

The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's New York City Office, One Penn Plaza, 52<sup>nd</sup> Floor, New York, New York at 9:30 a.m. on Wednesday, February 5, 2020.

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  
Wellington Z. Chen, Member  
Beryl L. Snyder, Esq., Member  
Joan M. Sullivan, Member  
Gerard Romski, Esq., Member  
Adrian Swierczewski, Designated Representative of the Director of the Budget, Member (ex officio)  
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 via Zoom – Buffalo

Jonathan H. Gardner, Esq., Member (non-voting Member)

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  
Tara Miner, Esq., Acting Dir, Office of Professional Integrity  
Jeffrey Gordon, Senior Director, Communications & Marketing  
Deborah K. Fasser, Director of Strategic Communications and Business Development  
David P. Ostrander, Assistant Director, Public Finance and Portfolio Monitoring  
Craig M Schreivogl, Assistant Director, Public Finance and Portfolio Monitoring

Other Attendees:

Virginia Wong, Esq.

Nixon Peabody, LLP

Vivian Drohan, Esq.

Drohan Lee, LLP

Laurie Hall, Esq.

Hawkins Delafield & Wood, LLP  
(Albany Video)

Patrick McGlashan, Esq.

McGlashan Law Firm, PC

## **PUBLIC SESSION**

The Chair welcomed the Members and called the Meeting to order. He noted that Jon Gardner was participating in the meeting as a non-voting Member.

### Election of Officers

The Chair noted that the first item on the Agenda is the Election of Officers. He noted that in November 2019 Paul Ellis resigned from the Board and from his position as Secretary to the Board. He noted that the Resolution being presented to the Board today appoints Beryl L. Snyder as Secretary. He further noted that the Resolution makes administrative changes to members of Staff serving as Assistant Secretary and Assistant Treasurer, in addition to updating the legal name of an Assistant Secretary, and that the Resolution reaffirms that list.

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

### **A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) REAFFIRMING AND ELECTING OFFICERS OF DASNY**

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

The Chair then turned the Members attention to the Minutes of the January 8, 2020 Regular Meeting which were then reviewed and approved.

### Columbia University

The Acting Executive Director then introduced the Columbia University transaction. He noted that as there are no new recent developments on the transaction, the matter would proceed directly to bond counsel review as part of Staff's effort to streamline the presentation of financings to the Board. He then introduced Virginia Wong, Esq. of Nixon Peabody, LLP and Vivian Drohan, Esq. of Drohan Lee, LLP, co-bond counsel on the transaction.

Ms. Drohan stated that before the Members for consideration today is the adoption of one Series Resolution authorizing the issuance of Bonds under DASNY's Columbia University Dormitory Revenue Bond Resolution, adopted on September 27, 2000. She noted that the Series Resolution designated Series 2020A authorized the financing of costs of a variety of capital improvements and pay the costs of issuance. She indicated that the Series Resolution also

authorizes certain amendments to the Loan Agreement, which Ms. Wong will describe separately.

Ms. Drohan indicated that the Series Resolution delegates to various officers of DASNY the power to make the determinations described in the accompanying Bond Counsel letter, and to do all things necessary or convenient in connection with the sale and issuance of the Bonds. She noted that this includes, among other things, determinations as to the procurement of credit support and the funding of a debt service reserve fund. She stated that no debt service reserve fund is established in connection with the issuance of the Authorized Bonds.

Ms. Drohan stated that the General Resolution constitutes the agreement between DASNY and the holders of the bonds issued under it and contains the basic terms of that agreement, and that the bonds issued under the General Resolution will all be on a parity with each other.

Ms. Drohan stated that the bonds issued under the General Resolution will be “special obligations” of DASNY payable solely out of and secured by the Revenue Fund and all accounts within the Fund, including the reserves for operations, maintenance, repair and renovation, and the money and investments on deposit in the Fund and the accounts within it from time to time.

Ms. Wong noted that in connection with the issuance of Bonds under the General Resolution, DASNY entered into a Loan Agreement, dated September 27, 2000. She stated that this original Loan Agreement was amended and restated by the parties in September 2011. She further noted that the University has requested that DASNY make certain amendments to the Loan Agreement to align certain provisions with current DASNY policy and more recent loan agreements entered into by DASNY. She summarized the amendments as including: (a) removal of covenants relating to engagement of a Management Consultant; (b) removal of specific requirements to furnish a certificate on an insurance consultant, and to obtain DASNY’s consent to material changes to certain contract documents; and (c) a more modern requisition process.

Ms. Wong indicated that the amendments contained in the Amended and Restated Loan Agreement require the prior written consent of Holders of at least a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given. She stated that the Authorized Bonds will not constitute a majority in aggregate principal amount of Bonds to be outstanding; however, the underwriters for the Authorized Bonds have indicated that, as permitted by the General Resolution, they will consent to the amendments as the underwriter of the Authorized Bonds. Ms. Wong noted that the University expects the amendments will take effect when the requisite amount of future Bonds are issued that provide the consents needed to reach a majority, and that a request for consent will be sent to the holders of the Outstanding Bonds as required by the General Resolution.

Ms. Wong stated that the Authorized Bonds are proposed to be sold in one or more negotiated sales to a syndicate of underwriters pursuant to a Bond Purchase Agreement containing customary terms and conditions. She clarified that the General Resolution permits additional bonds to be issued, and that there is no additional bonds test for Columbia University.

In response to an inquiry by the Chair, Ms. Drohan noted that the amendments were being made to conform the documents to match changes that have been made recently to documents that DASNY is now using with other similarly-rated clients.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020A  
RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF COLUMBIA  
UNIVERSITY REVENUE BONDS

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

New York University

The Acting Executive Director introduced Mr. Ostrander, Laurie Hall, Esq. of Hawkins Delafield & Wood, LLP (participating via video from the Albany Office as a substitution for scheduled counsel due to exigent circumstances) and Patrick McGlashan, Esq. of the McGlashan Law Firm, PC, co-bond counsel on the transaction.

Mr. Ostrander updated the Members on the transaction noting that at the December 11, 2019 Board Meeting, the Members adopted a Resolution to Proceed authorizing a refunding and new money issuance on behalf of NYU. He noted that at this time, the University has decided to proceed with only the refunding portion of the transaction and that of the \$750,000,000 not-to-exceed amount approved in December, the authorized amount associated with the proposed refunding for which the Board is being asked to adopt documents is being reduced and will not exceed \$450,000,000. Mr. Ostrander indicated that with the exception of this modification, there are no changes to the authorized purpose or security previously described to the Board.

Mr. McGlashan stated that before the Members for consideration is the adoption of a First Supplemental Resolution, which will amend and supplement DASNY's New York University Revenue Bond Resolution adopted on May 28, 2008; and the adoption of two Series Resolutions, which are referred to collectively as the Series 2020 Resolutions. He noted that each Series Resolution authorizes the issuance of a series of DASNY's New York University Revenue Bonds pursuant to the General Resolution.

Mr. McGlashan stated that the proceeds of the Bonds authorized will be loaned to the University pursuant to a Loan Agreement approved and entered into by DASNY and the University in 2008, and that the two Series Resolutions are identical to one another except for the series designations, and authorize, individually and in the aggregate, the issuance of up to \$450,000,000 of Bonds. He noted that the University has requested that DASNY issue the Bonds, which together with other available funds, to be used: (i) to refund all or a portion of DASNY's outstanding New York University Revenue Bonds, Series 2012A, 2012B, 2013A and 2015A; and (ii) to pay all or a portion of the costs of issuance of the Bonds.

Mr. McGlashan stated that each Series 2020 Resolution authorizes the issuance of Tax-Exempt Bonds or Federally Taxable Bonds, and that the proposed bond structure currently

contemplates the issuance of the Bonds as fixed rate (serial and term) bonds, issued in two series, one taxable and one tax-exempt. He indicated that currently expected that the Authorized Bonds will be sold by negotiated sale to a syndicate of underwriters, the lead manager of which will be Bank of America Securities, Inc. Mr. McGlashan noted that each Series 2020 Resolution delegates to certain officers of DASNY the power to determine the particular terms of the Bonds, and the authority to enter into certain agreements on behalf of DASNY, and such delegations are described in detail in the accompanying Bond Counsel letter. He noted that among the agreements authorized in the Series 2020A Resolutions is an Amended and Restated Loan Agreement, which together with the First Supplemental Resolution previously referred to, will be discussed, along with the security for the Bonds, by co-bond counsel, Ms. Hall.

Ms. Hall indicated that as noted by Mr. McGlashan, the Bonds are being issued to refund the 2012, 2013 and 2015 Bonds previously issued under the General Resolution. She stated that because the 2012 and 2013 Bonds are not callable for several more years, the University will refund these bonds with a taxable series due to changes in federal law eliminating tax-exempt advance refundings. She further noted that the portion of the 2015 Bonds that will be refunded were issued as stepped coupon bonds with only a 5 year call protection period, and are subject to redemption beginning on July 1<sup>st</sup> of this year. Ms. Hall stated that these bonds will be currently refunded within 90 days of the date of issuance of the authorized 2020 bonds with proceeds of the tax-exempt series.

Ms. Hall noted that this is the 11<sup>th</sup> time the Board has been asked to authorize the issuance of bonds under this General Resolution and that these Bonds, like all other Bonds previously issued under the General Resolution, will be Special Obligations of DASNY, payable solely from and secured by payments made by the University pursuant to the Loan Agreement and from amounts in the funds and accounts held by the Trustee under the General Resolution. She stated that all of the Bonds issued pursuant to the Series 2020 Resolutions adopted today will be on a parity with each other and with all other Bonds issued under the General Resolution, and that under the Loan Agreement (including as amended and restated), the University is obligated to make loan payments in amounts and at the times, sufficient to pay debt service on the outstanding bonds. She noted that the University's obligation to make such payments is a general obligation of the University and the Bonds are not secured by any mortgage, a pledge of any University revenues or a debt service reserve fund.

Ms. Hall stated that in addition to the two Series 2020 Resolutions, the Authority is being asked to adopt the First Supplemental Resolution amending the General Resolution, and by adoption of the Series Resolutions, to amend and restate the Loan Agreement. She indicated that the purpose of the amendments to the General Resolution and the Loan Agreement is to bring the respective documents more in line with current DASNY policies and more recent documents utilized by DASNY. Ms. Hall mentioned that the proposed amendments to the General Resolution include: (a) removing provisions regarding certain optional newspaper notice publications; (b) removing the 30-day waiting period for amendments of the bond documents to become effective; (c) clarifying the University's role with respect to redemptions and the selection of bonds to be redeemed; and (d) authorizing the more frequent release of excess revenues on deposit with the Trustee.

Ms. Hall stated that the proposed amendments to the Loan Agreement include: (a) provisions for a more streamlined requisition process; (b) removal of covenants relating to engagement of a Management Consultant; and (c) removal of the requirement for annual reports of an Insurance Consultant.

Ms. Hall noted that the General Resolution provides that the proposed amendments to either of the documents will not become effective until the consents of a majority in principal amount of the outstanding bonds are obtained, and that while it is expected that the underwriters of the 2020 Bonds being authorized today will consent to the amendments on behalf of the 2020 holders, the 2020 Bonds will not constitute the requisite majority of the Bonds outstanding under the General Resolution. She noted, therefore, that it is anticipated that upon issuance of the 2020 Bonds, a request for consent to the amendments to the General Resolution and the Loan Agreement will be sent to the remaining outstanding holders of the Bonds.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK FIRST SUPPLEMENTAL RESOLUTION AMENDING AND SUPPLEMENTING THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK NEW YORK UNIVERSITY REVENUE BOND RESOLUTION, ADOPTED ON MAY 28, 2008; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020A RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF NEW YORK UNIVERSITY REVENUE BONDS; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020B RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF NEW YORK UNIVERSITY REVENUE BONDS

Ms. Snyder seconded the motion and the Resolutions were unanimously adopted.

### President's Report

The Acting Executive Director noted that February is Black History Month, and in honor of such, he wanted to remind the Members of several prominent figures in history. He stated that in 1928, Dr. Louis Wright became the first African American Police Surgeon of the City of New York, and in 1934 he was the first Negro admitted to fellowship in the American College of Surgeons and started practicing at the Harlem Hospital in 1919.

He further stated that in 1925, Cornell University became the first University in America to award a PhD to a black man, and in 1938 awarded its first PhD in Mathematics to a man of color, the 4th awarded in the country. He noted that man was Reuben McDaniel Sr., his grandfather.

The Acting Executive Director noted that on July 18, 1863, the soldiers of a civil war regiment led the charge on Fort Wagner. He noted that during the battle, the unit's color guard

was shot. He noted that a soldier who was just a few feet away, saw the dying man stumble, and he scrambled to catch the falling flag. He stated that despite suffering several serious gunshot wounds himself, the soldier kept the symbol of the Union held high as he crawled up the hill to the walls of Fort Wagner, urging his fellow troops to follow him, and he planted the flag in the sand at the base of the fort and held it upright until his near-lifeless body was rescued. He indicated that even then, though, he didn't give it up and many witnesses said the soldier refused to give the flag to his rescuers, holding onto it tighter until, with assistance, he made it to the Union's temporary barracks. The Acting Executive Director noted that on May 23, 1900 this soldier was awarded the first Congressional Medal of Honor to an African American. The President noted that this soldier's name was William Harvey Carney, a relation of the Chair.

The Acting Executive Director reminded the Members that at the last meeting, there was a discussion of providing the Board materials to the Members in a more electronically-friendly fashion using OneNote. He indicated that Ms. Nadeau would make a brief presentation to the Members on this technology. Ms. Nadeau presented the Members a tutorial on OneNote, utilizing the February Board Book materials as an example.

The Acting Executive Director noted that the goal was to make the electronic version mirror the hard copy Board Book as much as possible. He indicated that he worked with Mr. Cechnicki on a trial run of this technology, and asked Mr. Cechnicki to comment on the OneNote version of the materials. Mr. Cechnicki stated that he had been using OneNote in his position at the Education Department and noted that it is a very user-friendly and useful tool.

In response to an inquiry from Mr. Ronski, Ms. Nadeau indicated that if the user has the Microsoft suite on their current system, they will have access to OneNote. She stated that as we roll the process out we will have one-on-one discussions to provide information to the individual Members to trouble-shoot any issues with the device they may be using. Mr. Cechnicki mentioned that there are various apps available for the many devices that people are using.

The Acting Executive Director stated that for the March Board Meeting, the Members will receive their materials in hard copy, as well as in OneNote, so that they can familiarize themselves with the OneNote version. He noted that they can then decide if they want to transition to strictly an electronic version, or if they wish to still receive the hard copy materials, or combination of both. He further noted that Staff is using this technology in preparing materials that are transmitted to the Members, as it is a useful collaborative tool. He reiterated that Staff would provide one on one training to any Member who wanted it.

Mr. Johnson noted that currently he receives an e-mail that allows him to access Board materials electronically that he is then able to use a drop box and save to his device and inquired if this is a substitute for that. Ms. Nadeau noted that those materials can still be populated if that was desired, however, she noted that the intention was to substitute what is currently on the external website for the Members with the OneNote technology.

In response to an inquiry by the Chair, Ms. Nadeau noted that supplemental materials can be provided through OneNote as well and the Members would be notified of the materials in the

same manner as they will be for the Board Book. Mr. Cechnicki noted that the individual can add to the Notebook that they receive as well.

Ms. Nadeau responded to Mr. Romski, noting that the Notebooks are saved to the cloud continuously and that Members will always have access to it for future reference or use. In response to an inquiry by Mr. Johnson regarding the Open Meetings Law, Ms. Nadeau clarified that the OneNote technology provides an individual copy of the Board Book to each Member and does not facilitate any private communications among the Members. Ms. Nadeau reiterated that each Member has their own OneNote Board Book and any notes or comments they make are individual to them and are not automatically shared with other Members.

Mr. Gardner inquired as to whether or not the materials that the Members currently receive in hard copy are considered public documents and if so, how this application might affect that. Ms. Nadeau noted that this is no different from the hard copies or the current electronic materials that the Members currently have access to. The Acting Executive Director noted that the process in effect today would not change, and that any questions in this regard would be coordinated with the General Counsel. Ms. Nadeau added that as to any documents that might be confidential, access to the documents can be password protected to assure that certain items remain confidential if necessary.

Mr. Carney congratulated the Acting Executive Director and Staff, noting that he did not anticipate that the materials would be ready to be presented to the Members so quickly after only recently discussing it. He noted he was impressed on how quickly this had come together. Ms. Nadeau thanked Diane Felitte for her efforts in putting together the OneNote Board Book, as she had not had any experience with the software prior to two weeks ago.

Next, the Acting Executive Director reported on the Proposed State Budget, noting that on January 21, 2020 Governor Cuomo presented the proposed 2021 Executive Budget. He stated that Staff is reviewing the proposed legislation, and that Michael Hernandez, Director, Intergovernmental Relations, is monitoring the situation and reporting on any new developments.

The Acting Executive Director stated that the University at Albany – State University of New York (SUNY) held a grand opening of its new \$2 million Health and Counseling Services Center – the first of its kind in the SUNY system. He noted that the relocation of the state-of-the-art facility to an on-campus location was part of a project to renovate Beverwyck and Schuyler Halls on the Dutch Quad. He commented that this project has brought focus to the actual client of DASNY, who in this case is the student living on campus who may need medical services that can now be found at a modern, purpose-built health facility. He complimented Mr. Curro and his team on this project.

The Acting Executive Director noted that, as previously mentioned, DASNY will be hosting two Retiree and Employee Milestone Service recognition breakfasts; the breakfasts will be held at 9:30-11 a.m. on Tuesday, February 11 in NYC office; and Wednesday, February 12 in the Albany office. He extended an invitation to the Members to attend and indicated that they would receive invitations via email as well and noted that he and the Chair would be at both events.



The Acting Executive Director introduced Jeffrey Gordon, Senior Director of Communications + Marketing. Mr. Gordon noted that he comes to DASNY with nearly 30 years of professional communications experience in both the private sector and public sector. He noted that he previously worked as Press Secretary for the Office of the State Comptroller, and as Director of Communications for the New York State Budget Division, the State Health Department and the New York State Energy Research and Development Authority (NYSERDA) and most recently, served as Vice President of Communications for Albany Medical Center, where he oversaw all marketing and both internal and external communications. He noted that the reputation of DASNY statewide has been extremely positive, and that he sees nothing that contradicts that.

The Acting Executive Director noted that Deborah Fasser has begun her new role as Director of Strategic Communications and Business Development, and will assume many of the responsibilities previously held by Dan Petroff. He noted that Ms. Fasser will conduct long-range strategic assessment and planning to elevate the profile and promote the growth of DASNY.

The Acting Executive Director noted that as the Members are aware over the last five years, DASNY has made a significant investment in its grants program. He indicated that Sara Richards, Esq. has been spending the majority of her time on grants, and has taken a leadership role in the Grants Administration unit. He noted that while DASNY does not expect a significant increase in grants volume, that for efficiency purposes Ms. Richards is being transitioned to the Grant Administration unit as Senior Director, Grants Administration. He stated that associated changes to Board administration will be addressed by other members of Counsel's Office.

The Acting Executive Director reported that preparations for the move to 28 Liberty are underway. He noted that we will have a higher-functioning setting with new furniture that includes stand-up desks and other updates. The Chair asked if staff could gather some photographs so that the Members could see where things stand now and compare to the finish product. The Acting Executive Director agreed. The Vice President noted that there are renderings that can be shared with the Members as well.

The Acting Executive Director informed the Members that one of our DASNY employees has a young daughter with an aggressive cancer, which has recently returned. He noted that the family is devastated, and that to show support, DASNY banded together and threw a "Superbowl Party". He stated that employees wore their favorite NFL team jersey to work as a pre-Superbowl casual Friday and were asked to donate some spare change to send some Superbowl themed decorations and goodies to brighten Charlie's room. The Acting Executive Director reported that the response was remarkable and that our DASNY family raised more than \$10,000 for her family.

Public Finance and Portfolio Monitoring Report

Ms. Lee reported that since the last Board meeting, DASNY priced the following transactions: Convent of the Sacred Heart private placement; Fordham University; and Trevor Day School private placement. She indicated that since her written report, the NYU Langone Hospital and Barnard College transactions have also priced. She stated that NYU Langone received a one notch upgrade to A and Barnard's rating ticked down a notch to A2, and that both transactions priced extremely well as did the Fordham financing.

Ms. Lee reported that we are in the market today with the Montefiore financing. Montefiore's rating went from BBB to BBB-, noting that they maintained their rating in the investment grade category which was their goal as discussed during last month's meeting.

Ms. Lee then gave the market update stated that total new issue supply is currently about \$31 billion year-to-date, 22.5% higher than the supply levels seen this time last year. She indicated that the total supply for the week is expected to be around \$7.6 billion; of this \$7.6 billion in supply, about \$4.9 billion is expected to be tax-exempt. She stated that after yields hit all-time lows on Friday, top rated municipal bonds were weaker across the curve on Tuesday with both the 10-year and 30-year AAA MMD yield increasing by three basis points. Ms. Lee mentioned that U.S. government bonds were also weaker on Tuesday.

Ms. Lee noted that municipal bond funds have reported inflows for the week ending January 29<sup>th</sup> and that municipal bond funds have now reported 56 consecutive weeks of inflows. She indicated that the one-year, ten-year and 30-year MMD have decreased by 12, 16 and 13 basis points, respectively, since the January Board Meeting.

Ms. Lee directed the Member's attention to the Credit Enhancement Update as of the end of 2019. She noted that this report is provided to the Board each year and that there are no surprises. She stated that the report shows the debt for not-for-profit institutions and credit enhancement, and noted that the 2019 fixed and variable numbers versus 2018 are steady. She indicated that the 2019 versus 2018 debt numbers show that the unenhanced debt portfolio is growing. Ms. Lee noted that the last page reflects the various institutions with letter of credits and the applicable expiration dates.

Ms. Lee stated that DASNY continues its efforts in streamlining and being more client-focused. She noted that DASNY will be meeting with clients over the next several weeks to gather their input on our financing process, including our work to make the process more efficient. Ms. Lee mentioned that we are meeting with Rockefeller University this afternoon and will keep the Board posted on that meeting, as well as other upcoming meetings with borrowers and senior managers.

Ms. Lee pointed out to the Members that the Bond Sale Summaries including performance metrics are also included in the Member's materials.

In response to an inquiry from Ms. Snyder, Ms. Lee stated that unenhanced bonds have increased because prior to 2008 much of DASNY's portfolio included transactions with bond insurance and that bond insurance has been much less prevalent after the financial crisis.

Mr. Johnson inquired as to whether any analysis had been performed with regard to the demand for tax-exempt bonds being nationwide versus coastal, or within traditional progressive states. Ms. Lee responded that from the borrower perspective there clearly are capital needs that required financings. She also noted that very strong investor demand has been evident in recent pricings, where we are seeing pricings with very the low rates. Ms. Lee further noted that DASNY is seeing an increase in borrower interest in the issuance of taxable refunding bonds, that achieve savings for the borrowing entity given the current low interest rate environment.

In response to a question from the Chair on whether the increase in both unenhanced bonds and investor demand was an indication that investors may be willing to take additional risk, Ms. Lee stated that she wasn't sure and pointed out that prior to 2008 credit enhancement was widely used even for AA and other highly-rated institutions. The Acting Executive Director added that when bond insurance went away in 2008 and 2009, practices transitioned away from bond insurer credit analysis to investors doing much more in-depth credit analysis.

In response to Mr. Johnson's earlier question, the Acting Executive Director further stated that as rates have declined significantly, a number of states such as New York, Illinois, California and Florida, with pent-up infrastructure demands, have completed large bond issuances at a very low cost to address these needs. He noted that natural demands for refundings combined with infrastructure needs are also driving borrower demand, and that other states may follow suit. He also noted that the use of a 5% coupon callable in 10 years has been fairly common in the investment banking community in the period following 2008-09, and that it is almost always economical to refund these bonds and that DASNY is now seeing the effect of that.

Finally, Mr. McDaniel noted that pension obligation bonds are different and that determinations to issue these bonds around the country are based upon a view that investment opportunities will result in a higher yield for the pension issuer, and that the lower interest rates nationally may stimulate some of the demand.

Ms. Lee concluded by stating that on the private client side, the low rates are certainly a factor that non-profit institutions are considering in their plans for issuance, and that on the New York State side issuance plans are steady.

### Construction Projects Report

Mr. Curro directed the Members' attention to the photograph on the cover of the Construction Projects Report which depict the SUNY Purchase – Big Haus interior renovation project. He noted that this was an interior renovation project with phase one beginning in 2013 and that this particular project was phase seven of nine phases, the last anticipated to be completed in the Summer of 2022. He stated that the project included asbestos abatement, upgrades to bathrooms, student room and corridors, as well as upgrades to the mechanical systems adjacent to phase seven work.

Mr. Curro reported that the budget on the project was \$11.7 million with an all in project budget of \$51.8 million for all phases. He stated that design started in September 2017 and was completed in March 2018 with Mach Architecture as the design consultant. He noted that construction work began in May of 2018 and was completed in August of 2019 with work only occurring from May through August each summer. He noted that Niram, Inc was the General Contractor and that the construction manager included DASNY field representatives and supplemental staffing from DACK Consulting Solutions.

Mr. Curro explained that the project included a rather large scope that was broken down into two summers so as to minimize the impact on the traditional school calendar year and students for this 400-bed residence hall constructed originally in the 1970s. He noted that with this approach we are now in year seven of 10 for the project.

Mr. Curro noted that there is one new project listed in this month's report: CUNY – 17 Lexington Avenue with a project budget of \$30 million. He stated that as reported last month, SUNY Albany Wellness Center was completed and opened last week.

Next, Mr. Curro reported on the expenditures to date. He stated that the prior year-to-date expenditures were \$540 million and the current year-to-date expenditures are \$567 million and increase of approximately \$27 million year over year.

Mr. Curro stated that in connection with the 40 ongoing GOSR projects; 10 are in design; 18 in procurement; nine in construction and three complete. He further stated that of the 47 NYCHA Quality of Life projects: none are in design; eight are in procurement; 17 are in construction and 22 are complete.

Next, Mr. Curro reported on the South Beach Psychiatric Center, noting that the project continues to advance toward receipt of a Temporary Approval of Occupancy (TAO). He indicated that trades are working their way out of the project's first floor. He stated that punch listing continues, as does completing and closing punch list items. Mr. Curro stated that building commissioning is on-going and that we anticipate the TAO late February/early March of this year.

Mr. Curro noted that DASNY and DOH continue to work with the design/build team on project programming for the \$750 million Life Sciences Laboratory.

In connection with SUNY, Mr. Curro stated that DASNY presented last week at the SUNY Physical Plan Administrators Association Winter Conference held in Saratoga Springs, New York. He noted that the presentation focused on an update from DASNY and the two Zero Net Energy projects at SUNY Poly – Hillside Hall and SUNY Oneonta – Ford Hall. Mr. Curro reported that DASNY received project requests to study and provide programming services for construction of a new residence hall at SUNY University of Buffalo. He stated that this is exciting for our Western New York staff as this is the first new residence hall at University of Buffalo in a very long time.

Mr. Curro indicated that with regard to the PMWeb implementation project, DASNY continues with the implementation of the replacement project management system. He noted that implementation began in November 2019 and will continue through 2020, incorporating all Phase I identified functionality. He stated that Ron Gescedi is leading the effort on DASNY's behalf; and a formal implementation schedule is anticipated this week from HKA, the implementor.

Mr. Curro reported that this year DASNY will continue with the Summer Intern Program. He noted that just this week, he received a recommendation to hire a 2019 summer intern and that, in addition, we are interviewing another summer 2019 intern for a position here in New York City. Mr. Curro stated that we are in the planning and discussion mode for a new hire in Buffalo with yet another summer 2019 intern following their graduation in May. He indicated that dividends are paying off as a result of DASNY's summer student internship program.

In response to an inquiry from Mr. Cechnicki, Mr. Curro noted the differences in our two service offerings, those being in full service, DASNY holds all design and construction contracts and in modified services, DASNY plays whatever role the customer agencies wants us to such as processing invoices, etc, but we are not holding contracts. In response to Mr. Cechnicki's question regarding the Governor's proposed Mother Nature Bond Act, Ms. Griffin noted that she did not believe DASNY had any role.

#### General Counsel's Report

Mr. Cusack reported the activities of Counsel's Office, and noted that Counsel's Office has also hired a legal intern who was placed with DASNY this past summer. He concurred with Mr. Curro that this is a credit to the program. Looking forward, Mr. Cusack reviewed the Board Review / Action Chart and noted that the March and June meetings tend to be the longest meetings in the annual meeting cycle. Mr. Cusack noted that at the March Board Meeting, a number of governance items and DASNY operating policies and procedures would require Governance Committee and/or full Board review. He stated that if the Members had any suggestions they wished to cover in this review process, to please let him know.

The Chair commented on how wonderful the internship program is at DASNY, and commended the fact that DASNY commenced a process in two separate divisions that resulted in a number of interns being hired back by DASNY. A discussion of the Public Finance Fellow Program ensued, and the President and Chair provided an update to the Members on the transition of the prior Fellows to the banking side of the program and plans for DASNY to continue the program this year.

#### Financial Report

Ms. Nadeau deferred to her written report, and indicated that unless there were any questions from the Members, she had nothing to add.

Mr. Sullivan moved that the Members go into Executive Session to discuss the financial and credit history of particular corporations; proposed, pending or current litigation; and the

employment history of persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons.

Mr. Ronski 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**

The Chair noted that the next Regular Meeting of the DASNY Board is scheduled for Wednesday, March 4, 2020 in the New York City Office.

Ms. Sullivan moved that the Meeting adjourn, Ms. Snyder seconded the motion and the Meeting was adjourned at approximately 11:05 a.m.

Respectfully submitted,

Michael E. Cusack  
Assistant Secretary