

The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's Albany Office, 515 Broadway, Albany, New York, New York at 9:30 a.m. on Wednesday, June 19, 2019.

The Meeting was called to order by the Chair. Roll call was taken and a quorum was present. Those Members present for and absent from the Meeting were as follows:

Members Present

Alfonso L. Carney, Jr., Chair, Member
Paul S. Ellis, Esq., Secretary, Member
Jonathan H. Gardner, Esq., Member
Beryl L. Snyder, Esq., Member
Joan M. Sullivan, Member
Gerard Ronski, Esq., Member
Adrian Swierczewski, Designated Representative of the Director of the Budget, Member (ex officio)
Joseph Gilchrist, Designated Representative of the Commissioner of Education, Member (ex officio)
Tracy Raleigh, Designated Representative of the Commissioner of Health, Member (ex officio)

Members Absent

John B. Johnson, Jr., Vice Chair, Member
Wellington Z. Chen, Member

Also Present - Dormitory Authority Staff

Gerrard P. Bushell, President
Michael T. Corrigan, Vice President
Michael E. Cusack, Esq., General Counsel
Kimberly J. Nadeau, Chief Financial Officer
Portia Lee, Managing Director of Public Finance and Portfolio Monitoring
Stephen D. Curro, Managing Director of Construction
Paul G. Koopman, Managing Senior Director of Construction
Ricardo Salaman, Esq., Managing General Counsel
Larry N. Volk, Senior Director, Portfolio Monitoring
Deborah K. Fasser, Director, Communications & Marketing
Daniel W. Petroff, Chief of Strategy and Business Development
Kathy Ebert, Director, Internal Audit
Sara P. Richards, Esq., Associate General Counsel
Michael L. Johnson, Esq., Assistant General Counsel
Karen E. Ehlinger, Manager, Internal Control Analysis
Matthew T. Bergin, Assistant Director, Public Finance and Portfolio Monitoring

David P. Ostrander, Assistant Director, Public Finance and Portfolio Monitoring
Stephen J. Kosier, Senior Financial Analyst
David F. Perritano, Public Information Officer

Other Attendees:

Russel Biggs
Matthew Potter

NYS Department of Health

Marie Zimmerman
Jeffrey Koch

KPMG

El-Wise Noisette

Unique Photographic Studio

PUBLIC SESSION

The Chair called the Meeting to order. He noted that the Agenda has been revised to reflect that the Maimonides Medical Center transaction has been postponed. The Minutes of the May 8, 2019 Regular Meeting were then reviewed and approved.

Finance Committee Report

Finance Committee Chair Romski reported that the Finance Committee met yesterday and after discussion, decided unanimously to recommend the following transactions to the full Board for approval: Rochester Institute of Technology and Montefiore Medical Center - TELP.

Rochester Institute of Technology

Mr. Kosier presented the Transaction Summary for the Rochester Institute of Technology. He stated that the Members are being asked to adopt a Resolution to Proceed for the issuance of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$230,000,000 on behalf of the Institute. Mr. Kosier informed the Members that the Institute has been a DASNY client for over 50 years and has always met its obligations on time and in full. He stated that the Institute expects to use up to \$150 million of the bond proceeds for new money projects, including the creation of an Innovative Maker and Learning Complex, a new student musical theatre, renovations to student housing, and an updated athletic stadium. Mr. Kosier further stated that approximately \$23 million will be used to refinance a taxable bank loan, the proceeds of which were used for various capital projects on the RIT campus.

Mr. Kosier informed the Members that approximately \$57 million of bond proceeds will be used to refund all or a portion of DASNY's Series 2010 bonds issued on behalf of the Institute. Mr. Kosier stated that the refunding is anticipated to result in net present value savings of approximately \$6.4 million, or 11.4% of the bonds being refunded. He further stated that the 2010 bonds are callable on July 1, 2020, and as a result, the refunding will have a forward delivery. Mr. Kosier explained that the refunding bonds are expected to be priced together with the bonds issued to finance the new projects and the bank loan refinancing. He further explained that the refunding bonds will close on or after April 3, 2020 when the issue qualifies as a current refunding. Mr.

Kosier stated that there will be no extension of the final maturities of the bonds being refunded. He informed the Members that the bonds are expected to receive a rating of A1 from Moody's. Mr. Kosier noted that the bonds are expected to be a general obligation of the Institute.

Mr. Kosier reported that enrollment at the Institute has increased over the past five years, reaching an all-time high of over 19,000 students in the fall of 2018. He stated that the mean SAT score for 2018 freshman was 1297, which is also an all-time high. Mr. Kosier further stated that in 2018, 52% of the Institute's total operating revenue was derived from net tuition and fees. He informed the Members that operating results have been positive over the last five years, with an average change in net assets from operations of approximately \$15 million. Mr. Kosier reported that the Institute's net assets increased from \$1.1 billion in 2014 to \$1.4 billion in 2018 and the Institute's liquidity ratios compare favorably to the DASNY medians. He stated that the Institute's debt service coverage was 3.4:1 in 2018 and is projected to exceed 3:1 following the proposed issuance.

Ms. Raleigh moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE THE APPROPRIATE DOCUMENTS TO PROVIDE FOR THE FINANCING OF FACILITIES FOR ROCHESTER INSTITUTE OF TECHNOLOGY

Ms. Snyder seconded the motion and the Resolution was unanimously adopted.

Montefiore Medical Center - TELP

Ms. Lee presented a Memorandum recommending a lease of equipment pursuant to DASNY's Tax Exempt Leasing Program I ("TELP I") in a total amount not to exceed \$32,988,567 for Montefiore Medical Center. She reminded the Members that the current policy of the Public Authorities Control Board ("PACB") requires that TELP I leases which exceed \$10 million in a twelve-month period be presented to both the DASNY Board and the Public Authorities Control Board ("PACB") for approval. Ms. Lee stated that the lease proceeds are expected to be used for equipment including various medical imaging and other equipment.

Mr. Gardner moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE, AND THE DORMITORY AUTHORITY TO EXECUTE ONE OR MORE MASTER LEASE AND SUBLEASE AGREEMENTS AND ANY OTHER APPROPRIATE DOCUMENTS TO MAKE EQUIPMENT HAVING A VALUE IN EXCESS OF \$10,000,000 AVAILABLE TO MONTEFIORE MEDICAL CENTER UNDER THE TAX-EXEMPT LEASING PROGRAM

Ms. Raleigh seconded the motion and the Resolution was unanimously adopted.

Audit Committee Report

Audit Committee Chair Gardner reported that the Audit Committee met the previous afternoon to review DASNY's audited Financial Statements for the year ending March 31, 2019. He noted that most Board Members attended the Audit Committee Meeting, and he thanked them for doing so. The Board Chair also thanked those who attended. He stated that the meeting was an important one and he is pleased that they were able to attend.

Basic Financial Statements

Mr. Gardner asked Ms. Nadeau to summarize the results of the annual audit. Ms. Nadeau informed the Members that KPMG will issue an unmodified opinion on DASNY's basic financial statements and another unmodified opinion on the supplementary information included with the basic financial statements. She stated that KPMG will issue a modified opinion on DASNY's compliance with the investment guidelines promulgated by the Office of the State Comptroller and DASNY's internal investment policies and guidelines.

Ms. Nadeau explained that a modified opinion is being issued relative to the requirement that a maximum of 50% may be invested with a single institution in accordance with DASNY's investment policy and guidelines. She stated that more than 50% was invested with a single trustee for most of the fiscal year. Ms. Nadeau explained that DASNY does not select the trustees in all cases. She stated that DASNY's private clients select their own Trustees on a resolution by resolution basis, and that with respect to public issuances, the Trustee is determined by low bid. Ms. Nadeau further stated that this year, a disproportionate share of proceeds was deposited with one of the trustees for public transactions. She explained that this was primarily the result of the State's decision to issue more Sales Tax than PIT bonds. Ms. Nadeau further explained that the proceeds of the Sales Tax and PIT programs are deposited with two different trustees, and a larger than usual issuance under the Sales Tax program resulted in a larger amount being invested with a particular trustee. She informed the Members that as of March 31, 2019, the proportion invested with a single trustee was reduced to 49% and was therefore in compliance with the policy. Ms. Nadeau emphasized that there was no additional risk to the investments as a result of these investments, since all investments are in book entry form and are either registered in DASNY's name directly or in the Trustee's name for benefit of DASNY.

Ms. Nadeau informed the Members that DASNY implemented a new accounting pronouncement during 2019. She stated that GASB 75 relates to post-retirement benefits other than pensions (OPEB), and that the new standard is consistent with DASNY's pension accounting as well as with the standards used by private industry. Ms. Nadeau explained that under GASB 75, the full liability that DASNY expects to pay for those benefits is recognized. She informed the Members that under the prior accounting rules, the recording of OPEB expenses consisted primarily of two components. Ms. Nadeau explained that the portion of the total projected cost that related to the current fiscal year was recorded in the current fiscal year, and the balance was reflected evenly over a 30-year period. She noted that historically, the amount contributed on an annual basis was less than the expense, resulting in a liability being recorded for the difference. Ms. Nadeau indicated that at the end of fiscal year 2018, the recorded liability was reflected as approximately \$138 million. Ms. Nadeau informed the Members that under the new accounting

rules, the actuarial evaluation projected a total cost of approximately \$183 million at the beginning of fiscal year 2019. She explained that this resulted in an increased liability of \$46 million at the beginning of the fiscal year and a corresponding reduction to DASNY's beginning Net Financial Position.

Ms. Nadeau reported that DASNY's financial statements reflect an increase in Net Financial Position of \$89.2 million. She stated that of this amount, \$88.1 million relates to activity in the Restricted Funds and the remaining \$1.1 million is attributable to DASNY operations. Ms. Nadeau further stated approximately \$1 million of the increase in Net Financial Position was primarily the result of a lower allocation of OPEB expense to private clients, which was in turn the result of a larger share of work being in support of DASNY's public clients. She noted that DASNY's underlying operations were essentially breakeven.

Ms. Nadeau directed the Members' attention to the Annual Investment Report included with the Board Materials. She stated that DASNY is required to file the Report with the Office of the State Comptroller, and that the report includes DASNY's Investment Policy and Guidelines, summaries of investment income earned, and fees paid for the year. Ms. Nadeau noted that a copy of DASNY's financial statements will also be filed with the Investments Report and that there were no changes to the investment policy and guidelines during the year.

Ms. Nadeau asked Ms. Zimmerman to provide an overview of the audit results. Ms. Zimmerman introduced Jeffrey Koch, KPMG Lead Engagement Senior Manager on the engagement. She noted that Mr. Koch has worked on the DASNY account for 11 years. Ms. Zimmerman informed the Members that the audit team met with the Audit Committee the prior day to discuss the audit. Ms. Zimmerman informed the Members that the audit was conducted pursuant to GAAP and GASB standards and that KPMG would issue an unmodified opinion, which is the best opinion that can be provided. She explained that the unmodified opinion provides reasonable assurance that the basic financial statements are presented fairly in all material respects.

Ms. Zimmerman stated that the auditor's opinion includes an "emphasis of matter" paragraph with respect to the implementation of GASB 75, Accounting and Reporting for Postemployment Benefits Other Than Pensions. She noted that the opinion is not modified with respect to this matter, but highlights the information for the user of the statement given the impact on DASNY's financial statements this year. Ms. Zimmerman informed the Members that the required communications were provided to the Audit Committee at yesterday's meeting. She stated that a management letter will not be provided stating that there were no corrected or uncorrected audit adjustments, and no material weaknesses or significant deficiencies in the basic financial statements. She further noted there were no disagreements with management and no difficulties in performing and completing the audit.

Ms. Zimmerman stated that the auditors will also provide an unmodified opinion on the required supplemental information. She explained that the opinion will state that the materials are presented fairly in all material respects as it relates to the financials. Ms. Zimmerman informed the Members that the auditors will also provide a report on compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York. Ms. Zimmerman stated that a modified opinion will be issued with respect to

investment activities. She explained that the opinion will reflect that DASNY exceeded the threshold set forth in DASNY's Investment Policy and Guidelines that provides that no more than 50% of investments are invested with one trustee.

The Board Chair thanked Ms. Nadeau and Ms. Zimmerman for their presentations and asked if the Members had any comments or questions. Mr. Gardner reported that at the Audit Committee meeting yesterday, the Members made inquiries of the auditors and received satisfactory responses to their questions.

Audit Committee Chair Gardner stated that the Audit Committee recommends adoption of Audited Financial Statements.

Mr. Gardner moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) ADOPTING THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 2019

Ms. Sullivan seconded the motion and the Resolution was unanimously adopted.

Annual Investment Report

The Board Chair reported that the Audit Committee recommends adoption of the Annual Investment Report. The Members had no further questions on the Report.

Ms. Snyder moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) APPROVING THE DORMITORY AUTHORITY ANNUAL INVESTMENT REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2019 INCLUDING THE INVESTMENT POLICY AND GUIDELINES

Mr. Gardner seconded the motion and the Resolution was unanimously adopted.

Public Authorities Accountability Act Authorities Budget Office Annual Report

The Board Chair stated that at yesterday's Audit Committee Meeting where many Members were present, the President discussed the Authorities Budget Office Annual Report. He inquired whether the Members had any additional questions, and there were none.

Mr. Ronski moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) APPROVING THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT ANNUAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2019

Ms. Snyder seconded the motion and the Resolution was unanimously adopted.

President's Report

The President stated that CUNY is increasingly relying on DASNY to deliver its projects. He noted that CUNY is DASNY's largest partner and stated that DASNY has allocated additional resources to meet the increased workload. The President reported that DASNY currently has more than 300 active CUNY projects in its portfolio with a construction value of more than \$1.5 billion.

The President stated that DASNY's Interior Design Department has secured more than 20 new interior design projects at community colleges across New York State. He expressed appreciation to DASNY's Interior Design and Procurement units for highlighting this important service to clients over the past several years. The President reported that DASNY is expanding its work with the Office of Alcoholism and Substance Abuse Services and the Office for People With Developmental Disabilities. He stated that DASNY has re-issued the procurement for the \$750 million New York State Life Sciences Public Health Laboratory in Albany, and that DASNY is continuing its work with DOH on this important project.

The President informed the Members that the second set of Fellows for DASNY's Public Finance Diversity Fellowship program will begin work soon. He stated that after a thorough process, Siebert Cisneros Shank & Co., LLC and Jefferies LLC were selected to partner with DASNY in connection with this important program. He noted that KPMG assists DASNY with the selection process. The President stated that he is excited to welcome two new Fellows who will train with DASNY for 6 months and will then work for 6 months with the selected firms. He reported that DASNY's first set of Fellows have been offered full-time employment with the firms they worked with during their DASNY Fellowship. He explained that Criseidra Tait will continue working with RBC Capital Markets, LLC and Dilshoda Kurbonova will be employed by Barclays Capital Inc. The President thanked Portia Lee and her team for providing a solid background to Ms. Tait and Ms. Kurbonova, as well as Counsel's Office and the Office of Finance. He stated that by working with the various teams, the Fellows gained superior knowledge in understanding how markets operate, and how various practice areas work together. The President also expressed his appreciation to Nick Ouellette, Senior Human Capital Specialist, for his efforts in assisting the Fellows with their transition to Albany and for his assistance with the program generally.

The President stated that in the past month, DASNY and its health care clients closed on \$33.3 million in Tax-Exempt Equipment Leasing Program (TELP) transactions. He further stated that these transactions include a \$10.1 million transaction for United Health Services Hospitals of Binghamton. The President further stated that the funds will enable this essential health care provider to acquire state-of-the-art equipment that will enhance patient care, including a surgical robot, electrocardiographs, surgical instruments, and ventilators. The President informed the Members that DASNY and SUNY University Hospital at Syracuse closed on a \$23.2 million transaction that authorizes the hospital to acquire modern imaging and monitoring systems, a surgical robot, a neuro microscope, operating room tables, hospital beds, and other equipment. He stated that this type of equipment is very important to health care providers as they continue to innovate and upgrade their facilities. The President further stated that DASNY is pleased to assist its clients with their needs in this regard.

The President reported that DASNY's summer work at SUNY campuses across the State has started. He stated that over the summer months, the Construction Division will deliver 34 projects valued at approximately \$61.2 million. The President further stated that in addition to this important work, DASNY is undertaking more than \$70 million in longer-term, capital renovation projects on SUNY campuses across the State. He informed the Members that these capital projects include a \$16.6 million renovation project at SUNY Plattsburgh's Kent Hall. The President explained that the renovations will transform Kent Hall's traditional double-occupancy rooms and shared hallway bathrooms into suite-style living areas with private bathrooms and shared living space. He noted that single-occupancy bedrooms will also be available. The President stated that a new, full-service café will occupy the lower level of the building and will feature dining areas inside and outside along the Saranac River. The President reported that DASNY expects the project to be completed in August 2020.

The President stated that on May 9, 2019, DASNY broke ground on the construction of a \$33.5 million, 257-bed residence hall at the SUNY Polytechnic Institute in Utica. He informed the Members that this project is important to the overall vision of Dr. Kristina Johnson, Chancellor of SUNY. The President explained that Dr. Johnson plans to implement similar initiatives across the State in accordance with the Governor's energy reduction objectives. He further explained that the residence hall will surpass energy code requirements and will be the first zero net-energy ready residence hall in the SUNY system. The President informed the Members that the building will be constructed utilizing highly efficient mechanical systems in order to allow the later integration of onsite renewable energy production systems. He stated that once the energy production systems are operational, the buildings will use no more energy than it produces using onsite renewable resources. The President noted that the building will be constructed using the design build delivery method and is expected to open by August 2020.

The President stated that DASNY's construction workload in Western New York has been steadily increasing. He further stated that several months ago, a determination was made to create a dedicated Western New York construction team led by Rob Ryan as the Director of Construction and Western New York Operations. The President explained that given the increased workload in Western New York, the decision was made to create a unit independent of the Upstate Construction unit. He stated that projects currently being undertaken by the Western New York team include the first design build project at SUNY Brockport, and various projects to be undertaken with Governor Cuomo's \$300 million commitment to the Rochester area for initiatives to mitigate damage from flooding.

The President informed the Members that DASNY hosted an outreach and networking event on May 23, 2019 at the Rochester Institute of Technology. The President explained that the event was held to encourage relationship-building and foster new partnerships within the minority and women-owned business enterprise and service-disabled veteran-owned business communities. He stated that DASNY has hosted similar events in the Rochester area over the past three years and that over 100 people attended. The President explained that these help DASNY's partners and community members gain a better understanding of upcoming projects and bid opportunities. He informed the Members that DASNY discussed upcoming projects and bid opportunities in Western New York, including the \$30 million addition and renovation project for the State Office of Mental

Health at the Western New York Children's Psychiatric Center in Buffalo. The President stated that DASNY also provided valuable information on how to work with DASNY and that attendees were given the opportunity to network with consultants and contractors that work with DASNY. He thanked Deborah Fasser, Director of Communications and Marketing, for organizing the event and moderating the panel. The President noted that the panel included Lou Cirelli, DASNY's former Director of Procurement; Matthew Moore, Acting Director of Procurement; Michael Clay, co-director of Procurement; Paul Koopman, Managing Director of the Office of Executive Initiatives; Kara Mallard, Chief, Procurement; and Rob Ryan, Director of Construction and Western NY Operations. He noted that turnout and participation were excellent, and that a significant amount of information was presented by the team at this event.

The President reported that on May 16, 2019, he participated in the InfraDay East Summit in New York City. He stated that this forum brought together approximately 300 infrastructure executives to discuss new opportunities and challenges facing the market. The President informed the Members that the event provided a keynote opportunity to highlight DASNY's role as a front-line economic development institution that provides finance, design, and construction services for projects across the State along with the Port Authority, the Empire State Development Corporation, the Thruway Authority, and other entities.

The President informed the Members that in furtherance of the work which began approximately four years ago, leading to the One DASNY initiative commencing approximately two years ago, DASNY hosted an event with Bond Counsel in the New York City office on June 14 to explain the efficiencies DASNY has implemented to support private clients in higher education, healthcare, and other not-for-profit sectors across the State. He stated that he was joined by General Counsel Michael Cusack, Managing Director of Public Finance Portia Lee, Managing General Counsel Ricardo Salaman and other members of the team. The President explained that DASNY staff engaged approximately 45 attorneys to explain how the organization is driving efficiencies in the financing process, and DASNY's expectations concerning the role and responsibilities of Bond Counsel in this regard. He reported that the information was favorably received by those in attendance, who were very interested to learn how DASNY was advancing these new initiatives.

The President noted that while Bond Counsel have received updates on One DASNY over the past two years, this process began first and foremost with DASNY meeting with our private clients to understand what they expected of DASNY and other transaction participants. He stated that DASNY then met with the Senior Underwriters and Financial Advisors to obtain their input. He further noted that after working with the Board, Squire Patton Boggs LLP and other advisors on One DASNY, the updates to DASNY's Financing Guidelines for Independent Institutions and associated processes were communicated back to DASNY's private clients, as well as Senior Underwriters and Financial Advisors. The President stated that DASNY felt it was important to bring Counsel together to highlight the advances made and close the loop with the entire Bond Counsel Panel.

Mr. Cusack stated that the presentation was focused on the changes to the Financing Guidelines for Independent Institutions that were approved by the Board last year, which were then communicated to DASNY's clients and the other financing participants. He reported that

Bond Counsel were very pleased to learn about the results of DASNY's efforts, the rollout to all transaction participants, and the increased activity and renewed interest DASNY is seeing from returning private health care and higher education clients. He further reported that Bond Counsel indicated their strong support for the approach DASNY is taking, and the improvements DASNY has made and continues to make.

The President explained that Bond Counsel understand that they are being asked to help DASNY balance standardization with opportunity. He also noted that Bond Counsel understand the need to distinguish past policies and processes that were more appropriate for moral obligation and general obligation debt issued many years ago. He further noted that all Counsel understand the concerns that private clients may have with standardization, and embraced the need to provide a balanced, market-driven approach for private client transactions, where DANY is a conduit issuer. The President stated that overall, the market-driven approach presented to the Board last year represents that balance, and DASNY's approach under the updated Guidelines has been favorably received.

Ms. Lee agreed that the presentation was very well received. She noted that this was a successful bookend to a process that included the prior meetings with private clients, underwriters and financial advisors. Ms. Lee further noted that this meeting was important to close the loop with all of the major transaction participants.

The President then asked Ms. Lee to give the market update.

Public Finance and Portfolio Monitoring Report

Ms. Lee reported that since the last Regular meeting, DASNY priced and closed the Brooklyn Law School and School Districts transactions.

Ms. Lee reported that the total new issue supply is currently about \$153 billion so far this year, which is 1% higher than supply levels seen this time last year. She stated that the total supply for the week is expected to be slightly higher at approximately \$8.8 billion. Ms. Lee further stated that U.S. government bonds are stronger overall as investors contemplate the possibility that the European Central Bank may cut rates. She stated that the top-rated municipal bonds were slightly stronger with a decrease of 1 basis point at the end of the curve.

Ms. Lee stated that municipal bond funds reported inflows of approximately \$778 million for the week ending June 12, 2019. She reported that this marks the twenty-third consecutive week of inflows into the market. Ms. Lee further stated that the one-year MMD has decreased by 23 basis points since the May Board Meeting, while the ten and 30-year MMD have decreased by 12 and 11 basis points, respectively, since the May Board Meeting. She noted it is a very good time for issuers to be in the market.

Annual Bond Sale Report

Ms. Lee directed the Members' attention to the Annual Bond Sale Report for Fiscal Year 2018-19, which was included in the supplemental mailing. She noted that a summary of the year's financings was also included.

Ms. Lee summarized the Annual Bond Sale Report. She reported that the Bond Buyer named DASNY as the number one issuer for calendar year 2018. She stated that DASNY issued approximately \$8.7 billion in 12 financings. She further stated that six financings, totaling approximately \$6.2 billion, were undertaken on behalf of public clients and 6 financings, totaling approximately \$2.5 billion, were undertaken on behalf of DASNY's private clients. Ms. Lee noted that the Bond Sale Report details the financings that were undertaken in various categories including State Supported Debt; other Public Debt; Independent Colleges and Universities; Health Care; and other independent Institutions.

Ms. Lee noted a few general highlights. She informed the Members that the School Districts and Montefiore transactions utilized partial credit enhancement. She stated that credit enhancement had previously been utilized with school district transactions, but the use of partial credit enhancement for entities such as Montefiore created another category of bonds for the investor base. Ms. Lee reported that many refunding transactions were accelerated into December 2017, prior to the change in the tax law. She stated that as a result, there was much less refunding activity in 2018 compared to prior years. Ms. Lee further stated that, while the number of private client financings was low, the dollar amount of the financings was high.

Ms. Lee reported that DASNY and its clients closed on three TELP leases in 2018 totaling \$22 million. Ms. Lee noted that a number of TELP transactions were accelerated to the end of 2017 due to the impending tax law changes.

Ms. Lee thanked the staff in Public Finance, Portfolio Monitoring, Counsel's Office, and Finance for their efforts in connection with the transactions reflected in the Annual Bond Sale Report. She also thanked Lynn Richard, Sharon Pieronek and Sue Dodge for their assistance producing the Report.

Ms. Snyder moved the adoption of the following entitled Resolution:

RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) APPROVING THE DASNY ANNUAL BOND SALE REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2019

Mr. Gardner seconded the motion and the Resolution was unanimously adopted.

Ms. Lee then directed the Member's attention to the other materials provided to the Members. She stated that the documents include a Single Approval Pipeline Report and the Swap Report, which is now provided annually. Ms. Lee informed the Members that it is expected that a Northwell transaction will be brought before the Board for approval in July.

Ms. Lee noted that DASNY recently issued a Request for Information for an underwriter and financial advisor in connection with the Raise the Age financing. She reminded the Members

that the statutory authority for Raise the Age financing was included in the Fiscal Year 2018-19 budget.

Ms. Lee reported that since the last Board Meeting, DASNY met with the Hospital for Special Surgery. She stated that staff discussed the ability to issue taxable and tax-exempt bonds using a hybrid structure. Ms. Lee further stated that the Hospital has issued taxable bonds on its own away from DASNY. She informed the Members that the taxable and tax-exempt rates are compressed at the present time. Ms. Lee stated that if the numbers change, the Hospital may reconsider DASNY financing. Ms. Lee stated that the institution would continue to monitor interest rates to ascertain whether the hybrid tax-exempt and taxable approach would be economically beneficial for the Hospital. She further stated that staff discussed the construction services offered by DASNY.

In response to a question from Ms. Snyder, Ms. Lee stated that the Northwell, Maimonides and RIT transactions are the only three transactions expected to be brought before the Board in July. Ms. Snyder asked whether this is reflective of a typical summer slowdown or whether entities are waiting to see whether interest rates increase. Ms. Lee responded that issuances have been steady throughout the year. She noted that the competitive PIT transaction is pricing tomorrow. Ms. Snyder stated that a steady stream of financings entering the market is positive. In response to an inquiry from Mr. Ronski, Ms. Lee stated that DASNY has been very aggressive in undertaking refundings where economically advantageous to do so. She noted that advance refundings are no longer allowable due to tax code changes, and that RIT is undertaking a refunding on a forward delivery basis. Ms. Lee stated that the number of refundings undertaken may increase again in the future.

Procurement Report

Mr. Koopman presented the 2018-2019 Procurement Contract Annual Report to the Members pursuant to Section 2879 of the Public Authorities Law. Mr. Koopman explained that DASNY is required to submit an annual report to the Authorities Budget Office that includes procurement contract transactions with an actual or estimated value of \$5,000 or more.

Mr. Koopman stated that DASNY's procurement operations impact DASNY's ability to provide value to its clients. He stated that procurement activities are part of all phases of a project from design through construction and may also include furniture and equipment. Mr. Koopman informed the Members that day-to-day operations and execution of procurement transactions are managed through four units in the Procurement Unit: Professional Services Contracts, Construction Contracts, Job Order Contracts, and Purchasing. Mr. Koopman stated that the Opportunities Program Group works closely with Procurement to verify that MWBE participation is addressed in all phases of DASNY's Procurement operations.

Mr. Koopman informed the Members that the report sets forth the number and dollar value of procurement transactions that DASNY undertakes each year. He stated that for construction-related services, the Procurement Unit processed approximately 2,700 transactions valued at over \$462 million, including professional services agreements, construction contracts and purchase orders. Mr. Koopman pointed out that this is a 6% increase over last year's dollar value and an

11% increase in transaction volume from the prior year. He stated there was a 15% increase in transaction volume for MWBE firms.

Mr. Koopman stated that the procurements reflect the flexibility DASNY provides to its clients in the procurement, execution, and delivery of projects. He explained that the transactions include alternative delivery procurements including design build and construction manager at risk; expedited contracting methods like term consultant contracting and job order contracting; and other types of value-added procurement methods like pre-qualified single prime contracting.

Mr. Koopman informed the Members that the Report demonstrates the range of projects impacted by procurement activity. He explained that DASNY delivers on State initiatives including energy efficiency projects such as the SUNY Polytechnic Institute Net Zero Ready design build residence hall; DASNY's energy performance contracting program; building resiliency efforts through the GOSR program; and safety and quality of life upgrades and appliance purchasing for NYCHA. Mr. Koopman stated that other significant design build procurements are underway at the present time, including those related to the New York State Life Sciences project and the SUNY Oneonta Net Zero Carbon residence hall retrofit project. He noted that these projects are State priorities and significant attention has been focused upon them.

Mr. Ronski moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) APPROVING DASNY'S PROCUREMENT CONTRACT ANNUAL REPORT FOR THE PERIOD COMMENCING APRIL 1, 2018 AND ENDING MARCH 31, 2019, INCLUDING THE PROCUREMENT POLICY, PROCUREMENT CONTRACT GUIDELINES AND OTHER MATERIALS

Ms. Sullivan seconded the motion and the Resolution was unanimously adopted.

Ms. Sullivan moved that the Members go into Executive Session to discuss the financial and credit history of particular corporations; proposed, pending or current litigation; and the employment history of persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons.

Mr. Swierczewski seconded the motion, and the Meeting went into Executive Session.

EXECUTIVE SESSION

No action was taken in Executive Session other than to return to Public Session.

PUBLIC SESSION

Construction Projects Report

Mr. Curro directed the Members' attention to the photograph on the cover of the Construction Projects Report. He stated that it depicts the Medgar Evers College's Carrol Street Building Exterior Upgrade project.

Mr. Curro reported that the budget for the multi-phased project was \$6.3 million. He stated that the restoration of the building's main lobby entrance was the focus of the project. Mr. Curro further stated that this aspect of the project included the removal and replacement of masonry and accessories and repointing of masonry at deteriorated mortar joint locations.

Mr. Curro stated that the design phase commenced in February 2012 and construction was completed in April 2019. He further stated that in addition to the building lobby, the work included building upgrades, roof upgrades and exterior improvements. Mr. Curro informed the Members that project challenges included graffiti removal, the recoating of the exterior surfaces, and repointing of the masonry joints. He explained that the repointing was labor intensive and that the majority of project costs were dedicated to this component.

Mr. Curro reported that two new projects have been added to the Construction Projects Report. He stated that DASNY will be undertaking a \$7.5 million interior renovation project at the Kingsboro Psychiatric Center with our partner, the Office of Mental Health ("OMH"). Mr. Curro further stated that this is one of seven projects that DASNY will be undertaking on the Kingsboro campus and that the total value of these projects exceeds \$20 million. He noted that this work was formerly undertaken by a different State entity and that DASNY is pleased to be working on these projects. Mr. Curro stated that the second new project is the new \$225 million, 250-bed forensic hospital at the Mid-Hudson Psychiatric Center. He noted that DASNY will be working with OMH on this project. Mr. Curro informed the Members that DASNY was awarded the project after a competitive process with other NYS Agencies and that pre-design services are underway. He noted that DASNY is advertising nationally for a lead architect, since there are few forensic hospitals located in New York State.

Mr. Curro reported that the Construction expenditures for the prior fiscal year to date were \$56 million and the current year to date expenditures are \$51 million, a decrease of \$5 million.

Mr. Curro updated the Members on various program work. He stated that the four SUNY Capital Projects started in May 2018 are progressing towards substantial completion for Fall 2019 occupancy. Mr. Curro further stated that residential life space in Whiteface Hall at SUNY Plattsburgh was completed last Monday, and that renovations to the rest of the building will be completed in time for the Fall semester. He informed the Members that the other capital projects, gut renovation projects totaling over \$86 million, are located at the University at Albany, SUNY Alfred and Buffalo State.

Mr. Curro reported that 34 SUNY summer projects are underway at the Albany, Alfred, Brockport, Buffalo State, Buffalo University, Delhi, Geneseo, New Paltz, Oneonta and Purchase campuses. He stated that the projects are valued in excess of \$60 million and that DASNY is more than 1/3 of the way through the summer schedule. Mr. Curro noted that one summer project has

been completed. Mr. Curro stated that three new SUNY capital projects began in May. He further stated that these projects include the \$16.6 million renovation of Kent Hall at SUNY Plattsburgh; the \$20 million gut renovation project of Huntington Hall at SUNY Oneonta; and the new \$33.5 million residence hall at SUNY Polytechnic Institute. He informed the Members that these projects are expected to be completed by August 2020. Mr. Curro stated that DASNY is completing the design phase for an upcoming construction manager at risk project for the rehabilitation of Fennell Hall at SUNY Oswego. He further stated that construction is expected to begin in December 2019 and be completed by August 2020.

Mr. Curro reported that Temporary Certificate of Occupancy for the transformer building at the Javits Convention Center is expected to be issued in September. He stated that DASNY's Code Compliance Department is working with the owner and project team and has provided the requirements needed for the TCO. Mr. Curro further stated that work on the Convention Center expansion continues in all areas including steel framing and concrete deck construction; parking garage concrete work; site and mechanical work; and electrical and plumbing utilities. He noted that this is a very active project site and that substantial completion is expected in December 2020.

Mr. Curro reported that the renovation of the Farley Post Office at Moynihan Station continues with heavy civil and structural activities, mechanical, electric and plumbing system installations, vertical transportation systems, skylights, and annex work. He noted that the project is expected to be substantially completed by December 2020.

Mr. Curro stated that the new \$275 million hospital at the South Beach Psychiatric Center is expected to be completed in October 2019. He stated that he toured the project last Thursday and met with the Construction Manager, General Contractor, designer and OMH representatives. Mr. Curro further stated that work is progressing in all areas and that finish work has begun.

Mr. Curro informed the Members that the \$189 million Feldman Addition at FIT is now moving into re-design following value engineering exercise. He explained that all of the bids received in 2018 were in excess of the project budget. Mr. Curro stated that the re-design will conclude in late 2019 and that the advertisement for bid packages is expected in the first quarter of 2020.

Mr. Curro reported that DASNY re-issued the RFQ for the New York State Department of Health Life Sciences Laboratory project on May 17, 2019. He stated that responses are due tomorrow and that following a review of the RFQ responses, DASNY will request an RFP from shortlisted teams. Mr. Curro noted that the planned release date for the RFP is July 3.

Mr. Curro then reported on the NYCHA projects. He stated that 76 of the 78 Security projects are complete and that all of the originally-listed appliance projects have been completed. Mr. Curro further stated that six new appliance delivery and installation projects are currently underway. With respect to the quality of life projects, Mr. Curro reported that 11 projects are substantially complete, with the remainder of the exterior projects in the construction phase and the interior projects in either the design or construction phases.

Mr. Curro stated that the GOSR projects continue to move out of design and into the bid and award phases. He informed the Members that recent bid results have not been favorable, and that this has forced GOSR and the affected municipalities to prioritize their projects. He explained that GOSR has reallocated funding to some of the projects that came in over budget, while other projects will not be pursued at this time for budgetary reasons. Mr. Curro stated that DASNY continues to work toward a September 2022 program completion date.

With respect to the Construction Management replacement, Mr. Curro reported that in April, the selection committee and other interested staff participated in four product demonstrations for a replacement product. He indicated that a site visit has been undertaken to observe one of the products from an end user perspective, and that next week, a small group of staff will meet at one of the vendor's headquarters to discuss a number of follow-up topics.

Mr. Curro stated DASNY's Rochester field staff will move into their new office space at Winton Place next Monday. He further stated that the new office space offers a larger floor plan at a reasonable cost, and will allow all Rochester staff to be housed in one location.

In connection with the New York City Project Labor Agreement, Mr. Curro stated that the term was extended from the December 2018 sunset date to September 2019. He informed the Members that the first meeting with the NYC BCTC will be held in July and that the parties will negotiate a new agreement.

In response to an inquiry from Mr. Ronski, Mr. Curro stated that DASNY has been using Contract Manager, an Oracle product that is no longer supported by the vendor. He explained that as a result, DASNY must procure a replacement program. Mr. Curro informed the Members that DASNY received many responses to its advertisement for a new application and shortlisted four. He noted that from a technical standpoint, all of the programs currently on the market are more sophisticated than the Contract Manager application DASNY is currently using.

General Counsel's Report

Mr. Cusack directed the Member's attention to the Memorandum summarizing the annual Project Sunlight training requirements, as well as the training document, included in the Board materials. He stated that the Memorandum highlights the basic Project Sunlight requirements, and informed the Members that if they have any reportable contacts to please contact Recinda Robinson in the Executive Office at the email address set forth in the Memorandum. To complete the annual training requirement, Mr. Cusack asked the Members to review the training materials and email Diane Felitte, Legal Assistant, when the training has been completed. In response to a question from the Board Chair, Mr. Cusack stated that there have been no substantial changes to the Project Sunlight training since last year.

Mr. Cusack stated that before the Members for their consideration is a Resolution to approve a Project Labor Agreement ("PLA") in connection with the renovation of the Charles K. Post Addiction Treatment Center at the Pilgrim Psychiatric Center in Brentwood, New York. He noted that DASNY has a Policy Regarding the Utilization and Negotiation of Project Labor

Agreements (“PLA Policy”) in effect and explained the requirements that must be satisfied prior to entering into a PLA.

First and foremost, Mr. Cusack informed the Members that the New York State Office of Alcoholism and Substance Abuse Services (“OASAS”) has asked DASNY to manage the renovation project by utilizing a PLA.

Second, he stated that DASNY has had a PLA Impact Analysis prepared by a qualified consultant in accordance with the New York Labor Law, which demonstrated that the inclusion of a requirement for a PLA would result in the lowest reasonable project cost due to the size, complexity and duration of the project.

Mr. Cusack further stated that under the Policy, the Board must authorize DASNY to utilize a PLA by adopting a Resolution to that effect, and that staff is recommending the adoption of such a Resolution based upon its review of the proposed PLA and the PLA Impact Analysis completed.

Last, he noted that upon Board approval, the President would complete the final requirement by finding that the terms of the proposed PLA are consistent with the PLA Policy and the PLA Impact Analysis, and sign the contract documents. Mr. Cusack noted that the form of the proposed PLA will track that of DASNY’s existing New York City PLA with the Building and Construction Trades Council of Greater New York (“BCTC”). In response to an inquiry by Mr. Ronski, Mr. Curro stated that the prevailing wage rates are determined by region and therefore, these will vary from the rates set forth in the New York City PLA.

Ms. Snyder moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE DORMITORY AUTHORITY AUTHORIZING THE DORMITORY AUTHORITY TO INCLUDE COMPLIANCE WITH A PROJECT LABOR AGREEMENT AS A REQUIREMENT IN THE PROJECT BIDDING DOCUMENTS IN CONNECTION WITH THE CHARLES K. POST ADDICTION TREATMENT CENTER

Ms. Sullivan seconded the motion and the Resolution was unanimously adopted.

Financial Report

Ms. Nadeau stated that she had no additional information to present to the Members in addition to the written materials provided to the Members.

Ms. Sullivan moved that the Meeting adjourn, Mr. Gardner seconded the motion and the Meeting was adjourned at approximately 11:25 a.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary