the prior  
footnote.

*** To the extent payments made to the Corporation for the 1983  
fiscal year on or before June 25, 1983 are less than the amount  
certified as set forth above, the deficiency shall be required to  
be made up from the June 30, 1983 payments to the Corporation  
subject and subordinate to the payments referred to in the prior  
footnote.

23 June 1982  
Certificate Number 34
Date: 23 June 1982
To: Beatrice L. Gilling
From: Stephen J. Weinstein
Re: John G. Bove

This is to direct you to adjust the payroll records to reflect the resignation of John G. Bove from the position of Counsel, effective at the close of business on June 30, 1982.

Please make the necessary arrangements to pay Mr. Bove for unused annual leave on the first payday following his resignation -- July 7, 1982. On that date, Mr. Bove will have accrued but unused annual leave totaling 303.25 hours. On July 7, 1982, Mr. Bove will also be paid for the 37.5 hours which he will have worked during the pay period ending on that date.

Accordingly, Mr. Bove should be paid for a total of 340.75 hours on July 7, 1982. That payment should be made by five separate checks, four checks each covering 75 hours, and one check covering the balance of 40.75 hours.

cc: John G. Bove
Date: 23 June 1982
To: Beatrice L. Gilling
From: Stephen J. Weinstein
Re: Barbara Jean Wetter

This is to direct you to adjust the payroll records to reflect the resignation of Barbara Jean Wetter from the position of Executive Secretary, effective at the close of business on June 30, 1982.

Please make the necessary arrangements to pay Ms. Wetter for unused annual leave on the first pay day following her resignation -- July 7, 1982. On that date, Ms. Wetter will have accrued but unused annual leave totaling 47.25 hours. On July 7, 1982, Ms. Wetter will also be paid for the 37.5 hours which she will have worked during the pay period ending on that date.

Accordingly, Ms. Wetter should be paid for a total of 84.75 hours on July 7, 1982. That payment should be made by two separate checks, one covering 75 hours and one covering 9.75 hours.

In addition, please make the necessary arrangements for the refunding of Ms. Wetter's total contributions to the New York State Employees' Retirement System, together with appropriate interest earnings.

cc: Barbara Jean Wetter
22 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 21, 1982, for settlement on June 22, 1982, to sell to Chemical Bank $10,000,000 par value of United States Treasury Bills due August 19, 1982, at a discount of 12.15% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of moneys available in the Capital Reserve Fund established under the Second General Bond Resolution.

You were instructed on June 15, 1982, for settlement on June 30, 1982, to purchase from Harris Bank $5,000,000 par value of United States Treasury Notes due June 30, 1984, with a coupon of 14.375%, at a price of 100.076% of par.

You were also instructed on June 15, 1982, for settlement on June 30, 1982, to purchase from Bear Stearns & Co. $5,000,000 par value of United States Treasury Notes due June 30, 1984, with a coupon of 14.375%, at a price of 100.059% of par.

You were further instructed on June 17, 1982, for settlement on June 30, 1982, to purchase from Citibank Bank $5,000,000 par value of United States Treasury Notes due June 30, 1984, with a coupon of 14.375%, at a price of 99.593% of par.

You were further instructed on June 17, 1982, for settlement on June 30, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Notes due June 30, 1984, with a coupon of 14.375%, at a price of 99.593% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Capital Reserve Fund established under the Second General Bond Resolution will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with
21 June 1982
UNITED STATES TRUST COMPANY
OF NEW YORK
Page 2

but in no event later than such times at which moneys in the Capital Reserve Fund will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

CC: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 June 19__

To: Board of Directors
    Representatives

From: Heather L. Ruth, Executive Director

Re: Upcoming meeting of the Board, Wednesday, June 23.

The principal business of the June 23 meeting will be consideration of the Corporation's 1982 report on the City's budget for the 1983 fiscal year, a comment required by statute. Enclosed are a proposed agenda for the meeting, draft minutes of the last meeting, and a memorandum to the Board from the Chairman of the Board's City Budget Committee, Dick Netzer, who will be unable to attend the meeting.

Dean Netzer initially prepared the memorandum for the Chairman, Vice-Chairman and staff because he would be unavailable to review the final report. We agree that the issues he raises concerning the City's capital planning process are important ones and, as he has no objection, propose to include his memorandum as part of our report.

The remainder of the report, focussing principally on the expense budget, will be distributed to you under separate cover.

REMINDER: The June 23rd meeting provides another opportunity where attending Directors may submit per diem and expense claims for the 1982 fiscal year directly to any member of the staff. The deadline for claims through May 31, 1982, is July 15.

HLR:dnd
Enclosures
21 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 15, 1982, for settlement on June 30, 1982, to purchase from Kidder Peabody & Co. $5,000,000 par value of United States Treasury Notes due June 30, 1984, with a coupon of 14.375%, at a price of 100.093% of par.

You were also instructed on June 15, 1982, for settlement on June 30, 1982, to purchase from William E. Pollock & Co. $5,000,000 par value of United States Treasury Notes due June 30, 1984, with a coupon of 14.375%, at a price of 100.076% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 June 1982

TO: Felix
    Gene
    Steve

FROM: Heather

RE: Attached

Attached is a revised draft of the budget report, incorporating another round of Berger comments, principally in the first and second sections. Note that I have also inserted the traditional language I am told has "always" appeared in MAC budget reports in the beginning. Given the style of this year's report, it seems more appropriate at the beginning that elsewhere.

After consulting with Gene last night, I sent the Netzer memorandum out to the Board with the agenda, minutes, etc. today. They should receive some version of this tomorrow, as should OSDC and FCB and the City.

I am available anytime tomorrow, Tuesday, and will call Felix's office first thing in the morning. I may catch both Steve and Gene tonight—-in any case, will try through 11:00 p.m.
21 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 15, 1982, for settlement on June 25, 1982, to purchase from Lehman Government Securities, Inc. $5,000,000 par value of Federal Home Loan Bank Notes due October 25, 1983, with a coupon of 14.40%, at a price of par.

You were also instructed on June 15, 1982, for settlement on June 25, 1982, to purchase from Chemical Bank $5,000,000 par value of Federal Home Loan Banks due October 25, 1983, with a coupon of 14.40%, at a price of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 15, 1982, for settlement on June 30, 1982, to purchase from William E. Pollock Government Securities Inc. $5,000,000 par value of United States Treasury Bills due December 16, 1982, at a discount of 12.60%.

You were also instructed on June 17, 1982, for settlement on June 24, 1982, to purchase from Lehman Government Securities, Inc. $5,000,000 par value of United States Treasury Bills due December 23, 1982, at a discount of 13.14%.

You were further instructed on June 17, 1982, for settlement on June 24, 1982, to purchase from A. G. Becker, Inc. $5,000,000 par value of United States Treasury Bills due December 23, 1982, at a discount of 12.82%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as
practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bba

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
21 June 1982

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
30 West Broadway
New York, New York 10005

Attention: Mr. Edwin F. McMichael
Vice President

Dear Sir:

This is to confirm oral instructions issued to you regarding the investment of moneys available in the Municipal Assistance Corporation For The City of New York Guaranty Fund (Account No. M95 78).

You were instructed on June 16, 1982, for settlement on June 17, 1982, to purchase from Chemical Bank $4,350,000 par value United States Treasury Bills due September 16, 1982, at a discount of 12.28% of par.

Sincerely yours,

Steven J. Kantor
Treasurer

SJK:bba

cc: Donald T. Regan, Secretary of the Treasury
    William J. Lithgow
    Rochelle Siegel, Bank of New York
    Peter J. Wallison, General Counsel to the Treasurer
21 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street – 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on June 22, 1982, $124,500.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

Steven J. Kantor
Treasurer

SJK:dnd

cc: Frances N. Higgins
Pat Santivasci
Administrative Files
Date: 21 June 1982
To: Beatrice L. Gilling
From: Stephen J. Weinstein
Re: Lynn A. Garvey

This is to advise you that the Corporation has hired Ms. Lynn A. Garvey for the position of Executive Secretary, at an annual salary of $19,500. Her employment will begin on June 24, 1982.

Please make all necessary adjustments to our payroll and other employment reporting systems to reflect this hiring.

A copy of Ms. Garvey's resume is attached, for filing in our personnel records.
Lynn A. Garvey  
2146 Schenectady Avenue  
Brooklyn, N.Y. 11234  
(212) 258-0204  

EDUCATION  

January 1980 - January 1982  
Associate Degree Program  
at New York University  
Major: Liberal Arts  

September 1972 - June 1973  
Alice B. Skinner Secretarial  
School - Garden City, New York  
Legal Secretary Diploma  

September 1969 - June 1972  
John F. Kennedy High School -  
Bellmore Avenue, Bellmore, N.Y.  
Academic Diploma  

EXPERIENCE  

January 1982 to present  
Freelance Word Processor Operator specializing in the  
Wang Word Processor.  
Experienced in the use of the  
System 5, 10, 25, 30 and the OIS  
as well as the Sort and Math-Pak  
options.  

June 1979 to January 1982  
The law firm of Lankenau  
Kovner & Bickford  
30 Rockefeller Plaza  
Room 3420  
New York, New York 10112  
(212) 489-8230  

The firm specializes in  
Estate planning, libel and  
communications law.  

- As well as performing the duties of the lead  
Wang operator, which included teaching the  
system to new secretaries, the distribution  
of work as well as the deciding of priorities,  
I often performed the duties of a legal secre-
tary.
- These included making phone calls, establishing appointments, setting up legal files, arranging for court reporters, keeping track of court calendar appointments, etc. I was often called upon to take dictation and I used a dictaphone regularly.

October 1977 - April 1979
University of Arizona
Medical Center
Tucson, Arizona

- Here I acted as secretary to the Assistant Dean of the Medical School. I performed normal secretarial functions until they established a Word Processing Unit. I transferred to this unit and learned to operate a CPT tape to tape and eventually the Wang. While in this department I came into a lot of contact with the Medical school students as I often typed up their papers and transcribed long medical articles.

October 1973 - August 1977
Singer Business Machines
737 Third Avenue
New York, New York

An offshoot of the Singer Company this office dealt with the selling and maintenance of early computer and word processing equipment.

- As Administrative Assistant to the Assistant Sales Manager I performed a variety of secretarial functions. These included the making of appointments, overseeing and helping in the typing and final preparation of sales proposals and as the relief receptionist I learned how to operate the switchboard.

References: Victor A. Kovner, Esq.
(212) 489-8230

Wayne N. Outten, Esq.
(212) 489-8230

Josephine Hauck
(212) 489-8230
18 June 1982

Mr. Philippe Krakowsky
45 Tudor City Place, #611
New York, New York 10017

Dear Mr. Krakowsky:

Thank you for your interest in working for the Municipal Assistance Corporation For The City of New York this summer as a computer operator. Unfortunately, there is no position available at this time. I have forwarded your resume to Ms. Nancy Trutt of the Digital Equipment Corporation (971-3412), who has expressed an interest in reviewing it. You may want to give her a call.

Best of luck,

Steven J. Kantor
Treasurer

SJK/bjw
18 June 1982

Mr. William Marrimow
PHILAEPHIA INQUIRER
401 North Broad Street
Philadelphia, Pennsylvania

Dear Bill:

As a result of my training in Philadelphia, I regularly peruse the printed word for items of great import. I, therefore, was not surprised that the announcement of your fellowship was deemed "fit to print" by a competing rag. Please allow me to add my congratulations as no one else could be more deserving of a year on the Charles. Just don't take too many finance courses, or I'll soon be out of a job.

Best of luck,

Steven J. Kantor
Treasurer

SJK/bjw
18 June 1982

Mr. Norman B. Berry
34 Morton Street
New York, New York 10014

Dear Mr. Berry:

Mr. Eugene Keilin, a member of the Board of Directors and Chairman of the Finance Committee of the Municipal Assistance Corporation For The City of New York has forwarded for my response your comments concerning the apparent refusal by the United States Trust Company of New York to make available interest checks on the payment dates.

The Trust Company mails the interest checks to registered bondholders on the night before the interest payment date. Unfortunately, the operations of the U.S. Postal Service frequently delay the receipt of the checks, particularly our bondholders who live in Manhattan.

The Trust Company does offer an alternative, however. Upon your instructions, the Trust company will mail the check directly to your bank. To arrange for this service, please contact:

Mr. William Jennings
Corporate Trust / 21st Floor
U.S. Trust Company of New York
45 Wall Street
New York, New York 10005
(212) 425-4500 x1246.

Naturally, you always have the choice to hold your bond in coupon form.

If you have any further questions or comments concerning the Corporation, please do not hesitate to contact me.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw
cc: William Jennings
18 June 1982

Mr. John V. Connorton, Jr.
Partner
Hawkins, Delafield & Wood
67 Wall Street
New York, New York 10005

Dear John:

Thank you so much for inviting me to your lunch for Gary Hart. As expected, he is a very impressive fellow. I feel particularly lucky to have managed to get myself seated to the right of the guest of honor—and also extraordinarily embarrassed that I had to "split" early. I was thinking in the cab uptown, that I would walk out on a U.S. Senator for only three people I could think of: Felix (the case in question), the Mayor, and possibly the Governor—though in the last case, one need never worry that he would be on time!

Hope the impression left was not one of "ungrateful or pretentious you-know-what." I also enjoyed seeing the other guests and, in some cases, making new acquaintances. Thanks once more to you and Richard Beattie for inviting me to the luncheon.

Sincerely,

[Signature]

Heather L. Ruth
Executive Director

HLR:dnd
18 June 1982

Dr. Herbert J. Ranschburg  
Vice President & Secretary  
Citizens Budget Commission  
110 East 42 Street  
New York, NY 10017

Dear Herb:

I thought, in addition for thanking you for the entertaining evening at the Waldorf, I should report the story: "What happened to Jim Ruth?" According to Jim, he rushed home and jumped in his tux at about seven; then realized that he had left the ticket at the office. As he had not looked at the ticket, he did not know where the dinner was. Therefore he spent from seven to a quarter till eight calling everybody he could think of who might know. (I did not suggest that he might have called, at the start, the Waldorf and the Hilton just in case!) At approximately eight, he reports, he took off his tux and went to bed disgusted.

Both Ruths' are embarrassed and apologetic for our ill-starred progress toward the CBC's fiftieth anniversary dinner from the Wall Street area. A seemingly simple task of accepting your generous hospitality turned out to have been struck by lightning!

Thanks once more, in any case, from both of us.

Sincerely,

[Signature]

Heather L. Ruth

HLR: dnd
17 June 1982

Mr. Malcolm J. Hood  
Senior Vice President  
Ms. Irene R. Scocca  
Vice President  
UNITED STATES TRUST COMPANY  
OF NEW YORK  
45 Wall Street  
New York, New York 10005

Re: Fees

Dear Mal and Irene:

This letter is to supplement our agreed-upon fee schedule for services which you provide to the Corporation, as set forth in my letter dated December 18, 1982, and signed by you on February 5, 1982, by adding the following fee category under the heading "Investment:" Repurchase Agreement Purchase and Redemption -- $5.00.

