

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, December 11, 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
John B. Johnson, Jr., Vice Chair, Member
Beryl L. Snyder, Esq., Member
Joan M. Sullivan, Member
Gerard Ronski, 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

Wellington Z. Chen, Member
Adrian Swierczewski, Designated Representative of the Director of the Budget, Member (ex officio)

Also Present - Dormitory Authority Staff

Reuben R. McDaniel, III, Acting Executive Director
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
Daniel W. Petroff, Chief of Strategy and Business Development
Sara P. Richards, Esq., Associate General Counsel
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
Gerard E. Klauser, Senior Financial Analyst

Maria T. Carrasco, Public Finance Fellow
Alex A. Sirdine, Public Finance Fellow

Other Attendees:

Christopher J. Reitzel, Esq.

Nixon Peabody, LLP

Jae Lee, Esq.

Drohan Lee, LLP

Alison Radecki, Esq.

Orrick, Herrington & Sutcliffe, LLP

Patrick McGlashan, Esq.

The McGlashan Law Group, P.C.

Sani Williams, Esq.

Squire Patton Boggs, LLP

PUBLIC SESSION

The Chair welcomed the Members, staff and other attendees to the last meeting of the calendar year and called the Meeting to order. Mr. Johnson welcomed the Chair and stated that he was missed at last month's meeting. The Chair thanked Mr. Johnson for chairing the meeting and thanked everyone for their well wishes over the past several weeks. He noted it was the first Board meeting he missed, and stated he is feeling better. The Chair stated that Paul Ellis has resigned from the Board due to time constraints. He noted that Mr. Ellis always provided thoughtful input to the Members' deliberations and his service to the Board will be missed.

The Chair indicated that this is the last Board meeting for Ms. Carrasco and Mr. Sirdine, the Public Finance fellows. He stated that the Public Finance Fellowship underscores the principle that if only provided with an opportunity, qualified individuals will succeed. The Chair noted that he has lived by this principle himself. He informed the Members that Ms. Carrasco and Mr. Sirdine are very talented individuals who were a good fit for the DASNY Fellowship. The Chair stated that he is pleased that DASNY was able to provide them with extensive training and in exchange, they provided superior performance. He wished them much success as they transition to their positions in the private sector.

The Chair welcomed Reuben R. McDaniel III to his first meeting as Acting Executive Director. He stated that DASNY is very fortunate that Governor Cuomo has recommended Mr. McDaniel for this position. The Chair noted Mr. McDaniel's long history in the public finance field and bond business and stated that the Members are now being asked to appoint Mr. McDaniel as Executive Director, pending confirmation by the New York State Senate.

Appointment of Acting Executive Director

The Chair reviewed the Resolution before the Members for their consideration. He directed the Members' attention to the materials before them relating to the appointment of Reuben R. McDaniel, III to the position of Executive Director of DASNY, including a cover memorandum from General Counsel Michael Cusack describing the legal requirements for the appointment of DASNY's Executive Director; a letter from Governor Cuomo recommending the appointment; Mr. McDaniel's biography and a proposed Resolution.

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

RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK
APPOINTING REUBEN R. McDANIEL, III AS EXECUTIVE DIRECTOR SUBJECT TO
SENATE CONFIRMATION, AND AS ACTING EXECUTIVE DIRECTOR PENDING SENATE
CONFIRMATION

Mr. Ronski seconded the motion and the Resolution was unanimously adopted. The Members congratulated Mr. McDaniel on his appointment.

The Minutes of the November 13, 2019 Regular Meeting were then reviewed and approved.

Finance Committee Report

The Board Chair stated that due to unavoidable travel delays, Mr. Ronski was unable to attend yesterday's Finance Committee Meeting. He informed the Members that he appointed himself as acting Committee Chair and that Mr. Ronski listened to the meeting via telephone. The Chair reported that after discussion, the Committee decided unanimously to recommend the following transactions to the full Board for approval: NYU Langone Hospitals Obligated Group, The Jewish Theological Seminary of America, New York University and Master BOCES Program – Onondaga-Cortland-Madison Issue.

Fordham University

The Acting Executive Director introduced Christopher Reitzel, Esq., of Nixon Peabody, LLP and Jae Lee, Esq., of Drohan Lee, LLP, co-bond counsel on the Fordham transaction, and Mr. Ostrander.

Mr. Ostrander summarized that on November 13, 2019, the Members adopted a Resolution to Proceed for a refunding transaction on behalf of Fordham University in an amount not to exceed \$170,000,000. He informed the Members that TEFRA approval for the transaction was received on November 19, 2019; PACB approval was obtained on November 20, 2019; and the SEQRA process was concluded earlier this week. Mr. Ostrander stated that there were no other changes in the either the purpose or security for this transaction.

Mr. Reitzel described the transaction and presented the financing documents. He stated that before the Members for consideration is a Series Resolution authorizing up to \$170,000,000 of DASNY's Fordham University Revenue Bonds, Series 2020. Mr. Reitzel further stated that the 2020 Bonds are proposed to be issued under DASNY's Fordham University Revenue Bond Resolution, adopted in 2008.

Mr. Reitzel explained that the Series Resolution before the Members delegates the power to make certain determinations in connection with the Bonds to various officers of DASNY, as well as the authorization to do all things necessary or convenient in connection with the sale and issuance of the Bonds. He noted that these are further described in the Bond Counsel letter to the Members.

Mr. Reitzel indicated that the proceeds of the Series 2020 Bonds are expected to be used to finance the renovation, improvement and expansion of the University's Rose Hill campus center. He stated that the Bonds are expected to be issued as tax-exempt, fixed rate Bonds, although the Series Resolution does not limit the discretion of DASNY's officers to determine to issue the Bonds in other configurations than are currently contemplated. Mr. Reitzel further stated that the Series 2020 Bonds are proposed to be sold in a negotiated sale to Morgan Stanley. He indicated that the University will enter into an Agreement to Provide Continuing Disclosure to facilitate the Underwriter's securities law obligations.

Mr. Lee 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 Resolution. He further stated that the Bonds are "special obligations" of DASNY payable solely out of the Revenues, which consist of the payments made by the University under the Loan Agreement. Mr. Lee informed the Members 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 Resolution.

Mr. Lee stated that DASNY and the University will execute a Loan Agreement in connection with the issuance of the 2020 Bonds, which will require the University to make timely payment of debt service on the Series 2020 Bonds. He noted that consistent with DASNY's Financing Guidelines, the Loan Agreement will contain the appropriate standard document provisions and may include additional security provisions based on market conditions and practices. He stated that the University's obligation to make payments under the Loan Agreement will be a general obligation and is expected to be unsecured.

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

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION
AUTHORIZING UP TO \$170,000,000 FORDHAM UNIVERSITY REVENUE BONDS, SERIES
2020**

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

NYU Langone Hospitals Obligated Group

The Acting Executive Director introduced Alison Radecki, Esq. of Orrick Herrington and Sutcliffe, LLP and Patrick McGlashan, Esq. of The McGlashan Law Firm, P.C., co-bond counsel on the transaction, and Mr. Bergin.

Mr. Bergin stated that before the Members for their consideration is the adoption of a General Resolution and a Series Resolution authorizing the issuance of one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds in an amount not to exceed \$550,000,000 on behalf of NYU Langone Hospitals Obligated Group for a term not to exceed 34 years.

Mr. Bergin stated that the proceeds of the Bonds will be utilized for three new money projects: the construction of an ambulatory care center in the Cobble Hill neighborhood of Brooklyn, New York; the construction of a two-story addition and renovations to various patient care areas at the NYU Winthrop Hospital in Mineola, New York; and the renovation and fit out of an existing structure to house faculty practice physician offices in Garden City, New York. Mr. Bergin indicated that the obligations issued under the NYU Langone Hospitals Master Trust Indenture are expected to be secured by both a security interest in NYU Langone Hospital's Gross Receipts and mortgages on certain NYU Langone Hospitals facilities. He noted that the expected bond ratings are A3/A-.

Mr. Bergin stated that NYU Langone Hospitals has strong revenue growth and profitability. He explained that from 2015 – 2019, net patient service revenue increased from nearly \$2.5 billion to over \$6 billion as the Institution added the 444-bed NYU Langone Hospital Brooklyn in 2016 and the 591-bed NYU Winthrop Hospital in 2019. Mr. Bergin noted that the Institution also continues to strengthen its volume in key service areas. He informed the Members that NYU Langone Hospitals now has over 2,100 patient beds and recorded over 100,000 discharges in 2019. Mr. Bergin indicated that over the last five years, NYU Langone Hospitals recorded average operating gains of approximately \$313 million for an average operating margin of nearly 6.5%. He stated that in 2019, the Institution's days cash on hand increased to nearly 88 days, the cushion ratio increased to 8.58 and the debt service coverage ratio increased to 6.77.

Mr. Bergin informed the Members that the Institution is proposing to structure the new money debt to amortize between the years 2048 - 2053 to provide for a more level aggregate debt service profile by utilizing the economic life of the project assets as well as taking advantage of the flat yield curve and historically low interest rate environment.

Ms. Radecki further described the transaction and presented the financing documents. She stated that before the Members for their consideration is a new General Resolution, the Series Resolution Authorizing the issuance of NYU Langone Hospitals Obligated Group Revenue Bonds, Series 2020A, and a Loan Agreement. Ms. Radecki explained that the Board is being asked to adopt a new General Resolution and to approve a new form of Loan Agreement in order to modernize the applicable provisions including providing for streamlined notice provisions, consent rights and oversight in connection with DASNY policy changes. She further explained that the changes include deleting publication of notices in the newspaper and instead file on EMMA; changing the timing of principal and interest payments; reflecting the assignment of certain items

to the Trustee at the beginning of the transaction; and modernizing the requisition process. Ms. Radecki informed the Members that the new documents will also reflect the Institution's name change from NYU Hospitals Centers to NYU Langone Hospitals Obligated Group.

Ms. Radecki stated that the Members are being asked to authorize the issuance of Series 2020A Bonds in an aggregate principal amount not to exceed \$550,000,000. She further stated that the proceeds of the Bonds will be loaned to NYU Langone Hospitals, as borrower and as obligated group representative pursuant to a Loan Agreement with DASNY for the benefit of Members of the Obligated Group. Ms. Radecki noted that NYULH is currently the only member of the Obligated Group.

Ms. Radecki stated that the Bonds are proposed to be sold through a negotiated sale to a syndicate of underwriters represented by Goldman Sachs & Co. She further stated that the Bonds are expected to be issued as tax-exempt fixed rate bonds, and used to finance the acquisition, construction, and improvement of student facilities of NYULH in Long Island and Brooklyn, and to pay certain costs of issuance of the Bonds.

Ms. Radecki indicated that the Bonds will be special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made under the Loan Agreement and payments made under the Obligation issued under the Master Trust Indenture. She stated that that the Obligation will be secured by the Gross Receipts pledge of all Members pursuant to the MTI and certain Mortgages granted by NYULH to the Master Trustee.

Ms. Radecki stated that the General Resolution is an open resolution and allows for the issuance from time to time of multiple series of bonds, each series to be separately secured. She further stated that each series of bonds will be separately secured by the applicable Revenues; by an Obligation issued under the MTI; by certain funds and accounts established for the applicable series of bonds; and by any other security pledged to the payment of such series of bonds. She explained that the General Resolution sets forth the general terms for each series of bonds; conditions for issuance of each series of bonds; security for the bonds; funds and accounts and the flow of monies through such funds and accounts; events of default and remedies; provisions regarding amendments to the General Resolution; provisions regarding the Trustee's fiduciary obligations; covenants of DASNY and defeasance provisions. Ms. Radecki informed the Members that the Series 2020A Bonds will be the first series of bonds to be issued under the new General Resolution.

Mr. McGlashan stated that the General Resolution and Series 2020A Resolution would authorize the issuance of the Series 2020A Bonds. He further stated that the resolutions would also delegate to various officers of DASNY the power to make certain determinations for the Bonds including: the principal amount of the Series 2020A Bonds to be issued, provided that the aggregate principal amount does not exceed \$550,000,000; the date or dates on which any of the Series 2020A Bonds will pay interest and/or principal and mature, provided that no Series 2020A Bond shall mature later than thirty-four (34) years from the July 1st next succeeding the date of initial issuance; the rate or rates at which the Series 2020A Bonds will bear interest, provided that the true interest cost for the Series 2020A Bonds shall not exceed 7.5% per annum if issued as Tax-Exempt Bonds and 10% per annum if issued as Taxable Bonds; the purchase price for the Series 2020A Bonds,

provided that it may not be less than 95% of the principal amount of the Series 2020A Bonds sold; the redemption terms and the redemption prices; whether the Series 2020A Bonds will be issued as Tax-Exempt Bonds or Federally Taxable Bonds, in one or more subseries at the same or different times; the form of the Series 2020A Bonds, and the debt service reserve fund requirement, if funding a debt service reserve requirement is determined to be required at the time of pricing.

Mr. McGlashan stated that the Series 2020A Resolution further authorizes various officers to: prepare and deliver a preliminary official statement and to prepare, execute and deliver a final Official Statement in connection with the offering of the Bonds; execute and deliver a Bond Purchase Agreement and the Loan Agreement, and execute all other documents and do all things necessary or convenient in connection with the sale and issuance of the Bonds.

Ms. Radecki stated that the Series 2020 Obligation issued under the MTI will serve as part of the security package. She further stated that under the MTI, the Members are jointly and severally obligated to pay all Obligations issued thereunder. Ms. Radecki informed the Members that each Obligation will be secured by a pledge of the Gross Receipts of the Members of the Obligated Group, which constitutes all revenue derived from health care and health-related services and by Mortgages given on certain real property that constitute the core health care facilities of the Obligated Group. She noted that it is expected that a new mortgage will be issued to secure the Series 2020A Bonds.

Ms. Radecki informed the Members that the MTI permits Members to leave the Obligated Group and new Institutions to join the Obligated Group as long as certain tests and conditions are met. She stated that the provisions of the MTI permit Members of the Obligated Group to incur additional indebtedness and secure that indebtedness on a parity with the Bonds within certain prescribed limitations. She further stated that in connection with the financing, NYULH plans to put into place certain springing amendments to the MTI. Ms. Radecki explained that these amendments allow for certain changes in the documents to conform to generally accepted accounting principles, to delete the requirement that new members of the obligated group be required to grant mortgages on their health care facilities; and to permit electronic notices. Ms. Radecki noted that these amendments will take effect when NYULH obtains the requisite consents from the outstanding holders.

In response to an inquiry from Mr. Ronski, Mr. Bergin responded that he is not aware of any community opposition to these projects. The Chair thanked Ms. Raleigh for her explanation of the transaction at the Finance Committee Meeting the previous day and asked if she would provide a summary for the full Board.

Ms. Raleigh stated that that DOH has provided a letter of support for the financing. She further stated that contingent Certificates of Need have been approved with respect to the Cobble Hill and Winthrop facilities. She informed the Members that DOH reviewed the debt structure, particularly as it layers this issuance onto other existing debt and defers the payment of principal for 48 years. Ms. Raleigh explained that this approach is consistent with DOH policy for other investment grade health care systems. She further explained that historically, DOH compared the interest cost to be paid when making its determination; however, the current approach allows the system to structure the debt in a manner that achieves aggregate level debt service by utilizing the

economic life of the assets to be financed. Ms. Raleigh noted that this debt structure enables the system to maintain positive cash flow and achieve a higher credit rating. She informed the Members that much time was spent on the analysis, and she thanked Mr. Bergin and others for their assistance. Ms. Raleigh noted that this financing structure is consistent with that utilized by other health care systems including Montefiore, Catholic Health System, and others. In response to an inquiry from the Acting Executive Director, Mr. Bergin indicated that the principal payment for the transactions are anticipated to be in the amount of \$140 million for each of the bonds maturing in 2048 and 2049 and \$105 million each in connection with the bonds maturing in 2052 and 2053.

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

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE DORMITORY AUTHORITY OF SERIES OF REVENUE BONDS FOR NYU LANGONE HOSPITALS OBLIGATED GROUP MEMBERS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020A RESOLUTION AUTHORIZING UP TO \$550,000,000 NYU LANGONE HOSPITALS OBLIGATED GROUP REVENUE BONDS, SERIES 2020A

Ms. Sullivan seconded the motion and the Resolutions were approved unanimously.

The Jewish Theological Seminary of America

Mr. Klauser presented the Transaction Summary for The Jewish Theological Seminary of America. He stated that the Members are being asked to adopt a Resolution to Proceed with the issuance of fixed and/or variable rate, tax-exempt and/or taxable bonds for a term not to exceed 31 years in an amount not to exceed \$41,000,000 on behalf of the Jewish Theological Seminary of America.

Mr. Klauser stated that The Jewish Theological Seminary of America, located in Manhattan, is an accredited member of the Middle States Association of Colleges and Schools and is chartered by the Regents of the State of New York. He further stated that it was founded in 1886 and grants undergraduate, graduate and professional degrees through its five schools: the Albert A. List College of Jewish Studies; the H.L. Miller Cantorial School and College of Jewish Music; the William Davidson Graduate School of Jewish Education; The Rabbinical School and the Gershon Kekst Graduate School. Mr. Klauser informed the Members that the Seminary also offers joint degree programs affiliated with Columbia University and Barnard College and that the Seminary is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

Mr. Klauser stated that the Seminary previously constructed a major modernization project for its campus including the demolition of the old library, improvements and upgrades to existing buildings and the construction of a new 85,800 square foot building comprising a library and a student dormitory. He further stated that this transaction will involve the reimbursement of

approximately \$39 million for prior capital expenditures in connection with the construction of the project. Mr. Klauser informed the Members that the proposed bond issue is anticipated to be a tax-exempt private placement with TD Bank, and as such, the bonds will not be rated and the Institution does not have an underlying rating. Mr. Klauser stated that the expected security is anticipated to be a mortgage on certain property acceptable to the Bank and a pledge of gross receipts acceptable to the Bank.

Mr. Klauser stated that when looking at total revenue and total expenses over time, the operations have been consistent. He noted that the Seminary has a large percentage of its revenue comprised of private gifts and grants and assets released for restrictions, which are donor restricted. Mr. Klauser informed the Members that in 2016, the Seminary completed the sale of two dormitories, a portion of a real estate lot and unused air rights on the campus. He explained that at the time, the Seminary planned to finance a portion of the project from equity from the sale, with \$51 million financed through a privately placed DASNY issue through TD Bank. Mr. Klauser further explained that the Seminary had a change in leadership subsequent to the prior transaction and has now decided to seek reimbursement for prior expenditures as opposed to funding the project with equity.

Mr. Ronski 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 THE JEWISH THEOLOGICAL SEMINARY OF AMERICA

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

New York University

Mr. Ostrander presented the Transaction Summary for the New York University transaction. He stated that the Members are being asked adopt a Resolution to Proceed for the issuance of one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds in an amount not to exceed \$750,000,000 with maturities not to exceed to 40 years on behalf of New York University.

Mr. Ostrander stated that the proceeds of the Bonds will be used to refund all or a portion of the University's Series 2012A and 2012B Bonds, Series 2013A Bonds and Series 2015A Bonds, all of which were issued by DASNY. He further stated that the Series 2012A and Series 2012B Bonds have a current par amount outstanding of \$220.6 million and are callable on or after July 1, 2022. Mr. Ostrander stated that the Series 2013A Bonds have a total current par amount outstanding of \$113.8 million and are callable on or after July 1, 2023. He informed the Members that the University is expected to issue taxable bonds to advance refund all or a portion of the Series 2012 and Series 2013A Bonds.

Mr. Ostrander stated that approximately \$63.9 million of the Series 2015A Bonds are callable on or after July 1, 2020. He further stated that with respect to these Bonds, it is anticipated that the University will issue tax-exempt bonds and utilize a forward delivery, whereby the bonds are expected to price in January and close on or after April 1, 2020 when this portion of the 2015A issuance qualifies as a current refunding. Mr. Ostrander explained that, assuming current market conditions and the issuance of taxable bonds as explained previously, a total net present value savings of approximately \$42.1 million, or 10.6% of the refunded bonds, is expected from the refunding. Mr. Ostrander stated that the proceeds from the proposed issuance may also be used to finance, refinance, and/or reimburse the University for costs associated with projects already in progress. He noted that all projects have been financed by previous DASNY bond issuances and that the projects include the construction of a mixed use building at 181 Mercer Street which will include a modern athletic facility, new classrooms, performing arts space, and student and faculty housing; improvements to facilities located at the University's Brooklyn campus including 370 Jay Street and the Tandon School of Engineering; and various renovation, repair, and replacement projects located at various facilities across the NYU system.

Mr. Ostrander noted that Moody's Investors Service has assigned a rating of "Aa2" to the outstanding obligations of the University with a "Stable Outlook" and that Standard & Poor's has rated the University's obligations "AA-" with a "Stable Outlook". He noted that as in previous NYU transactions, it is anticipated that the Loan Agreement will be a general unsecured obligation of the University similar to those in the past.

Mr. Ostrander reported that the University has positive demand and enrollment trends have continued in recent years. He noted that for fall 2018, the University received 71,834 applications for first-time, full-time freshman, marking the eleventh year in a row of record applications. Mr. Ostrander stated that NYU's Acceptance Rate for undergraduate enrollment reached a five-year low of 20.0% for fall 2018, while its matriculation rate reached a five-year high of 43.0%. He further stated that total headcount enrollment reached 51,847 in fall 2018, increasing 5.2% over five years. He indicated that the University's overall revenue mix is diverse. Mr. Ostrander stated that for fiscal year 2018, 30% of the University's total operating revenues came from net tuition and fees and that total net assets have increased by \$902.4 million since 2014, reaching \$6.15 billion at fiscal year-end 2018.

In response to an inquiry by Mr. Romski, Mr. Ostrander confirmed that there are no new projects to be funded with the proposed issuance, and all projects have previously been the subject of DASNY financing.

Ms. Snyder 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 NEW YORK UNIVERSITY

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

Master BOCES Program Lease Revenue Bonds – Onondaga – Cortland - Madison Issue

Mr. Kosier stated that the Members are being asked to adopt a Resolution to Proceed for the issuance of one or more series 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 \$12,850,000 on behalf of OCM BOCES for a term not to exceed 30 years.

Mr. Kosier informed the Members 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 stated that OCM BOCES was established in 1948 and provides shared services to 23 component school districts in Onondaga, Cortland, and Madison Counties that together serve approximately 60,000 students. Mr. Kosier indicated that OCM BOCES provides programs at four campuses: two in Liverpool, one in Syracuse, and another in Cortland.

Mr. Kosier stated that in 2015, DASNY issued one series of bonds on behalf of OCM BOCES. He indicated that as of September 30, 2019, approximately \$5.4 million of these Bonds remains outstanding. Mr. Kosier stated that BOCES are funded by payments made to them by the component school districts based their allocable share of program services and administrative and facilities expenses. He explained that the component school districts pay for these expenses through real property tax levies. In addition, Mr. Kosier noted that the State has made appropriation to the BOCES program each year since 1949 to partially offset these expenses and that the amount of State aid apportioned to OCM BOCES is available to be applied to pay DASNY Rentals (debt service).

Mr. Kosier reported that on November 20, 2019, voters approved a \$12,850,000 financing for the purchase of a building located on its Crown Road campus in Liverpool. He stated that the building was constructed in 1987 and that OCM BOCES has leased the building being purchased for approximately 32 years. Mr. Kosier further stated that the purchase is estimated to save the component districts approximately \$2.2 million over the next 20 years. He indicated that the bonds are expected to be rated Aa2 by Moody's.

Mr. Kosier stated that the Bonds will be secured by annual rental payments to be made pursuant to a Lease Agreement with OCM BOCES; a direct intercept, through the State Comptroller, of any State Aid due to OCM BOCES for rental payments on the DASNY Lease Agreement; a pledge of public funds apportioned by the State due to OCM BOCES in an amount sufficient to pay such rental payments, subordinate to pledges granted in connection with other outstanding Series 2015 DASNY OCM BOCES bonds; and a one-half year Debt Service Reserve Fund or Reserve Fund Facility. He informed the Members that bond insurance may be considered depending on its economic efficiency, but is not anticipated at the present time.

Mr. Cechnicki expressed his support for the transaction. He explained that for various policy reasons, BOCES experience more difficulty securing facility space as compared to school districts. Mr. Cechnicki stated that the building is conveniently located to the highway and is a nice facility. He noted that SED holds its meetings there occasionally and indicated that he is pleased that OCM BOCES is able to acquire the facility.

Mr. Johnson stated that the BOCES has a right of first refusal on the building as a provision of the lease. He stated that as discussed at yesterday's Finance Committee Meeting, another prospective purchaser made an offer on building. Mr. Johnson noted that the offer provided a basis for the valuation of the building to be acquired.

Mr. Cechnicki 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 – ONONDAGA-CORTLAND-MADISON COUNTIES BOCES

Mr. Johnson 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.

Ms. Raleigh 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

Audit Committee Report

Audit Committee Chair Gardner reported that the Audit Committee had met the previous afternoon. He informed the Members that the Committee reviewed the status of internal audit, and the materials relating to the selection of an external auditor. Mr. Gardner stated that after discussion, the Audit Committee recommended the engagement of KPMG in connection with the annual audit and related accounting services for a one-year period, with an option to renew the engagement for another two years.

Ms. Nadeau described the procurement process in connection with the selection of KPMG. She informed the Members that in August 2019, DASNY issued an RFP for audit services after completing five years of audits under its prior contract with KPMG. She further stated that a cross-functional Selection Committee of DASNY staff was established, consisting of nine members representing several units of the Finance Department, Procurement Division and Internal Audit. Ms. Nadeau reported that two proposals were received and reviewed by the Selection Committee.

Ms. Nadeau stated that the Selection Committee members reviewed the proposals and rated them primarily based on: the experience of the firm and staff; the audit plan; commitment to diversity; and overall fee proposal for the audit plan. She indicated that the Selection Committee recommended KPMG be awarded the contract based on the strength of the proposed team and, KPMG's extensive, demonstrated experience with public audits; its comprehensive audit plan that was specific to DASNY; a demonstrated, firm commitment to diversity; and a fair and reasonable fee proposal. Ms. Nadeau informed the Members that DASNY approval must be obtained for any subcontractors, and the contract is for a maximum five-year term for auditing and related accounting services for fiscal years 2020-24. She stated that DASNY would have the option to renew the contract on an annual basis after Fiscal Year 2020 and until 2024 at the Board's discretion, subject to a continuing determination by the Procurement Division that KPMG and any sub-contractors are deemed responsible.

Mr. Cusack stated that in addition to the procurement process described by Ms. Nadeau, DASNY's review process also included a thorough review of all vendor responsibility-related information as required by DASNY's existing internal procedures, as well as Executive Order 192 and other applicable law. He stated that this review included, but was not limited to, all of the additional information disclosed by KPMG regarding the firm, as well as a separate matter concerning its subcontractor, WatsonRice LLP. Mr. Cusack informed the Members that based upon the comprehensive review conducted, staff concluded that KPMG is a responsible entity, subject to the firm and its subcontractor(s), if any, remaining responsible throughout the term of the contract as detailed in the Resolution before the Board. Mr. Cusack stated that staff will continue to monitor for continuing responsibility, as it does for other contracts entered into by DASNY, in accordance with applicable law and the Resolution. He further stated that as noted in the Resolution, the DASNY Bylaws provided at Section 4.4 that a contract for the retention of independent auditors is a determination requiring formal approval of the DASNY Board. Mr. Cusack advised that he and Counsel's Office staff have reviewed the proposed Resolution and recommends approval, subject to any comments the Board may have.

The Chair reiterated the importance of the Board Members' responsibility in appointing certain professionals, including the independent auditors. Mr. Johnson said he felt the Board has been very responsive to all information that had been presented to them in connection with the procurement process.

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

**A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK
("DASNY") APPROVING THE RETENTION OF INDEPENDENT AUDITORS IN
CONNECTION WITH THE ANNUAL AUDIT AND RELATED ACCOUNTING SERVICES**

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

President's Report

Mr. McDaniel thanked the Governor and the Members for the opportunity to serve as DASNY's President. He stated that he is very excited to be at DASNY after working in the public finance and bond business for over 30 years. Mr. McDaniel noted that he has worked with DASNY for over 15 years as a partner and client, and has had the opportunity to work with staff on the Public Finance side, and that he is very excited to be a part of the great work that DASNY does.

Mr. McDaniel reflected upon the creation of the Public Finance Fellowship. He informed the Members that three years ago, he gathered with former DASNY President Gerrard Bushell, Ms. Lee, and other professionals for a roundtable discussion on diversity in the public finance arena. He stated that the fellowship program was a product of that collaboration. Mr. McDaniel further stated that for context, there are only approximately 100 minorities in the public finance business nationwide, and that DASNY can be proud for having added four individuals to that group. He emphasized that this is a significant contribution that should not be minimized, and expressed his support to the Fellows as they transition to the private sector.

Mr. McDaniel stated that he had the opportunity over the past several weeks to meet with the Chair, as well as various DASNY staff. He offered some observations and provided the Board with some context as to how he planned to work with the Board. He informed the Members that he has been very impressed with those he has had the opportunity to talk to. Mr. McDaniel stated that he has attended various leadership meetings, including a weekly construction meeting with Mr. Curro and a procurement meeting at FIT. He observed that from a staff perspective, DASNY is doing very well. Mr. McDaniel stated that he has begun working with management to recruit and retain the same level of high staff quality from a succession planning perspective.

Mr. McDaniel further noted that he has received significant information concern the construction side, grant side and client side of DASNY's business. He recognized that DASNY is a client-driven organization and that clients have choices in what firms they do business with. Mr. McDaniel cited to his experience over the past twenty-five years calling on clients and stated that he will work with management and staff to be in front of DASNY's clients and maximize the experience of DASNY's clients by providing good, efficient service. He acknowledged that DASNY is a fee-driven organization, although the fees come from the public. He stressed that DASNY must be responsible with public funds by spending and allocating resources properly, and by minimizing waste.

Mr. McDaniel informed the Members that he encourages open communication among himself, the Members and staff. He invited the Members to reach out to appropriate staff members with any questions or concerns. Mr. McDaniel stated that he has directed the Executive Leadership team to keep him apprised of matters as appropriate for his involvement. He stated that he would like to meet with each of the Members individually over the next 45-60 days and looks forward to a positive and productive working relationship. Mr. McDaniel further stated that he has an open door policy and wants to be accessible to the Members. He welcomed feedback on his performance and emphasized that he wants to have a positive and productive working relationship with the Members.

Mr. McDaniel stated that he understands that DASNY serves many constituents. He acknowledged that DASNY has both formal and informal clients in the construction, finance and grants sectors, and wants to be sure that DASNY's clients know that they are important to the organization.

Mr. McDaniel stated that beginning in January, he would identify certain areas where he would like to make improvements and changes. He further stated that he will endeavor to be as efficient and effective as possible in Board Meetings and preparations, so that Board Members are prepared and have all of the information needed to make decisions on the business before them. Mr. McDaniel reflected on his experience as a Member of the Atlanta School Board for several years, and stated that he understands the importance of effective communication and information to making board decisions. He thanked the Members for their service and acknowledged that they are not compensated for the time and energy they dedicate to the DASNY Board. He asked that they bring any suggestions for improvement to his attention.

Mr. McDaniel stated that there is a heavy agenda for the January 8 Board Meeting and a short period of time between the December and January meetings due in part to the holidays. He stated that he will be attending the holiday open houses at the Albany and New York City offices and invited the Members to attend. He further stated that the Albany event will be held on Tuesday, December 17 at 2:00 p.m., and in the New York City Office on Thursday, December 19 at 2:00 p.m.

Mr. McDaniel updated the Members on the move from the current location to 28 Liberty Street. He acknowledged that office moves can be stressful and indicated that information would be forthcoming in the near future regarding the clean up, file transfer and organization process necessary to ensure a smooth relocation. He informed the Members that DASNY plans to be in its new offices by no later than October 1, 2020, and asked Mr. Koopman to provide additional details.

Mr. Koopman stated that at the July 17, 2019 meeting, the Board approved a resolution authorizing the President or his staff designees to negotiate and execute a lease for approximately 38,000 square feet of new office space in Manhattan. He informed the Members that staff has successfully negotiated a lease for the 55th floor of 28 Liberty Street. Mr. Koopman stated that DASNY staff is working with the landlord's design and construction team to design and fit out the space, and indicated that DASNY expects to occupy its new offices by October 2020. He informed the Members that staff will keep them apprised of the relocation efforts by providing progress reports, photos, and other relevant information. Mr. Koopman thanked Board Member Ronski for his efforts in leading and guiding the Real Estate Committee in the search for new office space. Mr. Ronski expressed his belief that DASNY staff will be very pleased with the new office. Mr. Koopman thanked Mr. Cusack and Frederick W. Clark of Counsel's Office, who spent a significant amount of time negotiating the details of the lease. He stated that there were many details to be worked out and he appreciates the efforts of the legal team. Mr. Ronski thanked his fellow Committee Members, the Board Chair and former Board Member Paul Ellis for their efforts as well.

Mr. McDaniel expressed his appreciation for the time the Members dedicate to DASNY and their efforts to bring DASNY to the next level of service. He thanked them for their support and stated that he looks forward to working with them.

The Board Chair stated that he is proud to lead DASNY the DASNY Board. He further stated his belief that the DASNY Board is very strong and cares deeply about the organization. He underscored the difference between governing the organization and running the organization and stated that he is grateful that the Members understand and respect the difference. The Board Chair encouraged the President to let him know if he feels that the Members are inadvertently becoming too involved on the operations side of the organization. He stressed that the President leads the staff with respect to day to day operations. Mr. McDaniel thanked the Chair for his support and stated that open communication is very important.

Public Finance and Portfolio Monitoring Report

Ms. Lee presented the Public Finance and Portfolio Monitoring Report. She informed the Members that since the last Board meeting, DASNY priced and closed the St. Mary's Hospital for Children; Rockefeller University and SUNY Dormitory transactions.

Ms. Lee provided a brief market update. She stated that the total new issue supply is currently about \$397 billion year-to-date, which is 21% higher than the supply levels seen at this time last year. Ms. Lee further stated that the total supply for the week is expected to be heavy at approximately \$13 billion. She informed the Members that U.S. treasuries were mixed, as the 10-year treasury rate increased by 2 basis points and 30-year treasury rate decreased by 1 basis point from the previous day. Ms. Lee reported that top-rated municipal bonds strengthened from the previous day, with both the 10-year and 30-year AAA MMD decreasing by 1 basis point. She indicated that municipal bond funds reported inflows of \$615 million for the week ending December 4, 2019 and have now reported 48 consecutive weeks of inflows. Ms. Lee reported that the one-year, ten-year and 30-year MMD have decreased by eight, 15 and 18 basis points, respectively, since the November Board Meeting. She stated that it is a very good time to be in the market, as evidenced by the number of new money and refunding transactions coming before the Board for approval.

Ms. Lee informed the Members that staff continues their efforts to streamline and make processes more efficient and client-focused. She stated that she will continue to keep the Members updated on future outreach efforts with DASNY's clients and financing partners.

Mr. Ronski observed that St. Mary's Hospital for Children was able to finance at a very low rate. Ms. Lee agreed. She informed the Members that everyone was very proud of the transaction, especially given the very important mission of the Hospital. She noted that the Institution was the first private placement at DASNY. Ms. Lee stated that DASNY staff was pleased that they were able to help the Hospital achieve such significant savings. She further stated that the President of the Hospital is very supportive of DASNY and complimented the efforts made to assist them.

Ms. Raleigh agreed that the mission of the hospital is very important, and the transaction will represent savings for the State.

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 Central New York Psychiatric Center Emergency Generator Replacement project.

Mr. Curro stated that the \$10.3 million project consisted of a new 13,000 square foot service building housing two new stand-by generators, two above ground fuel oil storage tanks, two day tanks, electrical switch gear and load bank. He further stated that the project also included removal and replacement of electrical switch gear in Building 39. Mr. Curro reported that the project design commenced in May 2015 and construction was completed in August 2019.

Mr. Curro stated that project challenges included the sequencing, scheduling and coordination of the electrical and switchgear equipment that was moved from Building 39 to the new building. He explained that during this time, emergency power was needed to operate Building 39 while the new switchgear was installed to ensure that critical fire, life safety and security systems were operating at all times. Mr. Curro informed the Members that the work was divided into four phases of eight to 12 hours each and was closely coordinated with the OMH Facilities Safety Department.

Mr. Curro reported that three new projects totaling approximately \$17.7 million have been added to the Construction Division's project portfolio: the \$6.5 million Hudson Valley DDSO mechanical upgrade project; a \$5.8 million tower sealer project at the University at Albany; and a \$5.4 million sitework project at the College of Staten Island.

Mr. Curro reported that construction expenditures year to date through October 2019 were \$454 million, as compared to \$426 million for the same time period last year. He stated that this represents an increase of approximately \$28 million.

Mr. Curro then reported on several ongoing projects. He stated that the UAlbany Wellness Center project is nearing substantial completion and a TAO is anticipated within the next several weeks. Mr. Curro further stated that finish, punch list and commissioning work continues, and will be complete before students return for the spring semester. He reported that the gut renovation of Kent Hall at SUNY Plattsburgh is well underway with all trades fully engaged. Mr. Curro stated that building enclosure is underway with permanent and temporary protection installed to allow for interior finish work to progress over the winter months. He noted that the project completion date is August 2020.

Mr. Curro informed the Members that Phase IIB of the renovation of MacKenzie Hall at SUNY Alfred is moving to substantial completion and that occupancy is projected for the Spring 2020 semester. He stated that finish work, punch list and commissioning tasks are progressing.

Mr. Curro stated that the new residence hall at SUNY Poly is well underway. He reminded the Members that the design-build delivery method was utilized in connection with this project. Mr. Curro summarized that building enclosure tasks, including the application of roofing material

and window installation, as well as temporary enclosure measures, are all continuing. He stated that a substantial completion date of August 2020 is expected.

Mr. Curro stated that Phase I of the Cortland Smith/Casey Towers Renovation Project is scheduled to commence the week of December 23, once the students depart for the winter break. He explained that the eight-month Casey Tower renovation project is expected to be completed in August 2020. Mr. Curro informed the Members that renovation of the Smith Tower will begin in December 2020 and is expected to be completed in August 2021.

Mr. Curro reported that the SUNY Oswego Funnelle Hall renovation project is scheduled to commence on December 23. He stated that this is a significant renovation of a 400-bed dormitory and there is much work to be completed in a short period of time. Mr. Curro explained that abatement and demolition tasks are scheduled to be undertaken first. He noted that the project is expected to be completed in August 2020.

Mr. Curro reported that Bid package 1 for foundation work at FIT's New Academic Building will be advertised on Friday, December 13. He informed the Members that an Informational Meeting for the bidding community was held on Monday, December 9 and that Bid package 2 for the balance of building structure will be advertised in January.

Mr. Curro reported that work continues on the South Beach Psychiatric Center project. He informed the Members that an executive meeting including DASNY, the Construction Manager, and OMH was held yesterday. Mr. Curro stated that progress continues on the \$280 million project with contract work progressing on the first floor and punch list and commissioning activities taking place on floors two through five. He indicated that a TAO and occupancy is expected in the first quarter of 2020.

Mr. Curro stated that in connection with the NYCHA Program, the security projects is complete. He reported that the appliance purchase and installation initiative is nearing completion as well. Mr. Curro further reported that the Quality of Life portfolio consists of 21 completed projects and 26 projects in procurement or construction. He noted that the \$100 million program is expected to be completed in 2020.

Mr. Curro reported that the projects in the GOSR Program continue to move from the design phase into the construction phase. He noted that a September 2022 completion date is required for the program portfolio.

Mr. Curro informed the Members that the Javits and Moynihan Station Permitting projects continue to progress and that there are very heavy workforces engaged. He stated that the projects are expected to be substantially completed in the fourth quarter of 2020 or in the first quarter of 2021. He noted that DASNY will also be undertaking the permitting arrangements for the proposed Moynihan Station tenants.

Mr. Curro indicated that the OPWDD 2020-21 Community Minor Maintenance Program project listing has been received. He stated that the portfolio consists of over 85 projects with a total project value of approximately \$10 million.

Mr. Curro reported that discussions continue between DASNY and NYC BCTC regarding DASNY's new construction and renovation PLA. He stated that DASNY last met with BCTC on November 26 and delivered proposed negotiation points on December 6. Mr. Curro further stated that DASNY's proposal was expected to be considered by the NYC BCTC Board of Directors later today.

Mr. Curro updated the Members on the Contract Manager Replacement System. He indicated that on November 18-20, the implementation group HKA commenced the formal implementation process for PM Webb, DASNY's recently acquired project management system. Mr. Curro stated that system implementation is expected to continue for nine to 12 months.

Mr. Curro reported on various personnel changes at DASNY's partner customer agencies. He stated that Ed Killeen of OMH will be retiring in January 2020. Mr. Curro informed the Members that Mr. Killeen has been a DASNY advocate, leader and partner for many years. He stated that Marshall Vitale, who has worked closely with Mr. Killeen, will be taking over his responsibilities. Mr. Curro further stated that Judy Bertram, former Vice President of Facilities at CUNY, has retired and Allen Y. Lew has been named as her replacement. He noted that he is looking forward to meeting and working with Mr. Lew.

General Counsel's Report

Mr. Cusack informed the Members that at the request of Governance Committee Chair Johnson last month, staff has prepared a summary of recommended changes to DASNY's Procurement Policy and Procurement Contract Guidelines. He stated that the proposed Resolution adopting the changes is included in the package provided to the Members. Mr. Cusack explained that there are three categories of changes to be made. He indicated that the first category relates to necessary changes to DASNY documentation as a result of legislative changes in the opportunity programs area, including changes to Executive Law Article 15-A (Minority- and Women-owned Business Enterprises) and 17-A (Service-Disabled Veteran-Owned Business Enterprises).

Mr. Cusack stated that the second category of changes consists of updating DASNY's existing integrity provisions to incorporate Executive Order 192, which was issued in January 2019 and making administrative changes to tie the various integrity provisions together. Mr. Cusack stated that the third category of changes consists of making various administrative and other general changes and updates as further described in the memorandum to the Members. He indicated that the Governance Committee has recommended these changes and Counsel's Office supports the changes as well.

Mr. Johnson 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) AMENDING THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK PROCUREMENT CONTRACT POLICY AND GUIDELINES

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

Mr. Cusack directed the Members' attention to the Annual Board Review Action Chart included in the Board materials. He explained that the Chart provides a reference to the oversight and compliance obligations the Board has pursuant to statute and sets forth the dates each of the items will be addressed by the Board.

Mr. Cusack directed the Members' attention to the proposed 2020 Board Meeting Schedule which is being presented to the Members for their approval. He thanked the Members for their comments on the proposed calendar. He asked Ms. Lee to address the November and December 2020 meeting dates. Ms. Lee explained that on the proposed schedule, there is a five-week period between the October and November meetings, and only three weeks between the November and December meetings due to the Veteran's Day holiday. She noted that it is difficult to move the December meeting to a later date due to the holiday season. Ms. Lee stated that as a result, staff is proposing that the Board meet on Tuesday, November 10, the day prior to the Veteran's Day holiday. She noted that this would provide a four-week period between the November and December meetings.

The Acting Executive Director inquired whether the Committee Meetings would then be held on the same day as the Board Meeting. The Chair responded that it is sometimes possible to hold the Committee Meetings on the same day as the Board meeting but it depends upon the number of committees that need to meet as well as the number of items on each committee agenda. After discussion, the Members agreed to change the date of the November Board meeting to Tuesday, November 10 and address the date and time of the Committee meetings closer to November. Mr. Cusack stated that a revised schedule will be provided to the Members at the January Meeting.

Financial Report

Ms. Nadeau stated that she had nothing additional to report with respect to the Financial and Quarterly Treasurer Reports included with the Board materials.

Ms. Nadeau summarized certain provisions of the memorandum provided to the Members with respect to the annual mid-year projection for the current fiscal year. She stated that the projected results have improved from the approved budget by approximately \$1.5 million. She explained that the change is driven by three areas: an increase in the revenue from private client financings; higher interest earnings; and a higher allocation of future liability for post-retirement benefits other than pensions - primarily health care - to public clients as a result of a continued higher level of support for those clients. Ms. Nadeau stated that since there is a \$164 million liability for post-retirement benefits related primarily to retiree health care benefits, even a 1% change can have a significant monetary impact. She informed the Members that DASNY allocates this cost based on payroll numbers and that in order to minimize volatility, the calculation is based upon a 5-year rolling average of the amount of employee time spent supporting public and private clients. Ms. Nadeau noted that for public clients, this cost is covered by the billing process, while for private clients, the cost must be absorbed with fixed fees.

The Chair wished the Members and Staff a happy holiday season and noted that the next meeting of the DASNY Board will be on January 8, 2020 in the Albany Office.

Ms. Sullivan moved that the Meeting adjourn, Ms. Snyder seconded the motion and the Meeting was adjourned at approximately 10:55 a.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary