Date: 28 February 1989

To: Bob Weaver and Dick Netzer

From: Steve Weinstein

Re: Operating Budget

Please give me a call after you have had a chance to take a look at the enclosed memo on the operating budget for the second quarter, so that we can discuss setting up a meeting.

Enclosure

ba:ll9
28 February 1989

To: Administration Committee

From: Stephen J. Weinstein and Quentin B. Spector

Re: Second Quarter Budget Report and Modification

The summary of the Corporation's operating expenditures for the six months through December 31, 1988 is shown in Schedule I. Although the expenditure rate at 49.8 percent of budget appears appropriate for the halfway point in the fiscal year, the expense concerns raised in our last quarter report to you in November, particularly those driven by expanded redemption activity, have intensified. As a result, there will be an overall budget overrun regardless of whether or not the Corporation undertakes additional financing during the remainder of the year. Consequently, budget modification is necessary to accommodate projected expenses for the second half of this fiscal year.

Accordingly, the Adopted Budget for fiscal 1989 is modified in this report both by various reallocations and a net increase of $448,000, or 7.9 percent, also shown in Schedule I, and presented for your review. The Corporation's Administrative Guidelines authorize the Executive Director to reallocate amounts among budget categories and to increase the budget during any quarter by up to 10 percent, which changes become effective unless you direct otherwise.

The Modified Budget presented here assumes that one additional bond issuance will occur during fiscal 1989. The narrative below details for each budget category the experience to date and incorporates projections for the balance of the year contained in the Modified Budget.

Debt Issuance. The first-half expenditure of 79.2 percent reflects the costs for the three financings already completed this year; the Adopted Budget assumed four transactions in fiscal 1989. However, these issuances have totalled $1.5 billion to date, while the budget assumed only $1 billion for the year. Certain costs vary with the amount of debt issued, while others are a function of the number of transactions. It is assumed that the final financing, market permitting, will be as large or larger than the previous ones, and require that this category be increased by $85,000. Printing is now at 89.9 percent and requires an additional $62,000 in order to accommodate another bond sale this year, because financial printing expenses have run substantially higher than anticipated, as explained in the last quarterly budget report. Ratings, shown at 48.7 percent, are expected to be below budget and can be reduced by $18,000. Authentication, comprised of issuance charges by the Trustee and defeasance verification fees by accountants, now at 99.4 percent, will be insufficient for an additional deal and $41,000 more is required.
Debt Administration. This category bears the brunt of the overruns. While Debt Administration is now at 59.6 percent of budget, the payments incurred for the major sinking fund notice and redemption costs come in the last part of the year. More significantly, the Adopted Budget was premised on principal redemptions totalling approximately $600 million. However, as a result of the particular refundings this year, the Corporation will redeem approximately $2.1 billion during the period covered by this budget. Twelve series of Second Resolution bonds which have been refunded this year are being optionally called and paid in their entirety during fiscal 1989. These added redemptions will substantially drive up the costs of preparation and publication of legal notices and principal payment fees under the Trustee, Paying Agent, and Public Notice categories. The budget modification of $665,000 will accommodate these additional costs by increasing Trustee by $18,000, Paying Agent by $367,000 and Public Notices by $280,000.

Legal Services. The Legal Services expenditure, at 63.7 percent of budget, reflects significant tax work on the part of both General and Bond Counsel in the first half of the year, in addition to that normally entailed in our financings. This work, necessitated by the provisions of the 1986 Federal Tax Act relating to refunding of tax-exempt obligations, is likely to continue during the rest of the year. Nevertheless, it appears that the Adopted Budget can accommodate these billings, and therefore it is unchanged for General and Bond Counsel. Trustee Counsel is, however, increased by $28,000 to take account of their increased activity and staffing levels this year.

Investment Management. This expense is on budget at 49.3 percent, and requires no modification.

Accounting. This category stands at 76.4 percent after the first two quarters, which includes the annual audit. However, during this period accounting expenses have been greater than expected, due in part to some additional reports required by State regulators and by format changes imposed by the Financial Accounting Standards Board, as well as presentation alternatives being considered by the Audit Committee. The Modified Budget increases this category by $23,000.
General Administration. The expenses of staffing and operating the Corporation's offices during the first six months of this year are running below budget at 43.5 percent, and are reduced by an aggregate of $72,000 in the Modified Budget. Payroll Services, now at 45.8 percent, is decreased by $13,000. Data Processing, now at 14.8 percent, is brought down by $20,000. Report Production is in line with normal spending patterns for the midpoint in the year at 57.9 percent and no budget modification is necessary. Office Services stands at 34.9 percent of budget; while higher office rent effective in January 1989 will accelerate this expense in the second half of the year, it still permits a reduction of $36,000. Office Materials expense is below budget at 39.9 percent, permitting a reduction of $3,000.

Financial Control Board. These expenditures are running below their initial budget, standing at 38.9 percent for the first half of the year. This is attributable to personnel reductions and expenditure controls imposed by the State Budget Division during the past six months. Projections furnished by the Financial Control Board for spending during the balance of this year permits a reduction of $281,000 in the Modified Budget.

Conclusion. Overall, the Adopted Operating Budget of $5.678 million has been increased by $448,000, for a Modified Operating Budget of $6.126 million, or an aggregate increase of 7.9 percent. Approximately $200,000 of this amount is provided to cover expenses expected to be generated by new debt issuance, but may remain unused in the event that the Corporation does not undertake another financing during the next four months.
<table>
<thead>
<tr>
<th>Category</th>
<th>Adopted Budget</th>
<th>Expenses and Accruals Second Quarter</th>
<th>Expenses and Accruals Year to Date</th>
<th>Year to Date Percent of Adopted Budget</th>
<th>Modifications</th>
<th>Modified Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Issuance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing</td>
<td>$ 235,000</td>
<td>$ 122,511</td>
<td>$ 211,158</td>
<td>89.9 %</td>
<td>$ 62,000</td>
<td>$ 297,000</td>
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<tr>
<td>Ratings</td>
<td>115,000</td>
<td>36,192</td>
<td>56,000</td>
<td>48.7</td>
<td>-18,000</td>
<td>97,000</td>
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<td>Authentication</td>
<td>50,000</td>
<td>750</td>
<td>49,716</td>
<td>99.4</td>
<td>41,000</td>
<td>91,000</td>
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<tr>
<td>Subtotal</td>
<td>400,000</td>
<td>159,453</td>
<td>316,874</td>
<td>79.2</td>
<td>85,000</td>
<td>485,000</td>
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<td>Debt Administration</td>
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<td>Trustee</td>
<td>475,000</td>
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<td>232,976</td>
<td>49.0</td>
<td>18,000</td>
<td>493,000</td>
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<td>Paying Agent</td>
<td>266,500</td>
<td>215,353</td>
<td>311,943</td>
<td>117.1</td>
<td>367,000</td>
<td>633,500</td>
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<td>Public Notices</td>
<td>550,000</td>
<td>92,660</td>
<td>224,303</td>
<td>40.8</td>
<td>280,000</td>
<td>830,000</td>
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<td>Subtotal</td>
<td>1,291,500</td>
<td>464,591</td>
<td>769,222</td>
<td>59.6</td>
<td>665,000</td>
<td>1,956,500</td>
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<td>Legal Services</td>
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<td>Bond Counsel</td>
<td>150,000</td>
<td>45,363</td>
<td>80,364</td>
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<td>General Counsel</td>
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<td>37,943</td>
<td>56,657</td>
<td>56.7</td>
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<td>100,000</td>
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<td>Trustee Counsel</td>
<td>40,000</td>
<td>34,464</td>
<td>47,771</td>
<td>119.4</td>
<td>28,000</td>
<td>68,000</td>
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<td>Subtotal</td>
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<td>117,770</td>
<td>184,792</td>
<td>63.7</td>
<td>28,000</td>
<td>318,000</td>
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<td>Investment Management</td>
<td>46,000</td>
<td>8,587</td>
<td>22,680</td>
<td>49.3</td>
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<td>46,000</td>
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<td>Accounting</td>
<td>115,000</td>
<td>36,206</td>
<td>87,891</td>
<td>76.4</td>
<td>23,000</td>
<td>138,000</td>
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<tr>
<td>General Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Payroll Services</td>
<td>969,200</td>
<td>248,031</td>
<td>443,674</td>
<td>45.8</td>
<td>-13,000</td>
<td>956,200</td>
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<td>Data Processing</td>
<td>60,000</td>
<td>3,215</td>
<td>8,909</td>
<td>14.8</td>
<td>-20,000</td>
<td>40,000</td>
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<td>Report Production</td>
<td>175,000</td>
<td>20,397</td>
<td>101,353</td>
<td>57.9</td>
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<td>175,000</td>
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<td>Office Services</td>
<td>334,000</td>
<td>63,189</td>
<td>116,479</td>
<td>34.9</td>
<td>-36,000</td>
<td>298,000</td>
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<td>Office Materials</td>
<td>21,000</td>
<td>4,464</td>
<td>8,381</td>
<td>39.9</td>
<td>-3,000</td>
<td>18,000</td>
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<td>Subtotal</td>
<td>1,559,200</td>
<td>339,296</td>
<td>678,796</td>
<td>43.5</td>
<td>-72,000</td>
<td>1,487,200</td>
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<td>Total MAC Operations</td>
<td>3,701,700</td>
<td>1,125,903</td>
<td>2,060,255</td>
<td>55.7</td>
<td>729,000</td>
<td>4,430,700</td>
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<tr>
<td>Financial Control Board</td>
<td>1,976,500</td>
<td>393,591</td>
<td>768,046</td>
<td>38.9</td>
<td>-281,000</td>
<td>1,695,500</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET</strong></td>
<td><strong>$ 5,678,200</strong></td>
<td><strong>$ 1,519,494</strong></td>
<td><strong>$ 2,828,301</strong></td>
<td><strong>49.8 %</strong></td>
<td><strong>$ 448,000</strong></td>
<td><strong>$ 6,126,200</strong></td>
</tr>
</tbody>
</table>

2/28/89
vsj#316
28 February 1989

Mr. Anthony Nugent
SCOTT PRINTING CORPORATION
40 Broad Street
New York, New York 10004-2302

Re: Series 68 Bonds

Dear Tony:

Enclosed is our check for $60,909.00 constituting payment in full for financial printing services rendered by Scott in connection with the issuance of the Corporation's Series 68 Bonds.

As we discussed over the telephone, this amount represents payment for all printing services billed and for all out-of-pocket expenses for which receipts were tendered. In accordance with the terms of our contract, we paid $10 for each local delivery (New York City).

Sincerely,

Maxine H. Gillman
Counsel

ba:122
27 February 1989

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

Honorable Edward V. Regan, Comptroller
ATT: Henry Dufresne, Principal Accountant
Revenues Section/Bureau of Accounting
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12225

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of
the State of New York, enclosed herewith is Certificate
Number 77 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
February 27, 1989.

Certificate Number 77 relates to the cash needs of the
Corporation for the 1989 and 1990 fiscal years with respect
to the Series EE through Series HH Bonds issued pursuant to
its First General Bond Resolution and to its Operating Fund
requirements.

