

MINUTES OF BOARD OF DIRECTORS MEETING

2016 Fall Conference

Wyndham Grand Chicago Riverfront

Chicago, Illinois

Friday, September 30, 2016

8:00 a.m. CDST

President Donna Murr called the meeting to order on Friday, September 30 at 8:18 CDST.

Board Members present: Mike Stanard, Corinne Johnson, Dennis Reilly, Don Templeton, Paula Drummond, Donna Murr, Jeremy Spector, and Rebecca Floyd. Harry Huntley attended by phone, and NAHEFFA staff member Nichole Doxey and NAHEFFA Counsel, Chuck Samuels were also present.

The following items were discussed:

1. Approval of Minutes of the September 22, 2016 Board of Director Meeting

Donna asked for a motion to approve the meeting minutes from the September 22, 2016 Board meeting. Corinne moved adoption, Don seconded, and without further discussion, the September 22 minutes were approved.

2. Treasurer's Report

Don instructed members to turn to page one to review the June 30, 2016 numbers which do balance. He noted that most assets are in cash and investments per the investment policy. The financials reveal very few liabilities and approximately \$30,000 of deferred membership fees and pre-paid sponsorship fees.

Don explained page two breaks out the investments as two checking accounts, one money market and 4 CDs. Don said that Merrill Lynch has advised that they would like NAHEFFA to transfer all assets out of the Merrill Lynch Trust Department, and said he will work with the Finance Committee to identify a new bank.

Rebecca asked if the PayPal account was still active, and Don confirmed it is, explaining the Finance Committee is still talking about whether to retain the account. He noted that some members and sponsors prefer to pay through PayPal so the decision may be to retain the account. Board members discussed that there was probably no real downside to having the PayPal option, as long as the account was monitored. He later noted the account has a zero balance at this time.

Turning to page three, Don advised that NAHEFFA had net income of \$21,698 at June 30, 2016. He said that he has budgeted just shy of \$4,000 for Fiscal Year 2017, noting that the Arizona authority has dropped off and just one of the California authorities submitted the annual membership fee this year.

Members discussed the need to reach out to the Arizona successor issuer.

Don concluded his report stating that the Chicago conference income is projected at about \$30,000 including sponsor income.

Donna asked if there were any additional questions for Don, and requested that he provide a 9/30/2016 income statement.

Paula moved to accept the Treasurer's report and Corinne seconded. With no further discussion, the Treasurer's Report was approved.

Don then advised members that he intended to serve as Treasurer through 2017, and reminded them that Jim Parks had agreed to step back into the position.

3. Nichole Doxey Contract

Donna noted that at the previous week's meeting, everyone agreed they were very pleased with Nichole's services and that they wanted to renew Nichole's contract for another year. Paula explained that she updated the section on termination to reflect the discussion from the last meeting regarding renewal timing of the agreement and work / contract renewal date lag issues. She said that Nichole was comfortable with the new language.

Donna said the expenses section was also revised slightly to reflect that expenses to be reimbursed shall not exceed \$6,000. She explained that typical annual expense reimbursements to Nichole were well under this level, and in the event that additional expenses were incurred beyond this level, we could reimburse as necessary.

Donna asked for a motion to renew the contract for another year at the same fee level of \$38,000. Dennis asked if we still anticipated paying Nichole a bonus. Donna said the bonus will be discussed in November, once we have the November financial report in hand.

Jeremy moved approval of Nichole's contract and Mike seconded; Nichole's contract renewal was unanimously approved.

Chuck Samuels Contract:

Donna asked if anyone had further questions or comments about Chuck's agreement, following the discussion of same at last week's meeting.

Chuck reminded members that he will be introducing ML Strategies who will make a presentation at the Corporation meeting relating to the lobbying representation services they can provide. Chuck said that if the Corporation elects not to retain ML Strategies to assist his efforts in Washington, he would like to re-negotiate his contract back to prior compensation levels, to reflect the extensive work he anticipates will be necessary over the next few years to address various tax legislation initiatives. Martin Walke advised he contemplated that should ML Strategies not be retained that we would need to discuss an addendum to Chuck's contract.

Don moved approval of Chuck's contract renewal, and Paula seconded; members unanimously approved the contract.

4. NAHEFFA CONFERENCES

Donna confirmed that there are still two conferences scheduled for 2017, but we need to have the discussion about whether to continue with two conferences. Corinne explained that the Conference Committee needs significant advance time to make conference arrangements including booking hotels and speakers.

Members discussed uncertain interpretation and application of the new MSRB rules, which may make sponsorship arrangements more difficult. Rebecca noted that many other entities would be struggling with the same issues, and suggested we seek interpretive guidance from MSRB. Chuck agreed this would make sense.

Chuck advised that if NAHEFFA shifts to just one conference a year, that NAHEFFA will really need to enhance the program offerings, conduct more webinars, D.C. fly-ins etc. to keep people engaged with the issues and NAHEFFA in general.

Don noted that he really liked having two conferences a year, and would prefer to maintain that schedule. Several other members agreed.

Dennis suggested we go ahead and book fall 2018, pointing out if we wait until spring, it may be too late. Corinne said she agrees, and can look at cancellation policies to determine if we could cancel if necessary on reasonable terms.

Donna reminded members that Martin and Shannon have a good presentation on conference scheduling to present at the Corporation meeting.

Donna then brought up the subject of NAHEFFA President travel, explaining that NAHEFFA Presidents are expected to attend MSRB round tables twice a year. She said she believes this is a valuable opportunity to collaborate with other entities who share common concerns, but that the associated expenses were somewhat of a surprise, saying she believes incoming presidents should be made aware of the additional expenses, such that they could perhaps seek reimbursement as may be necessary depending on their authority's reimbursement policies.

Members agreed these issues should be discussed with members who seek the NAHEFFA presidency.

5. **Advocacy**

Martin said he would like to present a short summary "Threats to Conduit Issuers" slide at the Corporation meeting. He said tax reform will be introduced, we just don't know exactly when, or in what form, or what the new Congress is going to look like.

He confirmed that the Advocacy Committee still plans to request a voluntary special assessment for 2017 and possibly 2018 in an amount equal to the annual membership fee to help pay for additional lobbying efforts. Martin advised that he was hoping we would have some idea at this time for how tax policy might play out, but no one has a clue at this point, beyond an understanding that Senate Ways & Means will be introducing a bill in January.

Martin said he has continued to discuss retention of ML Strategies ("MLS") with Chuck and Alex Hecht of MLS and have sketched out a proposed one-year engagement for a \$100,000 payable on a monthly retainer, with a 30-day notice termination provision, with no penalty.

Martin would like to schedule a webinar or teleconference for November 15 to vote whether to retain MLS at that time. He will outline the proposed engagement and the voluntary special assessment for no more than two years.

Don asked if sufficient funds weren't raised from the special assessment to pay for MLS services if NAHEFFA would pay the remaining amounts owed. Martin responded that would be a question for the Board, but that, yes, that would be his Committee's recommendation, again emphasizing we will be able to sit down with MLS at any time to discuss the engagement, and whether to continue.

Donna asked if there were any other issues which needed to be discussed by the Board at this time. Hearing nothing further, Paula moved adjournment of the meeting, Don seconded, and all voted in favor of the motion.