The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's New York City Office, One Penn Plaza, 52nd Floor, New York, New York at 9:30 a.m. on Wednesday, November 13, 2019.

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

Members Present

John B. Johnson, Jr., Vice Chair, Member
Paul S. Ellis, Esq., Secretary, Member
Wellington Z. Chen, Member
Beryl L. Snyder, Esq., Member
Joan M. Sullivan, Member
Gerard Romski, Esq., Member
Brian Cechnicki, Designated Representative of the Commissioner of Education, Member (ex officio)
Tracy Raleigh, Designated Representative of the Commissioner of Health, Member (ex officio)

Members Present – via phone

Jonathan H. Gardner, Esq., Member

Members Absent

Alfonso L. Carney, Jr., Chair, Member
Adrian Swierczewski, Designated Representative of the Director of the Budget, Member (ex officio)

Also Present - Dormitory Authority Staff

Paul G. Koopman, 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
Caroline V. Griffin, Chief of Staff
Ricardo Salaman, Esq., Managing General Counsel
Kathy Ebert, Director, Internal Audit
Deborah K. Fasser, Director, Communications & Marketing
J. Matthew Moore, Director, Procurement
Daniel W. Petroff, Chief of Strategy and Business Development
Dena T. Amodio, Esq., Assistant General Counsel
Monica S. Norris, Esq., Assistant General Counsel
David P. Ostrander, Assistant Director, Public Finance and Portfolio Monitoring

Stephen J. Kosier, Senior Financial Analyst
Alex A. Sirdine, Public Finance Fellow
Maria T. Carrasco, Public Finance Fellow
Michael T. Corrigan

Other Attendees:

Doron Bar-Levav, Esq.	Harris Beach, PLLC
Sarathi Ray, Esq.	Lewis & Munday PC
Christopher J. Reitzel, Esq.	Nixon Peabody, LLP
Douglas Seaton, Esq.	D. Seaton & Associates

PUBLIC SESSION

The Vice-Chair called the Meeting to order, as the Chair was not present. The Vice Chair wished a speedy recovery to the Chair. The Minutes of the October 16, 2019 Regular Meeting were then reviewed and approved.

Finance Committee Report

Finance Committee Chair Romski reported that the Finance Committee met the previous afternoon and after discussion, decided unanimously to recommend the following transactions to the full Board for approval: Barnard College; Fordham University; Master BOCES Program – St. Lawrence-Lewis Issue; and Trevor Day School.

The Convent of the Sacred Heart School of New York

The Vice-Chair introduced Doron Bar Levav, Esq., of Harris Beach, PLLC and Sarathi Ray, Esq. of Lewis & Munday PC, co-bond counsel on the transaction, and Mr. Ostrander.

Mr. Ostrander noted that on October 16, 2019, the Members adopted a Resolution to Proceed for a refunding transaction on behalf of The Convent of the Sacred Heart School of New York. He stated that as described to the Board at that time, the School issued a Request for Proposals ("RFP") to potential purchasers, identifying two potential options that would allow the School to lock in fixed-rate savings in the current market. He further noted that the School has received all responses to the RFP and has selected a purchaser using the taxable to tax-exempt refunding option.

Mr. Ostrander stated that the School anticipates issuing up to $25 million in taxable, fixed rate bonds through a private placement with SunTrust Bank or an affiliate (the "Purchaser") to advance refund the DASNY Series 2011 bonds. He noted that once the Series 2011 bonds are callable, the Series 2019 taxable bonds will be exchanged for Series 2021 tax-exempt fixed rate bonds to be purchased by the Purchaser. Mr. Ostrander reported that the Purchaser will hold the bonds until final maturity. He indicated that security required by the Purchaser for the proposed issuance is expected to include a pledge of revenues. He indicated that net present value savings using the interest rates proposed by the Purchaser is estimated to be in excess of 30% of the bonds to be refunded.

Mr. Bar-Levav stated that before the Members for consideration is the adoption of a Series Resolution authorizing the issuance of Convent of the Sacred Heart Revenue Bonds, Series 2019 (Federally Taxable) (the "Series 2019 Bonds") in a principal amount not to exceed $25,000,000 (the "Series 2019 Resolution") and a Series Resolution authorizing the issuance of tax-exempt Convent of the Sacred Heart Revenue Bonds, Series 2021 (the "Series 2021 Bonds" and, together with the Series 2019 Bonds, the "Authorized Bonds") in a principal amount not to exceed $25,000,000 (the "Series 2021 Resolution" and, together with the Series 2019 Resolution, the "Series Resolutions"). He noted that the Series Resolutions will be adopted pursuant to a resolution entitled "Convent of the Sacred Heart Revenue Bond Resolution" (the "General Resolution") adopted by DASNY on October 27, 2010, which authorizes the issuance of one or more Series of tax-exempt or taxable Bonds to finance or refinance certain facilities for The Convent of the Sacred Heart School of New York (the "School"). Mr. Bar-Levav noted that the Authorized Bonds will be issued in accordance with the General Resolution and the Series Resolutions, and that they will be the second and third series of bonds to be issued under the General Resolution.

Mr. Bar-Levav indicated that the School is a New York not-for-profit education corporation and is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The School is an independent school for girls from pre-kindergarten through grade 12 in New York City.

Mr. Bar-Levav stated that on February 10, 2011, DASNY issued $29,470,000 of its tax-exempt Convent of the Sacred Heart Insured Revenue Bonds, Series 2011 (the "Series 2011 Bonds") to refinance costs incurred by the School for site acquisition, design and planning of its 50,000 square foot athletic facility constructed at 406 East 91st Street. He noted that the School proposes to refund the Series 2011 Bonds with the Series 2019 Bonds, but the Series 2011 Bonds are first callable on May 1, 2021. He explained that under current federal tax law, tax-exempt bonds may not be issued to advance refund a prior issue of tax-exempt bonds, and the earliest date on which a tax-exempt refunding transaction can occur is January 31, 2021. He stated that the Series 2011 Bonds will be defeased on the date of issuance of the taxable Series 2019 Bonds, and then, on or after January 31, 2021, the taxable Series 2019 Bonds would be exchanged for an equal amount of tax-exempt Series 2021 Bonds.

Mr. Bar-Levav noted that it is expected that the Series 2019 Bonds and the Series 2021 Bonds will be privately placed with the Purchaser. He stated that it is anticipated that the Series 2019 Bonds will be issued as one Series of taxable bonds at a fixed rate to maturity and that the Series 2021 Bonds will be issued as one Series of tax-exempt bonds at a fixed rate to maturity, and under no scenario would both the Series 2019 Bonds and the Series 2021 Bonds be outstanding at the same time.

Mr. Bar-Levav indicated that the General Resolution constitutes the basic agreement between DASNY and the holders of all bonds issued under the General Resolution and that each Series of Bonds is secured by Revenues, consisting of payments to be made by the School under the related Loan Agreement as security for such payments, by certain funds and accounts established for such Series of Bonds, and by any other security pledged to the payment of such Series of Bonds. Neither the Series 2019 Bonds nor the Series 2021 Bonds are expected to be secured by a debt service reserve fund.

Mr. Bar-Levav stated that no official statement, private placement memorandum or other disclosure document will be prepared by DASNY or the School in connection with the Authorized Bonds. He further stated that the Authorized Bonds would be issued in accordance with DASNY's Financing Guidelines for Independent Institutions (the "Financing Guidelines"). He noted that the Series Resolutions delegate to authorized officers of DASNY the power, among others, to determine customary matters, the most notable being the principal amount of Authorized Bonds to be issued, but not in excess of $25,000,000 for each Series, the date or dates on which the Authorized Bonds will mature, provided that no Authorized Bond may mature later than November 1, 2040, and the rate or rates at which the Authorized Bonds will bear interest, provided that the true interest cost or initial interest rate on the Authorized Bonds shall not exceed 7.5% if issued as tax-exempt bonds and shall not exceed 10.0% if issued as taxable bonds.

Mr. Ray stated that DASNY and the School will execute a Loan Agreement in connection with the issuance of the Series 2019 Bonds and a Loan Agreement in connection with the issuance of the Series 2021 Bonds (collectively, the "Loan Agreements"). He noted that the Loan Agreements will require the School to make payments in amounts and at times sufficient to make timely payment of the principal, Sinking Fund Installments, if any, and interest on, the Series 2019 Bonds and the Series 2021 Bonds. He further noted that the obligations of the School to make payments under the Loan Agreements are unconditional general obligations of the School and are not subject to any defense or right of setoff.

Mr. Ray stated that consistent with DASNY's Financing Guidelines, specific security for the School's obligations under the Loan Agreements will be determined by the Purchaser and the School. In addition, he noted that the Loan Agreements may also contain certain financial covenants required by the Purchaser. He indicated that the private sale of the Authorized Bonds to the Purchaser will be effectuated through the execution of a Bond Purchase and Continuing Covenants Agreement or similar agreement between the Purchaser and the School, a default under which will constitute a default under the Loan Agreements.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING CONVENT OF THE SACRED HEART REVENUE BONDS, SERIES 2019 (FEDERALLY TAXABLE) NOT-TO-EXCEED $25,000,000; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING CONVENT OF THE SACRED HEART REVENUE BONDS, SERIES 2021 NOT-TO-EXCEED $25,000,000

Mr. Chen seconded the motion and the Resolutions were unanimously adopted.