Sincerely,

Quentin B. Spector
Treasurer

Enclosures

cc: Attached

vsj:123
27 February 1989
Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc: Alexandra Altman, Esq.
    Ms. Margaret Van Doren Cook
    James M. Dubin, Esq.
    Mr. Michael Gibbons
    Maxine H. Gillman, Esq.
    Robert R. Grew, Esq.
    Mr. Steven M. Levine
    Donald J. Robinson, Esq.
    Mr. Rudy Runko
    Mr. Pat Santivasci
    Mr. Quentin B. Spector
MUNICIPAL ASSISTANCE CORPORATION
SCHEDULE A

<table>
<thead>
<tr>
<th>Debt Service Fund Under Section 3036 of the Public Authorities Law, Established Pursuant to the First General Bond Resolution Adopted July 2, 1975</th>
<th>Amount</th>
<th>Date Required on or before</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 72,308,000</td>
<td>04/12/89</td>
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</tr>
<tr>
<td>$ 72,308,000</td>
<td>06/30/89</td>
<td></td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1989)</td>
<td>$ 144,616,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Fund Under Section 3036 of the Public Authorities Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 72,308,000</td>
</tr>
<tr>
<td>$ 72,308,000</td>
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<tr>
<td>$ 75,089,000</td>
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<tr>
<td>$ 75,089,000</td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1990)</td>
</tr>
</tbody>
</table>

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL (Fiscal Year 1990)</td>
</tr>
</tbody>
</table>

27 February 1989
Certificate Number 77
CERTIFICATE NUMBER 77 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 27th day of February 1989.

[Signature]
Chairman

bba:123
27 February 1989

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

Honorable Edward V. Regan, Comptroller
ATT: Henry Dufresne, Principal Accountant
Revenues Section/Bureau of Accounting
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12225

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 75 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 February 27, 1989.

Certificate Number 75 relates to the cash needs of the Corporation for fiscal years 1989 and 1990 with respect to the Series 5 through 68 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,

[Signature]
Quentin B. Spector
Treasurer

Enclosures

cc: Attached

vsj:123
27 February 1989
Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc: Alexandra Altman, Esq.
Ms. Margaret Van Doren Cook
James M. Dubin, Esq.
Mr. Michael Gibbons
Maxine H. Gillman, Esq.
Robert R. Grew, Esq.
Mr. Steven M. Levine
Donald J. Robinson, Esq.
Mr. Rudy Runko
Mr. Pat Santivasci
Mr. Quentin B. Spector
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*

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date Required on or before</th>
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<tbody>
<tr>
<td>$165,476,000</td>
<td>04/12/89</td>
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<tr>
<td>161,543,000</td>
<td>06/25/89**</td>
</tr>
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</table>

TOTAL (Fiscal Year 1989) $327,019,000

<table>
<thead>
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<th>Amount</th>
<th>Date Required on or before</th>
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<tbody>
<tr>
<td>$159,144,000</td>
<td>10/12/89</td>
</tr>
<tr>
<td>159,145,000</td>
<td>01/12/90</td>
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<tr>
<td>159,145,000</td>
<td>04/12/90</td>
</tr>
<tr>
<td>154,249,000</td>
<td>06/25/90</td>
</tr>
</tbody>
</table>

TOTAL (Fiscal Year 1990) $631,683,000

NOTES:
* Any payment or payments on April 12, June 30, October 12, 1989 or January 12, April 12, or June 30, 1990 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 on such dates under certificates of the Chairman of the Corporation delivered pursuant to Section 3036 of the Act.

** To the extent payments made to the Corporation for the 1989 and 1990 fiscal years on or before June 25, 1989 and June 25, 1990, respectively, are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1989 or June 30, 1990 payments, as the case may be, to the Corporation subject and subordinate to the payments referred to in the prior footnote.

27 February 1989
Certificate Number 75
123
CERTIFICATE NUMBER 75 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.

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 27th day of February 1989.

Chairman

vsj:123
Date: 27 February 1989

To: Beatrice Gilling Raynor

From: Stephen J. Weinstein

Re: Betty B. Alpern

This is to authorize and direct you to adjust the Corporation's payroll to reflect the resignation of Betty B. Alpern from her position as Office Manager, effective March 3, 1989.

For the pay period ending March 8, 1989, Ms. Alpern should be paid for the 7 days through March 3rd.

On the subsequent pay day--March 22nd--Ms. Alpern should be paid for any vacation leave which she had accrued and unused as of her resignation date.

A copy of Ms. Alpern's resignation is attached.

Attachment

cc: Betty B. Alpern
10 February 1989

To:
Steve Weinstein

From:
Betty Alpern

This memo will serve notice that I will be leaving the Corporation as of March 3, 1989 to accept another position.

I will be taking two days of my vacation time, February 23-24, before I leave. I will be happy to lend whatever assistance I can in the selection and training of a replacement.

I would like to thank you for the many instances of consideration you have shown during my tenure at MAC. It has indeed been an interesting time in the life of New York and I feel fortunate to have been able to sit on the sidelines, observing first hand the interplay in the political and financial arenas. You have all my best wishes for your continued successful stewardship of the Municipal Assistance Corporation.
15 February 1989

Mr. Philip R. Piccigallo
POLICY RESEARCH ASSOCIATES, INC.
6894 Deer Run Drive
Alexandria, Va. 22306

Dear Mr. Piccigallo:

Thank you for sending a copy of your recent article on urban school renovation to our Chairman.

As you know, the Municipal Assistance Corporation has been participating in reforming the construction process for the New York City public school system during the past year.

Sincerely,

Stephen J. Weinstein
Executive Director

aa:202
23 February 1989

Mr. Robert J. Gibbons
2921 Pheasant Run Road
Norristown, Pa. 19403

Dear Mr. Gibbons:

I am in receipt of your letter dated February 17, 1989, inquiring as to the redemption of your Series 10 Bonds.

All Series 10 Bonds were called by the Municipal Assistance Corporation for redemption, at 102% of the principal amount, on November 15, 1988. As a result, you will be paid 102% of your principal, plus interest accrued on your bond through such date.

In order to receive payment, you should send your bond, with all remaining coupons attached, to:

Receive & Delivery Department
20 Exchange Place/17th Floor
CITICORP, NAIB
P. O. Box 1154
Wall Street Station
New York, New York 10268

I suggest that you send such bond via registered mail, so as to protect against any loss.

I hope this information is helpful to you.

Sincerely,

Steven Markbreiter
Assistant Counsel

ba:103
2/17/69

Municipal Assistance Corp.
4 World Trade Center
New York, N.Y. 10048

Mr. Mackbreiter,

Dear Mr. Mackbreiter,

I own a Municipal Assistance Corp. Bond # 10-32222 in the amount of $5,000.

I have been notified that these bonds have been called and you are the person to contact.

Please advise me of the procedure that I should follow.

Thank you

Robert J. Gibbons
2921 Pleasant Run Rd
Norristown, PA 19403
17 February 1989

NEW YORK STATE ETHICS COMMISSION
Suite 1211
11 North Pearl Street
Albany, New York 12207

Attention: Joseph Bress, Executive Director

Re: Persons Subject to Section 73-a of the Public Officers Law

Dear Mr. Bress:

As requested by Steven S. Lovelett, Supervisor of System Development, by letter dated January 19, 1989, I am enclosing an "Attachment A" for each member of the Corporation's staff currently subject to Section 73-a of the Public Officers Law and a revised "Attachment B."

I anticipate that many of the Corporation's staff members will be applying for exemptions from the financial disclosure requirement. However, you should forward financial disclosure statements for the Corporation's directors and covered staff members to me as soon as they are available.

Sincerely,

Maxine H. Gillman
Counsel

ba:111
15 February 1989

Mr. Philip R. Piccigallo
POLICY RESEARCH ASSOCIATES, INC.
6894 Deer Run Drive
Alexandria, Va. 22306

Dear Mr. Piccigallo:

Thank you for sending a copy of your recent article on urban school renovation to our Chairman.

As you know, the Municipal Assistance Corporation has been participating in reforming the construction process for the New York City public school system during the past year.

Sincerely,

[Signature]

Stephen J. Weinstein
Executive Director

aa:202
January 27, 1989

Mr. Felix Rohatyn  
Chairman  
Municipal Assistance Corporation  
1 World Trade Center  
New York, Ny 10048

Dear Mr. Rohatyn:

I know of your continuing and sincere concern for the perplexing problems confronting inner cities such as New York—notably, severely troubled school systems, disproportionately high drop out rates and declining employment opportunities for minorities. I thought, therefore, you might find the attached article of interest.

Sincerely,

Philip R. Piccigallo

Encl.
Renovating Urban Schools Is Fundamental to Improving Them

Will urban youngsters see education as a route out of urban squalor and despair, when their schools reflect those very conditions? What message of self-worth and societal expectation does the abysmal physical state of inner-city schools convey to them? Mr. Piccigallo poses hard questions that lack easy answers.

By Philip R. Piccigallo

The Dismal portrait of America's urban schools is now widely known: shattered windows; leaky roofs; plumbing so corroded that teachers and students warn visitors of the occasional rodent exiting from the toilets. Air conditioning is unknown; heating failures are frequent. An acute scarcity of space sometimes necessitates the use of closets, even lavatories, for classes and conferences. Supplies are inadequate, and the surroundings are generally drab. The list could be extended.

Should anyone realistically be expected to work, creatively and productively, under such wretched conditions? To master a body of knowledge? Would anyone patronize such a proprietary establishment? Most municipal building codes and health departments do not approve such conditions for rental housing. No legitimate business house in such surroundings could regularly attract and retain capable employees or loyal customers — regardless of the incentives it offered. Business would inescapably suffer.

Philip R. Piccigallo is a senior consultant for Policy Research Associates, a consulting firm in the Washington, D.C., area. He is a former assistant to Albert Shanker, president of the American Federation of Teachers.

Why then are we continuously perplexed when large numbers of inner-city youths — in effect, the patrons of the schools — leave high school prior to graduation? While such factors as poverty, dislocated families, teen pregnancies, poor job prospects, and the general cruelties of modern urban life certainly contribute to this mass desertion, the appalling physical state of many (if not most) urban school buildings sends a clear and unwelcoming message to inner-city youths.

I do not intend to argue that even a comprehensive physical rehabilitation of all urban schools would, by itself and immediately, rescue the educational fortunes of faltering inner-city youths. A host of other troubles plague urban school systems: inadequate funding, overcrowding, neighborhoods ravaged by crime and drugs, absenteeism, and exceedingly high dropout rates. Many of these problems seem intractable. At a minimum, however, adequately large and aesthetically inviting physical structures, with the barest of civilized amenities in working order, would offer an atmosphere more conducive to learning. More important, creating such an environment in our urban schools would broadcast to prospective dropouts and their parents and to the community at large an invaluable message: that they and their schools are important.

There is another reason to consider substantially rehabilitating inner-city schools. Given the breadth and complexity of the current movement to improve U.S. schools, the upgrading of physical structures may well be the only specific area of reform that lends itself to a straightforward approach. Critics have justifiably argued against merely "throwing more money" at chronic school problems. Often, these critics contend, such a policy reflects a shortsighted, simplistic approach to managing complex problems that require long-term commitment and planning. Yet in this one area, additional money may be the principal answer. Moreover, while the actual repair and reconstruction of school buildings, auditoriums, laboratories, libraries, athletic facilities, and ground would take time, at least some of the results could be seen immediately.

The Road to Disrepair

The problem of deteriorating urban school buildings is not new. Many urban schools were built before World War II; some are more than a century old. While periodic, piecemeal refurbishment has been taking place, most of these buildings suffer from pervasive disrepair. To conform with the surrounding areas and to ease students' eventual transition to industrial workers, most urban school buildings were architecturally modeled on neighboring factories. Anyone who has visited a number of the older, more dilapidated urban schools cannot fail to be chilled by their unattractive, foreboding ambiance.

Writing in 1969, John Goodlad observed that American schools were "anything but the 'palaces' of an affluent so-
dropouts "costs the nation more than $240 billion in lost earnings and forgone taxes over their lifetimes," while insuring that additional billions "will be spent on crime control, ... welfare, health care, and other social services." The issue of race serves only to compound the problem. Former members of the 1968 Kerner Commission, appointed by President Lyndon Johnson to study race relations, recently observed that the "flight of jobs and whites to the suburbs has ... led to continued segregation in the schools." The former commission members, along with researchers at the University of Chicago and others, suggested that the specter of a divided society — one white, affluent, and suburban; the other minority, poor, and urban — remains a reality today.  

Beyond this, demographic studies paint a clear picture of the future enrollment of American public schools: minority and disadvantaged youths "will make up a significantly larger percentage of the youth population in the next two decades," noted the William T. Grant Foundation's recent report, The Forgotten Half: Non-College Youth in America. With disproportionately high dropout rates for black, Hispanic, and poor youths, this poses a great threat to America's future social, economic, and employment stability.  

RENOVATION AND REFORM  

But would renovation — perhaps even new construction — of inner-city schools have practical or merely cosmetic effects? In light of strong public interest in lowering the tax burden and reducing the deficit, are such measures financially justifiable? Would they prove helpful in stemming the tide of urban school dropouts and amending what the Carnegie Foundation for the Advancement of Teaching recently called a "major failure of social policy": the writing off of "city schools as little more than human storehouses" to keep young people off the streets?  

The answer, I think, is that such changes would help as much, as quickly, and as permanently as a number of other suggested reforms. Since the publication of A Nation at Risk in 1983, numerous sweeping reforms of the education system have been proposed, enacted, or implemented by state legislatures, by foundations, and by education and business groups. Reformers have focused on reexamining and improving some of the most difficult issues facing education: teaching, leadership, school and college curricula, training for a high-technology era, greater involvement of public officials and business leaders, parental responsibility and choice, preparing at-risk children for school, early childhood education, and the quality of higher education.  

Most of the reforms are, by any measure, important, necessary, and deserving of public support. To a considerable degree the political coalitions that support public schools have been broadened and strengthened, as special interests have increasingly yielded to realistic compromise. This has enhanced the possibility of ultimately achieving many of the goals of reform.  

Nevertheless, progress will take time; quick remedies can hardly be expected. There are no "magic bullets" with which to cure the schools' ills, Yale psychologist Seymour Sarason recently observed. The present reform agenda is broad enough in scope to embrace reasonable spheres of disagreement among concerned interests. "All men do not agree in those things they would have the child learn," observed Aristotle in Politics. It is impossible to "determine with certainty," he went on, "whether to instruct a child in what will be useful to him in life, or what tends to virtue, or what is excellent, for all these things have their separate defenders." After systematic review and evaluation over time, some of today's most urgently desired reforms will no doubt demand rethinking.  

Beyond this, recent studies by the Carnegie Corporation of New York, by the CED, and by the Grant Commission stress the critical need for long-term commitment to and investment in education if America wishes to remain internationally competitive in the 21st-century world economy. The cumulative message of these studies is clear: even under optimal conditions, expected progress will be incremental, reversing decline will be a painstaking process, and many of our most pressing educational ills will persist for quite some time.  

Given such realities, perhaps we should place greater emphasis on the rehabilitation of dilapidated inner-city school buildings — an area of reform that lends itself to relatively straightforward, albeit costly, action. In addition, rehabilitation of buildings is one area that offers reasonable promise of straightforward results.  

In the first place, public awareness of the problem is widespread. No media campaign would be necessary to gain endorsement, because the likelihood of broad support for such measures is already strong. Discussions with hundreds of teachers over the years have convinced me that most rank the abysmal physical condition of school buildings and classrooms first among equals on their lists of priorities. Any effective national program of renovation is sure to boost the morale of some 2.5 million teachers, especially those in urban schools. Principals and superintendents, too, should be generally supportive.  

In its report, Results in Education, 1987, and at its summer 1988 conference, the National Governors' Association identified the need for extensive physical upgrading of educational structures and facilities as one of its immediate concerns. State treasuries, it is true, have been strained in recent years by drives to reduce taxes and by federal efforts to shift to the state level the responsibility for many social programs. Nonetheless, since 1983 all the states and the District of Columbia have undertaken additional programs to improve education. Public opinion polls also demonstrate continuous and solid approval of effective and accountable spending for education. Certainly, parents would prefer that their children attend clean, functioning, and secure schools. The broader community, too — notably developers,
renovating America's inner-city schools may prove economically feasible.

A MESSAGE OF HOPE — OR DESPAIR?

In the final analysis, of course, the answer to this question depends on how we choose to assign priorities to a list of equally urgent needs in the face of limited resources. "The heart of educational reform is in what goes on in the classroom," according to John Lawson, Massachusetts commissioner of education. And what goes on in classrooms depends fundamentally on keeping students there in the first place.

Crumbling, poorly maintained, uninviting inner-city schools distract teachers and students from the business of education, and this problem has been simmering for a long time. My call for improving the conditions of life in inner-city schools is not for an indulgent — but merely for a civilized — learning environment. Indeed, no proprietary establishment could operate under similar conditions.

National attention is currently riveted on the plight of urban school systems, and concern is mounting about unacceptably high dropout rates, about demographic projections that show steep growth of minority and disadvantaged populations, and about the prospect of an inadequately prepared future workforce. Perhaps now is the time to seriously consider investing in the extensive renovation of America's big-city schools.

Young people who lack communication skills, rudimentary computation skills, and so-called "employability skills" face bleak tomorrows. Yet just getting inner-city youths to come to school and stay there long enough to acquire these skills poses a major challenge. Education reform can prove effective only if it reaches its assigned targets. Education policy analysts generally agree that a principal means of accomplishing this goal lies in establishing "relevance," that is, planting the notion in students' minds that those who persevere will ultimately attain rewarding employment and upward socioeconomic mobility. Indeed, creating such school-to-work and school-to-college links are the chief motives behind the Boston Compact, New York's Liberty Scholarships, and other state and private initiatives. Still, while they are promising, such programs are islands of hope amid a sea of despair.

What grave societal consequences, we must ask, inevitably derive from the general perception of steadily decaying inner-city schools? Educators and child psychologists have long recognized the importance of physical setting to the learning process. "The need for healthful school surroundings . . . is not just a physical need; it is absolutely and unequivocally an educational need as well," wrote Kenneth Hansen, director of the School of Education at Western State College, in 1956. "Academic excellence," he continued, "is best achieved when the physical conditions for learning are also excellent."22

In a 1985 book on elite boarding schools, Peter Cookson, Jr., and Caroline Hodges Persell emphasized the positive impact on students of the beautifully appointed and meticulously maintained school campuses and of frequent exposure to art and to cultural influences. "Yes, I am special," or perhaps even, "Yes, I am beautiful," became a part of these students' sense of themselves.23

That's a different world, of course. Nevertheless, we should ask two questions: What degree of city youths be expected to believe that education is the principal route out of urban squalor and despair when society appears unable or unwilling to rescue their schools from similar conditions? And what message of self-worth and societal expectation does the abysmal physical state of inner-city schools convey to students who have no choice but to attend them or drop out? These are hard questions, and there are no easy answers.


15 February 1989

Anthony J. Del Duca, Esq.
Joseph S. Lobenthal, Jr.
Attorney At Law
401 Broadway
New York, New York 10013

Dear Mr. Del Duca:

I am in receipt of your letter dated February 13, 1989. I have contacted United States Trust Company, our Trustee, and they informed me that, after payment was stopped on the check issued to Carl A. Lobenthal, a new check was issued and was subsequently negotiated.

In order to make future checks payable to the estate of Carl Lobenthal, you should present all bonds to U.S. Trust, along with the following: an assignment of bond power to the executor, with a signature guarantee, a certified copy of a letter of testamentary, and information as to the place of death. Once U.S. Trust receives these materials, it will issue future checks in the name of the estate. Should you have any questions on these procedures, I suggest you contact Ken Soderstrom of U.S. Trust, at 420-6560.

I hope this information is helpful to you.

Sincerely,

[Signature]

Steven Markbreiter
Assistant Counsel

ba:103
15 February 1989

Mr. Karl Drimmer
Upminster J4014
Deerfield Beach, Florida 33442

Dear Mr. Drimmer:

Thank you for getting back to me with the information on your bonds. Now that I know the bond numbers, I can provide a response to your inquiry.

Your Series 8 Bond, number 16940, was called for mandatory redemption on July 1, 1987, and pursuant to the 1977 Series 8 Resolution, interest ceased to accrue on that date. To receive payment, you should send this Bond, with all coupons attached, to Citibank, the paying agent, as soon as possible. They will pay you the principal amount, although they will probably deduct the interest they paid you on January 1, 1988, which you were not entitled to receive. You should also send your July 1, 1988 and January 1, 1989 coupons for your Series 8 Bond, number 16941, to Citibank in a separate envelope. This bond has not yet been called, and you are still entitled to receive interest on it.

Because Citibank paid the face value of the January 1, 1988 coupon for bond number 16940, without notifying you that the bond had been called, Citibank is obligated to provide you with partial compensation. They should compensate you for the loss of your reinvestment opportunity from January 1, 1988, the date of the coupon next following the date on which the bonds were called for redemption and the first opportunity for Citibank to realize your bond had not yet been presented for payment. Such compensation will be
15 February 1989
Mr. Karl Drimmer
Page 2

according to the industry standards (not at the rate of the Series 8 Bonds) and will not be tax-exempt. To inquire as to Citibank's compensation procedures, I suggest you contact them by mail at:

Citibank, N.A.
Customer Service
20 Exchange Place
New York, New York 10043

or by phone at (212) 968-6544. I also suggest you send your bonds and coupons, by registered mail, to the above address.

I hope this information is helpful to you.

Sincerely,

Steven Markbreiter
Assistant Counsel

ba:133
15 February 1989

Senator Franz S. Leichter
Senator Frank Padavan
New York State Senate
Capitol
Albany, N.Y. 12247

Dear Senators Leichter and Padavan:

This letter is in response to your joint statement of February 7, 1989, which has been brought to my attention.

Your statement criticizes the Municipal Assistance Corporation for participation in the development of an agreement with the Governor and the Mayor for the Corporation to make available $600 million as part of a new construction program for New York City's public schools.

The Board of Directors of the Municipal Assistance Corporation is composed of persons who are public officers of the State of New York, with the statutory obligation and authority to administer its operations. The Corporation has always joined with the Governor as the highest elected official of the State and with the Mayor as the highest elected official of the City in developing the programs which culminated in the two prior agreements in 1984 and 1986 and the current agreement discussed in your statement. Under these three agreements, approximately $3.3 billion is being made available by the Corporation for public purposes deemed worthy by the Governor and the Mayor. Further, in those instances where legislation was required to implement the spending programs, as was the case with transit facilities in 1986 and with school construction in 1988, both the New York State Senate and Assembly adopted the necessary laws.

Any disposition of funds of the Corporation must, in the judgment of its Board, be consistent with its primary fiduciary obligations to its bondholders. The Board has determined that funding prudent investments in the City under these agreements furthers the interests of all of the bondholders over the long term.
15 February 1989
Senator Franz S. Leichter
Senator Frank Pajavan
Page 2

Your statement may also create a perception that the New York State Legislature would be disposed now to alter the long-established flow of funds of the Corporation. The Municipal Assistance Corporation is today recognized as one of the strongest credits in the public sector by investors and rating agencies alike. It is of the utmost importance to maintain the hard-won integrity of the credit securing the Corporation's outstanding bonds, which inures to the continuing benefit of both the City and the State of New York.

Sincerely,

Felix G. Rohatyn
Chairman

cc: Governor Mario M. Cuomo
    Executive Chamber
    Albany, N.Y. 12224

ba:131
FOR RELEASE: Tuesday, 1:00 PM  
February 7, 1989

CONTACT: Glenn von Nostitz at 518-455-2041 and Ed DeCosmo at 518-455-3381

PADAVAN AND LEICHTER LEGISLATION TO DENY MUNICIPAL ASSISTANCE CORPORATION SOLE POWER TO SPEND MAC SURPLUSES; SAY ELECTED OFFICIALS, NOT FELIX ROHATYN, SHOULD APPROPRIATE MONEY

February 7 -- State Senators Franz S. Leichter (D, 28th S.D., Manhattan) and Frank Padavan (R, 11th S.D., Queens and Nassau) today announced introduction of legislation to stop the undemocratic and possibly unconstitutional process by which the Municipal Assistance Corporation decides how public money is going to be spent, without the normal legislative and executive approvals required for appropriations.

The legislation, which denies MAC the power to singlehandedly decide when and how to spend its enormous cash surpluses, is prompted by the requirement placed on the Legislature last year by Felix Rohatyn, the MAC Chairman, that a New York City School Construction Authority be created before he would allow $600 million in built-up MAC reserves to be spent on school construction projects.

Senator Leichter stated: "This is public money. It does not belong to Felix Rohatyn. We appreciate Mr. Rohatyn's efforts to ensure it is well spent, but a basic concept in American government is that elected officials determine how public funds
are going to be appropriated. We fought a revolution over that.

"Elected representatives are directly accountable to the public. They can be kicked out of office if the electorate disagrees with how they are spending their money. The public did not vote for Mr. Rohatyn."

Senator Padavan commented: "The MAC was created by the State Legislature to help ensure the fiscal integrity of the City of New York.

"However, when the Chairman imperiously determines when surplus funds are released to the City of New York and imposes conditions upon their use -- as Mr. Rohatyn has done -- then he has stepped into the role of policy maker. This is completely beyond his authority," Senator Padavan said.

Under current law MAC "may" withdraw surpluses and pay them to the City. The new legislation requires MAC to annually pay any surpluses to the City's capital fund.

The two lawmakers explained that MAC's surpluses are entirely taxpayers' money, the use of which should be decided by elected officials: "MAC issues bonds that are repaid by the taxpayers through the sales tax and stock transfer tax. Although MAC has been able to refinance this debt at lower rates, and therefore needs less tax money for debt service, taxes are still being funnelled to MAC to pay off bonds. The surplus generated from refinancing and by other methods* is not MAC's private money to do with as it pleases; it is taxpayers' money."

"If additional surpluses are generated in the 1990's this bill makes sure that elected -not appointed- officials determine how
they are spent," they stated.

Mr. Rohatyn is a partner in the firm of Lazard Freres, a Wall Street underwriter of municipal and corporate debt.

Padavan and Leichter added that their bill "in no way" affects the position of the holders of MAC bonds since it deals merely with monies in excess of the amount currently required by bond notes to be kept in reserve, with excess earnings from other funds and with monies made available through refinancings. They also said the legislation will not affect the disposition of surpluses under the MAC I, II and III agreements.

# # #

*The surpluses are being created primarily from releases in excesses from MAC's capital reserve funds, from debt service reductions from issuance of bonds for refunding purposes, and from earnings on other funds. Existing surpluses are being released by MAC under three agreements between Governor Cuomo, Mayor Koch, and MAC, as follows:

MAC I: In 1985 and 1986 a total of $365 million was agreed to be drawn from MAC surpluses and given to the City. The money was provided annually under the following schedule: 1984, $25 million; 1985, $90 million; 1986, $80 million; 1987, $85 million; 1988, $85 million.

The money was designated for completion of the Convention Center ($60 million), developing downtown areas outside of Manhattan ($60 million), housing construction subsidies ($100 million), manufacturers' relocation assistance ($40 million), school building maintenance ($16.1 million), adult literacy ($39.9 million), and computer education ($29 million).

MAC II: $1.6 billion was agreed to be provided to the City under a Memorandum of Understanding dated April 2, 1986. The money was agreed to be provided by MAC in annual installments from 1987 to 1995 for the following purposes: City operating purposes ($375 million total), NYCTA capital program ($925 million total), early retirement of MAC's debt ($300 million, which will have the effect of providing about $325 million in additional debt service savings and operating funds for the City.)
MAC III: MAC agreed to release $600 million, to be earmarked for school building construction and renovation projects, only after the Legislature last session passed a bill establishing a separate NYC school construction authority.
Amend Sec. 3036(3) of the Public Authorities law to read as follows:

3. The corporation shall create and establish ... (same language) ... if the amount contained in the capital reserve fund exceeds the amount required to be contained in such fund pursuant to the terms of issuance of any bonds or notes, such excess moneys [may] shall annually be withdrawn from the capital reserve fund by the corporation [;] and be paid to the capital fund of the municipality except for moneys to be paid to the municipality pursuant to any agreements by the governor, the mayor of the municipality and the corporation entered into prior to the first day of January, nineteen hundred and eighty-nine; provided, however, that moneys in such fund shall not be withdrawn therefrom at any time in such amounts as would reduce the amount of such fund to less than the amount of principal and interest maturing or otherwise becoming due in the succeeding calendar year on all bonds of the corporation secured by ... (same language) ... on all bonds of the corporation incurred by such capital reserve fund then outstanding.

Amend Sec. 3036-a(2) of the Public Authorities Law to read as follows:

2. The corporation shall create and establish a capital reserve fund as an additional special fund, and shall pay into such special capital reserve fund (i) ... ... If the amount contained in the capital reserve fund exceeds the amount required to be contained in such fund pursuant to this subdivision of this section plus any additional amounts required to be contained in such fund pursuant to the terms of issuance of any bonds or notes secured by such capital reserve fund, such excess moneys [may] shall annually be withdrawn from the capital reserve fund by the corporation [;] and paid to the capital funds of the municipality except for moneys to be paid to the municipality pursuant to any agreements by the governor, the mayor of the municipality and the corporation entered into prior to the first day of January, nineteen-hundred and eighty-nine; provided, however, that moneys ... (same language) ... fund then outstanding. (R-11th SD, Queens and Nassau) will discuss their new legislation denying the Municipal Assistance Corporation the power to singlehandedly decide how hundreds of millions of public dollars are spent at:
14 February 1989

Technical Data
P.O. Box 3350
Boston, Mass. 02241

To Whom It May Concern:

This letter, written pursuant to the cancellation clause of our contract dated December 1, 1985, serves as 90 day cancellation notice for the Bond Data, Money Data, and Fund Data services. According to our records we have paid through March 31, 1989. At that time send us a final bill which we calculate as $519.23 for the remainder of the 90 day period ending May 15, 1989.

Sincerely,

[Signature]

Quentin B. Spector
Deputy Executive Director
and Treasurer

QBS:vsj#314
14 February 1989

To: Board of Directors

From: Stephen J. Weinstein

Re: Personal Services Contract Report for the Quarter Ending December 31, 1988

The Corporation's Personal Services Contract Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's personal services contracts. In particular, the Guidelines mandate the reporting of the terms and selection process utilized for personal services contracts newly entered into during the quarter. The continuing contracts listed in earlier reports remain in effect under the terms and conditions previously described.

During the quarter ending December 31, 1988, the Corporation sold $411,245 million of Series 68 Bonds, pursuant to the Second General Bond Resolution, in connection with which the Corporation entered into several contracts during the quarter. On the basis of a competitive bidding process conducted in April 1988, the Corporation retained Scott Printing Corporation on October 5, 1988 for financial printing services for the Series 68 Bonds, at an estimated cost of $63,000.00. The Corporation also retained United States Banknote Corporation on November 3, 1988 for the printing of the Series 68 Bonds, at an actual cost of $12,125, pursuant to provisions of the Guidelines exempting securities printing from a competitive selection process.
During the quarter, the Corporation retained Doremus & Company for advertising services in connection with: the notice of deposit for the Corporation's Series 10 and 14 Bonds on October 6, 1988 at an estimated media cost of $6,435; the notice of redemption of the Series 10 Bonds on October 6, 1988 at an estimated media cost of $28,219; the notice of publication of the Corporation's September 30, 1988 Quarterly Financial Statements on November 2, 1988 at an estimated media cost of $3,895; the notice of deposit for the Corporation's Series 15, 16, 17 and 18 Bonds on December 5, 1988 at an estimated media cost of $8,957; and the notice of sinking fund redemption for the Corporation's Series HH and JJ Bonds on December 22, 1988 at an estimated media cost of $231,271. Doremus & Company was selected on a non-competitive basis due to the limited sources available.

On October 28, 1988, the Corporation entered into a contract with The Georgian Press Inc. to print the Corporation's three quarterly reports for the 1989 fiscal year, following a competitive bidding process, at an estimated cost of $32,105. On October 31, 1988, the Corporation contracted with Kellner & Osburn Associates, Inc. for graphic design services in connection with the Corporation's three quarterly reports and the annual report for the fiscal year ending June 30, 1989. This contract was obtained on a non-
competitive basis due to the impracticability of
competition. The estimated cost of this contract is
$70,000.

On November 4, 1988, the Corporation retained E-Z Addressing
Service in connection with the mailing of the September 30,
1988 Quarterly Report, at an actual cost of $1,486.22. E-Z
Addressing Service was retained non-competitively due to the
low levels of charges involved.
MEMORANDUM

Date: 14 February 1989

To: Board of Directors

From: Stephen J. Weinstein

Re: Investment Report Quarter Ending December 31, 1988

The Corporation's Investment Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's investments. In particular, the Guidelines mandate that the report include an inventory of existing investments as of the end of the quarter, a summary of investments made during the quarter, and a listing of "investment bankers, brokers, agents, dealers, custodians, investment advisors and auditors used by the Corporation in making or holding investments during such quarter."

All investments during the quarter ended December 31, 1988 were Permitted Obligations authorized by the Investment Guidelines. For the purpose of this report, we have grouped the Corporation's various accounts into three major funds:

(1) Debt Service Funds consisting of the Debt Service Fund for payment of principal and interest on First Resolution bonds; the Bond Service Fund for the payment of principal and interest on Second Resolution bonds; the Unpledged Revenues Account; and the Bond Proceeds Account;

(2) Capital Reserve Funds consisting of the First Capital Reserve Fund and the Second Capital Reserve Fund;

(3) Operating Fund.

Attachment A of this memorandum lists the Corporation's investments according to these three major funds as of December 31, 1988. (A description of each of the funds is provided in Attachment E.) Attachment B displays the income recorded by each of the major funds for the quarter. The Corporation earned $32.6 million during the quarter.

At December 31, 1988, the amortized cost of the Corporation's holdings of marketable securities was approximately $1.592 billion. (This is exclusive of approximately $1.772 billion of bonds of the City of New York.) Attachment C describes the investment activity within the various accounts during the quarter. Investments are depicted by monthly transactions which are categorized by maturity and security type. All funds of the Corporation
are continually invested in direct obligations of the United States of America, with the exception of up to $3 million invested in daily repurchase agreements under which the Corporation actually purchases and receives securities subject to the agreements.

Attachment D provides a listing of the dealers and providers of investment related services which the Corporation used to carry out its investment program.
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
INVESTMENT IN MARKETABLE SECURITIES
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Market</th>
<th>Cost</th>
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<tbody>
<tr>
<td><strong>Debt Service Fund</strong></td>
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<tr>
<td>Securities Purchased Under Agreements to Resell</td>
<td>$1,236</td>
<td>$1,236</td>
<td>$1,236</td>
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<tr>
<td>Obligations Maturing in Less than One Year</td>
<td>553,526</td>
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<tr>
<td>U.S. Treasury</td>
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<tr>
<td>One to Five Years</td>
<td>17,350</td>
<td>17,136</td>
<td>17,136</td>
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<tr>
<td>U.S. Treasury</td>
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<tr>
<td><strong>Total</strong></td>
<td>$572,112</td>
<td>$572,594</td>
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<td><strong>First Capital Reserve Fund</strong></td>
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<tr>
<td>Obligations Maturing in Less than One Year</td>
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<td>U.S. Treasury</td>
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<tr>
<td>Five Years or Greater</td>
<td>217,992</td>
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<td>U.S. Treasury</td>
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<td><strong>Total</strong></td>
<td>$316,407</td>
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<td><strong>Second Capital Reserve Fund</strong></td>
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<td>Obligations Maturing in Less than One Year</td>
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<tr>
<td>One to Five Years</td>
<td>336,083</td>
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<td>Five Years or Greater</td>
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<td>U.S. Treasury</td>
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<td><strong>Total</strong></td>
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#vsj#305

QBS
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
Record of Income
($ Thousands)

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<th>Fund Type</th>
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vs#305

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### Municipal Assistance Corporation for the City of New York
### Analysis of Investment Securities
### For the Quarter Ended 12/31/1988
### ($ Millions)

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Municipal Assistance Corporation For The City of New York
Analysis of Investment Securities
For the Quarter Ended 12/31/1988
($ Millions)
MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  
PISCAL YEAR 1989  
SECOND QUARTER INVESTMENT REPORT  
LISTING OF DEALERS AND  
INVESTMENT RELATED SERVICES

During the quarter ending December 31, 1988, the Corporation made investments in government securities through the following dealers:

Bank of America N.T. & S.A.  
First Boston Corporation  
Harris Trust and Savings Bank  
Manufacturers Hanover Trust Company  
Morgan Guaranty Trust Company of New York  
Shearson Lehman Brothers Inc.  
William E. Pollack & Co., Inc.

During the quarter ending December 31, 1988, the Corporation entered into repurchase agreements with the following Banks:

Donaldson, Lufkin & Jenrette  
Manufacturers Hanover Trust Company  
Morgan Guaranty Trust Company of New York

The Bank of New York was appointed April 1, 1986 as the Corporation's financial adviser. On July 1, 1987 its contract was renewed for a two year period ending June 30, 1989. U.S. Trust Co. provided transaction processing services pursuant to the current agreement with the Corporation.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Capital Reserve Funds

First Capital Reserve Fund

The First Capital Reserve Fund was established pursuant to the First General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on First Resolution bonds. The required funding level is the succeeding calendar year's debt service on First Resolution bonds. The fund is to be used to pay debt service on First Resolution bonds any time the available State sales tax and stock transfer tax are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Debt Service Fund and used to pay debt service on First Resolution bonds.

Second Capital Reserve Fund

The Second Capital Reserve Fund was established pursuant to the Second General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on Second Resolution bonds. The required funding level is the succeeding calendar year's debt service on Second Resolution bonds. The fund is to be used to pay debt service on Second Resolution bonds any time the available State sales tax, stock transfer tax and per capita aid are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Bond Service Fund and used to pay debt service on Second Resolution bonds.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Debt Service Funds

Debt Service Fund

The Debt Service Fund was created under the First General Bond Resolution for the purpose of paying debt service on First Resolution bonds.

Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax and stock transfer tax pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Debt Service Fund to payment accounts on the business day prior to a payment date.

Bond Service Fund

The Bond Service Fund was created under the Second General Resolution for the purpose of paying debt service on Second Resolution bonds.

Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax, stock transfer tax and per capita aid pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in the other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Bond Service Fund to payment accounts on the business day prior to a payment date.

Unpledged Revenues Account

The Unpledged Revenues Account consists of monies which are not pledged to secure any obligation of the Corporation. These monies are available for general corporate purposes.
Monies in this Account are derived from (i) principal and interest payments on New York City bonds held by the Corporation in exchange for proceeds of the Corporation's bonds issued for City capital purposes; and (ii) interest earnings retained on amounts on deposit in this Account.

Periodic transfers are made to the Debt Service and Bond Service Funds for the payment of debt service on First and Second Resolution bonds. Such transfers reduce the amount of State revenues needed to make such payments.

In addition, monies in this Account are used to make open market purchases of the Corporation's bonds in satisfaction of mandatory sinking fund requirements.

**Bond Proceeds Account**

Proceeds of the sale of bonds by the Corporation are held in the Bond Proceeds Account until applied to the purposes for which they were raised and invested pending expenditure. Earnings on such investments are used to pay debt service under the respective resolutions.

**Operating Fund**

The Operating Fund was created under the First General Bond Resolution to pay the operating expenses of the Corporation which, for the purposes of the Operating Fund, include the expenses of the Office of the State Special Deputy Comptroller and those of the State Financial Control Board. Monies for this fund are obtained from payments made by the State Comptroller to the Corporation in accordance with the Corporation's periodic certifications of needs.
Date: 14 February 1989
To: Board of Directors
From: Stephen J. Weinstein
Re: Quarterly Reports

Enclosed is a copy of the Corporation's financial statements for the second quarter of the current fiscal year in report form, published today.

Also enclosed are copies of the Investment Report and the Personal Services Contract Report to the Board for the quarter ended December 31, 1988, as reviewed and approved by the Investment Committee and the Administration Committee, respectively.

Enclosures (3)

vsj#202
Date: 14 February 1989

To: Board of Directors

From: Stephen J. Weinstein

Re: Investment Report
Quarter Ending December 31, 1988

The Corporation's Investment Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's investments. In particular, the Guidelines mandate that the report include an inventory of existing investments as of the end of the quarter, a summary of investments made during the quarter, and a listing of "investment bankers, brokers, agents, dealers, custodians, investment advisors and auditors used by the Corporation in making or holding investments during such quarter."

All investments during the quarter ended December 31, 1988 were Permitted Obligations authorized by the Investment Guidelines. For the purpose of this report, we have grouped the Corporation's various accounts into three major funds:

1. Debt Service Funds consisting of the Debt Service Fund for payment of principal and interest on First Resolution bonds; the Bond Service Fund for the payment of principal and interest on Second Resolution bonds; the Unpledged Revenues Account; and the Bond Proceeds Account;

2. Capital Reserve Funds consisting of the First Capital Reserve Fund and the Second Capital Reserve Fund;

3. Operating Fund.

Attachment A of this memorandum lists the Corporation's investments according to these three major funds as of December 31, 1988. (A description of each of the funds is provided in Attachment E.) Attachment B displays the income recorded by each of the major funds for the quarter. The Corporation earned $32.6 million during the quarter.

At December 31, 1988, the amortized cost of the Corporation's holdings of marketable securities was approximately $1.592 billion. (This is exclusive of approximately $1.772 billion of bonds of the City of New York.) Attachment C describes the investment activity within the various accounts during the quarter. Investments are depicted by monthly transactions which are categorized by maturity and security type. All funds of the Corporation
are continually invested in direct obligations of the United States of America, with the exception of up to $3 million invested in daily repurchase agreements under which the Corporation actually purchases and receives securities subject to the agreements.

Attachment D provides a listing of the dealers and providers of investment related services which the Corporation used to carry out its investment program.
# MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

## ATTACHMENT A

### FISCAL YEAR 1989

**SECOND QUARTER INVESTMENT REPORT**

**INVESTMENT IN MARKETABLE SECURITIES**

(In Thousands)

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<tr>
<th></th>
<th>Principal</th>
<th>Market</th>
<th>Cost</th>
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<td><strong>Debt Service Fund</strong></td>
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<td>Securities Purchased Under Agreements to Resell</td>
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<td>Obligations Maturing in Less than One Year</td>
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<td>One to Five Years</td>
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<td>U.S. Treasury</td>
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<tr>
<td><strong>Total</strong></td>
<td>$572,112</td>
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| **First Capital Reserve Fund**       |           |         |        |
| Obligations Maturing in Less than One Year |          |         |        |
| U.S. Treasury                        | $98,415   | $98,229 | $98,803|
| Five Years or Greater                | 217,992   | 220,201 | 228,321|
| U.S. Treasury                        |           |         |        |
| **Total**                            | $316,407  | $318,430| $327,124|

| **Second Capital Reserve Fund**      |           |         |        |
| Obligations Maturing in Less than One Year |          |         |        |
| U.S. Treasury                        | $264,173  | $262,712| $263,891|
| One to Five Years                    | 336,083   | 311,691 | 319,174|
| Five Years or Greater                | 134,253   | 94,302  | 103,728|
| U.S. Treasury                        |           |         |        |
| **Total**                            | $734,509  | $668,705| $686,793|

| **Operating Fund**                   |           |         |        |
| Securities Purchased Under Agreement to Resell | $608      | $608    | $608   |
| Obligations Maturing in Less Than One Year |          |         |        |
| U.S. Treasury                        | 1,093     | 1,095   | 1,093  |
| **Total**                            | $1,701    | $1,703  | $1,701 |

**Total**

$1,791,499  $1,728,058  $1,758,632

#vsj#305

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QBS
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
Record of Income
($ Thousands)

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<td>Capital Reserve Funds</td>
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<td>Operating Fund</td>
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<tr>
<td><strong>Total</strong></td>
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vs#305

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### Municipal Assistance Corporation For The City of New York
### Analysis of Investment Securities
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### ($ Millions)

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MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
LISTING OF DEALERS AND
INVESTMENT RELATED SERVICES

During the quarter ending December 31, 1988, the Corporation
made investments in government securities through the
following dealers:

Bank of America N.T. & S.A.
First Boston Corporation
Harris Trust and Savings Bank
Manufacturers Hanover Trust Company
Morgan Guaranty Trust Company of
New York
Shearson Lehman Brothers Inc.
William E. Pollack & Co., Inc.

During the quarter ending December 31, 1988, the Corporation
entered into repurchase agreements with the following Banks:

Donaldson, Lufkin & Jenrette
Manufacturers Hanover Trust Company
Morgan Guaranty Trust Company of New
York

The Bank of New York was appointed April 1, 1986 as the
Corporation's financial adviser. On July 1, 1987 its
contract was renewed for a two year period ending June 30,
1989. U.S. Trust Co. provided transaction processing
services pursuant to the current agreement with the
Corporation.

vsj#305
Capital Reserve Funds

First Capital Reserve Fund

The First Capital Reserve Fund was established pursuant to the First General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on First Resolution bonds. The required funding level is the succeeding calendar year's debt service on First Resolution bonds. The fund is to be used to pay debt service on First Resolution bonds any time the available State sales tax and stock transfer tax are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Debt Service Fund and used to pay debt service on First Resolution bonds.

Second Capital Reserve Fund

The Second Capital Reserve Fund was established pursuant to the Second General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on Second Resolution bonds. The required funding level is the succeeding calendar year's debt service on Second Resolution bonds. The fund is to be used to pay debt service on Second Resolution bonds any time the available State sales tax, stock transfer tax and per capita aid are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Bond Service Fund and used to pay debt service on Second Resolution bonds.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Debt Service Funds

Debt Service Fund

The Debt Service Fund was created under the First General Bond Resolution for the purpose of paying debt service on First Resolution bonds.

Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax and stock transfer tax pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Debt Service Fund to payment accounts on the business day prior to a payment date.

Bond Service Fund

The Bond Service Fund was created under the Second General Resolution for the purpose of paying debt service on Second Resolution bonds.

Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax, stock transfer tax and per capita aid pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in the other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Bond Service Fund to payment accounts on the business day prior to a payment date.

Unpledged Revenues Account

The Unpledged Revenues Account consists of monies which are not pledged to secure any obligation of the Corporation. These monies are available for general corporate purposes.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Monies in this Account are derived from (i) principal and interest payments on New York City bonds held by the Corporation in exchange for proceeds of the Corporation's bonds issued for City capital purposes; and (ii) interest earnings retained on amounts on deposit in this Account.

Periodic transfers are made to the Debt Service and Bond Service Funds for the payment of debt service on First and Second Resolution bonds. Such transfers reduce the amount of State revenues needed to make such payments.

In addition, monies in this Account are used to make open market purchases of the Corporation's bonds in satisfaction of mandatory sinking fund requirements.

Bond Proceeds Account

Proceeds of the sale of bonds by the Corporation are held in the Bond Proceeds Account until applied to the purposes for which they were raised and invested pending expenditure. Earnings on such investments are used to pay debt service under the respective resolutions.

Operating Fund

The Operating Fund was created under the First General Bond Resolution to pay the operating expenses of the Corporation which, for purposes of the Operating Fund, include the expenses of the Office of the State Special Deputy Comptroller and those of the State Financial Control Board. Monies for this fund are obtained from payments made by the State Comptroller to the Corporation in accordance with the Corporation's periodic certifications of needs.
14 February 1989

Board of Directors

Stephen J. Weinstein

Personal Services Contract Report for the Quarter Ending December 31, 1988

The Corporation's Personal Services Contract Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's personal services contracts. In particular, the Guidelines mandate the reporting of the terms and selection process utilized for personal services contracts newly entered into during the quarter. The continuing contracts listed in earlier reports remain in effect under the terms and conditions previously described.

During the quarter ending December 31, 1988, the Corporation sold $411,245 million of Series 68 Bonds, pursuant to the Second General Bond Resolution, in connection with which the Corporation entered into several contracts during the quarter. On the basis of a competitive bidding process conducted in April 1988, the Corporation retained Scott Printing Corporation on October 5, 1988 for financial printing services for the Series 68 Bonds, at an estimated cost of $63,000.00. The Corporation also retained United States Banknote Corporation on November 3, 1988 for the printing of the Series 68 Bonds, at an actual cost of $12,125, pursuant to provisions of the Guidelines exempting securities printing from a competitive selection process.
During the quarter, the Corporation retained Doremus & Company for advertising services in connection with: the notice of deposit for the Corporation's Series 10 and 14 Bonds on October 6, 1988 at an estimated media cost of $6,435; the notice of redemption of the Series 10 Bonds on October 6, 1988 at an estimated media cost of $28,219; the notice of publication of the Corporation's September 30, 1988 Quarterly Financial Statements on November 2, 1988 at an estimated media cost of $3,895; the notice of deposit for the Corporation's Series 15, 16, 17 and 18 Bonds on December 5, 1988 at an estimated media cost of $8,957; and the notice of sinking fund redemption for the Corporation's Series HH and JJ Bonds on December 22, 1988 at an estimated media cost of $231,271. Doremus & Company was selected on a non-competitive basis due to the limited sources available.

On October 28, 1988, the Corporation entered into a contract with The Georgian Press Inc. to print the Corporation's three quarterly reports for the 1989 fiscal year, following a competitive bidding process, at an estimated cost of $32,105. On October 31, 1988, the Corporation contracted with Kellner & Osburn Associates, Inc. for graphic design services in connection with the Corporation's three quarterly reports and the annual report for the fiscal year ending June 30, 1989. This contract was obtained on a non-
competitive basis due to the impracticability of competition. The estimated cost of this contract is $70,000.

On November 4, 1988, the Corporation retained E-Z Addressing Service in connection with the mailing of the September 30, 1988 Quarterly Report, at an actual cost of $1,486.22. E-Z Addressing Service was retained non-competitively due to the low levels of charges involved.
9 February 1989

Mr. James Y. Chin
578 Madison Avenue/#3F
Albany, New York 12208

Dear Mr. Chin:

Thank you for sending the Corporation your resume. I'm sorry that there will be no openings available this summer.

Good luck in your job search and again many thanks for your interest.

Sincerely,

Quentin B. Spector
Treasurer and
Deputy Executive Director

ba:116
Ms. Betty Alpern  
Office Administrator  
Municipal Assistance Corporation  
One World Trade Center, Suite 8901  
New York, New York 10048

Dear Ms. Alpern:

Per our conversation last week, I have enclosed my resume for your consideration regarding my inquiry into summer opportunities with Municipal Assistance Corporation.

I am a New York native and am currently a first year law student at Albany Law School of Union University in Albany, New York. My interest in MAC stems from a desire for exposure and involvement in municipal financing. I believe that my unique experience tempered with a healthy skepticism makes me a qualified candidate to assist in MAC's commitment to financial stability for various municipalities.

Thank you for your time and I will contact you soon to discuss further this matter.

Sincerely,

James Y. Chin

Enclosure
JAMES YORK CHIN

Present Address:  
578 Madison Avenue, #3F  
Albany, New York 12208  
518-432-0703

Permanent Address:  
203 Grand Street, #16  
New York, New York 10013  
212-925-2264

EDUCATION

ALBANY LAW SCHOOL of Union University, Albany, New York.  

GEORGETOWN UNIVERSITY, Washington, District of Columbia.  
Bachelor of Science in Business Administration, May 1985.  
Major: Finance   Minor: Political Science  
Financed 77% of tuition with loan, summer and work-study employment.

EXPERIENCE

7/87-7/88

COMMODITY CREDIT ANALYST, Credit Analysis Group,  
- Analyzed financial information of retail and corporate clients speculating in and hedging through commodity futures and trading/brokerage commercial instruments  
- Identified and assessed risk exposure across product lines and by client base  
- Established and reviewed credit facilities for inter-bank currency forwards and deliveries, and physical metals consignment  
- Monitored agricultural, energy and London Metal Exchange products  
- Authorized to sign credit approvals up $100,000 speculative accounts and 50 contracts for hedge accounts with potential risk of exposure $1,000,000.

9/85-1/86

LEGISLATIVE ASSISTANT, Congressman Roy Dyson, United States House of Representatives, Washington, District of Columbia.  
- Assisted the Congressman and Senior Legislative Staff in various legislative areas  
- Evaluated and tracked legislation in responding to constituent inquiries.

9/81-5/85

STUDENT ASSISTANT for SPORTS PROMOTION, Office of Sports Promotion, Georgetown University.  
- Involved in a $5 million multi-faceted sports promotional campaign.  
- Assisted in various areas of the Men’s Basketball Promotional program.

ADDITIONAL INFORMATION

Working knowledge in WORDSTAR, WORDPERFECT and LOTUS.  
Registered Commodity Representative, (Series 3).  
Registered General Securities Representative, (Series 7).
9 February 1989

Mr. Claudio Prado
CP.G Empreendimentos e Marketing Ltda.
Rua Jardim Botanico, 635
10 andar
Jardim Botanico
Rio de Janeiro, BRAZIL CEP 22470

Dear Mr. Prado:

I hope that you found our discussion here last week helpful. The history of the development and resolution of New York City's fiscal crisis provides an illustrative example for other local governments facing financial strain. Indeed, the continuing fiscal health of this city and, importantly, its underlying economy, remain subject to continuing scrutiny by all parties interested in its future.

The evolution of the events here should fit within the concept of your proposed seminar on urban economic recovery.

I am enclosing a set of our reports, as we discussed last week. If I can be of any further assistance or provide any additional input in connection with your conference, please let me know.

Sincerely,

Stephen J. Weinstein
Executive Director

Enclosures

aa:202
8 February 1989

Mr. Arthur J. Cella  
Property Representative  
Development and Rentals Division  
THE WORLD TRADE CENTER  
One World Trade Center/Suite 63S  
New York, N. Y. 10048  

Re: Renewal of Lease No. WT-2090-A-89 (1379)  

Dear Mr. Cella:

We have reviewed the supplemental lease agreement form forwarded to us last week by your office extending the term of the lease covering Suite 8901 of One World Trade Center for a period of up to six years from January 1, 1989.

While generally satisfactory, and consistent with our letter agreement of April 18, 1988, we would like the following changes in a few particular provisions of the proposed lease extension, as set forth below.

1. Paragraph 10

   a. Amend subparagraph (a) by substituting "April 1 of either 1990 or 1992, as the case may be;" for the words "270 days prior to either January 1, 1991 or January 1, 1993, as the case may be;".

   b. Amend subparagraph (b) to provide that the consideration for early termination of the lease be payable on the termination date, not the notice date.

   c. Eliminate subparagraph (d). Our letter agreement dated April 18, 1988 does not require any such certification.
2. **Schedule A.**

   a. Describe how the figure "$4.47" in the definition of "tax base" was derived.

   b. Amend paragraph 5 to allow the Corporation thirty days, rather than ten days, to pay "additional rent" assessed in a lump sum for prior periods.

3. **Signature page.** The Corporation has no "President." We suggest "Executive Director."

After you have considered our suggestions, please contact either Quentin Spector, Deputy Executive Director, or me as soon as possible so that the supplemental agreement may be executed as quickly as possible.

Sincerely,

Maxine H. Gillman
Counsel

ba:111
Date: 7 February 1989

To: Administration Committee

From: Steve Weinstein

Re: Draft Contract Report

Enclosed for your review is the draft Personal Services Contract Report for the second quarter of this fiscal year. With your approval, we will circulate it to the entire Board.

Enclosure

aa:201
February 1989

Board of Directors

Stephen J. Weinstein

Personal Services Contract Report for the Quarter Ending December 31, 1988

The Corporation's Personal Services Contract Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's personal services contracts. In particular, the Guidelines mandate the reporting of the terms and selection process utilized for personal services contracts newly entered into during the quarter. The continuing contracts listed in earlier reports remain in effect under the terms and conditions previously described.

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Date: 7 February 1989

To: Investment Committee

From: Steve Weinstein

Re: Draft Investment Report

Enclosed for your review is the draft Investment Report for the second quarter of this fiscal year.

With your approval, we will circulate it to the entire Board.

Enclosure

aa:201
February 1989

Board of Directors

Stephen J. Weinstein

Investment Report
Quarter Ending December 31, 1988

The Corporation's Investment Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's investments. In particular, the Guidelines mandate that the report include an inventory of existing investments as of the end of the quarter, a summary of investments made during the quarter, and a listing of "investment bankers, brokers, agents, dealers, custodians, investment advisors and auditors used by the Corporation in making or holding investments during such quarter."

All investments during the quarter ended December 31, 1988 were Permitted Obligations authorized by the Investment Guidelines. For the purpose of this report, we have grouped the Corporation's various accounts into three major funds:

(1) **Debt Service Funds** consisting of the Debt Service Fund for payment of principal and interest on First Resolution bonds; the Bond Service Fund for the payment of principal and interest on Second Resolution bonds; the Unpledged Revenues Account; and the Bond Proceeds Account;

(2) **Capital Reserve Funds** consisting of the First Capital Reserve Fund and the Second Capital Reserve Fund;

(3) **Operating Fund.**

Attachment A of this memorandum lists the Corporation's investments according to these three major funds as of December 31, 1988. (A description of each of the funds is provided in Attachment E.) Attachment B displays the income recorded by each of the major funds for the quarter. The Corporation earned $32.6 million during the quarter.
At December 31, 1988, the amortized cost of the Corporation's holdings of marketable securities was approximately $1.592 billion. (This is exclusive of approximately $1.772 billion of bonds of the City of New York.) Attachment C describes the investment activity within the various accounts during the quarter. Investments are depicted by monthly transactions which are categorized by maturity and security type. All funds of the Corporation are continually invested in direct obligations of the United States of America, with the exception of up to $3 million invested in daily repurchase agreements under which the Corporation actually purchases and receives securities subject to the agreements.

Attachment D provides a listing of the dealers and providers of investment related services which the Corporation used to carry out its investment program.
# MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

## FISCAL YEAR 1989

## SECOND QUARTER INVESTMENT REPORT

### INVESTMENT IN MARKETABLE SECURITIES

(In Thousands)

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<td></td>
<td>Principal</td>
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<tr>
<td><strong>Debt Service Fund</strong></td>
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<td>Securities Purchased Under Agreements to Resell</td>
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<td>Obligations Maturing in Less than One Year U.S. Treasury</td>
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<tr>
<td>One to Five Years U.S. Treasury</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 572,112</strong></td>
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| **First Capital Reserve Fund** |           |        |         |
| Obligations Maturing in Less than One Year U.S. Treasury | $ 98,415 | $ 98,229 | $ 98,803 |
| Five Years or Greater U.S. Treasury | 217,992 | 220,201 | 228,321 |
| **Total** | **$ 316,407** | **$ 318,430** | **$ 327,124** |

| **Second Capital Reserve Fund** |           |        |         |
| Obligations Maturing in Less than One Year U.S. Treasury | $ 264,173 | $ 262,712 | $ 263,891 |
| One to Five Years U.S. Treasury | 336,083 | 311,691 | 319,174 |
| Five Years or Greater U.S. Treasury | 134,253 | 94,302 | 103,728 |
| **Total** | **$ 734,509** | **$ 668,705** | **$ 686,793** |

| **Operating Fund** |           |        |         |
| Securities Purchased Under Agreement to Resell | $ 608 | $ 608 | $ 608 |
| Obligations Maturing in Less Than One Year U.S. Treasury | 1,093 | 1,095 | 1,093 |
| **Total** | **$ 1,701** | **$ 1,703** | **$ 1,701** |

**Total** | **$ 1,791,499** | **$ 1,728,058** | **$ 1,758,632**

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#vsj#305

_Signature: QBS_
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
Record of Income
($ Thousands)

Second Quarter Income
Debt Service Funds $ 13,879
Capital Reserve Funds 18,681
Operating Fund 41
Total 32,601

vs#305

QBS
### Municipal Assistance Corporation For The City of New York
#### Analysis of Investment Securities
For the Quarter Ended 12/31/1988

($ Millions)

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<th>Oct '89 and after</th>
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### Analysis of Investment Securities For the Quarter Ended 12/31/1988

($ Millions)

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| SR 64 EBD SVC 7.445954016  
Nov Buys |     | 1.9 |     |     |     |     |     |     |     |     |     |     |                  |
| SR 65 EBD SVC 7.359291758  
Nov Buys |     | 1.5 |     |     |     |     |     |     | .3  |     |     |     |                  |
| SR 66 EBD SVC 6.823621  
Dec Buys |     | 27.2|     |     |     |     |     |     |     |     |     |     | 16.0             |
| SR 67 EBD SVC 7.42507170  
Oct Buys |     | 2.8 |     |     |     |     |     |     |     |     |     |     |                  |
| SR 68 EBD SVC 7.00733563  
Nov Buys |     | 1.6 |     |     |     |     |     |     |     |     |     |     |                  |
| **CAPITAL RESERVE 1** |     |     |     |     |     |     |     |     |     |     |     |     |                  |
| Oct Buys |     |     |     |     |     |     |     |     |     |     |     |     | 3.5              |
| Oct Sells |     |     |     |     |     |     |     |     |     |     |     |     | 3.4              |
| Nov Buys |     |     |     |     |     |     |     |     |     |     |     |     | 14.7             |
| Nov Sells |     |     |     |     |     |     |     |     |     |     |     |     | 31.4             |
| Dec Buys |     |     |     |     |     |     |     |     |     |     |     |     |                  |
| **CAPITAL RESERVE 1 RESTRICTED** |     |     |     |     |     |     |     |     |     |     |     |     | 7.3              |
| Oct Sells |     |     |     |     |     |     |     |     |     |     |     |     |                  |
| **CAPITAL RESERVE 2** |     |     |     |     |     |     |     |     |     |     |     |     | 18.3             |
| Oct Buys |     |     |     |     |     |     |     |     |     |     |     |     | 38.6             |
| Oct Sells |     |     |     |     |     |     |     |     |     |     |     |     | 11.5             |
| Nov Buys |     |     |     |     |     |     |     |     |     |     |     |     |                  |
| Nov Sells |     |     |     |     |     |     |     |     |     |     |     |     |                  |
| SR 60 CAP RSV 6.92966081  
Nov Buys |     |     |     |     |     |     |     |     |     |     |     |     | 3.4              |
| SR 61 CAP RSV 6.82230787  
Oct Buys |     |     |     |     |     |     |     |     |     |     |     |     | .3               |
| Nov Buys |     |     |     |     |     |     |     |     |     |     |     |     |                  |
| Dec Buys |     |     |     |     |     |     |     |     |     |     |     |     | 6.2              |
| SR 66 CAP RSV 6.823621  
Dec Buys |     |     |     |     |     |     |     |     |     |     |     |     | 11.2             |
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MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
LISTING OF DEALERS AND
INVESTMENT RELATED SERVICES

During the quarter ending December 31, 1988, the Corporation made investments in government securities through the following dealers:

Bank of America N.T. & S.A.
First Boston Corporation
Harris Trust and Savings Bank
Manufacturers Hanover Trust Company
Morgan Guaranty Trust Company of New York
Shearson Lehman Brothers Inc.
William E. Pollack & Co., Inc.

During the quarter ending December 31, 1988, the Corporation entered into repurchase agreements with the following Banks:

Donaldson, Lufkin & Jenrette
Manufacturers Hanover Trust Company
Morgan Guaranty Trust Company of New York

The Bank of New York was appointed April 1, 1986 as the Corporation's financial adviser. On July 1, 1987 its contract was renewed for a two year period ending June 30, 1989. U.S. Trust Co. provided transaction processing services pursuant to the current agreement with the Corporation.

vsj#305
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Capital Reserve Funds

First Capital Reserve Fund

The First Capital Reserve Fund was established pursuant to the First General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on First Resolution bonds. The required funding level is the succeeding calendar year's debt service on First Resolution bonds. The fund is to be used to pay debt service on First Resolution bonds any time the available State sales tax and stock transfer tax are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Debt Service Fund and used to pay debt service on First Resolution bonds.

Second Capital Reserve Fund

The Second Capital Reserve Fund was established pursuant to the Second General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on Second Resolution bonds. The required funding level is the succeeding calendar year's debt service on Second Resolution bonds. The fund is to be used to pay debt service on Second Resolution bonds any time the available State sales tax, stock transfer tax and per capita aid are not sufficient to pay such debt service. Monies on deposit in the fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Bond Service Fund and used to pay debt service on Second Resolution bonds.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Debt Service Funds

Debt Service Fund

The Debt Service Fund was created under the First General Bond Resolution for the purpose of paying debt service on First Resolution bonds.

Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax and stock transfer tax pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Debt Service Fund to payment accounts on the business day prior to a payment date.

Bond Service Fund

The Bond Service Fund was created under the Second General Resolution for the purpose of paying debt service on Second Resolution bonds.

Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax, stock transfer tax and per capita aid pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in the other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Bond Service Fund to payment accounts on the business day prior to a payment date.

Unpledged Revenues Account

The Unpledged Revenues Account consists of monies which are not pledged to secure any obligation of the Corporation. These monies are available for general corporate purposes.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1989
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Monies in this Account are derived from (i) principal and interest payments on New York City bonds held by the Corporation in exchange for proceeds of the Corporation's bonds issued for City capital purposes; and (ii) interest earnings retained on amounts on deposit in this Account.

Periodic transfers are made to the Debt Service and Bond Service Funds for the payment of debt service on First and Second Resolution bonds. Such transfers reduce the amount of State revenues needed to make such payments.

In addition, monies in this Account are used to make open market purchases of the Corporation's bonds in satisfaction of mandatory sinking fund requirements.

Bond Proceeds Account

Proceeds of the sale of bonds by the Corporation are held in the Bond Proceeds Account until applied to the purposes for which they were raised and invested pending expenditure. Earnings on such investments are used to pay debt service under the respective resolutions.

Operating Fund

The Operating Fund was created under the First General Bond Resolution to pay the operating expenses of the Corporation which, for the purposes of the Operating Fund, include the expenses of the Office of the State Special Deputy Comptroller and those of the State Financial Control Board. Monies for this fund are obtained from payments made by the State Comptroller to the Corporation in accordance with the Corporation's periodic certifications of needs.

vs#305
7 February 1989

Mr. Joseph M. Bress
Executive Director
NEW YORK STATE ETHICS COMMISSION
11 North Pearl Street/Suite 1211
Albany, New York 12207

Re: Ethics Notices

Dear Mr. Bress:

I have just received a package of materials disseminated by the New York State Ethics Commission concerning substance and procedure of the newly effective State Ethics in Government Act (the "Act"). Some of these materials are dated as early as December 1988, but are postmarked February 3, 1989. I understand that other public bodies affected by these materials received them some time ago.

As you know, we began inquiring about these matters in November 1988, and you assured us that you would be providing us with your publications as soon as they were released. It is essential that the Municipal Assistance Corporation, which is covered by the Act, have continuing access to current correspondence emanating from your office if we are to be in a position to comply with the Act.

I am concerned that, in the future, the Corporation may not comply with some requirement under the new law because we have not received one of your notices on a timely basis. Therefore, I ask that you please confirm that the Corporation is on the mailing list for all future notices, and that I am the individual at the Corporation to whom all such notices are addressed.

I would very much appreciate your prompt attention to this matter.

Sincerely,

Maxine H. Gillman
Counsel

ba:111
7 February 1989

Mr. Ralph Mead
255 Sycamore Avenue
Mill Valley, California 94941

Dear Mr. Mead:

In response to your recent telephone request, I am enclosing a copy of the Notice of Redemption of the Municipal Assistance Corporation's Series 10 Bonds. These bonds were called on November 15, 1988, at 102% of par, plus interest accrued to that date. In order to receive payment on your bond, you should instruct your bank to send the bond, with all remaining coupons attached, to the address listed on the notice.

I hope this information is helpful to you.

Sincerely,

[Signature]

Steven Markbreiter
Assistant Counsel

Enclosure

ba:103
7 February 1989

Mr. Jerry Quinlan
458 Crescent Street
Brooklyn, New York 11208

Dear Mr. Quinlan:

I am writing in response to your January 18, 1989 letter, addressed to Mr. Felix Rohatyn.

When the Corporation issues bonds, it orders registered bond certificates which are maintained by the United States Trust Company of New York, as Trustee for the bondholders. U.S. Trust makes these certificates available to all bondholders. However, we understand that certain brokerage houses have developed a system whereby they, as the registered bondholder on the books of the Corporation maintained by U.S. Trust, sell interests in their position to individuals such as yourself and simply send out confirmations of this fact to their customers.

As a Municipal Assistance Corporation bondholder, you are entitled to receive a registered bond, and you should ask your broker to make such a certificate available to you. I also suggest that you further inquire as to those additional costs you have described. If his answers do not prove satisfactory to you, I recommend that you contact one of the many other brokers that deal in the Corporation's bonds. You should look for a broker whose business policies suit your particular needs and interests.

I hope this information is of assistance to you.

Sincerely,

Steven Markbreiter
Assistant Counsel

ba:103
Mr. John Roblez, Chairman NRAC

I have been buying M.F.C. Municipal Bonds for over 30 years and now I have been given to understand by my Broker that I will be charged 450 per anytime I do not buy a Bond a year also I will be charged 250 anytime I am sent a Confirmation or letter. It is difficult for me to believe this. I promise will you give me the address where I can buy M.F.C. Bonds. I have 3 left.

I am enclosing a self addressed envelope.

Thank you

Jerry Luskan
456 Corinth St.
Blg.
My 11308

P.S. Before I receive a nice legal bond now I only get a confirmation.

I understand nothing is registered anymore.

Where as a few years ago the mail was registered when you received a Bond.

Wishing you Success in All Your Ventures.

6/18/11
t.t. 85

[Signature]
7 February 1989

Mr. K. G. Hernquist
667 Lake Drive
Princeton, New Jersey 08540

Dear Mr. Hernquist:

I am writing in response to your recent letter inquiring as to the status of your 1977 Series 8 Bond.

Your bond has not yet been called for redemption. You should be aware, however, that portions of the 1977 Series 8 Bonds will be called pursuant to mandatory sinking fund redemptions on July 1 in each year from 1989 through 1991, with the final maturity on July 1, 1992. Advertisements listing the bonds subject to this redemption will appear in a qualified newspaper during the last week of May and the first week of June of each of these years.

To ensure personal receipt of early notification, among other reasons, the Municipal Assistance Corporation strongly recommends that holders of coupon bonds convert their bonds to registered form. The name and address of each registered bondholder are maintained on file with United States Trust Company, which acts as Trustee. Registered bondholders receive interest payments by mail directly from U.S. Trust, and are notified by mail of an event affecting the status of their bonds, including an early redemption.

The cost of converting your bonds to registered form is borne by the Corporation. In order to register your bond, please contact United States Trust Company, by phone at 1-800-225-2398, or by mail at 45 Wall Street, New York, New York 10005.

I hope this information is helpful to you.

Sincerely,

Steven Markbreiter
Assistant Counsel

ba:103
Municipal Assistance Corporation
1 World Trade Center
New York, N.Y. 10048

Dear Sir:

I own Bond # 8-5642 ($5000, 7 1/2 %, 1977). Please let me know if this bond has been called. If so, please let me know the address of the office where it can be redeemed.

Very truly yours

[Signature]

K G Hernquist
667 Lake Dr
Princeton Nj 08540
7 February 1989

To: Allen L. Thomas

From: Maxine H. Gillman

Re: Compliance With State Ethics Law Financial Disclosure Requirements

Enclosed are copies of documents from the State Ethics Commission concerning who is a "policy maker" for purposes of Section 73-a of the Public Officers Law (the section requiring annual financial disclosure of directors and employees of the Corporation who are determined to be "policy makers" and/or earn more than $30,000 annually) and a procedure for applying for an exemption from the financial disclosure requirements, as authorized by Section 94(9)(k) of the Executive Law.

We have been requested by the State Ethics Commission to tell them, by February 17, who on the Corporation's staff is a "policy maker" and who merely earns more than $30,000 annually. While it is clear that policy makers may not apply for an exemption from the reporting requirements, it appears that certain employees of the Corporation, although not "policy makers," may also not be entitled to apply for an exemption under the standards set forth in Section 94(9)(k).

I have some opinions as to who on the staff falls where, but I'd like to have the benefit of your analysis as well. Since Steve would like me to draft a memo to the Board for distribution next Monday outlining our conclusions, please call me as soon as possible.

Thank you.

ba:ll1
2 February 1989

Mr. Michael J. Gentile
E-Z ADDRESSING SERVICE
80 Washington Street
New York, New York 10006

Re: Distribution of Quarterly Financial Statements

Dear Mr. Gentile:

This letter is to authorize the distribution of the Corporation's Quarterly Financial Statements for the quarter ending December 31, 1988, in accordance with your estimate dated January 31, 1989 (copy attached).

We anticipate delivery of the quarterlies on Tuesday, February 14, 1989.

Thank you very much.

Sincerely,

Quentin B. Spector
Deputy Executive Director

ba:129

Attachment

cc: D. Dean
S. J. Weinstein
January 31, 1989

Ms Betty Alpern
Municipal Assistance Corp.
1 World Trade Center Ste 8901
New York, NY 10048

Dear Ms Alpern:

As requested, the following is the distribution for your quarterly report:

- Market Letter Publishers - 350
- Municipal Assistance Corp. List - 1050

Total - 1400

Our charges are $55.00 for addressing and $195.00 for affixing your labels, inserting, and mailing First Class (including trucking to the Post Office).

First Class postage for this report should be $.85 each and postage would be in addition to the charges listed above.

Sincerely,

Michael J. Gentile

The E-Z Addressing Service • 80 Washington Street, New York, NY 10006 • (212) 422-9448
2 February 1989

Ms. Stefi Appleberg
305 E. 40th St./#20
New York, N.Y. 10016

Dear Ms. Appleberg:

Thank you for sending the Corporation your resume. I'm sorry that there are no positions available at present. However, we would like to keep your resume on file in the event that a position opens up for which we feel your experience and expertise would be appropriate.

Best wishes in your job search and again many thanks for your interest.

Sincerely,

[Signature]

Quentin B. Spector
Treasurer and Deputy Executive Director

aa:116
EXPERIENCE:

5/83 - Present

MERRILL LYNCH, PIERCE, FENNER & SMITH INC. New York, NY
Financial Consultant (8/87 - Present)
Provide investment advice and execute securities transactions in over 300 active accounts. Implement suitable long term financial plans for clients. Have achieved a 25% growth in new accounts. Manage a broad spectrum of client service requests in a timely manner.

Assistant Supervisor/Trainer (8/86 - 8/87)
Functioned as Line Supervisor, providing direction to troubleshooters. Ensured that all new work was assigned, that distribution of assignments was equitable, and that all inquiries were expediently resolved. Coordinated investigation of sensitive items requiring special attention. Reviewed and edited outgoing correspondence to ensure customer satisfaction and reduce possible exposure. Prepared, coordinated and verified comprehensive Weekly Report for Manager. Implemented on-the-job training for new employees. Taught courses in Departmental Goals and Philosophies, Computer Screens and Tax Reporting.

Executive Liaison (9/84 - 8/86)
Served as troubleshooter on behalf of customers and regulatory agencies concerning all facets of the brokerage industry. Determined, monitored and evaluated the scope of an investigation. Utilized research departments and contacted branch managers to obtain documents and resolutions. Communicated in writing with initiators and compiled data for statistical reports. Trained all new unit personnel and wrote the first training plan for the department (ICSTP). Promoted to Assistant Supervisor/Trainer in August 1986.

Branch Service Representative (5/83 - 9/84)
Acted as key information consultant for the dynamic Cash Management Account. Advised and guided all levels of branch management and operations personnel on Cash Management Account procedures. Performed complex research and calculations. Analyzed and resolved intricate problems in customer accounts, resulting from banking or brokerage errors.

5/81 - 5/83
AMERICAN SAVINGS BANK New York, NY
Loan Representative

8/79 - 9/80
ATLANTIC COUNTY PLANNING DIVISION Atlantic City, NJ
Regional Planner

LICENSE:
Registered Representative (Series 7 and Series 63)

EDUCATION:
NEW YORK UNIVERSITY GRADUATE SCHOOL New York, NY
OF BUSINESS ADMINISTRATION
Courses: Economics, Statistics and Computer Science

STOCKTON STATE COLLEGE Pomona, NJ
Bachelor of Science 1979
1 February 1989

Mr. John Daniels
DOREMUS & COMPANY
120 Broadway
New York, New York 10271

Re: Publication of Quarterly Financial Statements Notice

Dear Mr. Daniels:

This letter is to authorize you to place the notice of publication of the Corporation's Quarterly Financial Statements (approved proof attached) for the quarter ending December 31, 1988, in accordance with your media estimate dated January 30, 1989 (copy attached).

This notice should be placed for publication on Tuesday, February 14, 1989.

Thank you very much.

Sincerely,

[Signature]

Quentin B. Spector
Deputy Executive Director
and Treasurer

bba:129

Attachments (2)

cc: Denise Dean
Stephen Weinstein
The rates quoted in this estimate are subject to change without notice.

This estimate does not include the cost of mechanical preparation unless otherwise stated.

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**Final Media Estimate**

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**Space Description Comments**
QUARTERLY FINANCIAL STATEMENTS

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

(A Public Benefit Corporation of the State of New York)

The Municipal Assistance Corporation for the City of New York has published its quarterly financial statements (unaudited) for the quarter ended December 31, 1988. A copy of these statements may be obtained by writing: Financial Statements, Municipal Assistance Corporation, One World Trade Center, Suite 8901, New York, New York 10048.