Please indicate your agreement to this amendment by signing the enclosed copy of this letter in the space provided and returning it to me.

Sincerely,

[Signature]

Stephen J. Weinstein  
Deputy Executive Director

SJW:bba

Enclosure

ACCEPTED:  
UNITED STATES TRUST COMPANY OF NEW YORK

By:  

(Signature)

(Name)

(Title)

(Date)
17 June 1982

Ms. Madelon Talley, Director
Investment & Cash Management
NYS Department of Audit & Control
270 Broadway
New York, NY 10007

Dear Madelon:

I just read about your new position at Rothschild, Inc. It sounds very exciting! As I am sure others have told you, we will all miss your talents a great deal in State Government.

I am wondering, with your new duties, whether I have lost the possible chance of attracting you to a certain Columbia Business School class next fall one night on pension management. I will, however, make my pitch. I also remain interested in a draft of your paper from the Women’s Bond Club or the other paper you indicated.

In the meantime, thanks so much for all you have done for me personally in exposing me to the Wall Street community. Congratulations and best wishes in your new job.

Sincerely,

[Signature]

Heather L. Ruth
Executive Director

HLR:dnd
17 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on June 18, 1982, $35,400.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK:dnd

cc: Frances N. Higgins
    Pat Santivasci
    Administrative Files
16 June 1982

Paul B. Coburn, Esq.
General Counsel
State of New York
Department of Taxation & Finance
State Campus
Albany, New York 12227

Re: Proposed Agreement

Dear Mr. Coburn:

This letter is to inform you that we have reviewed the June 15, 1982 draft of the proposed Agreement among the New York State Tax Commission, the Commissioner of Finance of the City of New York and the Corporation (copy attached), amending certain prior agreements, and find its terms acceptable.

Accordingly, I am prepared to sign the proposed Agreement at such time as you furnish final execution copies.

Sincerely,

[Signature]

Heather L. Ruth
Executive Director

HLR/bjw
Attachment

cc: Ms. Carol Kellermann
Acting Assistant Commissioner
City Of New York
Department of Finance
16 June 1982

Mr. Pat Losey
BP Air Conditioning Corporation
116 Greenpoint Avenue
Brooklyn, New York 11222

Dear Pat:

Enclosed please find a copy of the proposed maintenance agreement between Municipal Assistance Corporation For The City of New York and BP Air Conditioning Corporation. Please complete Schedule A (the equipment under manufacturer's warranty) and retype the document on your stationery for our execution.

Thanks.

Sincerely,

[Signature]

Steven J. Kantor

SJK/bjw
Enclosure
18 June 1986

Board of Directors

Dick Netzer, Chairman, City Budget Committee

Reflections on the Problem of Financing the City's Capital Program

Intermediate and long-term economic and financial forecasts tend to be as highly colored by the short-term outlook as are short-term forecasts. That is, even the longer-term outlook, at any given moment, is heavily affected by the prevailing tenor of pessimism or optimism. This being a time of fairly deep pessimism, it may be that all of us are unduly gloomy about the ability to finance the capital program needed over the next decade to preserve and restore New York City's public infrastructure and other basic components of the public stock.

It would take a remarkable act of imagination, however, to contemplate seriously a scenario in which the local and national economies are in such good shape and the markets for long-term debt securities in general and tax-exempt bonds in particular are so buoyant that the financing of the City's capital program poses only technical, not substantive, problems. The more likely scenario is one in which economic and financial conditions external to the City government itself severely constrain the financing of the capital program.

The Office of Management and Budget's ten-year capital program, for the fiscal years 1983-1992, contained in the Mayor's 1983 Executive Budget contemplates capital expenditures averaging almost $3.5 billion annually, of which $1.7 billion is to come from City (including MAC) sources. Even this huge program is considered inadequate by some observers. For example, David Grossman (in a draft chapter for Setting Municipal Priorities 1983) concludes that the $750 million or so in City funds programmed for infrastructure (narrowly defined to include only water, sewer, roads and bridges) may be no more than is sufficient to match the current rate of deterioration, with an additional 50 percent required to make much of a dent in the huge backlog created by past undermaintenance. Grossman suggests that an overall $6 billion annual rate of capital spending could be justified easily. But, of course, there is nothing like an assured capacity to finance the much smaller program planned.

Are there ways to mitigate the probable severity of the financing problem? At least two come to mind.

First, there is serious question as to whether the City's capital program has been subjected to the kind of painful paring the operating expense budget has been subjected to
18 June 1982
Page -2-

since mid-1975. The monitors quite correctly assert, at frequent intervals, that there are numerous opportunities for further economies and better management in the everyday operations of City government. But the fact is that there have been enormous economies in the operating expense budget, effected by lay-offs, attrition, declines in compensation in real terms and reductions in "expenditures for other than personal services." In some areas, services have been fairly well maintained in the face of expenditure restraint by dint of better management practices, resulting in lower unit costs in real terms. In other areas, services have been reduced but selectively--in other words, priorities were changed and services deemed "essential" before July 1975 became no longer essential. In still others, services were reduced more or less across-the-board.

In contrast, the capital program has gone through much more limited scrutiny. Capital spending was turned off almost completely, and pretty indiscriminately. The spigot was turned on again in 1978: rather abruptly, long lists of capital spending projects were at hand and included in the ten-year capital program.

Many of the departmental lists of capital projects that suddenly surfaced in 1978 were rather similar to the departmental lists that had evolved during the 1960s and early 1970s (and, in some cases, very likely had elements dating back before World War II) but were put into the file drawers in 1974, 1975 and 1976. Now, most of those old lists of capital projects did not reflect anything like a careful ordering of priorities, but instead a blend of narrow-gauge planning by old hands in the departments, passing fancies and fads of commissioners and community groups, and changing short-term policies of successive mayors. In some cases, there is considerable question about even the narrow technical competence underlying the old lists: it's hard not to question the capital program of a department that (a) has no inventory of the infrastructure for which it is supposedly responsible and (b) has a history of being unable to program everyday repairs in any rational manner.

So, it is most unlikely that the ten-year capital program is an up-to-date list of projects ranked by priority, with one department's list dovetailed with that of others, for example, in connection with work in the same streets. The operating expense budget has been subjected to a triage-type of scrutiny, imperfect and rough and ready though it may
have been. Surely, such a scrutiny is appropriate for the capital program; surely, it will result in a significant scaling-down of the lists.

Moreover, there is little evidence that there has been much attention paid to the unit costs of the projects on these lists, comparable to the management improvement efforts on the operating expense side. To be sure, the City lets contracts for construction work and the unit costs are set by the low bidders. But the bids are very much influenced by the conditions set by the City—the specifications for the projects (and in the good old days of ample capital budget funds, there was no great incentive to minimize capital costs by careful setting of realistic specifications), the required scheduling of the work (e.g., doing the work at off-hours) and similar conditions. In addition, the City must become an aggressive fighter against the bid-rigging, collusion and pay-offs that are said to be worse in the construction industry in New York than elsewhere. Here, too, it is likely that hard-boiled management can scale down the costs of the capital program significantly.

It would also be wise for the City to expand its consideration of alternatives to issuance of general obligation debt to support the capital programs. The City hopes to obtain—through the creation of a new State authority or otherwise—the capacity to issue revenue bonds for water and sewer commitments, supported by dedicated revenues. The expansion of the City’s flexibility to do so in this area makes sense.

In addition, a second approach to mitigation of the financing problem could lie in greater reliance on current revenue, i.e. "pay as you go" financing of capital outlays, particularly in connection with activities amenable to user-charge support. If the City is going to be spending approximately $250 million a year for the next two decades on water and sewer lines, consideration should be given to funding all or a portion of this program directly through increased sewer and water charges.

By eliminating or reducing the need of a new water and sewer authority to issue $280 million of revenue bonds annually, other city needs might be more easily financed. The City could increase the water and sewer charges (FY 1982 revenues were about $270 million, so doubling them would produce roughly $250 million more annually) and appropriate that
additional revenue to the water and sewer capital program as an expense item.

Either approach—water and sewer revenue bonding or "pay as you go"—will result in higher water and sewer charges in the early years of the program. In the case of "pay as you go," however, overall project costs would be reduced. Moreover, increases in user charges which are unmistakably dedicated to capital improvements that directly benefit users are extremely unlikely to have the kind of negative impact on the local economy that increases in general taxes have.

If the external economic and financial conditions are indeed dreadful, then these approaches will be far from adequate to solve the financing problem. Even so, they will help. And if the external conditions are only moderately bad, these approaches may make it possible, by reducing significantly the amount of debt financing required each year, to create a reasonable adequate long-term City capital program.
15 June 1982

Felix Rohatyn, Chairman; Edward Kresky, Chairman of the Investment Committee; Eugene Keilin and Andrew Steffan, Members of the Investment Committee

Heather L. Ruth

Re: Repurchase Agreements: Additional Limitations?

In response to the "Drysdale Affair", the Chairman of the Corporation and the Chairman of the Investment Committee have asked us to review the Corporation's practices governing investment in repurchase agreements. In the attached memorandum to the Investment Committee, the Corporation's Treasurer, Steve Kantor, and I present our current practices, some background on the repo market and our estimate of the cost of imposing a limit on the size of repo placed with any single dealer.

My own view is that imposition of a limit on the size of transactions with any one dealer will buy very little real added protection, on top of the protections already in place:

1) Collateralization at 102-105% of market value;
2) Our strict limitation of acceptable dealers;
3) The strength of the organizations with whom we do the bulk of our business; and
4) The recently imposed limit to overnight transactions, which virtually eliminates any risk due to marking the collateral to market and also limits severely what the dealer may do with the borrowed funds.

These existing protections are greater (i.e., more conservative) than those employed by any comparable investor of which we are aware.

In comparison, the loss of investment income anticipated due to imposing a limit could be quite great -- from $2 to $7 million annually at the levels we have considered. I do not believe the marginal benefit, if any, is worth the probable cost.

If the Chairman and the Investment Committee wish to establish a limit, I recommend $500 million per dealer -- a level sufficiently high that it would not appreciably affect our current practice nor, accordingly, reduce our investment
earnings noticeably. The cost of lower limits we have considered would be as follows:

<table>
<thead>
<tr>
<th>Maximum Repo Per Dealer</th>
<th>Estimated Loss of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250 million</td>
<td>$2-3 million annually</td>
</tr>
<tr>
<td>$100 million</td>
<td>$5-7 million annually</td>
</tr>
</tbody>
</table>

and force us to deal routinely with several approved dealers with whom we currently have very little experience.

Naturally, Steve and I are anxious to implement any guidelines you feel are appropriate and prudent. We will be soliciting your views individually no later than the June 23rd Board Meeting when you are all expected to be present.

Attachment
15 June 1982

To: The Investment Committee

From: Heather L. Ruth, Steven J. Kantor

Re: Corporation's policy with regard to repurchase agreements

In the wake of Drysdale Government Securities Inc's failure to return interest payments on collateral held pursuant to reverse repurchase agreements, it is opportune to reevaluate the Corporation's investment policies with respect to repurchase agreements. The Corporation's present policy is to limit the term of the repurchase agreement to the next business day, except in certain situations, e.g. an extra day before holidays including a weekend.

The Corporation enters into repurchase agreements only with dealers that have been approved by the Corporation and United States Trust Company and the dealer list is monitored daily by both. (See Table 1 for current list.) The Chairman of the Investment Committee reviews the list periodically. There is no current limitation on the amount placed with any one dealer on a particular day.

In the overall context of the Corporation's investment program, which currently approximates $3 billion, repurchase agreements ("repos") play a critical role, approaching $1 billion.

As you are all aware from our meeting several months ago where the Corporation's policies with respect to both repos and reverse repos were reviewed and revised, there is no available investment which can serve as an effective substitute for repurchase agreements. Presumably, there is no sentiment for ending repos. Rather, the question raised by the Chairman of the Corporation and by the Chairman of the Investment Committee is whether additional protection can be obtained by limiting the amount done with any one dealer and how much that protection costs in lower investment earnings.

At Ed Kresky's request, we have asked the State and the City whether they have any limitations on the amount of overnight repurchase agreements they place with any one dealer. Both the State and the City average balances of $1 billion per day, and neither the State nor the City have any limitations on the amount of overnight repurchase agreements placed with any one dealer. Both the City and the State believe that the significant loss of income, incurred by imposing limits, cannot be justified in terms of the very modest protection workable limits provided against the small risk that any major dealer will fail to honor the overnight repurchase agreements.
INVESTMENT COMMITTEE
Repurchase Agreement Policy
Page 2

We have attempted to calculate the costs of imposing ceilings on individual dealers. We have looked at limitations of $500, $250, or $100 million per day, and strongly recommend that, if a limitation is imposed at all, a $500 million should be imposed.

Table 2 lists the amount of investment earnings from investment in repos. We estimate that a limitation of $500 million per dealer would not affect interest earnings significantly. A limitation of $250 million per dealer would lower interest earnings in fiscal year 1983 by $2-3 million, primarily in the Debt Service funds. A limitation of $100 million per dealer would lower interest earnings by $5-7 million.

In addition, the imposition of either a $250 million or $100 million limitation may force the Corporation to place repo's with dealers who are less desirable, as all dealers are not in the repo market each day. (See "Background on Repo Market"). For example, a limit of $250 million per dealer would require the Corporation to invest with a minimum of four dealers each day (a number currently exceeded only 11% of the days, as shown in Table 3); a limit of $100 million would require a minimum of ten dealers each day (two more firms than the total of eight firms with whom we currently do the bulk of our repo business).

The Corporation's Role in the Repo Market

The amount of cash the Corporation has on hand is a function of our cash flow and investment policies. The Corporation has large amounts of cash on hand prior to interest payment dates in January, February, July and August, and also prior to expected City drawdowns of escrowed funds. The amount of cash available for repo at other times is a reflection of the expectations of market movements; in a declining market, cash increases and, in an improving market, money is invested in securities.

Table 3 lists the repo positions of the Corporation since March 31, 1982, the number of dealers needed to place the position, and the largest amount of the Corporation's repo taken by any one firm on that day. This listing provides a "sample" of our recent repo activity. The amount we sell to any one dealer varies with the market. We have occasionally
placed all or nearly all of our position with one dealer (generally Salomon) when the dealer is satisfactory and offers a premium for a large amount.

The Corporation's policy of limiting the term of repos to overnight provides a high degree of comfort. One advantage of overnight repos is that there is very little market-to-market risk on the collateral. The market value, net of accrued interest, of the collateral is taken in at 102-105% of the repo. The one-day term limits the amount the market can move. Secondly, the one-day term effectively limits the ways the dealer can use the cash during the agreement, as he needs it the next day to repurchase the securities. In the past, incidents such as the Drysdale affair have occurred on repos of much longer than one-day term.

**Background on the Repo Market**

Dealers, dealer banks, and brokers use repurchase agreements ("repos") to finance inventories. A dealer's inventory is his position in the market. When he expects the market to rally he will be "long (or holding) securities", conversely when he expects the market to decline, he will "short (or commit to sell) securities". To the extent he is "long", the dealer considers participating in repo transactions, as an alternative to other sources of cash.*

In a repo transaction, the dealer sells the securities (say, to the Corporation) and agrees to "repurchase" the same securities on the next day. The Corporation does not give the dealer the cash until the securities are delivered to the United States Trust Company.

The size of the repo market is in the trillions of dollars. It is extremely difficult to measure a particular firm's position on a day-to-day basis. However, certain firms that

---

* The highest cost source of cash to the dealer is the broker loan rate offered by the major banks. This, in turn, is set by the federal funds rate, the rate at which banks may borrow from one another. The repo rate is generally less than the federal funds rate, as repos are collateralized, whereas the broker loan is an uncollateralized loan.
are aggressive in the government market, such as Salomon Brothers Inc, Bear Stearns, and Discount, frequently do repos of large amounts with the Corporation and other sources of cash, such as the City and the State.

Estimated Cost of Limits

Estimating the loss of income which would occur, if the Corporation placed limits on the size of repos with individual dealers, is similarly difficult because dealer appetite for repos interacts with other market factors as well as the dimensions of our needs on a given day. (For example, during the period reported in Table 3 where no limits were imposed, the number of dealers ranged from one to seven and the position of the largest dealer ranged from $158 to $653 million.) In making such estimates, we have used a "typical" differential between the last dealer used (other than the Trust Company, which matches the best bid) to complete our repo investments and the initial dealers, who presumably represent "market" bids: a difference of roughly 20-30 basis points, if the last transaction is $250 million or less; a difference of roughly 50-70 basis points, if the transaction is $100 million or less.
TABLE 1
Dealers Authorized to Enter into Repurchase Agreements with Municipal Assistance Corporation

**Banks**

Bankers Trust Co.
Bank of America
Chase Manhattan Bank (on probation)
Chemical Bank
* Citibank
Manufacturers Hanover Trust Company
Morgan Guaranty Trust Company
* United States Trust Company of New York

**Dealers/Brokers**

Bache Halsey Stuart Shields, Inc.
* Bear Stearns & Co., Inc.
  A.G. Becker & Co., Inc.
  Dean Witter Reynolds, Inc.
* Discount Corporation of New York
  Donaldson Lufkin & Jenrette
  First Boston Corp.
* Goldman Sachs & Co.
  E.F. Hutton & Co., Inc.
  Kidder, Peabody & Co.
  Aubrey G. Lanston & Co.
* Merrill Lynch Government Securities, Inc.
  subsidiary of Merrill Lynch & Co.
  Morgan Stanley & Co., Inc.
  John Nuveen & Co.
  Paine Webber, Jackson & Curtis, Inc.
* Wm. E. Pollock & Co.
* Salomon Brothers Inc
  R.G.C. Financial Corporation
  L.F. Rothschild & Co.
  Smith Barney, Harris Upham & Co.

* Indicate the firms with whom we do most of the Corporation’s repos (or a total of eight).
| Year | Total Investment Income | Interest Income * From Repos | % of Total Investment Income | % of Total Estimated Interest Income From Repos
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>32.0</td>
<td>32.0</td>
<td>100%</td>
<td>51.7</td>
</tr>
<tr>
<td></td>
<td>5.8</td>
<td>5.8</td>
<td>20%</td>
<td>11.9</td>
</tr>
<tr>
<td>1981</td>
<td>68.1</td>
<td>68.1</td>
<td>100%</td>
<td>93.7</td>
</tr>
<tr>
<td></td>
<td>75.6</td>
<td>75.6</td>
<td>100%</td>
<td>119.4</td>
</tr>
</tbody>
</table>

* Income received on obligations of the City of New York.
<table>
<thead>
<tr>
<th>Date</th>
<th>Position</th>
<th># of Dealers</th>
<th>Largest Dealer</th>
<th>Position of Largest Dealer</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/31</td>
<td>358.5</td>
<td>4</td>
<td>R.G.C.</td>
<td>157.7</td>
</tr>
<tr>
<td>04/01</td>
<td>402</td>
<td>3</td>
<td>Lanston</td>
<td>252</td>
</tr>
<tr>
<td>04/04</td>
<td>402</td>
<td>2</td>
<td>Merrill</td>
<td>245</td>
</tr>
<tr>
<td>04/05</td>
<td>397</td>
<td>2</td>
<td>Bear</td>
<td>250</td>
</tr>
<tr>
<td>04/06</td>
<td>397</td>
<td>2</td>
<td>Bear</td>
<td>249</td>
</tr>
<tr>
<td>04/07</td>
<td>397</td>
<td>3</td>
<td>Bear</td>
<td>200</td>
</tr>
<tr>
<td>04/08</td>
<td>392</td>
<td>2</td>
<td>Salomon</td>
<td>245</td>
</tr>
<tr>
<td>04/12(1)</td>
<td>558</td>
<td>2</td>
<td>Bear</td>
<td>411</td>
</tr>
<tr>
<td>04/13</td>
<td>558</td>
<td>3</td>
<td>Bear</td>
<td>278</td>
</tr>
<tr>
<td>04/14</td>
<td>558</td>
<td>3</td>
<td>Merrill</td>
<td>350</td>
</tr>
<tr>
<td>04/15</td>
<td>540</td>
<td>3</td>
<td>W.E. Pollock</td>
<td>249</td>
</tr>
<tr>
<td>04/16</td>
<td>520</td>
<td>2</td>
<td>Bear</td>
<td>392</td>
</tr>
<tr>
<td>04/19</td>
<td>506</td>
<td>2</td>
<td>Salomon</td>
<td>365</td>
</tr>
<tr>
<td>04/20</td>
<td>508</td>
<td>5</td>
<td>R.G.C.</td>
<td>201</td>
</tr>
<tr>
<td>04/21</td>
<td>526</td>
<td>2</td>
<td>Salomon</td>
<td>374</td>
</tr>
<tr>
<td>04/22</td>
<td>514</td>
<td>3</td>
<td>Discount</td>
<td>222</td>
</tr>
<tr>
<td>04/23</td>
<td>496</td>
<td>3</td>
<td>Salomon</td>
<td>200</td>
</tr>
<tr>
<td>04/26</td>
<td>516</td>
<td>3</td>
<td>Discount</td>
<td>200</td>
</tr>
<tr>
<td>04/27</td>
<td>516</td>
<td>3</td>
<td>W.E. Pollock</td>
<td>202</td>
</tr>
<tr>
<td>04/28</td>
<td>517</td>
<td>2</td>
<td>Bear</td>
<td>507</td>
</tr>
<tr>
<td>04/29</td>
<td>523</td>
<td>4</td>
<td>Discount</td>
<td>226</td>
</tr>
<tr>
<td>04/30</td>
<td>542</td>
<td>3</td>
<td>Salomon</td>
<td>488</td>
</tr>
<tr>
<td>05/03</td>
<td>545</td>
<td>3</td>
<td>Bear</td>
<td>409</td>
</tr>
<tr>
<td>05/04</td>
<td>542</td>
<td>2</td>
<td>Salomon</td>
<td>425</td>
</tr>
<tr>
<td>05/05</td>
<td>342</td>
<td>2</td>
<td>Salomon</td>
<td>428</td>
</tr>
<tr>
<td>05/06</td>
<td>554</td>
<td>3</td>
<td>Salomon</td>
<td>476</td>
</tr>
<tr>
<td>05/07</td>
<td>543</td>
<td>5</td>
<td>Salomon</td>
<td>360</td>
</tr>
<tr>
<td>05/10</td>
<td>551</td>
<td>7</td>
<td>Bear</td>
<td>170</td>
</tr>
<tr>
<td>05/11(2)</td>
<td>643</td>
<td>5</td>
<td>Discount</td>
<td>220</td>
</tr>
<tr>
<td>05/12</td>
<td>644</td>
<td>5</td>
<td>Salomon</td>
<td>359</td>
</tr>
<tr>
<td>05/13</td>
<td>644</td>
<td>4</td>
<td>Bear</td>
<td>299</td>
</tr>
<tr>
<td>05/14</td>
<td>642</td>
<td>3</td>
<td>Salomon</td>
<td>583</td>
</tr>
<tr>
<td>05/17</td>
<td>653</td>
<td>3</td>
<td>Salomon</td>
<td>421</td>
</tr>
<tr>
<td>05/18</td>
<td>654</td>
<td>4</td>
<td>Salomon</td>
<td>249</td>
</tr>
<tr>
<td>05/19</td>
<td>654</td>
<td>3</td>
<td>Salomon</td>
<td>543</td>
</tr>
<tr>
<td>05/20</td>
<td>654</td>
<td>1</td>
<td>Salomon</td>
<td>654</td>
</tr>
<tr>
<td>05/21</td>
<td>654</td>
<td>4</td>
<td>Discount</td>
<td>466</td>
</tr>
<tr>
<td>05/24</td>
<td>667</td>
<td>3</td>
<td>Salomon</td>
<td>392</td>
</tr>
<tr>
<td>05/25</td>
<td>677</td>
<td>2</td>
<td>Salomon</td>
<td>528</td>
</tr>
<tr>
<td>05/26</td>
<td>678</td>
<td>4</td>
<td>Lanston</td>
<td>300</td>
</tr>
<tr>
<td>05/27</td>
<td>658</td>
<td>2</td>
<td>Discount</td>
<td>498</td>
</tr>
<tr>
<td>05/28</td>
<td>679</td>
<td>4</td>
<td>Discount</td>
<td>365</td>
</tr>
</tbody>
</table>

(1) State certification received.
(2) Series 39 settlement.
<table>
<thead>
<tr>
<th>Date</th>
<th>Position</th>
<th># of Dealers</th>
<th>Largest Dealer</th>
<th>Position of Largest Dealer</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/01</td>
<td>692</td>
<td>2</td>
<td>Discount</td>
<td>687</td>
</tr>
<tr>
<td>06/02</td>
<td>663</td>
<td>2</td>
<td>Salomon</td>
<td>653</td>
</tr>
<tr>
<td>06/03</td>
<td>680</td>
<td>5</td>
<td>Discount</td>
<td>398</td>
</tr>
<tr>
<td>06/04</td>
<td>677</td>
<td>2</td>
<td>Discount</td>
<td>478</td>
</tr>
<tr>
<td>06/07</td>
<td>677</td>
<td>4</td>
<td>W.E. Pollock</td>
<td>298</td>
</tr>
<tr>
<td>06/08</td>
<td>676</td>
<td>2</td>
<td>Salomon</td>
<td>472</td>
</tr>
<tr>
<td>06/09</td>
<td>677</td>
<td>4</td>
<td>Bear</td>
<td>395</td>
</tr>
<tr>
<td>06/10</td>
<td>672</td>
<td>3</td>
<td>Bear</td>
<td>268</td>
</tr>
<tr>
<td>06/11</td>
<td>672</td>
<td>3</td>
<td>Discount</td>
<td>398</td>
</tr>
<tr>
<td>06/14</td>
<td>674</td>
<td>2</td>
<td>Salomon</td>
<td>443</td>
</tr>
</tbody>
</table>
14 June 1982

MAC Staff

Heather L. Ruth

New Filing System--FISH (File Indexing System Helper)

The development of FISH has reached a stage where input from virtually all the staff is required to insure its success. Attached is a summary of the proposed file structures, indicating status of the draft and the individuals I want to sign off on a final version. A more detailed break-down of each major file category follows the summary.

Background

To remind everyone: the File Indexing System Helper (FISH) has been developed on the DEC computer to make it possible for any staff member, by using a DEC terminal, to search the Corporation's central files for documents by the following identifiers:

File Category
Date
Author
Addressee
Title of Document

The computer will list all documents so identified, indicate their location, and permit selection of the appropriate document. Eventually, we hope to make the system accessible from our word processing terminals, as well as the computer terminals.

I am attaching the computer print-out instructions for FISH for your information. They need not be studied at this time, but I think you will be interested. In order to use this system, all you must remember is the 6 basic categories: Financing, Investment, Litigation, Legislation, Oversight and Administration. The terminal prompts you for everything else. The system has been designed for the lowest common denominator -- i.e., ME!

You may recall that when we started this project, it was designed in a way which would not require physically moving the files. However, there is a growing consensus that the individual file folders should be moved in the course of insuring each existing document gets put into the system. The main reason is that we are close to the choking point on paper. If we are going to "weed out" superfluous paper, it makes sense to do that and code (i.e., assign "categories") files at the same time.
What Needs to be Done

It is therefore opportune to make policy concerning how long, and in what form, the Corporation keeps documents of various types. I would like to make those decisions and implement them in the course of implementing FISH.

To this end, the individuals designated to "sign-off" on the file structure for each major category should also consider themselves a committee to develop standards for how long each of the various documents included should be kept. Obviously, there will be some overlap because various interests need to be represented.

There are three obvious "things to do" with any piece of paper: 1) Keep it in the active files; 2) put it in "dead" storage or relatively less accessible filing such as in the "white room;" 3) pitch it. Legal and auditing standards may be important in determining what may be pitched as opposed to put in dead storage. Other criteria to consider are, e.g., whether somebody else (the City, the other monitors) has an obligation to keep full sets of certain documents that we would be very unlikely to use in the future but might need.

With respect to the division between "active" and "dead", I am inclined to be fairly ruthless. Both "dead" and "active" file documents, however, should be maintained in the FISH system. Only after going through this process will we know whether we should also be contemplating renting dead storage space. (And, presumably, whether or not "dead" storage is in the white room or off premises may make a difference as to which designation we would give certain documents.)

Finally, in order to put the system on a sound footing, it will be very important for the people who use the system— all of us, whether directly by using the terminals or indirectly by asking the Executive Secretaries to assist—to be involved in the coding of documents. For "senior" staff members, this will mean being very responsive to requests for decisions by any individual staff member who is assigned to start the job. I envision at least one day when we all would come in blue jeans to finish the job.

All of us will be doing the coding. To the extent we need it, we may use additional temporary people to enter the results of coding into the system.
Thanks to all of you who have participated so far in what may seem like a thankless task. Anyone not designated a "sign-off" person should make his or her views very clear to someone who is a sign-off person. Double asterisks indicate proposed "committee" chairs, whose responsibility will be to review a final draft and propose changes, collect and incorporate other member changes, and present final recommendations that the full committee will support. Steve Kantor, Steve Weinstein, John, Max, and Terri are each chair. I will be harrasing the committee chairs on or before June 21.

I propose a Friday meeting at 2:00 which Claire and Fran should also attend. The more thought committee members have given by the meeting to proposed "standards" for keeping documents, the better. Please let me or Denise (if she's here) know if you can't make a 2:00 here on Friday.
# FISH

## Overall File Structure

<table>
<thead>
<tr>
<th>Category*</th>
<th>Status</th>
<th>Person to Sign-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 FINANCING</td>
<td>Final Draft</td>
<td>**Steve Kantor, Maxine Gillman, Steve Weinstein</td>
</tr>
<tr>
<td>02 INVESTMENT</td>
<td>Final Draft</td>
<td>**Steve Kantor, Claire Curry, Fran Higgins</td>
</tr>
<tr>
<td>03 LITIGATION</td>
<td>Old structure (any change?)</td>
<td>**John Bove, Steve Weinstein, Max Gillman</td>
</tr>
<tr>
<td>04 LEGISLATION</td>
<td>Old Structure (any change?)</td>
<td>**Steve Weinstein, John Bove, Max Gillman</td>
</tr>
<tr>
<td>05 OVERSIGHT</td>
<td>Final Draft?</td>
<td>**Terri Posner, Steve Kantor</td>
</tr>
<tr>
<td>06 ADMINISTRATION</td>
<td>Draft</td>
<td>**Max Gillman, Steve Kantor, Steve Weinstein, Claire Curry</td>
</tr>
</tbody>
</table>

Not included in this round: The accounting files.

**"A"** Level Category, at highest level of generalization. See attached sheets for "B" level and below, as proposed to date.

**Proposed committee chair.**
"A" CATEGORY: Financing

"B" CATEGORIES (Subcategories):

First Resolution
Series A: Working Papers
        Closing
        Related Correspondence
Series B-JJ
        Working Papers
        Closing
        Related Correspondence

Second Resolution
Series 1-38
        Working Papers
        Closing
        Related Correspondence
        BPA of 1978

Bankers Acceptances

Commercial Paper
        Working Papers
        Closing

Computer Note

Four Year Plan

Other
        Mini MAC's
        NYC Financings
        NYS Financings
        Other Issuers
        Credit Reports
FISH: INVESTMENTS

"A" Category: Investment

"B" Categories:

01 Letters of Instruction to United States Trust
   01 First Capital Reserve 689
      01 Investments
      02 Reverse Repurchase
   02 Second Capital Reserve 686
      01 Investments
      02 Reverse Repurchase
   03 Operating Fund 723
   04 Proceeds Account 750
      01 Investments
      02 Reverse Repurchase
   05 Bond Service 687
   06 Debt Service 690
   07 Special 793
   08 NYC Bond 114
   09 Restricted
      01 735
      02 742
      03 743

02 Letters of Instruction to Morgan Guaranty Trust

03 Investment Committee
   01 Minutes of Meetings
   02 Investment Guidelines

04 Investment Advisor

05 Investment Analysis
   01 First Capital Reserve
   02 Second Capital Reserve
   03 Operating Fund
05 Investment Analysis

04 Proceeds Account
05 Debt Service
06 Bond Service
07 Special
08 NYC Bond
09 Restricted
10 Tax Exempt
   01
   02
   03

06 Correspondence

01 To United States Trust
02 Other
FISH: LITIGATION

"A" Category: Litigation

"B" Categories (Subcategories) -- each of these contains folder for "Documents Filed in Court" and, where applicable, "Correspondence":

Aaron V. Beame
Avins V. City
Basile V. PBA
Bethlehem Steel v. Board of Education
Board of Education v. City
Boston Stock Exchange
Calandra v. City
City v. PBA
DeMilia v. City
DeMilia v. State
Flushing National Bank v. City (Flushing I)
Flushing National Bank v. MAC
Flushing National Bank v. MAC
Gilman v. MAC
Gold v. State
Horowitz v. City
Hotel Dorset Co. v. Cultural Resources
Kirschner v. USA
Levittown Bd. of Ed. v. Comm. of Ed.
Manchester v. City
Mancuso v. Lincoln 1st Bank
Miscellaneous

Municipal Securities Litigation

Operating Fund

PBA v. City and State

Proposed
  MAC v. Moody's
  MAC v. Pension Funds

Pyramid v. City

Quirk & Wein v. MAC (Flushing II)

Real Property Tax Law

Ropico v. City

Sasso v. City

Sgaglione v. Levitt

Simpson v. Mitchell

Subway Supervisors v. Transit Authority

Tron v. Condello

U.S.Trust v. New Jersey

Wein v. Carey

Wein v. State

Withers v. Teachers' Retirement System

Yonkers Fire Department v. City of Yonkers
"A" Category: Legislation

"B" Categories:

Legislation/Federal:

1969
1978
Guaranty Legislation
Pension Bill
1977
1976
1975
Seasonal Financing
Pension Bill
Miscellaneous
1980

Legislation/State:

1975
MAC Act
Yonkers (871)
Emergency Moratorium
Retirement Systems
City Labor/Increased Take-Home Pay
EFCB & OSDC
1976
Stavisky-Goodman
CUNY
Yonkers (488)
Open Meetings
1977
CUNY
MAC Debt Limit Increased
Tax on Rent and Occupancy
Stock Transfer Tax
City RANs
1978
Borrowing Limit
Sales Tax Exemptions
PEA/Technical Amendments
Pensions
1979
1980
1981

United States Government:
General Accounting Office
Securities & Exchange Commission
Congress
Testimony, Speeches & Statements
"A" Category: Oversight

"B" CATEGORIES:

NYC FOUR YEAR FINANCIAL PLANS (generally three versions)
- By FY (1st FY of 4-Year Plan)
- By Submission Date
- By Approval Date

NYC BUDGET
- By FY
- Budget Reports - Annual
   - Interim

NYC CAPITAL BUDGET
- Commitment Plan (4-Yr. contracts, etc.)
- Expenditure Plan
- Other Analysis (Time & Management Information Systems; Interfund Agreements, etc.)
- Financing: Water & Sewer
- C. Budget by FY
- Reports
- Capital Construction/NYC

OVERSIGHT:

Bankruptcy/Default
*Charter Reform
*Coalition of Northeast Governors Convention Center
*Demography
*Economic Conditions (reports by FCB)
*Economic Development (NYS & NYC)
*Education (NYC Higher and Lower Education)
*Energy
  Fiscal Crisis -General
*Harris Poll
  Interest Groups
  Mayor's Management Advisory Board
  Monitoring/Oversight
  Reconstruction Finance Corporation (a.k.a. Urban Refinance Corp., Urban Finance Project)
*Taxation Task Force
  Temporary Commission on City Finances
OVERSIGHT (Continued)

"COVERED ORGANIZATIONS"/COVERED SUBJECTS:

Battery Park City
Department of Social Services: Addiction, drug services;
Mental Health; Medicaid, Medicare
Educational Construction Fund
Gambling
Health/Health Care Services:
   Health & Hospitals Corporation
   Municipal Hosp. Closings
Housing (Mitchell-Lama, Co-op City, all subheads)
Labor/Municipal Workers (all three main headings and
   subheads)
Pension Funds
Rehabilitation Mortgage Corp.
Transit/Transportation

OFFICE OF THE SPECIAL DEPUTY COMPTROLLER

(EMERGENCY) FINANCIAL CONTROL BOARD
"A" Category: Administration

"B" Categories (Subcategories):

Debt Administration
  U.S. Trust
  Paying Agents
  Correspondence from Debt Holders
  Other

Accounting

Data Processing

Printing of Financial Statements

Staff of the Corporation

Board of Directors
  By-Laws
  Members
  Committees
    Administration
    Audit
    City Budget
    Finance
    Investment

General Office Expense
FISH
Inquiry System User Documentation

1.0 HOW TO RUN THE FISH INQUIRY PROGRAM

In order to find documents in the FISH system, the user will have to type the following when prompted with an @:

@FISH-OUT

The program will then proceed to ask the user the questions that are described in the following sections.
The program will first prompt with its input screen. This screen is setup as follows:

**FISH Inquiry System**

Enter Date From:                       Enter Date To:
YEAR:-- MONTH:--  DAY:--       YEAR:-- MONTH:--  DAY:--

ADDRSSEE:----------------------------------

AUTHOR CODES:---, ---, ---, ---, ---, ---, ---, ---

TITLE:--------------------------------------

MAJOR CATEGORY A:--

OTHER CATEGORY DESCRIPTIONS:

B:----------------------------------------
C:----------------------------------------
D:----------------------------------------
E:----------------------------------------

At this point you will be prompted for each consecutive field.

Following are the allowable inputs for each field and error messages that may occur for each. For each question you are allowed to enter a "?" to the prompt and will receive an appropriate help message.
2.1 Enter Date From:

YEAR:__ MONTH:__ DAY:__

YEAR:__ - is a required field

You must enter two numeric characters to this prompt.

MONTH:__ - is not a required field

The MONTH prompt should be answered with a three character alphanumeric abbreviation for the month.

The program will validate that the abbreviation entered is a valid abbreviation for a month. If it is not, the program will display the following error message and reprompt for the MONTH:

?Not a valid abbreviation for month

If spaces are entered, the program will assume JAN as the MONTH and 01 as the DAY. This default that is taken will be displayed on the screen.

DAY:__ - is not a required field

The DAY prompt should be answered with a two numeric characters.

The program will validate that the number of days entered is a valid entry for the month entered. If it is an invalid entry the program will display the following error message and reprompt for the DAY:

?Not a valid day for month entered

If spaces or zero are entered, the program will assume 01 as the default DAY. This default that is used will be displayed on the screen.
Enter Date To:

YEAR:__ MONTH:__ DAY:__

YEAR:__ - is not a required field

The YEAR prompt should be answered with two numeric characters.

If spaces or zero are entered, the program will assume the default year to be the YEAR FROM that was entered. Along with defaulting the year, the program will also move default values into the MONTH and DAY field. The defaults for the month and day will be filled in as the last day of the year.

The value of YEAR TO must be greater than or equal to the value of YEAR FROM. If not the following error message will be displayed:

?Date to is earlier than date from.

MONTH:__ - is not a required field

The MONTH prompt should be answered with a three character alphanumeric abbreviation for the month requested.

The program will validate that the abbreviation entered is a valid abbreviation for a month. If it is not the program will display the following error message and reprompt for the MONTH:

?Not a valid abbreviation for month

If spaces are entered, the program will default to the month entered in the FROM DATE. And the program will use the last day of that month as the value of DAY.

Also the value of the MONTH TO entered must make the DATE TO entered greater than or equal to the DATE FROM entered.

DAY:__ - is not a required field

The DAY prompt should be answered with two numeric characters.

The program will validate that the number of days entered is a valid entry for the month entered. If it is an invalid entry, the program will display the following error message and reprompt for the DAY:

?Not a valid day for month entered

If spaces or zero are entered, the program will assume the last day of the MONTH TO as the default DAY. This default that is used will be displayed on the screen.

The DAY TO entered should must make the DATE TO greater than or equal to the DATE FROM.
ADDRESSEE:----------------------   - not a required field

You may enter up to thirty alphanumerical characters.

Only key names or phrases should be entered here to increase
the chances of finding the specific documents that you are
looking for.

If you enter a carriage return or all spaces the program
will not narrow down the available documents based on
addressee.
AUTHOR CODES: ___ , ___ , ___ , ___ , ___ , ___ , ___ , ___ , ___ - not required

Each author code may contain up to three alphanumeric characters.

You may enter up to nine author codes, one in each field. Once
you have entered all the author codes that you wish to find in
this particular session, enter a carriage return or all spaces to
the next author code field. The program will then proceed to the
next prompt which is TITLE.

While you are entering the author codes, the program will be
verifying that they exist within the FISH system. If the
program finds one that does not exist, you will receive the
following error message and be reprompted for the field:

?No author in file with that author code

If you had entered a carriage return or all spaces to the first
author code field, the program will assume that you want all
author codes found with the other specifications you have entered.
It will then proceed to the next prompt which is TITLE.
TITLE:------------------------------------------ - not required

You may enter up to fifty alphanumeric characters.

Only key names or phrases should be entered here to increase the chances of finding the specific documents you are looking for.

If you enter a carriage return or all spaces to this question, all titles found will be included.
MAJOR CATEGORY A: -- - a required field

You must enter two numeric characters as an answer to this question.

The program will look up in the CATEGORY file to see if that category exists. If it exists, the program will display the description of the category in the field beside the category number. This field will look like:

DESCRIPTION A: --------------------------------------------------------

If it does not exist, the program will display an error message as follows:

Category entered - not in file

you will then be reprompted for the MAJOR CATEGORY A.

If you type "?", the program will proceed to another screen where it will display the available major categories in the following format:

Please pick from the following major categories -

--------------------------------------------------------

until all major categories were displayed or you typed an (ESC)P to go back to the beginning screen. If you want to make a printed copy of the categories that appear on the screen you may type a (CTRL)P when you are looking at the screen. If there is more than one screen full of major categories, the program will expect you to type a <CR> to proceed to the next screen.

Once you are back at the initial screen, you will be reprompted for the MAJOR CATEGORY A.
OTHER CATEGORY DESCRIPTION:

B:-----------------------------------------------
C:-----------------------------------------------
D:-----------------------------------------------
E:-----------------------------------------------

The same rules apply for entering each of the above fields.

A carriage return or spaces may be entered for any of these fields. When this occurs, no narrowing of the available documents will be done for that specific category which is left blank.

You may enter up to forty alphanumerical characters for each of these fields.

Only key names or phrases should be entered here to increase the chances of finding the specific documents that you are looking for.
___ records found.

This line will be displayed once the program has found all the documents with the specific information that you have requested.

At this point the program will proceed to display each of the records on subsequent screens, with approximately twelve records per screen. The format of the screen will be as follows, except that it will be 132 characters across.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>ADDRESSEE</th>
<th>AUTHOR CODE</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

With the DATE OF DOCUMENT following the TITLE on the right above in the following format:

DATE OF DOCUMENT

----------

-------

When these screens full of information are being displayed you may type the following commands to the program:

(CTRL)P - to print the current screen

If you do this several times, each screen will be appended to the same output file.

(ESC)B - to return to beginning or initial screen

<CR> - to proceed to next screen full of information

When you return to the initial screen you will be prompted with the next question.
Do you want to look for more documents?  

- required field

You must answer this question with a "Y" or an "N".

If you enter a "Y", the program will proceed to prompt for each field again as it did the first time.

If you enter an "N", the program will exit from inquiry mode and leave you at the @ prompt from the TOPS-20 monitor. At this point you are no longer running the FISH-OUT program and may type LOGOUT to log off the system.
11 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on June 14, 1982, $1,200.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK:dnd

cc: Frances N. Higgins
    Pat Santivasci
    Administrative Files
11 June 1982

Ms. Karen W. Valenstein,
Vice President
Lehman Brothers Kuhn Loeb Inc.
Public Finance Division
55 Water Street
New York, NY 10041

Dear Karen:

In response to your ancient request, we finally have final documents on the Corporation's commercial paper program. The MAC Board approved revised resolutions at its last meeting, June 3rd. "Pushing the button"—that is, selling commercial paper—now awaits only U.S. Treasury approval of the waiver of our 1978 private purchase agreement, signed consent for the use of MAC's portfolio of City bonds from the Mayor and City Comptroller, and final approval by the Comptroller of the State of New York. It is finally fair to say that all outstanding approvals are "routine". Wish us luck!

A copy of the Citibank agreements is enclosed.

Best wishes,

Heather L. Ruth
Executive Director

Enclosure
11 June 1982

Mr. Richard Celani  
Real Property Tax Specialist II  
State of New York  
Division of Equalization & Assessment  
Agency Bldg. #4-Empire State Plaza  
Albany, NY 12223

Dear Mr. Celani:

In response to your letter of June 9th with respect to your investigation of possessory interest taxation, I am afraid the Corporation cannot be of much help. The Corporation owns no real property. We rent our office space in One World Trade Center on a lease negotiated several years ago at then-market rates. I trust other State agencies will have more information to provide.

Sincerely,

Heather L. Ruth  
Executive Director

HLR:dnd
11 June 1982

Ms. Dolores Kazanjian, President
Kazanjian Consultants
44 Carmine Street
New York, NY 10014

Dear Dolores:

Thanks for your letter and please accept my apologies for taking almost a month to respond! It was nice to see old friends at Governor's Island. I must say, you look awfully busy working on your PhD and running a consulting firm, "on the side." (I assure you that my "on the side" is a tongue-in-cheek remark. I am reminded that I almost slugged someone on the subway two years ago when an acquaintance, hearing of my coming to MAC, commented that it was nice I had "come back to work."

To the point: MAC does use consultants fairly extensively, especially when one includes our two outside law firms and our auditors, Price Waterhouse. We currently have a large contract with DEC providing systems people working with us to build our financial management system and are accepting proposals from Big Eight accounting firms for a computer audit of that system. We also use individual consultants from time to time and have considerable flexibility in doing so.

My problem is figuring out what you might do for us, especially since we are "up to our ears" at the moment on the systems side. (As you appreciate, more people don't necessarily produce more work in such situations!) There is something we would like to do, given the attention span of senior people at MAC and appropriate expertise, possibly from the outside, and that is to link data processing and word processing. We have a DEC 2020 computer and Xerox 860 Word Processing. One alternative, of course, is to ditch the 860 system and switch to DEC word processing. However, here is software available to link the two. The available
11 June 1982
Ms. Dolores Kazanjian
Page Two

"package" has many, essentially unacceptable drawbacks. We have heard by word of mouth that somebody has done it right. If by any chance you are that somebody, or, more seriously, happen to know a great deal about both of those two systems in technical detail, for heaven's sake give me a call! The chances that you do, however, seem to be a very long shot. And I cannot think of any other area that would make sense at the moment.

In any case, it is nice to know what you are doing, and I will keep you in mind if some opportunity comes up here or elsewhere.

Best wishes,

[Signature]

Heather L. Ruth
Executive Director

HLR:dnd
10 June 1982

William J. Kelleher, Jr., Esq.
Chief Counsel
THE SENATE
STATE OF NEW YORK
270 Broadway / Suite 2400
New York, New York 10007

Dear Mr. Kelleher:

This letter is in response to your inquiry concerning the use of outside counsel by the Municipal Assistance Corporation For The City of New York.

Upon its creation in June 1975, the Corporation's Board of Directors selected and retained two firms, Messrs. Hawkins, Delafield & Wood, which serves as the Corporation's bond counsel, and Messrs. Paul, Weiss, Rifkind, Wharton & Garrison, which serves as the Corporation's general counsel. The Board of Directors' resolution is a continuing appointment of these firms and no periodic reappointment is required. However, the schedule of fees to be paid to the firms is subject to periodic review and annual approval by the Board.

The Corporation's arrangement with each firm does not include either a minimum or maximum contract amount. Rather, the firms bill the Corporation for hours expended on the Corporation's matters. The rates at which the hours are billed are those approved by the Corporation's Board of Directors. The current hourly rates, which became effective January 1, 1982, are as set forth on the annexed schedule.

The partner at each firm to contact for additional information is, at Paul, Weiss, Rifkind, Wharton & Garrison, Mr. Allen L. Thomas, and, at Hawkins, Delafield & Wood, Mr. Donald J. Robinson.

The Corporation is also required by the terms of its agreements with certain of the purchasers and holders of its obligations, to pay the reasonable legal expenses of certain other firms not retained by the Corporation. On a continuing basis, the Corporation pays the fees for services rendered by the firm of Messrs. Carter, Ledyard & Milburn, counsel to the Trustee for the Corporation's bondholders.
William J. Kelleher, Jr.
10 June 1982
Page -2-

In addition, the Corporation from time to time pays the fees for counsel to private purchasers of its obligations. Significant among them are Messrs. Davis, Polk & Wardwell, counsel to a syndicate of approximately fifty-five financial institutions under a 1978 agreement to purchase $1.8 billion of the Corporation's bonds over a four year period, as well as counsel for certain New York City Pension Funds who are also parties to that agreement. The fees paid to all such counsel, other than bond counsel and general counsel, during the Corporation's 1980 and 1981 fiscal years were approximately 30% and 15%, respectively, of the Corporation's total legal expenses during those years.

For your information, the total legal expenses for each of the complete fiscal years since 1976 and the fees paid to the Corporation's retained counsel, are also shown on the attached schedule.

If you require any further information, please feel free to contact either me or Mr. Stephen J. Weinstein, the Corporation's Deputy Executive Director.

Sincerely,

[Signature]

John G. Bove
Counsel

JGB/bjw
Attachment
**BILLING RATES FOR RETAINED OUTSIDE COUNSEL**
(Effective January 1, 1982)

<table>
<thead>
<tr>
<th>Associates</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 2 yrs. experience</td>
<td>2 to 4 yrs. exp</td>
</tr>
<tr>
<td>Paul, Weiss, Rifkind, Wharton &amp; Garrison</td>
<td>$85</td>
</tr>
<tr>
<td>Hawkins, Delafield &amp; Wood</td>
<td>$85</td>
</tr>
</tbody>
</table>

* * *

**LEGAL EXPENSES**
(FYs 1976 - 1981)

<table>
<thead>
<tr>
<th>FY</th>
<th>Paul, Weiss, Rifkind, Wharton &amp; Garrison</th>
<th>Hawkins, Delafield &amp; Wood</th>
<th>All Firms Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>$1,448,004</td>
<td>$984,699</td>
<td>$2,868,459</td>
</tr>
<tr>
<td>1977</td>
<td>702,681</td>
<td>404,544</td>
<td>1,314,258</td>
</tr>
<tr>
<td>1978</td>
<td>384,749</td>
<td>431,641</td>
<td>934,211</td>
</tr>
<tr>
<td>1979</td>
<td>383,283</td>
<td>454,315</td>
<td>1,376,327</td>
</tr>
<tr>
<td>1980</td>
<td>123,676</td>
<td>175,617</td>
<td>428,474</td>
</tr>
<tr>
<td>1981</td>
<td>168,447</td>
<td>205,183</td>
<td>438,376</td>
</tr>
</tbody>
</table>
March 8, 1982

Felix G. Rohatyn, Chairman
Municipal Assistance Corporation for the
City of New York
1 World Trade Center
New York, New York 10048

Dear Chairman Rohatyn:

The New York State Senate Committee on Investigations
and Taxation of which I am Chief Counsel is conducting a
survey of the use of outside counsel used by your
corporation.

Accordingly we request that you supply this office
with the below listed information as soon as possible.

1. Name of outside counsel
   (a) Law Firm
   (b) Contact Partner

2. Total contract amount including initial
   contract amount and any increases therein.

3. Period of time which contract covers.

4. Purpose of obtaining outside counsel.

5. Person responsible for selecting the
   outside counsel

We request this information for any use of outside
counsel for the period of January 1, 1975 to December
31, 1980.

Thank you for your cooperation in this matter.

Yours truly,

William J. Kelleher, Jr.
Chief Counsel
10 June 1982

The Investment Committee

Steven J. Kantor

Investment of Commercial Paper

Consistent with the results of the meeting of June 2, 1982, the following guidelines are proposed for the investment of proceeds of commercial paper:

1. The maturity of the obligations to be purchased shall be limited to two years or less. At all times at least 50% of the proceeds are to be invested in obligations which mature within 90 days.

2. So long as IRS regulations require investment in tax-exempt instruments, the Corporation will invest in federally guaranteed Project Notes whenever available at current market price. First preference will be given Project Notes originating in New York State; second preference to Project Notes originating outside New York State.

3. To the extent it is necessary to invest in New York State obligations not guaranteed by the Federal government, due to insufficient availability of Federally guaranteed Project Notes, first preference will be given to NYS TRANS.

Subsequent to the meeting, Hawkins, Delafield & Wood informed us that the firm cannot provide an opinion that the purchase by the Corporation of a contract to sell a Treasury-Bill to be issued in the future is permitted under State statute. Hawkins also counseled that they are not certain the purchase and sale of puts and calls, although a "put" by itself, would be permitted. We will continue to explore this remaining option with dealers, but such discussion will not divert us from the approved investment program described above.

As always, these guidelines are in effect until modified by the Committee or the Board. I will be talking with you soon to consult on any suggested changes in language.

cc: Jack Cosgrove, BONY
   Frances Higgins
10 June 1982

William J. Kelleher, Jr., Esq.
Chief Counsel
THE SENATE
STATE OF NEW YORK
270 Broadway / Suite 2400
New York, New York 10007

Dear Mr. Kelleher:

This letter is in response to your inquiry concerning the use of outside counsel by the Municipal Assistance Corporation For The City of New York.

Upon its creation in June 1975, the Corporation's Board of Directors selected and retained two firms, Messrs. Hawkins, Delafield & Wood, which serves as the Corporation's bond counsel, and Messrs. Paul, Weiss, Rifkind, Wharton & Garrison, which serves as the Corporation's general counsel. The Board of Directors' resolution is a continuing appointment of these firms and no periodic reappointment is required. However, the schedule of fees to be paid to the firms is subject to periodic review and annual approval by the Board.

The Corporation's arrangement with each firm does not include either a minimum or maximum contract amount. Rather, the firms bill the Corporation for hours expended on the Corporation's matters. The rates at which the hours are billed are those approved by the Corporation's Board of Directors. The current hourly rates, which became effective January 1, 1982, are as set forth on the annexed schedule.

The partner at each firm to contact for additional information is, at Paul, Weiss, Rifkind, Wharton & Garrison, Mr. Allen L. Thomas, and, at Hawkins, Delafield & Wood, Mr. Donald J. Robinson.

The Corporation is also required by the terms of its agreements with certain of the purchasers and holders of its obligations, to pay the reasonable legal expenses of certain other firms not retained by the Corporation. On a continuing basis, the Corporation pays the fees for services rendered by the firm of Messrs. Carter, Ledyard & Milburn, counsel to the Trustee for the Corporation's bondholders.
In addition, the Corporation from time to time pays the fees for counsel to private purchasers of its obligations. Significant among them are Messrs. Davis, Polk & Wardwell, counsel to a syndicate of approximately fifty-five financial institutions under a 1978 agreement to purchase $1.8 billion of the Corporation's bonds over a four year period, as well as counsel for certain New York City Pension Funds who are also parties to that agreement. The fees paid to all such counsel, other than bond counsel and general counsel, during the Corporation's 1980 and 1981 fiscal years were approximately 30% and 15%, respectively, of the Corporation's total legal expenses during those years.

For your information, the total legal expenses for each of the complete fiscal years since 1976 and the fees paid to the Corporation's retained counsel, are also shown on the attached schedule.

If you require any further information, please feel free to contact either me or Mr. Stephen J. Weinstein, the Corporation's Deputy Executive Director.

Sincerely,

[Signature]

John G. Bove
Counsel

JGB/bwj
Attachment
BILLING RATES FOR RETAINED
OUTSIDE COUNSEL
(Effective January 1, 1982)

<table>
<thead>
<tr>
<th>Partners</th>
<th>less than 2 yrs. exp</th>
<th>2 to 4 yrs. exp</th>
<th>5 or more yrs. exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul, Weiss,</td>
<td>$85</td>
<td>$100</td>
<td>$115</td>
</tr>
<tr>
<td>Rifkind, Wharton</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&amp; Garrison</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hawkins, Delafield</td>
<td>$85</td>
<td>$105</td>
<td>$115</td>
</tr>
<tr>
<td>&amp; Wood</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* * *

LEGAL EXPENSES
(FYs 1976 - 1981)

<table>
<thead>
<tr>
<th>FY</th>
<th>Paul, Weiss, Rifkind, Wharton &amp; Garrison</th>
<th>Hawkins, Delafield &amp; Wood</th>
<th>All Firms Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>$1,448,004</td>
<td>$984,699</td>
<td>$2,832,703</td>
</tr>
<tr>
<td>1977</td>
<td>702,681</td>
<td>404,544</td>
<td>1,107,225</td>
</tr>
<tr>
<td>1978</td>
<td>384,749</td>
<td>431,641</td>
<td>816,390</td>
</tr>
<tr>
<td>1979</td>
<td>383,283</td>
<td>454,315</td>
<td>837,598</td>
</tr>
<tr>
<td>1980</td>
<td>123,676</td>
<td>175,617</td>
<td>300,293</td>
</tr>
<tr>
<td>1981</td>
<td>168,447</td>
<td>205,183</td>
<td>373,630</td>
</tr>
</tbody>
</table>
10 June 1982

Frederick O'R. Hayes
87 Hancock Street
Lexington, Massachusetts 02173

Dear Fred:

Thank you for the resume of Paul O. McGinn. He looks interesting, but I am not in the market just now.

MAC did do some systematic recruiting this spring (as I think I indicated near Christmas we might) but decided not to create the job. Basically, while there is plenty of work to do around here, the issue for me was whether we could productively absorb someone with the right training and have good prospects of holding their interest for a couple of years, beginning now. On balance, I decided next spring would be better timing.

From your BU perspective, however, you may be interested in what we learned from interviewing ten or so candidates, roughly evenly divided between graduating MBA's and MPA's. The public policy people had the right personalities, interests and "sparkle," but were undertrained (and, a little scarrier, didn't know it). The MBA's we saw had the right training but seemed to lack the "pizzaz." The ideal candidate (whom I would have hired had her husband not taken a job in Boston) was a woman coming out of the Kennedy School who had also taken three or four "perfect" courses at Sloan.

I suspect some of the BU Management people would also have been interesting to us for reasons we discussed at the OMB party in New York except they may be too "senior." In the context of a "teeny" organization, I'll need someone who's willing to spend a year or so firmly under the wing of (and learn lots from) my crack 26-year-old Chief Financial Officer. What do you think for next year?
Let's do get together - about child care or otherwise! As I am without my regular housekeeper this week, "child care" has a very specific meaning which I think you do not have in mind.

Incidentally, concerning my slightly-hard-to-deal-with young one, Douglass, you may be interested to know that we recently discovered he has a severe hearing impairment, apparently from birth. With a hearing aid and intensive "listening training," he is suddenly blossoming into a remarkably "normal" child. It amazes us that it took this long to detect the problem (his success in fooling us all into thinking he could hear testifies at least to his intelligence); but you can imagine how relieved we are to identify a particular problem about which we can do something and watch him respond.

Hope to see you soon.

Sincerely,

Heather L. Ruth
June 3, 1982

Heather L. Ruth  
Executive Director  
Municipal Assistance Corporation  
for the City of N.Y.  
One World Trade Center 8901  
New York, NY 10048

Dear Heather:

I am enclosing the vita of Paul O. McGinn, a recently graduated M.B.A. from Boston University’s School of Management.

McGinn is now with Massport but is interested in a move to New York. I do not know McGinn well enough to evaluate him but he is regarded by Bob Weinberg (the director of the program and chairman of Massport) and by others as among the most promising graduates of the program.

McGinn is particularly interested in public finance and in project management— but not to the point of ruling out interesting work in other areas.

Even if you are not currently recruiting for jobs that fit McGinn’s qualifications, it would be useful to McGinn if you or some appropriate person on your staff could spend a few minutes with him.

McGinn plans to write or call you sometime in the near future.

Sincerely yours,

Fred

Frederick O'R. Hayes

Enclosures

PS: We ought to get together—to talk about child care.
May 18, 1982

Mr. Frederick Hayes
87 Hancock Street
Lexington, Massachusetts 02173

Dear Fred,

I thought that prior to talking with you I would add to what you may already know about me through your conversations with Bob Weinberg and Jan Quigley. The enclosed resume should give you a sense of my experience to date.

At this time both my personal sense that it is time to change jobs for professional growth and the political realities of what may happen at Massport this summer put me in the position of searching for the next appropriate career move. I am beginning to look at possibilities in NYC primarily because most of my experience has been based in Boston and this is a time in my life when I have the flexibility to expand my professional horizons by relocating. NYC seems to make sense as a target because it is a location that interest me and were I suspect there may be opportunities.

Despite the fact that my most recent experience is in the field of real estate development I am not necessarily limiting my search to this area. I believe that my work experience and education have given me a wide variety of skills in areas such as project management, financial analysis, negotiation and political strategy that could be utilized in numerous jobs. I am also interested in investigating possibilities in both the public and private sectors.

Forgive me for being less than specific in describing exactly what I would like to be doing next in my career. However, I am a firm believer in never precluding options in a job search through narrow definitions of interest, unless that is the only thing that you can live with. You will find by looking at my resume that I have been more interested in developing a set of general management skills than in following a narrow, well defined career path.

Thank you, for your time and interest.

Sincerely,

Paul O. McGinn
EDUCATION

Boston University Graduate School of Management
Boston, Massachusetts
MBA with Honors, September, 1981

Southeastern Massachusetts University
North Dartmouth, Massachusetts
BA in Political Science; minor concentration in Accounting
June, 1977, cum laude

PROFESSIONAL EXPERIENCE

Massachusetts Port Authority, Real Estate Development
and Property Management Department
Boston, Massachusetts
June 1980 to Present

Staff Assistant
Negotiated and implemented a $1 million industrial
development project. Assisted in the preparation
and execution of the relocation plan for the Boston
Fish Pier redevelopment project. Other duties include
financial analysis of development proposals, preparation
of pro forma operating statements, industry analysis,
lease negotiations, consultant selection, contract
administration and preparation of public relations
materials for various real estate development projects.

July 1978 to November 1980
Office of the Vice President of the United States
Washington, D.C.

Advance Consultant to the Vice President
Traveled nationally (36 cities) and internationally
(Japan, Senegal and Cape Verde) representing the
Vice President in advance of his official and
political travel. Managed the scheduling, political,
logistical and media preparations and directed the
activities of an on site advance team of 3 to 10
individuals.
The Commonwealth of Massachusetts, Office of the Governor
Boston, Massachusetts

July 1977
to
January 1979

Assistant to the Governor

Planned and implemented the Governor's public schedule, appearances, functions and "Governor's Town Meetings." Arranged all logistical support, maintained community relations, coordinated press coverage and subsequent event follow-up, briefed and traveled with the Governor.

- Elected student member of the Southeastern Massachusetts University Board of Trustees (1976-1977)
With other Trustees responsible for determination of University policy, approval of budgets, program initiation, personnel and management duties.

- University Presidential Appointee to University Budget Review Board (1976-1977)
With other members responsible for the formulation, defense and allocation of the University capital and operating budgets.

- Southeastern Massachusetts University, Office of Residence Life
Head Resident; Managed a coed hall of 300 students and supervised and trained a staff of five Resident Assistants, (1976-1977).
Resident Assistant, (1974-1976)

- Elected to Outstanding Young Men in America, (1978).


REFERENCES
Available upon request.
Date: 9 June 1982
To: Felix G. Rohatyn
Re: Executive Director's Salary

As you requested, attached is our proposed solution to my salary problem -- a draft of appropriate legislation in the form it would normally be done.

The first paragraph (beginning "Section 1") indicates what law is to be amended.

The only change is in the paragraph beginning "(c)" and consists of a two-line deletion -- see brackets around fourth and fifth line from the bottom of that paragraph.

It is drafted to include the Executive Director of the Housing Finance Agency (HFA).
AN ACT to amend the executive law
in relation to the salaries
of the executive directors
of certain public benefit
corporations

The People of the State of New York, represented in Senate
and Assembly, do enact as follows:

Section 1. Paragraph (c) of subdivision one of section
one hundred sixty-nine of the executive law, as added by
chapter fifty-five of the laws of nineteen hundred seventy-nine,
is hereby amended to read as follows:

(c) commissioner of agriculture and markets, director of
division of alcoholism and alcohol abuse, superintendent of
banks, commissioner and president of state civil service
commission, commissioner of commerce, commissioner of environ-
mental conservation, commissioner of general services,
superintendent of insurance, industrial commissioner, commis-
sioner of motor vehicles, commissioner of parks and recreation,
chairman of public employment relations board, secretary of
state, superintendent of state police, chairman of the state
racing and wagering board, director of division of substance
abuse services, commissioner of taxation and finance and
president of tax commission, director of the division for youth,
[executive director of the New York city municipal assistance
corporation, executive director of the housing finance agency,]
director of employee relations, commissioner of criminal
justice services and commissioner of housing and community
renewal;

§2. This act shall take effect immediately.
BY MESSENGER

9 June 1982

Ms. Catherine E. Hutcheson
Vice President
Security-Columbian Division
UNITED STATES BANKNOTE CORPORATION
345 Hudson Street
New York, New York 10014

Dear Kay:

I am enclosing with this letter some original signatures of Maxine H. Gillman of our staff. She has been appointed by our Board of Directors to the position of Secretary of the Corporation, effective July 1, 1982. Accordingly, her signature rather than mine will appear on obligations which we issue beginning on that date. Please make appropriate preparations for printing her signature on bonds to be issued in the future.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

Enclosure

cc: Gerard F. Fernandez, Jr., Esq.
8 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on June 9, 1982, $110,000.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

Steven J. Kantor
Treasurer

SJK:dnd

cc: Frances N. Higgins
    Pat Santivasci
    Administrative Files
3 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 3, 1982, for settlement on June 4, 1982, to sell to Chemical Bank $10,000,000 par value of United States Treasury Bills due September 30, 1982 (originally purchased for a price of $9,462,666.67), at a discount of 11.93% of par.

You were also instructed on June 3, 1982, for settlement on June 4, 1982, to purchase from Chemical Bank $10,000,000 par value of United States Treasury Bills due October 7, 1982, at a discount of 12% of par.

You were further instructed on June 3, 1982, for settlement on June 4, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Bills due June 17, 1982, at a discount of 12.85% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
8 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on May 17, 1982, for settlement on May 25, 1982, to purchase from Chemical Bank $5,000,000 par value of Federal Home Loan Bank Notes due September 26, 1983, with a coupon of 13.95%, at a price of 100% of par.

You were also instructed on June 3, 1982, for settlement on June 10, 1982, to purchase from Bear Stearns & Co. $5,000,000 par value of United States Treasury Bills due December 9, 1982, at a discount of 12.06% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
8 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of moneys and disposition of securities available in the Capital Reserve Fund established under the First General Bond Resolution.

You were instructed on May 20, 1982, for settlement on May 24, 1982, to sell to William E. Pollock $710,000 par value of Federal Home Loan Bank Notes due August 27, 1984 (originally purchased at a price of 97% of par), with a coupon of 7.85%, at a price of 88.40625% of par, plus accrued interest.

You were also instructed on May 20, 1982, for settlement on May 24, 1982, to sell to William E. Pollock $190,000 par value of Federal Home Loan Bank Notes due November 25, 1985 (originally purchased at a price of 103.187% of par), with a coupon of 8.1%, at a price of 84.50% of par, plus accrued interest.

You were also instructed on May 20, 1982, for settlement on May 24, 1982, to sell to William E. Pollock $305,000 par value of Federal Land Banks Consolidated Notes due October 21, 1985 ($294,000 of which were originally purchased at a price of 102.125% of par, the remaining $11,000 were purchased for 102.376% of par), with a coupon of 7.95%, at a price of 84.968% of par, plus accrued interest.

You were further instructed on May 20, 1982, for settlement on May 24, 1982, to sell to William E. Pollock $190,000 par value of Thirteen Banks for Cooperatives Notes due January 1, 1986 (originally purchased for a price of 98.375% of par), with a coupon of 7.75%, at a price of 83.25% of par, plus accrued interest.
The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Capital Reserve Fund established under the First General Bond Resolution will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Capital Reserve Fund will be required for First General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasc
    Rochelle Siegel
7 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on June 8, 1982, $22,100.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

Steven J. Kantor
Treasurer

SJK: dnd

cc: Frances N. Higgins
Pat Santivasci
Administrative Files
Heather L. Ruth

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

7 June 1982

Mr. Jac Friedgut
Citibank, N.A.
55 Water Street
New York, NY 10043

Dear Jac:

As you know, both Jim and I attended the Two Philharmonics last week in your absence. Benefitting from such a privilege due to the misfortune in your family is not very comforting. I was very sorry to hear that your father-in-law passed away. I hope your family is doing as well as possible under the circumstances.

Thanks, in any case, for thinking of me when many other more important things were on your mind.

Best wishes and sympathy,

[Signature]

Heather L. Ruth

HLR:dnd
Heather L. Ruth

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

7 June 1982

Mr. Richard Kezer
Citibank, N.A.
55 Water Street
New York, NY 10043

Dear Dick:

Thanks so much for including Jim and me among your guests last week at the Two Philharmonics. It was a great experience and also a pleasure to be able to meet your wife. Be assured that I never mind being a "fill-in", last minute or otherwise!

Best wishes,

[Signature]

Heather L. Ruth

HLR:dnd
7 June 1982

S. Berger, T. Posner, Files

Heather L. Ruth

Latest update from Comer Coppel on the prospects for a Plan.

The FCB is scheduled to meet the morning of June 29 (Tuesday) and Comer (as of Monday, June 7) predicts there will be a bridge plan. Just for comparison with our other sources, here is what he sees:

1. So-called "medicaid"—but actually "social service overburden": Anderson's proposal, he believes, will be passed providing $238 million in calendar '83, to be funded in the spring borrowing. The City will begin to book the aid January 1st, 1983. Comer regards this action "in the nature of an authorization" rather than an appropriation, because he believes anything after June 30, 1983 will be highly dependent not only upon the borrowing but also upon the State's budget problems for '84. He agrees that the deficit being built for '84 is approximately $1 billion.

2. Education aid: his latest information suggests there will be a bill that will be vetoed by the Governor and probably overridden. Comer thinks there is a chance that will all happen by the 29th, but his report and the Governor's comments on the meeting of the 29th may be fairly florid. The amount should be $120 million for the City.

3. Tax program: He gets conflicting signals. The press this weekend and Alair are very positive about a tax program this spring. Alair says the Mayor has an absolute commitment from Anderson that it will be passed. Anderson tells Comer that the commitment from Anderson is only that it will get to the floor to be voted up or down. Comer says he is not convinced it will happen until fall but that maybe it will happen this week.

4. Labor negotiations are going on nominally; labor is fighting for the tax package.

What else is new?

HLR: dnd
4 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on May 18, 1982, for settlement on June 1, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Notes due May 31, 1984, with a coupon of 13.75%, at a price of 99.915% of par.

You were also instructed on May 28, 1982, for settlement on June 1, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Notes due May 31, 1984, with a coupon of 13.75%, at a price of 100.09375% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]
Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
4 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on May 28, 1982, for settlement on June 1, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Notes due May 31, 1984, with a coupon of 13.75%, at a price of 100.125% of par.

You were also instructed on June 1, 1982, for settlement on June 2, 1982, to purchase from Harris Bank and Trust Co. $5,000,000 par value of United States Treasury Notes due May 31, 1984, with a coupon of 13.75%, at a price of 99.9219% of par, plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
Date: 4 June 1982
To: Claire Curry
From: Heather L. Ruth
Re: Salary Adjustments effective June 10, 1982

Please make the following adjustments to salaries effective June 10, 1982:

Claire Curry increase to $30,000 due to her high standard of performance during first six months of employment and successful full assumption of duties as Director of Accounting.

Frances N. Higgins increase to $20,000 as a result of performance during first six months in her new position as short term investment officer.

Maxine Gillman increase to $50,000 due to her promotion to Associate Counsel and the assumption of duties as Secretary of the Corporation.

Steven J. Kantor increase to $60,000 due to superior performance as Treasurer over the last year and his successful management of the various ongoing accounting and administrative reforms of the Corporation (including installation of the computer), as well as official assumption of duties as Deputy Executive Director of the Corporation.

Note that new titles, taking effect July 1, are underlined.

dnd
3 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 1, 1982, for settlement on June 3, 1982, to purchase from Kidder Peabody & Co. $5,000,000 par value of United States Treasury Bills due December 2, 1982, at a discount of 12% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJ/K/bjw

cc: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
3 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on June 1, 1982, for settlement on June 2, 1982, to purchase from Goldman Sachs & Co. $5,000,000 par value of United States Treasury Bills due May 19, 1983, at a discount of 11.90% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
BY-LAWS

OF

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

Adopted April 7, 1978
As Amended
Through June 3, 1982

ARTICLE 1

THE CORPORATION

1.1. Name. The name of the Corporation shall be the "Municipal Assistance Corporation for The City of New York".

1.2. Purposes, Powers and Administration. The Municipal Assistance Corporation for The City of New York (the "Corporation") is a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation, created and existing by and under Article 10 of the Public Authorities Law of the State as may be amended from time to time (the "Act"). The purpose for which it is formed, the powers which it may exercise and its administration shall be as set forth in the Act.

1.3. Seal. The Seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its creation.

1.4. Offices. The principal office of the Corporation shall be situated within the City of New York, at such location as the Board of Directors shall from time to time designate. Additional offices of the Corporation may be established by the Board of Directors, at such other places as it may from time to time designate.

1.5. Fiscal Year. The fiscal year of the Corporation shall terminate on the same date as that of The City of New York (the "City"), which is at present the last day of June in each year.
ARTICLE 2
DIRECTORS

2.1. Board of Directors. The Corporation shall be administered by a Board of Directors (the "Board of Directors"), which shall consist of such members serving such terms as specified in the Act.

2.2. Chairman. The Chairman of the Board of Directors (the "Chairman") shall be a Director of the Corporation designated Chairman by the Governor.

2.3. Powers and Duties. The Board of Directors shall have such powers and duties as specified in the Act.

2.4. Compensation. The Directors shall serve without salary, but each Director shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties as a Director of the Corporation and a per diem allowance of One Hundred Dollars ($100) when rendering services as a Director, provided that the aggregate of such per diem allowance to any one Director in any one fiscal year of the Corporation shall not exceed the sum of Five Thousand Dollars ($5,000).

2.5. Payment of Compensation. The compensation provided for by Section 2.4 shall be paid only upon the timely submission to the Executive Director of a written statement setting forth the amount claimed and the basis therefor. Statements for amounts claimed as a result of duties performed during a fiscal year may be submitted prior to July 15 of the succeeding fiscal year, except that statements for duties performed subsequent to May 31 may be submitted at any time during the succeeding fiscal year.

ARTICLE 3
REPRESENTATIVES

There shall be six Representatives to the Board of Directors (the "Representatives"). Each Representative
shall be entitled to receive notice of and to attend all meetings of the Board of Directors but shall not be entitled to vote at such meetings. The Speaker and the Minority Leader of the Assembly of the State, the President Pro Tem and the Minority Leader of the Senate of the State, the Board of Estimate of the City acting by majority vote, and the Vice-Chairman of the City Council of the City shall each be entitled to appoint a Representative to the Board of Directors. Each Representative shall serve at the pleasure of the respective appointing official or body, shall be eligible for reappointment, and shall hold office until his or her successor has been appointed. Each Representative shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties as a Representative to the Board of Directors, which reimbursement shall be paid in accordance with the procedures set forth in Section 2.5 of Article 2 hereof.

ARTICLE 4

OFFICERS AND EMPLOYEES

4.1. Officers. The Officers of the Corporation shall be those specified in Sections 4.2 through 4.8 of this Article 4, and such other Officers, if any, as the Board of Directors may from time to time appoint (the "Officers"). Officers of the Corporation, other than the Chairman, need not be Directors. Officers shall have the powers and duties specifically conferred upon them in these By-Laws. All Officers of the Corporation, other than the Chairman, shall be appointed by and shall hold office at the pleasure of the Board of Directors for terms of one year, and may be removed, either with or without cause, at any time, by the Board of Directors.

4.2. Chairman. The Chairman shall be the chief executive officer of the Corporation. The Chairman shall exercise general policy direction and review of the affairs of the Corporation and the performance of the Officers, shall preside at meetings of the Board of Directors at which he or she is present and shall have such other duties as the Board of Directors may direct or as may be specified by law.
4.3. **Vice Chairman.** The Vice Chairman shall assist the Chairman in the direction and review of the affairs of the Corporation. He or she shall perform such additional duties as the Chairman or the Board of Directors shall from time to time specify, and shall have the powers and duties of the Chairman whenever the Chairman is unable to act.

4.4. **Executive Director.** The Executive Director shall be the chief operating officer of the Corporation and shall have the duties and powers of general management and superintendence of the activities of the Corporation, under the direction of the Board of Directors. In all cases where, and to the extent that, the duties of the other Officers of the Corporation, other than the Chairman, are not specifically prescribed by the By-Laws, resolutions of the Corporation or by the Chairman, the Executive Director may prescribe such duties. In addition, he or she shall have all other powers and duties customarily incident to the office of the chief operating officer.

4.5. **Deputy Executive Director.** One or more Deputy Executive Directors may be appointed by the Board of Directors, and shall have such powers and duties as the Executive Director shall delegate.

4.6. **Counsel.** The Counsel shall be the chief legal officer of the Corporation. He or she shall have all powers and duties customarily incident to the office of counsel, including the rendering of legal advice and opinions with respect to the Corporation's activities, and the approval for legal compliance of all documents of the Corporation.

4.7. **Treasurer.** The Treasurer shall be the chief financial officer of the Corporation, and shall have all powers and duties customarily incident to the office of chief financial officer, including the keeping of the books of account of the Corporation and the preparation of the periodic financial statements of the Corporation. At all reasonable times, the Treasurer shall exhibit to any Officer or Director of the Corporation the books of account and any other records which he or she maintains or causes to be maintained; whenever requested by the Board of Directors, the Treasurer shall present to it a statement of accounts.
4.8. Secretary. The Secretary shall act as Secretary of all meetings of the Board of Directors at which he or she is present, and shall keep the minutes of all such meetings in books proper for that purpose. The Secretary shall have power to affix or cause to be affixed the seal of the Corporation to all contracts, certificates, documents, bonds, notes or other obligations and instruments to be executed on behalf of the Corporation and to attest to the same. He or she shall have charge of the books, records and papers of the Corporation relating to its organization and management as a corporation, and shall see that the reports, statements and other documents required by law are properly kept and filed. In addition, the Secretary shall have all other powers and duties customarily incident to the office of secretary.

4.9. Additional Personnel. The Executive Director may from time to time employ such additional personnel for the Corporation as he or she may deem necessary or appropriate to exercise the powers, duties and functions of the Corporation as prescribed by law, either as employees of the Corporation or as consultants to the Corporation.

4.10. Compensation. Compensation of the Executive Director shall be established by the Board of Directors, and compensation of all other Officers, other than the Chairman, and of additional personnel of the Corporation shall be established by the Executive Director.

ARTICLE 5

MEETINGS

5.1. Annual Meeting. The Annual Meeting of the Corporation shall be held on the final Thursday of September of each year at the principal place of business of the Corporation or at such other time and place as the Chairman may determine. At each Annual Meeting, the Board shall elect the Officers of the Corporation, and shall review the financial statements for the fiscal year ending the preceding June 30. Notice shall not be required for the Annual Meeting unless the Chairman determines that the place or time of the meeting shall be other than as specified herein, in which event notice of the place, date
and hour of the Annual Meeting shall be given in person or by telephone to each Director and Representative at his or her address as it appears on the records of the Corporation, not less than two nor more than twenty days before such meeting.

5.2. Additional Meetings. Meetings may be held at the principal office of the Corporation or elsewhere, upon the request of the Chairman or of any two Directors of the Corporation. At any meeting of the Corporation, any business of the Corporation may be transacted.

5.3. Notice. Notice of each additional meeting, specifying the time and place thereof, shall be given prior to such meeting to each Director and Representative, either in person or by telephone call or writing directed to the usual place of business of each such person. Notice of any meeting required to be given to a Director hereunder shall be deemed to have been given if a waiver in writing is signed by the Director entitled thereto, before, during or after such meeting, or if such Director is present at such meeting. Notwithstanding the above, no action taken by the Board of Directors at any meeting shall be deemed invalid due to the failure to give notice as specified in this section.

5.4. Quorum. At all meetings of the Board of Directors, five Directors shall constitute a quorum for the purpose of transacting business. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time until a quorum is present. No notice need be given of any adjourned meeting to Directors present at the meeting at which adjournment is taken. Notice shall be given to Directors not present at such meeting in accordance with the notice provisions applicable to the meeting adjourned.

5.5. Voting. At any meeting of the Directors, each Director present, in person, shall be entitled to one vote. The Corporation may act by vote of a majority of the Directors present at any meeting at which a quorum is in attendance.

5.6. Presence. Members of the Board of Directors, or members of any committee appointed by the Board of Directors, may participate in a meeting of the Board of Directors or in a meeting of any such committee by means of conference telephone or similar communication equipment by
means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting. Any required notice of the place of a meeting at which participation is by means of conference telephone or similar communication equipment shall be sufficient if it designates as the place of the meeting the place at which one or more of the participants in the meeting is located at the time the meeting is held.

5.7. Delegation. The Corporation may delegate to one or more of its Directors, Officers, agents, or employees such powers and duties not otherwise delegated in these By-Laws or by law as it may deem proper.

ARTICLE 6

COMMITTEES

6.1. Finance Committee. The Board of Directors may, by a majority of the Directors of the Corporation then in office, appoint from among its members a Finance Committee to consist of three or more Directors, one of whom shall be the Chairman of the Board of Directors, and one of whom shall be designated by the Board of Directors as Chairman of the Finance Committee. The Board of Directors may also designate one or more of the Directors as alternates to serve as a member or members of the Finance Committee in the absence of a regular member or members. All members and alternates shall serve at the pleasure of the Board. Except as provided in Section 6.4 of this Article 6, the Finance Committee shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation.

6.2. Additional Committees. The Board of Directors may, by a majority of the Directors of the Corporation then in office, appoint from among its members such other Committees as it may deem appropriate, with such powers and duties as shall be prescribed by the Board. All members and alternates appointed to such other Committees shall serve at the pleasure of the Board.
6.3. Procedures. For the transaction of business of any Committee of the Board, a majority of the whole Committee shall constitute a quorum and may fix its rules of procedure. Meetings of any Committee shall be held at such times and places and on such notice, if any, as the Committee may from time to time determine. Meetings may be called by the Chairman of a Committee or by the Chairman of the Board. Except as otherwise specified in the notice thereof, or as required by law or by these By-Laws, any and all authorized business may be transacted at any meeting of a Committee. An attendance record and minutes shall be kept for any meeting of a Committee by its Chairman or any other member.

6.4. Limitations. No Committee shall have the power or authority of the Board in reference to (a) amending the By-Laws; (b) designating Committees; (c) filling vacancies among Committee members; (d) removing Officers; or (e) authorizing the issuance of any notes or bonds or other obligations by the Corporation, unless the power to authorize an issuance is specifically conferred upon the Committee by the Board of Directors. The Board of Directors, by a majority of the Directors of the Corporation then in office, may disband any Committee at any time.

ARTICLE 7

SIGNATURE AUTHORIZATION

The Board of Directors shall determine who shall be authorized to sign documents on behalf of the Corporation. Such authority may be general or confined to specific instances.
ARTICLE 8

INDEMNIFICATION

8.1. The Corporation shall indemnify any past or present Director, Representative, Officer, Employee or Consultant of the Corporation, or the legal or personal representative(s) of any such person, against any claim, demand, suit, judgment or other action or proceeding, civil or criminal, including an appeal therein, arising by reason of any act or omission to act, or allegation(s) thereof, by any such person in the discharge of his duties on behalf of the Corporation, including reasonable costs, counsel fees and expenses, and including amounts paid in settlement or in satisfaction of judgments or as fines or penalties, in connection with or resulting from any such claim, demand, suit, judgment or other action or proceeding, civil or criminal, whether or not such person continues to be such Director, Representative, Officer, Employee or Consultant at the time such costs, counsel fees or expenses shall have been paid or incurred, except in relation to matters as to which such person is finally adjudged to be liable for gross negligence or wilful misconduct in the performance of his duties to the Corporation.

8.2. In connection with any such claim, demand, suit, judgment or other action or proceeding, any past or present Director, Representative, Officer, Employee or Consultant of the Corporation, or the legal or personal representative(s) of any such person, shall be entitled to be represented by private counsel of his or her choice.

8.3. The Corporation may, in the discretion of the Board of Directors, advance expenses described in Section 8.1 prior to the final disposition of any such claim, demand, suit, judgment or other action or proceeding.

8.4. The provisions of this article shall be in addition to and shall not supplant any indemnification or other benefits heretofore or hereafter conferred upon Directors, Representatives, Officers, Employees and Consultants of the Corporation by section seventeen of the Public Officers Law, section three thousand twenty of the Public Authorities Law or otherwise.
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Thursday, June 3, 1982
9:30 a.m.
345 Park Avenue/Conference Room 2811-12
New York

AGENDA

A. Adoption of the Minutes of the meeting of the Board of Directors held April 19, 1982 (attached).


C. Adoption of Resolutions Authorizing:
   1. Issuance of Commercial Paper Notes
   2. Credit Agreement
   3. Security Agreement
   4. Issuing and Paying Agent Agreement
   5. Dealer Agreement
   6. Bank Note
   7. Series 37 Bonds

D. Adoption of New Budget Format and of the Corporation's 1983 Fiscal Year Budget.

E. Appointment of New Officers.

F. Revision of By-Laws.

G. Other Business.
ARTICLE 4

OFFICERS AND EMPLOYEES

4.1. Officers. The Officers of the Corporation shall be those specified in Sections 4.2 through 4.7 of this Article 4, and such other Officers, if any, as the Board of Directors may from time to time appoint (the "Officers"). Officers of the Corporation, other than the Chairman, need not be Directors. Officers shall have the powers and duties specifically conferred upon them in these By-Laws. All Officers of the Corporation, other than the Chairman, shall be appointed by and shall hold office at the pleasure of the Board of Directors for terms of one year, and may be removed, either with or without cause, at any time, by the Board of Directors.

4.2. Chairman. The Chairman shall be the chief executive officer of the Corporation. The Chairman shall exercise general policy direction and review of the affairs of the Corporation and the performance of the Officers, shall preside at meetings of the Board of Directors at which he or she is present and shall have such other duties as the Board of Directors may direct or as may be specified by law.

4.2.a. Vice Chairman. The Vice Chairman shall assist the Chairman in the direction and review of the affairs of the Corporation. He or she shall perform such additional duties as the Chairman or the Board of Directors shall from time to time specify, and shall have the powers and duties of the Chairman whenever the Chairman is unable to act.

4.3. Executive Director. The Executive Director shall be the chief operating officer of the Corporation and shall have the duties and powers of general management and superintendence of the activities of the Corporation, under the direction of the Board of Directors. In all cases where, and to the extent that, the duties of the other Officers of the Corporation, other than the Chairman, are not specifically prescribed by the By-Laws, resolutions of the Corporation or by the Chairman, the Executive Director may prescribe such duties. In addition, he or she shall have all other powers and duties customarily incident to the office of the chief operating officers.

4.4. Deputy Executive Director. One or more Deputy Executive Directors may be appointed by the Board of Directors, and shall have such powers and duties as the Executive Director shall delegate.

4.5. Counsel. The Counsel shall be the chief legal officer of the Corporation. He or she shall have all powers and duties customarily incident to the office of counsel,
including the rendering of legal advice and opinions with respect to the Corporation's activities, and the approval for legal compliance of all documents of the Corporation.

4.6. Treasurer. The Treasurer shall be the chief financial officer of the Corporation, and shall have all the powers and duties customarily incident to the office of chief financial officer, including the keeping of the books of account of the Corporation and the preparation of the periodic financial statements of the Corporation. At all reasonable times, the Treasurer shall exhibit to any Officer or Director of the Corporation the books of account and any other records which he or she maintains or causes to be maintained; whenever requested by the Board of Directors, the Treasurer shall present to it a statement of accounts.

4.7. Secretary. The Secretary shall act as Secretary of all meetings of the Board of Directors at which he or she is present, and shall keep the minutes of all such meetings in books proper for that purpose. The Secretary shall have power to affix or cause to be affixed the seal of the Corporation to all contracts, certificates, documents, bonds, notes or other obligations and instruments to be executed on behalf of the Corporation and to attest to the same. He or she shall have charge of the books, records and papers of the Corporation relating to its organization and management as a corporation, and shall see that the reports, statements and other documents required by law are properly kept and filed. In addition, the Secretary shall have all other powers and duties customarily incident to the office of secretary.

4.8. Additional Personnel. The Executive Director may from time to time employ such additional personnel for the Corporation as he or she may deem necessary or appropriate to exercise the powers, duties and functions of the Corporation as prescribed by law, either as employees of the Corporation or as consultants to the Corporation.

4.9. Compensation. Compensation of the Executive Director shall be established by the Board of Directors, and compensation of all other Officers, other than the Chairman, and of additional personnel of the Corporation shall be established by the Executive Director.
2 June 1982

Mr. John Fitzgerald
INTERACTIVE SYSTEMS INC.
131 Middlesex Turnpike
Burlington, Mass. 01803

Dear John:

We are in the process of contracting with Digital Equipment Corporation for the use of their Field Service Computer Center as an emergency backup site. Currently we have no applications developed that use SCOPE, but may have at least one system by the end of the summer that does incorporate SCOPE.

Since we have formally concluded our negotiations with Interactive Systems Inc., I wish to notify you of our intent to use another DECSYSTEM-2020, serial number 4105, in the event that our unit is not operative. This privilege is afforded us in paragraph 5 of our contract.

If you have any questions, please do not hesitate to call me or Steve Kantor. Thank you again for your efforts in meeting our needs for a screen formatting package.

Sincerely,

Karin A'Hearn-Sweeney
Karin A'Hearn-Sweeney
Director of MIS

KAS:bba
2 June 1982

Mr. Greg Wood
SOFTWARE HOUSE
1105 Massachusetts Avenue
Cambridge, Mass. 02138

Dear Greg:

We are in the process of contracting with Digital Equipment Corporation for the use of their Field Service Computer Center as an emergency backup site. Currently we have no applications developed that use SYSTEM1022, but will have at least one system by the end of the summer that does incorporate 1022.

Since we have not formally concluded our negotiations with Software House, I will be adding to Exhibit C, paragraph Cl., the serial number of the DECSYSTEM-2020 we will be entitled to use as our backup equipment. This then should satisfy your requirements regarding the use of 1022 on only "designated equipment."

If you have any questions, please do not hesitate to call me or Steve Kantor. We look forward to meeting with you on 6/30/82 to review the current version of 1022 and discuss the licensing agreement. Thank you for your efforts in meeting our needs for a database management system.

Sincerely,

Karin A'Hearn-Sweeney
Director of MIS

KAS: bba
1 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on May 20, 1982, for settlement on May 21, 1982, to sell to Chemical Bank $10,000,000 par value of United States Treasury Bills due July 15, 1982 (originally purchased at a discount of 12.91% of par), at a discount of 11.52% of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bwj

cc: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
1 June 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on June 2, 1982, $27,800.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK: dnd

cc: Frances N. Higgins
    Pat Santivasci
    Administrative Files
1 June 1982

To: Members of the Board

Robert C. Weaver, Chairman
The Administration Committee

Re: The Corporation's Fiscal 1983 Budget (for consideration at the June 3rd meeting of the Board).

As you know, initiation of the Commercial Paper Program argues for restructuring the Corporation's budget to reflect fees which are unique to this type of borrowing, principally, fees paid to the banks providing the irrevocable line of credit. A new budget format has been developed by the staff to accomplish this purpose and, more generally, to improve the correspondence of budget categories to the current functions of the Corporation.

The Administration Committee has reviewed the revised format as well as the proposed 1983 fiscal year budget of the Corporation's Operating Fund and recommends both for adoption by the Board of Directors at the next meeting.

The New Format

The revised budget categories, as reflected in Exhibit I, have been changed so that the expenditures more nearly reflect the purposes behind the expenditure. Six principal budget categories, with limited subdivisions, replace the three "old" principal budget categories*, as follows:

- Debt Issuance
  - Long-Term (Bonds)
  - Short-Term (Commercial Paper)
- Debt Administration
- Oversight
- OSDC
- FCB
- Investment
- Financial Reporting
- General & Administrative

If approved, the categories shown above will be reported in the Corporation's financial reports and constitute line items within the intent of the Corporation's internal administrative procedures. Greater detail, as shown in Exhibit I (attached), will be routinely available for review by the Administration Committee.

* The three principal budget categories under the "old" format are: (1) Debt Issuance and Service; (2) Oversight; and (3) General & Administration.
The Proposed 1983 Budget: Summary

As shown in Exhibit I, the proposed 1983 fiscal year budget at $9,586,000 is $1,281,400 greater than the estimated 1982 budget as modified, an increase of 18%. The principal cause of this increase is the initiation of the Corporation's Commercial Paper Program. When expenses due to commercial paper are subtracted from the budget, the overall increase is only $101,400 or 1.3%.

As in the past, the other oversight agencies -- Office of the Special Deputy Comptroller (OSDC) and the Financial Control Board (FCB) -- whose budgets are set by the State Legislature but paid from the Corporation's Operating Fund, account for a very large proportion of the budget at $3,887,900 or 41% of the total (see Exhibit II - attached).

The remainder of this memorandum provides more detailed commentary on the individual line items according to the new format as set forth in Exhibit I.

Debt Issuance: Long Term (Bonds) is relatively constant. The Four Year Financial Plan calls for the Corporation to sell $500 million of debt publicly in fiscal 1983, the same amount as in fiscal 1982.

Debt Issuance: Short Term (Commercial Paper) will increase as a result of the selling of commercial paper. (See Exhibit III for a detailed break-out of 1983 fees and expenses.) There has been no additional amount budgeted for an increase in the size of the Commercial Paper Program, as any increase would require Board approval and the budget could be modified at that time.

Debt Administration will increase due, primarily, to the annual effect of the revised fee schedule of the United States Trust Company, established by the Board through delegation to the Administration Committee (October 20, 1981), and taking effect January 1, 1982. Approximately $30,000 or 86% is attributed to fee increase, while $5,000 or 14% is attributed to the increase or volume of transactions. The other component of the increase is due to an expected increase in advertising, as we anticipate that two sinking fund calls will be necessary during the 1983 fiscal year.
Oversight will decrease due to a decline in amounts of the expenditures of the Office of the Special Deputy Comptroller (OSDC) attributed to the Corporation.

Investment will increase due to (i) the annual effect of the fee increase to the Bank of New York approved by the Board on January 21, 1982, and (ii) an increase in transaction costs associated with the purchase and sale of securities in the Corporation's portfolio. The latter cost increase reflects both the new fee schedule of the U.S. Trust Company for transaction processing and a continued growth in the volume of transactions. The Corporation currently has almost $3 billion under investment, as compared with somewhat over $1 billion two years ago. This growth in the size of the portfolio explains the consistent growth of costs in this area over the last several years (as well as the much more significant growth of investment income, which is not accounted for in the Corporation's Operating Fund).

Financial Reporting is expected to increase due to (i) the completion of a computer audit of the new system by June 30, 1983; and (ii) the annual effect of the payment on the computer note. (A more detailed breakout of the Financial Reporting line item is provided in Exhibit IV, attached.) Note that one effect of adoption of the new budget format for the 1982 fiscal year will be to convert from the Board's lump sum authorization for computer-related expenses (approved April 21, 1982) to an annual authorization, as for all other expenditures.

General & Administrative does not include any cost of living increase for the staff.
## FISCAL YEAR 1983 BUDGET

### New Format

<table>
<thead>
<tr>
<th></th>
<th>1982 Estimated</th>
<th>Proposed 1983 Budget</th>
<th>Increase (Decrease)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEBT ISSUANCE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Long-Term (Bonds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>250,000</td>
<td>250,000</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Printing</td>
<td>405,000</td>
<td>350,000</td>
<td>(55,000)</td>
<td>(14)</td>
</tr>
<tr>
<td>Related Services</td>
<td>118,000</td>
<td>145,000</td>
<td>27,000</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>773,000</td>
<td>745,000</td>
<td>(28,000)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Short-Term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Commercial Paper)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Facility</td>
<td>375,000</td>
<td>1,625,000</td>
<td>1,250,000</td>
<td>362</td>
</tr>
<tr>
<td>Legal</td>
<td>305,000</td>
<td>235,000</td>
<td>(70,000)</td>
<td>(29)</td>
</tr>
<tr>
<td>Printing</td>
<td>10,000</td>
<td>10,000</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Related Services</td>
<td>22,000</td>
<td>22,000</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>712,000</td>
<td>1,892,000</td>
<td>1,180,000</td>
<td>166</td>
</tr>
<tr>
<td><strong>Total Debt Issuance</strong></td>
<td>1,485,000</td>
<td>2,637,000</td>
<td>1,152,000</td>
<td>78</td>
</tr>
<tr>
<td><strong>DEBT ADMINISTRATION:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustee</td>
<td>295,000</td>
<td>330,000</td>
<td>35,000</td>
<td>12</td>
</tr>
<tr>
<td>Paying Agents</td>
<td>200,000</td>
<td>200,000</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Public Notices</td>
<td>610,000</td>
<td>750,000</td>
<td>140,000</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,105,000</td>
<td>1,280,000</td>
<td>175,000</td>
<td>16</td>
</tr>
<tr>
<td><strong>OVERSIGHT:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* OSDC</td>
<td>2,762,000</td>
<td>2,355,900</td>
<td>(406,100)</td>
<td>(15)</td>
</tr>
<tr>
<td>* FCB</td>
<td>1,480,000</td>
<td>1,532,000</td>
<td>52,000</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,242,000</td>
<td>3,887,900</td>
<td>(354,100)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>INVESTMENT:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Advisor</td>
<td>52,500</td>
<td>70,000</td>
<td>17,500</td>
<td>33</td>
</tr>
<tr>
<td>Transaction Fees</td>
<td>70,000</td>
<td>75,000</td>
<td>5,000</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>122,500</td>
<td>145,000</td>
<td>22,500</td>
<td>18</td>
</tr>
</tbody>
</table>

(continued)
<table>
<thead>
<tr>
<th></th>
<th>1982 Estimated</th>
<th>Proposed 1983 Budget</th>
<th>Increase (Decrease)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL REPORTING:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>100,000</td>
<td>150,000</td>
<td>50,000</td>
<td>50</td>
</tr>
<tr>
<td>Data Processing</td>
<td>178,000</td>
<td>265,000</td>
<td>87,000</td>
<td>49</td>
</tr>
<tr>
<td>Printing</td>
<td>165,500</td>
<td>179,500</td>
<td>14,000</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>443,500</td>
<td>594,500</td>
<td>151,000</td>
<td>34</td>
</tr>
<tr>
<td><strong>GENERAL &amp; ADMINISTRATIVE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>606,100</td>
<td>669,600</td>
<td>63,500</td>
<td>10</td>
</tr>
<tr>
<td>Other Professional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>112,000</td>
<td>147,000</td>
<td>35,000</td>
<td>31</td>
</tr>
<tr>
<td>General Office Expense</td>
<td>188,500</td>
<td>225,000</td>
<td>36,500</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>906,600</td>
<td>1,041,600</td>
<td>135,000</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,304,600</td>
<td>9,586,000</td>
<td>1,281,400</td>
<td>15.4</td>
</tr>
</tbody>
</table>

Increase Net of Commercial Paper 1.3%

* Indicate recommended level of detail for reporting the Operating Fund in the Annual Report and quarterlies.
<table>
<thead>
<tr>
<th></th>
<th>1982 Estimated</th>
<th>Proposed 1983 Budget</th>
<th>Increase (Decrease)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MAC OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Issuance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term (Bonds)</td>
<td>773,000</td>
<td>745,000</td>
<td>(28,000)</td>
<td>- 3.6</td>
</tr>
<tr>
<td>Short-Term (Commercial Paper)</td>
<td>712,000</td>
<td>1,892,000</td>
<td>1,180,000</td>
<td>+ 165.7</td>
</tr>
<tr>
<td>Debt Administration</td>
<td>1,105,000</td>
<td>1,280,000</td>
<td>175,000</td>
<td>+ 15.8</td>
</tr>
<tr>
<td>Investment</td>
<td>122,500</td>
<td>145,000</td>
<td>22,500</td>
<td>+ 18.4</td>
</tr>
<tr>
<td>Financial Reporting</td>
<td>443,500</td>
<td>594,500</td>
<td>151,000</td>
<td>+ 34.4</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>906,600</td>
<td>1,041,600</td>
<td>135,000</td>
<td>+ 14.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4,062,600</td>
<td>5,698,100</td>
<td>1,635,500</td>
<td>+ 40.3</td>
</tr>
<tr>
<td><strong>OVERSIGHT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSDC</td>
<td>2,762,000</td>
<td>2,355,900</td>
<td>(406,100)</td>
<td>- 14.7</td>
</tr>
<tr>
<td>FCB</td>
<td>1,480,000</td>
<td>1,532,000</td>
<td>52,000</td>
<td>+ 3.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4,242,000</td>
<td>3,887,900</td>
<td>(354,100)</td>
<td>- 8.3</td>
</tr>
<tr>
<td><strong>GRAND TOTAL: OPERATING FUND</strong></td>
<td>8,304,600</td>
<td>9,586,000</td>
<td>1,281,400</td>
<td>+ 15.4</td>
</tr>
</tbody>
</table>
### FISCAL 1983 BUDGET

#### DEBT ISSUANCE

**SHORT TERM (COMMERCIAL PAPER)**

<table>
<thead>
<tr>
<th>Credit Facility (per agreement with Citibank)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Fee @ 3/4% of Total Commitment</td>
<td>750,000</td>
</tr>
<tr>
<td>Activity Fee @ 3/4% of Average Amt. Outstanding</td>
<td>750,000</td>
</tr>
<tr>
<td>Management Fee @ 1/8% of Total Commitment</td>
<td>125,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,625,000</strong></td>
</tr>
</tbody>
</table>

#### Legal (estimated)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawkins, Delafield &amp; Wood</td>
<td>105,000</td>
</tr>
<tr>
<td>Paul Weiss Rifkind Wharton &amp; Garrison</td>
<td>60,000</td>
</tr>
<tr>
<td>Counsel to Citibank</td>
<td>30,000</td>
</tr>
<tr>
<td>Counsel to Dealer's</td>
<td>30,000</td>
</tr>
<tr>
<td>Counsel to Private Purchasers</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>235,000</strong></td>
</tr>
</tbody>
</table>

#### Printing of Notes

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,000</strong></td>
</tr>
</tbody>
</table>

#### Related Services

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Agencies</td>
<td>21,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,000</strong></td>
</tr>
</tbody>
</table>

#### Total Debt Issuance (Short Term)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Debt Issuance</strong></td>
<td><strong>1,892,000</strong></td>
</tr>
</tbody>
</table>
EXHIBIT IV

FISCAL 1983 BUDGET

FINANCIAL REPORTING

<table>
<thead>
<tr>
<th>Auditing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Waterhouse</td>
<td>100,000</td>
</tr>
<tr>
<td>Special Audit of Data Processing</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Data Processing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tymshare Service</td>
<td>40,000</td>
</tr>
<tr>
<td>Systems Development*</td>
<td>63,000</td>
</tr>
<tr>
<td>Payments to UST on computer note</td>
<td>137,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>265,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Printing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing</td>
<td>91,500</td>
</tr>
<tr>
<td>Design</td>
<td>72,000</td>
</tr>
<tr>
<td>Mailing; Advertising</td>
<td>16,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>179,500</strong></td>
</tr>
</tbody>
</table>

Total Financial Reporting 594,500

*Payments to Computer Consultants