Barnard College

The Vice-Chair introduced Christopher Reitzel, Esq. of Nixon Peabody, LLP and Douglas Seaton, Esq. of D. Seaton and Associates, co-bond counsel on the transaction, and Mr. Ostrander and Ms. Carrasco.

Mr. Ostrander introduced Ms. Carrasco, who is working with DASNY through the Public Finance fellowship program. He stated that she has been participating in the Barnard College transaction and was a major contributor to the Transaction Summary.

Ms. Carrasco stated that the Transaction Summary provided to the Committee presents two series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed $90,000,000 with maturities not to exceed 40 years on behalf of Barnard College. She noted that the purpose of the issuance is to finance the renovation and modernization of the College's Morningside Heights Campus, making efficient use of the College's limited space. Projects include renovations to Barnard Hall to accommodate a student academic services center, dance and fitness studios, and office space; a top-to-bottom renovation to the College's science building, Altschul Hall, to enhance STEM education; and a number of other campus-wide renovation and maintenance projects. She further noted that approximately $80.0 million of project costs are expected to be funded with bond proceeds.

Ms. Carrasco stated that the bonds will also refund all or a portion of DASNY's Barnard College Series 2007A Bonds, which have a current par outstanding of $6.17 million. She indicated that assuming current market conditions, a total net present value savings in the range of $1.1 million, or 9.5% of the refunded bonds, is expected.

Ms. Carrasco stated that it is anticipated that the proposed issuance will be sold in two series, one fixed rate and one variable rate. She indicated that the fixed rate bonds will be sold through a public offering to fund a portion of the project costs (approximately $40 million of the total $80 million), to fund capitalized interest, and to refund the Series 2007A Bonds. She stated that the variable rate bonds will be sold through a private placement to fund the remaining portion of the project costs (approximately $40 million of the total $80 million). Ms. Carrasco stated that the privately-placed bonds are anticipated to be issued as draw down bonds, which provide the College with timely access to bond proceeds to fund ongoing projects, much of which may not be needed until 2021. She noted that the structure of the variable rate bonds also provides the College with the flexibility to pay down principal as gifts are received in the future. She noted that Barnard utilized a similar structure when issuing through DASNY in 2015.

Ms. Carrasco stated that that Moody's Investors Service has assigned a rating of "A1" to the outstanding obligations of the College with a "Stable" Outlook. She noted that it is anticipated that the Loan Agreement will be a general unsecured obligation of the College and no security interest in any revenues or assets of the College will be granted by the College under the Loan Agreement.

Ms. Carrasco reported on some financial highlights**,** noting that applications to the College have increased by approximately 40% over the last five years, from 5,676 in fall 2014 to 7,897 in fall 2018 and that total enrollment for fall 2018 was 2,635 students, just above the five-year average of 2,590. She stated that the College remains highly-selective, accepting only 13.9% of applicants for fall 2018 which is a significant drop from the 2014 acceptance rate of 23.8%. Ms. Carrasco stated that the College's financial resource base, as measured by expendable net assets, grew from $162 million in 2014 to $213.2 million in 2018. She indicated that net assets in 2018 totaled $515.3 million, increasing nearly 35% over five years. She further indicated that the College's audited financial statements for fiscal year 2019, which were released just prior to the mailing of the staff report, showed no significant changes in the College's overall financial position.

Mr. Reitzel described the transaction and presented the financing documents. He noted that the Members were being asked to approve two Series Resolutions authorizing, individually and in the aggregate, $90,000,000 of DASNY's Barnard College Revenue Bonds, Series 2020.

Mr. Reitzel stated that the 2020 Bonds are proposed to be issued under DASNY's Barnard College Revenue Bond Resolution, adopted in March 2015, and the Series Resolutions. He noted that the proceeds of the 2020 Bonds may be used to finance various campus-wide projects and to refund all or a portion of the outstanding Barnard College Insured Revenue Bonds, Series 2007A Bonds. He further noted that in order to provide flexibility for the College with respect to structure and timing, Members are being asked to authorize the issuance of two series of tax-exempt and taxable Bonds or a combination thereof, which may be issued at one or more times.

Mr. Reitzel stated that similar to the College's 2015 transaction, the current expectation is that a portion of the 2020 Bonds will be issued pursuant to a public offering as tax-exempt, unenhanced, fixed rate Bonds, and a portion of the 2020 Bonds will be issued pursuant to a private placement as tax-exempt, variable rate bonds. He indicated that the Series Resolutions, however, do not limit the discretion of DASNY's officers to determine to issue the 2020 Bonds in other configurations than are currently contemplated.

Mr. Reitzel noted that the publicly offered Bonds are proposed to be sold in a negotiated sale to RBC Capital Markets, as Underwriter. He noted that with respect to the privately placed 2020 Bonds, RBC Capital Markets, is serving as Placement Agent. He stated that the private purchaser has not yet been selected.

