

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Minutes of Special Meeting of the Board of Directors

A Special meeting of the Board of Directors of Municipal Assistance Corporation for the City of New York, a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation ("Corporation"), was held at 1095 Avenue of the Americas, New York, New York, on July 28, 1975 at 5:50 o'clock in the afternoon.

Attendance and Organization

The following Directors of the Corporation were present:

William M. Ellinghaus, Chairman

Francis J. Barry

John A. Coleman

Thomas D. Flynn

George D. Gould

Dick Netzer

Felix G. Rohatyn

Donna E. Shalala

Robert C. Weaver

constituting a quorum of the Board.

The following Representatives were present:

Zane Klein

Edward M. Kresky

Leonard Nadel

Robert W. Seavey

Arthur J. Quinn and M. Peter Schweitzer, Representatives to Board of Directors, were absent.

Also present by invitation of the Board were: Herbert Elish, Executive Director of the Corporation, John Scanlon, Director of Public Relations of the Corporation, John S. Tamagni of Lazard, Freres & Company, Financial Advisor to the Corporation, Allen L. Thomas of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, William J. Solari of Donaldson, Lufkin & Jenrette, Peter C. Goldmark, Jr., Budget Director of New York State, Gary Kaplan, Robert Vagt and Michael Diffley of the Office of the Budget Director of New York State, Robert Wagner, former Mayor of New York City and Raymond Shipman of New York Telephone.

Mr. Ellinghaus served as Chairman of the meeting and Mr. Shipman served as Secretary of the meeting.

#### Current Business

Mr. Ellinghaus reported that he, Mr. Rohatyn and Mr. Elish met with union representatives in the morning and that no new developments had occurred since the previous meeting. The union indicated that they wanted the Corporation to set forth a proposal.

Mr. Ellinghaus outlined the scope of the negotiations that Mr. Elish would undertake. He stated that he did not feel that Mr. Elish should attempt to bargain for the City. Mr. Ellinghaus said that in his judgement, bargaining is the City's role and should be carried on

between the City and union representatives. He stated that the union was continuing to maintain their original position, i.e., a wage freeze means "chaos" in the streets.

Mr. Ellinghaus stated that it was the position of the Executive Committee to announce early on Wednesday, July 30, 1975, the Corporation's program for reform. He said that he hoped that the Corporation's program would have the Mayor's support and that the Mayor's program would be supported by the Corporation. He feels that this approach is necessary in the face of the union's belief that the deadline, as stated in the past, can be extended.

Mr. Ellinghaus, together with members of the Board, reviewed the most recent draft of the Corporation's program of reform. Comments and suggestions were made for inclusion in the next draft.

Adjournment

There being no further business to come before the meeting, it was, on motion, adjourned.



Raymond Shipman, Secretary of the Meeting

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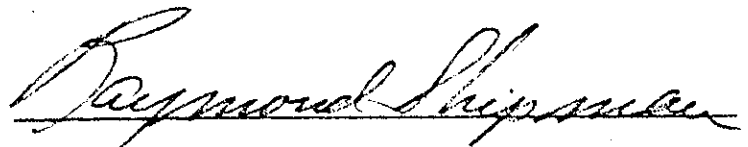
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