Mr. Seaton stated that the General Resolution provides for the issuance from time to time of multiple Series of Bonds, each Series separately secured from each other except as otherwise provided in the applicable Series Resolutions. He noted that the Bonds are "special obligations" of DASNY payable solely out of the Revenues, which consist of the payments made by the College under the Loan Agreement.

Mr. Seaton noted that payment of the Bonds is secured by the pledge and assignment made by the General Resolution of the Revenues and the moneys and investments held in the funds and accounts established by the General Resolution and the Series Resolutions. He indicated that the Series Resolutions delegate to various officers of DASNY the power to make the determinations described in the letter dated November 4, 2019 from co-bond counsel to the Members, and to do all things necessary or convenient in connection with the sale and issuance of the Bonds.

Mr. Seaton stated that in accordance with DASNY's Financing Guidelines for Independent Institutions, with respect to any privately placed Bonds, the Series Resolutions also contain restrictions on the ownership and transfer of the 2020 Bonds to "Qualified Institutional Buyers." He stated that DASNY and the College will execute a Loan Agreement in connection with each issuance of the 2020 Bonds, which will require the College to make timely payment of debt service on the applicable 2020 Bonds.

Mr. Seaton indicated that the College's obligation to make payments under the Loan Agreement will be a general obligation and that consistent with the Guidelines, any Loan Agreement will contain the appropriate standard document provisions and may include additional security provisions based on market conditions and practices. He noted that it is anticipated that any Loan Agreement will be an unsecured obligation of the College and that the College will enter into an Agreement to Provide Continuing Disclosure.

Mr. Reitzel noted that the letter dated November 4, 2019 from co-bond counsel to the Members incorrectly stated that DASNY would be a party to the Agreement to Provide Continuing Disclosure. As this is no longer standard practice, Mr. Reitzel clarified that only the College, not DASNY, will execute the Continuing Disclosure Agreement.

Vice-Chair Johnson indicated that Mr. Gardner was participating from the Buffalo Office as a non-voting Member.

Mr. Ellis moved the adoption of the following entitled Resolutions:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING UP TO $90,000,000 BARNARD COLLEGE REVENUE BONDS, SERIES 2020A; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING UP TO $90,000,000 BARNARD COLLEGE REVENUE BONDS, SERIES 2020B

Mr. Romski seconded the motion and the Resolutions were approved unanimously.

<u>Fordham University</u>

The Vice-Chair asked Mr. Ostrander and Mr. Sirdine to present the Transaction Summary and Staff Report.

Mr. Ostrander noted that Mr. Sirdine, also a DASNY Public Finance fellow, has been working on the transaction and was a major contributor to the Transaction Summary.

Mr. Sirdine stated that before the Members for their consideration is a Resolution to Proceed for the issuance of one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds for a term not to exceed 40 years in an amount not to exceed $170,000,000 on behalf of Fordham University to be issued through a negotiated offering and/or private placement.

Mr. Sirdine stated the bonds are being issued to finance a portion of the costs associated with the renovation and expansion of the University's McGinley Student Center located on the Rose Hill Campus in the Bronx. He noted that the projects at the McGinley Center include: the construction of an approximately 71,000 square foot, three-level addition to the existing campus center; the renovation and improvement of the existing space; and the acquisition and installation of furniture and equipment. He further noted that the project will update and expand student life offerings to the campus community including new dining areas, a bookstore, a ballroom and meeting facilities, lounges, administrative offices, student organization space, and fitness areas.

Mr. Sirdine stated that Fordham is currently rated "A2" by Moody's and "A" by Standard and Poor's. He noted that the Loan Agreement for the Series 2019 Bonds will be a general unsecured obligation of the University and no security interest in any revenues or assets of the University will be granted by the University to DASNY under the Loan Agreement.

Mr. Sirdine stated that demand for the University's programs has increased in each of the last five years. Applications totaled 45,147 for fall 2018, an increase of 24.8% over five years. He noted that Fordham continues to report positive operating results, despite significant capital spending in recent years. He indicated that although operating margins began to thin in fiscal years 2016 and 2017 due to large capital expenditures at the Lincoln Center campus, margins averaged $21.2 million over the last five years. He further indicated that Fordham relies on tuition and fees and other student-related revenue. Mr. Sirdine noted that tuition and fees accounted for 71% of the University's total revenue for fiscal year 2018.

Mr. Sirdine stated that Fordham's total net assets have increased by $94.2 million over five years, reaching $1.3 billion in fiscal year 2018. He noted that the financial statements for fiscal year 2019, which were released after the mailing of the staff report, showed no material changes in the University's financial position.

Ms. Sullivan 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 FORDHAM UNIVERSITY

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

<u>Master BOCES Program Lease Revenue Bonds – St. Lawrence-Lewis Issue</u>

The Vice-Chair asked Mr. Kosier to present the Transaction Summary and Staff Report. Mr. Kosier stated that before the Members for their consideration is a Resolution to Proceed for the issuance of tax-exempt and/or taxable, fixed and/or variable rate bonds to be sold at one or more times through a negotiated offering in an amount not to exceed $43,000,000 on behalf of the St. Lawrence-Lewis Counties BOCES.

Mr. Kosier explained that the ability to create a BOCES (Board of Cooperative Educational Services) was established in 1948 and was designed to enable school districts to combine their resources to provide services that otherwise would be uneconomical, inefficient, or unavailable. He noted that St. Lawrence-Lewis Counties BOCES was established in 1970 and provides shared services to 18 component school districts in St. Lawrence and Lewis Counties that together serve approximately 20,000 students. He indicated that the component districts cover over 2,500 square miles and the BOCES administration offices are located in the Village of Canton. Mr. Kosier stated that DASNY has issued three series of bonds on behalf of St. Lawrence-Lewis Counties BOCES. He noted that as of September 30, 2019, approximately $2.3 million of Series 2011 Bonds and approximately $2.6 million of Series 2015 bonds remain outstanding.

Mr. Kosier noted that BOCES are funded by payments made to them by the component school districts based on their allocable share of program services and administrative and facilities expenses. He stated that the component school districts pay for these expenses through real property tax levies and, in addition, the State has made appropriations to the BOCES program each year since 1949 to partially offset these expenses. He stated that the amount of State aid apportioned to St. Lawrence-Lewis Counties BOCES is available to be applied to pay DASNY rentals (debt service).

Mr. Kosier reported that on October 9, 2018, voters approved $43,000,000 in financing for capital projects at three career and technical education centers of St. Lawrence-Lewis Counties BOCES. He stated that the project is anticipated to be financed through two fixed-rate, tax-exempt negotiated bond sales, with approximately half of the project expected to be financed in early 2020 and the remaining portion expected to be financed in late 2020 or early 2021. He noted that this structure better matches the funding with the cash flow needs of the project and minimizes the impact on the tax cap of the component school districts.

Mr. Kosier stated that the bonds are expected to be rated “Aa2” by Moody’s. He noted that the Bonds will be secured by annual rental payments to be made pursuant to Lease Agreements with St. Lawrence-Lewis Counties BOCES. He stated that there will be a direct intercept, through the State Comptroller, of any State Aid due to St. Lawrence-Lewis Counties BOCES for rental payments on the DASNY Lease Agreements and a pledge of public funds apportioned by the State due to St. Lawrence-Lewis Counties BOCES in an amount sufficient to pay such rental payments, subordinate to pledges granted in connection with other outstanding DASNY St. Lawrence-Lewis Counties BOCES bonds. He noted that the bonds will be secured by a one-half year Debt Service Reserve Fund or Reserve Fund Facility, and that bond insurance may be considered depending on its availability and economic efficiency.

Mr. Chen 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 MASTER BOCES PROGRAM LEASE REVENUE BONDS – ST. LAWRENCE-LEWIS COUNTIES BOCES

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

Trevor Day School

Mr. Kosier stated that before the Members for their consideration is a Resolution to Proceed for the issuance of tax-exempt and/or taxable, fixed and/or variable rate bonds to be sold at one or more times through a private placement or negotiated sale in an approximate amount not to exceed $66,000,000 on behalf of Trevor Day School.

Mr. Kosier stated that the bonds are being issued to refund and restructure all or a portion of the DASNY Trevor Day School Series 2011 Bonds ($56.1 million) and to finance the costs of terminating two interest rate swap agreements integrated with the Series 2011 Bonds ($6.6 million).

Mr. Kosier stated that Trevor Day School is a 501(c)(3) not-for-profit, coeducational, independent day school. He noted that the School began in 1930 as a nursery and kindergarten program which, over the course of several decades, expanded to offer rigorous academic programs from nursery through Grade 12 with an emphasis on preparing its students to enter into college and university studies. Mr. Kosier stated that prior to 2015 the Middle School (Grades 6-8) and the Upper School (Grades 9-12) were located in the Andrew Goodman Building on the Upper West Side of Manhattan and the Lower School (Nursery-Grade 5) operated out of two locations on the Upper East Side of Manhattan. He indicated that in 2015, the Middle School and Upper School relocated to a new school building on the Upper East Side and the Lower School moved to the Andrew Goodman Building on the West Side.

Mr. Kosier stated that the DASNY Series 2011 Bonds were issued to finance the new Middle and Upper School building. He indicated that the 2011 bonds are variable rate bonds that were sold through a private placement to RBS Citizens and are currently eligible for redemption at par. He stated that in connection with these bonds, the School entered into two interest rate swap agreements. Mr. Kosier stated the School's current management prefers a more conservative fixed-rate debt profile. He noted that management believes the current market provides the School with the opportunity to refund and restructure its debt. He indicated that the School is in the process of selecting a Qualified Institution Buyer to purchase the proposed bonds through a private placement. He stated that the Transaction Summary mentions the School was also considering obtaining a rating and proceeding with a public offering, however that is not the current expectation.

Mr. Kosier stated that net tuition and fees account for approximately 93% of the School's total operating revenues. He noted that the School is tuition dependent and therefore must manage its enrollment and expenses well to meet its operating targets. He stated that the overall enrollment decreased from 818 students in the fall of 2015 to 783 students in fall of 2018 and that this decline is primarily due to a decrease in Lower School enrollment from 331 students in 2014 to 254 students in 2018. He indicated that management attributes the decline to the disruption caused by the relocation of the Lower School in 2015 and the discontinuation of the nursery program in 2014. He stated that management has indicated that by bringing back the nursery school in 2017 and other recruitment initiatives, enrollment has stabilized and is on track for annual improvements, as the nursery program is a feeder program for Kindergarten which is the key entry point for the Lower School. Mr. Kosier stated that Kindergarten enrollment is currently 38 students, up from 24 students in 2017-18, and with larger Kindergarten classes, Lower School enrollment is expected to return to historical levels as the students flow into higher grades.

Mr. Kosier stated that the Upper School enrollment increased from 269 students in 2014 to 337 students in 2018, partially offsetting the decline in the lower grade levels. He indicated that the School had its largest graduating class ever last year with 87 students. He stated that overall, the School receives about 1,000 applications a year, with selectivity in the low to mid 30% range and yield averaging approximately 30%.

Mr. Kosier stated that tuition has increased from approximately $42,000 in 2014 to approximately $51,000 in 2018 and the tuition discount rate has averaged 15% over this time period. He indicated that the School's Net Tuition per Student has increased each year, from approximately $34,000 in 2014 to approximately $41,000 in 2018. He stated that management is able to adjust its operating expenses based on fluctuations in enrollment to meet its margin targets and that excess operating revenue over operating expenses has been in excess of $4.2 million in each of the past three years.

Mr. Kosier noted that debt service coverage has been approximately 1.5 times in each of the past three years and that the School's total assets have been relatively flat over the past five years averaging approximately $178 million. He indicated that cash and investments have averaged approximately $42 million over this time period. Mr. Kosier stated that net assets have increased by 32% over the last five years, from $72.5 million in 2014 to $95.5 million in 2018. He indicated that the School's expendable resources to debt ratio was 0.21 times in 2018 and total cash and investment to debt was 0.66 times in 2018.

Mr. Kosier stated that management is focused on improving these liquidity measures, in part by restructuring its debt, and that subject to review by tax counsel, the School plans to structure the proposed bonds with principal being repaid over approximately 27 years with an interest-only period of approximately 3 years. He noted that the proposed financing structure would allow the School to improve its liquidity by reserving the $6.3 million in principal it would otherwise be paying over the next three years. He stated that, in addition, extending the final maturity will better align the liability with the useful life of the asset. Mr. Kosier stated that annual debt service on the Series 2011 bonds is approximately $4.3 million, while annual debt service on the proposed bonds is expected to be approximately $3.5 million. He noted that the School is not expecting debt service savings on a net present value basis. He stated that Staff will provide the Board with an update on the plan of finance when the Board is asked to adopt financing documents.

Ms. Snyder indicated that her children attended Trevor Day School in the past and that she served on the School's Board prior to the 2011 DASNY bond issue. She noted she did not believe she had a conflict, but wanted to bring it to the Board's attention.

Mr. Chen 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 TREVOR DAY SCHOOL

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

Audit Committee Report

Audit Committee Chair Gardner stated that the Audit Committee had met the previous afternoon. He noted that the Committee had been updated on the process of procuring an outside auditor, but that no action was taken. He stated that the Committee had been provided a report on the Internal Audit Plan and that proposed revisions to the Plan were considered and approved.

Mr. Romski 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.

Ms. Sullivan 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

Corporate Governance Committee Report

Governance Committee Chair Johnson stated that the Governance Committee had met the previous evening. He noted that at that time they reviewed a proposed amendment to the Performance Metrics. He asked Mr. Cusack to give a brief explanation of the proposed changes.

Mr. Cusack stated that before the Members for the consideration were the revised DASNY Performance Metrics. He noted that there were several revisions being suggested. He indicated that the changes, if approved, would become effective April 1, 2020 and would be applied to the activities of DASNY in the coming fiscal year.

Mr. Cusack directed the Members' attention to the Employee Development and Training metric of Goal 2. He noted that staff is recommending that the Board member training be deleted as a measurement of the goal to "Employ a professional, highly-trained, and expert workforce," for two reasons. He noted that first, the Board Members are not technically employees of DASNY and second, the amount of training attributable to the Members is incidental compared to the whole number for employees per the statistics provided in the memorandum.

Next, Mr. Cusack noted that staff is recommending that the Sustainability metric of Goal 3 be expanded beyond LEED in order to track and report on all of DASNY's sustainability efforts, not just those that are LEED-specific. He stated that this approach would provide for a more proactive and comprehensive approach that is consistent with the rapidly changing sustainability marketplace.

Mr. Cusack stated that the last revision was to Goal 3: New Program metric. He noted that DASNY continues to provide development support for new or additional NYS programs to DASNY's new and existing clients. He noted that the existing measure was an input metric that was designed to capture the level of unreimbursed DASNY effort subsidizing the development of all NYS initiatives. Mr. Cusack stated that DASNY's annual determination in this regard includes subjective judgements, and, therefore, staff recommends transitioning to an objective standard based upon the outcome of those support efforts, by reporting the number and nature of new or expanded programs that were actually enacted or authorized in each year.

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

A RESOLUTION OF THE MEMBERS OF THE DORMITORY AUTHORITY AMENDING THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK METRICS TO QUANTIFY PERFORMANCE GOALS

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

The Governance Committee Chair reported that the Committee had been presented with and reviewed proposed changes to the DASNY Procurement Policy and Procurement Contract Guidelines. He noted that while the Board Members were not being asked to take any formal action today, he asked that a summary of the proposed amendments be provided to the Members for the next Board Meeting.

President's Report

The Vice-Chair directed the Members attention to the written President's Report. He asked Mr. Koopman, Vice President, to give a brief report. Mr. Koopman noted that his report stands. He highlighted the Redi Project, which is a $300 million grant by the Governor to assist the Lake Ontario region. He noted that DASNY has been an active participant in regional meetings and instrumental in establishing key protocols for the grant program. He noted that this was a high priority matter and that there was a coordinated effort to get the grant program up and running. Mr. Koopman reiterated that this will have a significant impact on the Lake Ontario region.

The Vice Chair noted that as a resident on the Lake shore, there is a great need for the program as the water level has been excessively high for the past three years. He noted that DASNY should recognize that due to the length of the flooding issues, there are few to no contractors available to perform work as most that meet the standards are booked for 18 months or more. He noted that this will be a challenge in Jefferson County and that even with the $60 million allocated in grant moneys, DASNY will have extra work as the water is not receding.

Public Finance and Portfolio Monitoring Report

Ms. Lee presented the Public Finance and Portfolio Monitoring Report. She stated that since the last Board meeting, DASNY priced and closed the Rochester Institute of Technology private placement, Memorial Sloan Kettering Cancer Center bonds and the Personal Income Tax Revenue Bond refunding of HFA bonds.

Ms. Lee stated that the total new issue supply is currently about $348.4 billion year-to-date, 16.1% higher than the supply levels seen this time last year. She noted that total supply for the holiday-shortened week is expected to be heavy at about $11.4 billion. She further noted that U.S. treasuries strengthened as the 10-year and 30-year Treasury rates decreased by 2 and 4 basis points, respectively, from the previous day. Ms. Lee reported that top rated municipal bonds were unchanged from the previous day, with the 10-year and 30-year AAA MMD remaining at 1.60% and 2.22%, respectively. She stated that municipal bond funds have reported inflows for the week ending November 6th. Municipal bond funds have now reported 44 consecutive weeks of inflows.

Ms. Lee reported that the ten-year and 30-year MMD have increased by 19 and 21 basis points, respectively, since the October Board Meeting. She noted that notwithstanding this increase, rates still remain historically low. The one-year MMD remained the same at 1.12%.

Ms. Lee noted that included in the handouts to the Members is the Single Approval Pipeline report. She indicated that is it expected that staff will be bringing the Columbia University transaction to Board for Single Approval in December.

Ms. Lee reported that staff continues One DASNY implementation efforts and will keep the Members updated as staff meets with clients and financing partners. She reported that staff is in the process of concluding the Underwriter RFP.

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 Dick Van Dyke Addiction Treatment Center phase 4 Renovation and Addition project. He noted that the scope of the project included abatement and demolition of existing conditions associated with the new construction of a three-story, 3,000 square foot addition. He noted that the project also included a new elevator, new roofing, and upgrades to the existing loading dock. He stated that interior upgrades included renovations to the nurse's station, reception area and shower and laundry rooms, as well as installation of ceiling mounted air conditioning units in each room, a new fire alarm system and sprinkler system, and new electrical service. Mr. Curro stated that finishes, upgrades and miscellaneous sitework was also included.

Mr. Curro reported that the budget for the project was $4.5 million with design start and finish dates of March 2013 and December 2016. He noted that Pathfinder Engineers and Architects were the design consultant on the project. Mr. Curro stated that the general contractor for the project was FAHS Construction Group and that construction began October 2017 and was completed August 2019. Mr. Curro indicated that the project was phased to allow for construction to progress in a fully occupied facility, with shifting of public and bedroom space required. He noted that design goals of (1) building egress via a new main entry and elevator, (2) life safety via a new fire alarm and sprinkler system and (3) conditioned air via newly installed split system were achieved.

Mr. Curro directed the Members attention to page three of the Construction Projects Report. He noted that nine projects have been added under the “New Additions” heading including: Elevator Modernization at Baruch College - $7.1 million; Chiller Plant Upgrade at Brooklyn College - $5.7 million; Local Law 11 Projects at various CUNY Colleges - $7.4 million; Chimney Renovation at Lehman College - $5.9 million; HVAC project at Hunter College - $21.4 million; Athletic Facility Upgrade project at Queens College - $9 million; Roof project at York College - $6.6 million; Interiors project at York College - $6 million; and Renovation project at UAlbany - $34.7million. Mr. Curro noted that total new projects are $103.8 million.

Mr. Curro stated that current year to date construction expenditures through September 2019 are $387 million and prior year to date through September 2018 were $321 million – an increase of $66 million.

Mr. Curro reported that the next site visit/executive meeting for the South Beach Psychiatric Center is scheduled for tomorrow, Thursday, November 14th. He noted that the project’s substantial completion date has shifted from October 4 to December 31. He noted manpower continues across all trades at a high-level including Saturday work. Mr. Curro stated that finish work, commissioning, punch list work, addressing deficiencies and sitework continues. He noted that inspections are being scheduled for fire/life safety and general building requirements. He stated that OHM is planning for a late December – early January occupancy given current construction timeframes for substantial completion.

Next, Mr. Curro reported on the various SUNY projects. He noted that there are five capital projects currently being progressed: Alfred (Mackenzie PIIB) – Phase II B with a spring 2020 occupancy slated; Plattsburgh (Kent Hall) – progressing well with a fall semester opening; Albany (Wellness Center) – end of the month substantial completion; Oneonta (Huntington Hall) – progressing well to a fall 2020 semester opening; and SUNY Poly (Hillside) – working toward end of year enclosure. Additionally, Mr. Curro reported that the SUNY Oswego – Funnell Hall and SUNY Cortland – Smith/Casey Tower renovations are on track to begin construction in December and complete in July 2020. Mr. Curro noted that a large number of summer 2020 projects are completing designs and moving toward bid phase.

With regard to the Fashion Institute of Technology New Academic Building, Mr. Curro indicated that for package one – foundations, 100% documents are due November 26th with an anticipated advertisement date of December 13 and for package two – the balance of the building, 100% documents are due December 13 with and advertisement date of January 29.

Mr. Curro stated that construction continues on the Moynihan Station project with DASNY, as permitting agency, continuing with inspections and daily monitoring. He noted that DASNY is preparing to hand over space to USPS and Amtrak for the entities to begin construction on their portions of the project. He noted that DASNY put an agreement in place to permit commercial fit-out space as tenants are brought on board and that the Long Island Rail Road construction is planned to begin in December.

Mr. Curro reported that the expansion project and transformer building inspections associated with DASNY permitting tasks for Javits continues. He noted that bi-weekly inspections also continue and that there is heavy construction activity at this time. He further noted that DASNY continues its safety audits as per Chapter 33 of the NYC Building Code.

Mr. Curro then reported on the PM Web Project Management Application Implementation. He noted that HKA will be on site Monday, Tuesday and Wednesday, November 18-20, to kick off the implementation process for the PM Web project management application. He stated that implementation is expected to take between nine and 12 months.

Mr. Curro stated that DASNY continued discussions with the NYS BCTC in connection with the NYC Project Labor Agreement and that the next meeting is scheduled for November 26. He noted that the current agreement will expire December 31, 2019.

General Counsel's Report

Mr. Cusack stated that the activities of Counsel's Office are represented in the materials and information before the Board, and that there are no further updates at this time.

Financial Report

Ms. Nadeau stated that she had nothing to report other than what was in her written report to the Members.

The Vice Chair noted that the next meeting of DASNY will be on December 11, 2019 and will be held in the New York City Office.

Ms. Sullivan moved that the Meeting adjourn, Mr. Chen seconded the motion and the Meeting was adjourned at approximately 10:45 a.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary