Alfonso Carney, **Chair**: This is Al Carney. I want to welcome all the Members, staff and guests to the July meeting of the Board of the Dormitory Authority of the State of New York. We are really pleased to have folks here. Because we are dealing with a temporary revision of the Open Meetings law, we need to have a notification read. Mike Cusack has that notification. After that, we will poll the membership to see who's with us. Mike?

Michael E. Cusack, Esq. – General Counsel: Thank you, Mr. Chairman. On March 7, 2020, Governor Cuomo declared a disaster emergency in the State of New York due to the outbreak of the novel coronavirus, or COVID-19. Pursuant to Governor Cuomo's subsequent Executive Order 202.1 dated March 12, 2020, as extended by Executive Orders 202.14, 202.28, 202.38 and 202.48, today's meeting of the Board of Directors of the Dormitory Authority of the State of New York, or DASNY, is being conducted telephonically and by video conference.

Executive Order 202.1, as extended, provides, in relevant part, that Article 7 of the Public Officers Law, known as the Open Meetings Law, is suspended through August 5, 2020 to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in public in-person access to meetings and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

The location of today's Conference Call and Video Conference Meeting of the DASNY Board is designated as the DASNY Headquarters, 515 Broadway, Albany, New York, where I am located. Notice of this meeting has been posted in the standard locations that are publicly accessible. Notice has also been posted prominently on the DASNY.org public website. In accordance with EO 202.1 (as extended) and the DASNY Bylaws, an audio and video recording of today's Meeting will be accessible from DASNY's website (www.dasny.org) not later than two business days after the close of the meeting, and today's proceedings will also be transcribed and posted as soon thereafter as is reasonable and practicable under the circumstances. I will now turn the meeting over to my colleague, Kim Nadeau, who will conduct a roll call. Thank you, Mr. Chair.

Mr. Carney: You're welcome.

Kimberly Nadeau, Chief Financial Officer: Thank you, Mike. Before I start, I will ask the one person in the waiting room from the public to identify themselves before we continue on. Good morning Renny. Can you hear us okay? Could please identify yourself so that the Board Members know who is in attendance? I believe, you're on mute, Renny.

Renwick Paige: This is an interested community member, Renwick Paige, based in Brooklyn, I work on energy infrastructure.

Mr. Carney: Welcome, welcome to the meeting. You are coming in and out. But we heard your identification, welcome.

Ms. Nadeau: And I do have you on mute. We asked people that are participating in the meeting to stay on mute, so that the reception is better for those participating.

With that, we have with us all of our Board Members this morning - the following Members are present:

Board Members:

Alfonso Carney, Chair
John B. Johnson, Jr., Vice Chair -- Present
Beryl L. Snyder, J.D., Secretary of the Board – Present
Jonathan H. Gardner, Esq., Board Member – Present
Wellington Chen, Board Member – Present (joining late)
Joan M. Sullivan, Board Member – Present
Gerard Romski, Esq., Board Member – Present
Janice McKinnie, Board Member - Present
Brian Cechnicki, Designated Representative SED, Board Member (*ex officio*) – Present
Tracy Raleigh, Designated Representative DOH, Board Member (ex-officio) - Present
Adrian Swierczewski, Designated Representative of DOB, Member (*ex officio*) – Present

Mr. Carney: Thank you very much, Kim. It's great to have a full house. It warms my heart to know that everybody could make this meeting, and found the time and made the time to be here. Again, welcome to the Members staff and our guests. Where I am it's going to be 94 degrees today, with moderate humidity. A perfect summer day bright and sunny and I won't even ask the rest of you, what the weather's like where you are because it couldn't be as good as it is here. A special welcome to our newest now voting member Janice McKinnie. Janice, I believe you took the oath of office since the last time we were together on the phone.

Janice McKinnie, Member: Yes, I did.

Mr. Carney: Well then you are full-fledged Member now, certainly feel free to participate to the extent you choose to do that. The Agenda today is deceptively short. It looks like it's going to be a short meeting. It isn't likely to be, because we have a big presentation planned for the Members. I will get to that when we get to the Presidents Report. First order of business, of course, is the approval of the transcript of the June 24th meeting you all have had a chance to read that transcript. Are there any proposed revisions?

Jon Gardner, Member: I have a question. Why is it a transcript as opposed to Minutes?

Mr. Carney: Because it is recorded Jon, I assume, but I don't know the answer to that. Is it an important answer for you?

Mr. Gardner: No it isn't. I was expecting Mike Cusack to jump right in and say, but he didn't, so it's fine.

Mr. Cusack: I was on mute Jon, I apologize. The answer is that the Executive Order uses the word "transcribed." So we're just conforming to the alternative procedure that the Governor outlined in the Executive Order.

Mr. Gardner: So, when we approve them, they have the same effect as the minutes.

Mr. Cusack: That is correct.

Mr. Carney: Terrific. Thank you, Mike.

It's the June 24 meeting are there any proposed revisions? Hearing none, rather than asking for Aye votes, may I have a motion please to approve?

Mr. Gardner: Moved.

Mr. Carney: So moved. Is there a second?

Joan Sullivan, Member: I seconded for the record.

Mr. Carney: I'm sorry, who was the second?

Mr. Cusack: I have a motion by Jon and a second by Joan Sullivan.

Mr. Carney: Outstanding. Rather than asking for people to indicate their approval with "Aye", I will ask the question, is there any opposition to the approval of the transcript as it appears in our materials? Hearing none, the motion is approved unanimously.

We first go to the Finance Committee report. Mr. Romski?

Gerry Romski, Member, Finance Committee Chair: Thank you, Mr. Chair. We met yesterday as the Finance Committee. All members were present, by way of Zoom. We first adopted the meeting minutes from the May meeting of the Finance Committee, then we advanced to discuss the St. Joseph's financing that's on today's agenda. And after some discussion, and obtaining some additional information, we voted to recommend approval of that offering at today's full Board meeting. We then advanced to discuss the Oceanside Library offering. We also unanimously recommended that this be approved that today's Board meeting. We then concluded by adopting the meeting minutes from the Finance Committee Meeting Special June Meeting, thanks to Mike's input. We then adjourned. Thank you, Mr. Chair, unless anyone has any questions or concerns, that concludes my report.

Mr. Carney: Any questions for the Chairman of the Finance Committee? Hearing none, then we will move to the Adoption of Financing Documents and that Resolution to be presented by the President.

Reuben McDaniel, President: Thank you, Mr. Chairman, we appreciate that. Good morning to all of you this morning. Behind Tab 3, you will see a Resolution for St. Joseph's College. The transaction summary will be presented by Steve Kosier of DASNY, as well as Meghan Burke, Esq. of Mintz Levin and Michelle Hutchinson, Esq. of Brown Hutchison, our co-bond counsel. Steve?

Stephen Kosier, Senior Financial Analyst: Thank you everyone. Good morning. Staff is requesting the Board to adopt documents for fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed $17 million, with maturities not to exceed 31-years on behalf of St. Joseph's College. At the January 8, 2020 meeting, the DASNY Board adopted a Resolution to Proceed for the College in an amount not to exceed $32 million to refund the College's Series 2010 bonds and to finance a portion of the cost of constructing a new student center. Subsequently, at the March 4, 2020 Board meeting, staff reported that the student center required local approvals that were going to delay the new money issuance. Rather than waiting until these approvals were in place to do the refunding and new money issuance together, the College bifurcated the transaction.

The Board adopted financing documents for the Series 2020A refunding bonds at the March 4th meeting. The refunding bonds priced on June 9, 2020 with a par amount of $17,175,000 and the bonds closed on June 18, 2020. The local approvals for the new money project have now been received, and the DASNY SEQR action is completed.

At the March 4th Board meeting, staff indicated to the Board that we expected the new money not to exceed amount to be $10.5 million. Since then, the College has elected to include, as part of the proposed financing, the construction and equipping of a pump station and sanitary sewer collection system project at the Long Island campus. This additional project is expected to cost approximately $4 million. The College would also like the flexibility to finance a larger portion of its new student center project than originally anticipated. An estimate of the Sources and Uses of Funds for the Series 2020B new money bonds is attached to the Transaction Summary Update. The par issuance is estimated to be approximately $14.9 million. When combined with the $17,175,000 refunding that was completed last month, the aggregate par may be in excess of the original $32 million authorization.

Therefore, Staff is requesting the Board adopt documents with a not to exceed amount of $17 million for the Series 2020B bonds, to ensure there are sufficient funds to complete the student center and pump station/sanitary sewer projects.

I will now turn it over to Michelle and Meghan to present the documents.

Mr. Carney: Michelle and Meghan, welcome to the meeting. Thank you for being here.

Michelle Hutchinson, Esq., Brown Hutchinson: I'm sorry, I was on mute. Good morning, everyone. I'm hoping that each one of you and your respective families are doing well during these challenging times and continue to stay well.

With respect to the financing documents, DASNY adopted the St. Joseph's College Revenue Bond Resolution in 2010, which authorized the issuance on a parity basis of multiple series of bonds at one or more times. On June 18, 2020, DASNY issued the St. Joseph's College Revenue Bonds, Series 2020A to refund outstanding bonds.

Before the Members for their consideration is the adoption of a Series Resolution authorizing the issuance of up to $17,000,000 of Series 2020B Bonds on behalf of St. Joseph's College to fund new projects on the College's Long Island Campus as described by Steve Kosier.

The Series 2020B Bonds will be special obligations of DASNY secured by the pledge and assignment of Revenues and the moneys and investments held in the funds and accounts established by the Resolutions. The Series Resolution delegates to certain officers of the Authority the authority to finalize the terms in accordance with certain parameters, including that the Series 2020B Bonds mature not later than 31 years from issuance, and to enter into a Loan Agreement and other transaction documents.

DASNY and St. Joseph's College, New York will execute a Loan Agreement in connection with the issuance of the Series 2020B Bonds, which will require the College to make timely payment of debt service on the Series 2020B Bonds and to pay DASNY's fees. The College's obligation to make payments under the Loan Agreement will be a general obligation of the College and secured by a lien on Pledged Revenues, consisting of tuition and fees charged to students for academic instruction. The Loan Agreement will include a debt service coverage covenant of 1.20:1 and will permit the College to incur additional indebtedness upon satisfaction of certain financial covenants.

The College's obligation to make payments under the Loan Agreement will be secured by a mortgage or mortgages on certain property of the College granted to the Trustee and DASNY.

Both the Loan Agreement and the Mortgage are assigned to the Trustee, with limited reservation of rights of DASNY, primarily with respect to fees and tax exemption of the Series 2020B Bonds. Any questions?

Mr. Carney: None here. Thank you, Michelle. Meghan?

Meghan Burke, Esq., Mintz Levin: Michelle took care of everything, as you may or may not remember because a lot has happened since the March Board Meeting. Michelle wasn't able to be there as she was down with the seasonal flu at the March meeting. So we agreed she would take the lead here, and we're happy to entertain any questions. And I'm glad to see all of you.

Mr. Carney: So am I Meghan. Thank you. Are there any questions for Michelle or for Meghan or Steve? Hearing none, the Resolution appears in the middle after the Transaction Summary actually, in my packet, at least. I'm going to assume you have all had a chance to take a look at it. Unless there are some objections to the form of the Resolution, may I have motion please to approve it?

Wellington Chen: So moved.

Mr. Carney: That is Gerry?

Mr. Chen: No, Wellington.

Mr. Carney: Wellington. Thank you very much. Is there a second?

Beryl Snyder, Member: I'll second it.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020B RESOLUTION AUTHORIZING UP TO $17,000,000 ST. JOSEPH'S COLLEGE REVENUE BONDS SERIES 2020B

Mr. Carney: Is that Beryl?

Ms. Snyder: Yes, it is, Al. Good morning.

Mr. Carney: Thank you very much Beryl, good to have you with us. Rather than asking for an approval vote, I'll ask for any opposition. Are there any members who are opposed to the approval of this Resolution? Hearing none, the motion passes unanimously. The Resolution is approved. And thank you all very much.

Mr. President, we have a Resolution to Proceed with a new financing.

Mr. McDaniel: Yes, thank you, Mr. Chairman. Behind Tab 4 is the Oceanside Library Transaction Summary, and it will be presented also by Steve Kosier. Steve?

Mr. Kosier: Thank you. The Board is being asked to adopt a Resolution to Proceed for 30-year, tax-exempt and/or taxable, fixed- and/or variable-rate bonds, in an amount not to exceed $35 million for Oceanside Library. The Library is an association library which has been serving the residents of Oceanside Union Free School District for over 80 years.

This will be DASNY's third issuance on behalf of the Library. DASNY first issued bonds for Oceanside Library in 1995, and the Library refunded those bonds, through DASNY, in 2005.

The Series 2020 bonds will be used to expand and renovate the library building to accommodate the modern use of the facility and to acquire an adjacent parcel of property which will be converted into additional parking. Bond proceeds may also be used to current refund the Library's Series 2005 bonds, of which there is $1,370,000 outstanding. The refunding is expected to result in net present value savings of approximately $103,000 or 7.5% of the bonds being refunded.

The term of the refunding bonds will not exceed that of the bonds being refunded. Authorizations to pledge funds raised by taxes for amounts required under DASNY loan agreements were approved by voter referenda held on November 30, 1994 and June 16, 2020. Funding for the Library comes from real property tax revenues levied by and collected by the Town of Hempstead. Taxes collected by The Town for the benefit of the Library are paid as received to the School District. The School District sends to the Library, it's full tax levy, in equal monthly installments. Any changes to the tax levy are submitted to the voters for approval.

Once approved by the voters, the Library's tax levy is considered an annual appropriation. If the Library subsequently requests an increase and the voters defeat that request, then the appropriation reverts to the amount last approved by the voters.

The bonds are expected to be rated Aa3 by Moody's.

Security will include a pledge of revenues and a lockbox. The lockbox requires the Library to fund in advance, a debt service account as tax collections are received. The School District will send all tax receipts directly to the Trustee. A portion of the Library's tax receipts will be set aside by the Trustee to fund the debt service fund, and the remaining balance will be transferred to the Library to be used for its operations.

In summary, the Library has a predictable revenue stream and the debt service fund will be funded through the lockbox mechanism ahead of bondholder payments. Staff requests approval of a Resolution to Proceed for a bond issue in an amount not to exceed $35 million, on behalf of Oceanside Library. Mr. Chairman.

Mr. Carney: Thank you very much, Steve. Are there questions for Steve? Having heard none, may I have motion please to approve the Resolution?

Brian Cechnicki, Member: This is Brian, so moved.

Mr. Carney: Thank you. Is there a second?

Mr. Chen: Seconded.

Mr. Carney: Wellington, thank you very much.

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 OCEANSIDE LIBRARY

Mr. Carney: Again, as a concession to the recording and the Zoom meeting, rather than asking for an Aye vote, are there any opposed to the Resolution has presented? Hearing no opposition, the motion carries unanimously and the Resolution is approved. Thank you very much, Steve, for presenting.

We move now to what is essentially the last Agenda item, which is the Presidents Report. Reuben?

Mr. McDaniel: Thank you, Mr. Chairman. I'm going to be fairly brief in the review of the written report. We had a meeting a fairly short time ago, so you have an update on the COVID-19 situation.

One thing I do want to highlight in the report that I sent is that we have a new development platform from Microsoft, called the Power Platform. Internal staff used the Power Platform to develop an application for us for our screening that was very well-received, and very user friendly. I learned that they developed it on this platform in a matter of less than eight hours. So I was interested in what the platform could do for other parts of DASNY, and after review and spending a couple of hours on the phone with Microsoft and our team, we've decided to implement the Power Platform fully.

Our first foray will be into replacing a grant system that is in the development process now. That grant system probably would have taken another year or so to develop, but also would have been a cost of $300,000 to $500,000 in development. Our team believes that we can do the same functionality with the Power Platform internally, and the cost of the platform itself is about $20,000. And so I'm pleased that we will have this platform up and running, we have two people in the IT group who will be dedicated fully to understanding the platform. We've also tapped another person in our team who will be our business analyst, who will help functionality between business processes and developers. My expectation is that by our September Board meeting, we will be able to demonstrate for you two or three applications that they have developed. This will be an ongoing development platform, allowing us to be more customer-centric, more efficient internally, less paper-focused, all at a very reduced cost, and all internal, so that we can design applications that are very specific to DASNY. I am personally very, very excited about this platform and look forward to it being implemented.

The other thing I wanted to mention, it has some input from two of our staff members, is on our Public Finance team and our Construction Team. I want to make a joke that Portia Lee and Steve Curro have the shortest arms in the group, and they have never patted themselves on the back. So I will do it for them. This week, Portia’s group completed the SUNY restructuring transaction that we approved a couple of Board meetings ago. I just can't emphasize enough how important this transaction is for SUNY. The Dorm Program, as you all know, relies strictly on dorm revenues to pay the bond debt service. With the unknowns of COVID, this transaction has taken that off the table the next two years of debt service for them not to worry about, as they worry about other parts of functioning and restructure those externally. That is a very difficult transaction. The team made it look seamless and easy. We got the ratings affirmed and a very successful pricing yesterday. And with that, I'm going to start with Portia for her report on Public Finance.

Portia Lee, Managing Director, Public Finance and Portfolio Monitoring: Thank you, Reuben. Just a brief market update. Total new issue supply is currently about $209.2 billion year-to-date, that is approximately 19% higher than the supply levels seen this time last year. Total supply for the week is expected to be heavy, at about $13.7 billion. Top rated municipal bonds were stronger across the curve on Tuesday with the 10-year and 30-year AAA MMD yields both down three basis points to 0.78% and a 1.50%, respectively.

U.S. government bonds were also stronger, with the 10-year treasury decreasing by three basis points to .61% and the and 30-year decreasing by three basis points to 1.30%. Municipal bond funds reported inflows of a billion for the week ending July 8th.

The one-year, ten-year and 30-year MMD have decreased by 6, 10 and 13 basis points, respectively, since the June Board Meeting.

Just a note that we are active in the market. Last week we priced the St. Lawrence Lewis BOCES transaction. As Reuben mentioned, we were in the market yesterday with the SUNY Dorms transaction. We had a very successful pricing and achieved very favorable rates for SUNY. In addition, we are in the market today with Maimonides and New York Institute of Technology.

One thing just on the SUNY Dorms transaction I'd like to mention is there was a typo in the Series Resolution for the SUNY Dorms transaction in the amount not to exceed. We're just going back and fixing that to conform to the bond counsel letter, staff report and the discussion that we had at the Board meeting. So just wanted to mention that. That concludes my report. Thank you.

Mr. Carney: Thank you very much Portia.

Mr. McDaniel: Any questions on Portia’s report? If not, I'll move on to our other short-armed staff member, Steve Curro.

We had a COVID situation at one of our construction sites, and Steve and his team did an excellent job. Thank goodness, the Staff member for DASNY who tested positive for COVID has been asymptomatic. However, Steve very quickly shut down the site, had people move off so that everybody was in proper quarantine, and then was able to begin reopening the site, communicating with both the client, as well as all of the subcontractors. I had a chance to speak to CUNY, the client, and they were very pleased that in a difficult situation, not unexpected in this time we'd have some of these come up, how efficiently and effectively Steve and his group handled that situation. And so I just want to highlight that Steve, quietly behind the scenes, has really been doing great work on making sure that all of our field staff and subcontractors and contractors are following protocols, and being as safe as humanly possible in the current environment. With that, I'll turn over Steve for his construction report.

Stephen Curro, Managing Director, Construction: Thanks, Reuben. Good morning, everyone. I have just a brief report and a couple of items I want to highlight. I'll start with the SUNY program for the Summer of 2020. We have six capital projects that are progressing towards substantial completion. I visited five of those over the past couple of weeks.

Up in Plattsburgh, Kent Hall is in very good shape – it should not be a problem to open for the students in the fall. The same goes for on the Oneonta Huntington Hall, I was there yesterday, it’s also in very good shape. SUNY Cortland Casey Hall, another renovation, is close. We are optimistic and it should be okay in time for the fall semester. SUNY Oswego, Funnelle Hall, a nine-story gut renovation, this will be a close call. We should be okay for the end of August.

The tricky thing here is we shut these projects down for a month, and the colleges want the students back earlier than we projected based on the quarantine requirements prior to the fall semester at many of these schools. So it’s going to be a bit tricky to finish up.

The same holds for SUNY Poly, that's the new build net-zero project. That'll be very close as far as finishing on time for the fall semester. And Alfred McKenzie Hall, that one is scheduled to open for the spring of 2021, so far so good. As far as the 21 summer projects, they are all moving along rather well, the total dollar value is approximately $40 million.

Just looking ahead to summer of 2021, we did receive word from SUNY last week that some of the projects that were suspended could now advance at least through design. So we are trying to build up our summer of 2021 backlog and pipeline. More to come as far as whether or not we can move those projects beyond design and into construction.

As far as the Budget Bulletin goes, last week was actually a very good week for DASNY. Our customer agencies requested authorization from New York State DOB on projects that they were looking to have been exempted from the Budget Bulletin, about two months ago. And last week we heard from three of our customer agencies -- CUNY, OMH and OASAS -- that they had received a response from DOB.

CUNY had 51 projects approved to progress -- that is either into design or into construction. OMH had 13 additional projects, and OASAS had 8. So there seems to be some process that’s defined for us and for customer agencies. Customer agencies request certain projects to be exempted from the Budget Bulletin, and it appears that DOB is entertaining those requests and communicating back to the customer agencies their approval of some subset of the requested project list. We're hoping this is a recurring event and it happens every month or two, and the process continue to apply to the work we perform for our customer agencies.

And as far as New York City OMB goes, the City-funded project suspension remains in place. Despite the fact that the City put a new budget in place on July 1st, we really haven't received word from our customer agencies who have City-funded projects on whether or not these projects can resume. Included in that are a number of CUNY Community College projects, and of course the big FIT project. On that note, we did receive New York State DOB approval to advance the FIT project. Now we're just waiting on the City approval. We do have bids, there are two bid packages for that project, both have been extended by the contractors to July 30th. We're hoping that the City will approve that project prior to then, and we can get those contracts in place.

And quickly, just to wrap up on some new work opportunities, we have reached a deal with West Point on two bridge projects – one is a bridge renovation project, the other is a bridge replacement project -- for design services for those projects. It took a while to get to an understanding between DANY and West Point in place. It took a while to get to that point, and we had the help of our legal group (Kay Edwards, Esq. and Chris Zeimba, Esq.). We're looking forward to getting on that campus and doing some work, and hopefully can try to figure out how to move these projects into the construction phase. They have a lot of work there, and we would really like to take advantage of that opportunity.

The other work opportunity that's come through is with regard to DCAS. That's the New York City Department of Citywide Administrative Services. We've had an existing MOU with DCAS for $5 million worth of work, which they just added $50 million to DCAS is now working up a new agreement that's in the $50 – 75 million range. So potentially more opportunities in the City with DCAS on the horizion.

And lastly, I just want to mention that I will be meeting with the NYC Health and Hospitals Corporation on July 29th. They have a flood control project that they are interested in having DASNY take a look at, at Coler Hospital. As you know, we have done a whole lot of work for HHC, and we're looking to get back in with them to help them advance their program. That concludes my report.

Mr. McDaniel: Thank you, Steve.

Mr. Carney: Steve, thank you. It's Al. I'll confess that a portion of your presentation was hard for me to hear, it was an electronic background sound so I didn't want to interrupt. I did get the vast majority of it. Thank you very much for your presentation. Appreciate it.

Mr. Curro: You're welcome.

Mr. Carney: Mr. President?

Mr. McDaniel: Thank you very much. The next item is to go over our 28 Liberty Street lease situation. We want to do a couple of things. One is, I'm going to do something that I hate for people to do when I was on the board, so I would apologize in advance. I would like the courtesy of being able to go through the entire presentation. Gerry Romski, Joan Sullivan and our Chairman, Al Carney, have asked some very specific questions along the way, and have been very helpful in formulating some of my presentation. I'm going to try the best I can to answer all the questions that you have, before you get to them. We will then certainly have time for Q&A. I'd like to do that at the end of the presentation and see how well I do.

Mr. Carney: Mr. President, may I interrupt. Since I'm not going to interrupt the presentation, let me note a couple of things. One, the Members will recall that this matter was actually on for a Resolution vote today. I asked that it be taken off the Agenda for a vote because there were things about it that I had questions about. The number was a big number and I thought that it may be absolutely necessary that we engage at that at that level of investment, but I wanted to make sure that everybody had a chance to hear this presentation and to ask questions at this meeting today.

I also wanted to make sure that if there are questions that occur to the Members, given our commitment to this project and the importance of this project, that Members have an opportunity to think about what will be said today, and then if you have questions or comments, respond to the staff accordingly. So we are not voting on this Resolution today. What we're doing is hearing a presentation. Mike Cusack is going to organize a telephone meeting, during which we will be asked to approve a Resolution that may be the same or may be different. depending entirely on what it is that we all hear today.

That will happen relatively soon. Trying not to violate the August rule, that we don't have a meeting in August anymore, somebody will be in touch with each of you to see when you have some availability to organize around a telephone call to vote on the Resolution, as it will be presented later. Reuben, that's all I had.

Mr. McDaniel: Thank you.

Ms. Nadeau: Just one moment. We have one more person in the waiting room that I haven't been able to identify it might be for additional participants.

Paul Koopman, Vice President: It's probably Amber, Kim.

Amber Skowron, Assistant Interior Designer: Yes.

Kim Nadeau: I also have from another number. Let me just connect this person. I'm sorry, who is the person who's just joined the meeting.

Jeanine Teft, Senior Interior Designer: This is Jeanine Teft, Senior Interior Designer.

Mr. Carney: Good morning. Jeanine, thank you for joining us.

Ms. Teft: Thank you.

Mr. McDaniel: So as you can hear, I brought my "A" team as backup to help me with the Q&A component of this presentation. I've got two people from our design group and Mike Stabulas and Gerry Cohen from our Construction Group, who have all been involved intimately in getting us to this point. And so if we get into very detailed questions I wanted to make sure that everyone that could answer those questions was available for the Board. Of course, Paul Koopman is organizing this from a high-level perspective, and can answer everything as well.

What I want to do is give you some context on what we will be asking you to pass at some point in the near future, and a little bit of why we are here at this timeframe. I then want to step back and just go through a history of how we got to 28 Liberty for the Board Members who were not part of that process. And then I will get into some nitty-gritty from around the time when I started in December to today, where we are, and the cost allocations, the work we have done to make sure that we are responsible for getting where we need to get to.

And so we are in a situation where we have signed a lease for 28 Liberty, and we are going to be moving into that building hopefully the first week of January. What we need to do now is get approval for the alternates that we need to fit-out the building to meet the specific DASNY design needs, through the furniture and fixtures for that building, to get the IT infrastructure put in place, and to pay for the cost of the move.

From a Board perspective, you would typically be asked to approve any purchases over $300,000. What we're asking is to combine that package into a not-to-exceed number, so that we're not coming back to the Board with each purchase. But each purchase will be a component of the move process, and again, will be outlined in this presentation, and you'll have any information about that -- but that's why the Board has been asked to approve the big number, as opposed to doing things incrementally. In addition, the Chairman and myself have to approve the movement of these funds from the Reserve Fund to the Capital Budget. I don't want to be for the Chairman, but I am certainly more comfortable having everyone transparently understand what we're doing, why we're doing it, and how we're doing it, before we authorize, based on two signatures, moving $3 million from one bucket to the other bucket. So that gives some context as to what we're doing and why we are here.

I want to go back and give you some history, again, for those Board members who have not been here. I think it really starts back in 2007-08 -- probably John Johnson was the only Board member who was around then -- there was some conversation and a lot of work done about moving the DASNY headquarters to 4 Metro Tech in Brooklyn. That got all way to a Resolution which included the design and fit-out approval for six and a half million dollars estimated cost at that time. Ultimately, clearly, the decision was made not to move to Metro Tech and to renew the lease at one Penn Plaza.

As the One Penn Plaza lease became evident as starting to get to expiration, the staff and Board decided to do a real estate evaluation to see where there are other options that would be better functionally, as well as more cost effective, than to remain in Penn Plaza. We anticipated at that time that the One Penn Plaza lease would escalate significantly, given the difference in the real estate market from the beginning of lease to the end of the lease. That One Penn Plaza lease terminates August 31st of this year, and we fully intend to be out of the building on August 31st.

Mid-2018, internal staff began looking at options, and began engaging the Board in discussions. In early 2019, there was a real estate study that was completed and, interestingly enough, on July 17, 2019 (a year ago), this Board created a Real Estate Committee on an ad hoc basis, to assist with identifying and evaluating the final options for either staying at Penn or relocating. Gerry Romski was, and still is, the chairman of that ad hoc committee. Given his vast real estate background, the Board at that time determined that he was the best person to lead this.

That committee, the staff and the former Executive Director spent a lot of time looking at different options, and ultimately settled on the 28 Liberty space as being the best functional building from the perspective of location, cost and what we're trying to accomplish as it relates to DASNY, going forward. Given the cost savings they estimated at that time that $15 - 17 million over the life of lease would be saved by moving to that space. Additionally, we recognized that the furniture and fixtures in One Penn Plaza, whether we stayed or left, would have to be upgraded at some point. And so the determination was made that when we move to the new building, we should not only do the fit-outs necessary for IT and cubicles and such, but also all other furniture and fixtures would be replaced and upgraded at that time. This gives us some cost efficiencies, movement efficiencies, and will get us into a space that good looks great.

When I was joining DASNY in December of last year, I had a conversation or two with Gerrard Bushell, the former President and CEO of DASNY, as well as with Mike Corrigan, who was the former Vice President of DASNY, about the move. They gave me a full briefing on the background, what the expectation should be around the cost of the move and the benefits, both financially as well as the fact that this is really an A1 space for us to be located in, at a cost that is competitive with other areas, and certainly much less than if we stayed at One Penn Plaza.

During that conversation, it was certainly discussed with me how much the move would be estimated cost all in with FF&E and moving, and the range that I was hearing at that time was between two and a half and three and a half to four million dollars, depending on the final fit-out. Again, that was just a projection at the time. They also identified where the funds would come from, from reserve perspective, so there would be a capital cost, and not an operating cost. We talked about the timing for the move, which would coincide with the August 31st move out. One place where I made a mistake in working through this process is I assumed that the Board had been actualized around that number and the move number, but I really should have done more research on that, and for that, I take full responsibility. The other thing I take no responsibility for, and that is the COVID situation. Clearly, when we went into the COVID situation, our ability to move into that space was delayed. In early March, the Governor had an Executive Order, part of which meant that we could not even bid out the work to see what it would cost us to get where we needed to get to.

We have the conversations with the landlord about delaying the build out. Paul and the landlord stayed in constant communication during that period of time so that we understood what the time frame would be. Originally, we were projecting to move in sometime in February. And we made the decision that we communicated to the Board that we would all work from home -- regardless of what the City of New York COVID protocols were -- until we moved into the new space. That working from home, depending on when we move or not is estimated to save us approximately a million dollars, maybe a little more. And so from a savings perspective, we have locked that in with our decision not to move back into Penn Plaza, and pay rent there on a month to month basis, but for all of our New York City office to work at home or from the field.

That brings us to, contextually, December 4th, when we started working through with the staff design folks, what do we need to have in the new space to make it what we want DASNY to be? We met with the interior design folks. I spent a lot of time going through the design layout and approving that. Of course, our design team did all of the background work. They also presented to me all of the furniture and fixture options. They did a great job of giving me the high, middle and low grade of everything from chairs to desks to partitions, and we as a group made a determination that in the public spaces, the Board room and some of the exterior spaces, we would move more toward the high-end finish so that it would look nice for our clients coming in. And certainly as a construction and financing entity, we feel like that front face is important to us. But we agreed that on the back end, we would be in the low- to mid-grade on the various components, so that we would be responsible from a cost perspective. We also asked Mike Stabulas and Gerry Cohen, who again do this for a living -- and I can't tell you how great it has been to have a staff that does this day to day so I'm not relying on external folks that don't have our best interests at heart -- to review all of the alternates and upgrades. When we talked with the landlord about what they would provide, they gave us the baseline building that is comparable with everything else in the building. We are responsible for, and agreed in the lease that we will be responsible for, some specific build-outs that would assist DASNY in our execution -- and I'll discuss some of those specifically in a moment -- but we are calling these the alternates. It's kind of like you buy a base home and are asked if you want to upgrade the counters or other features.

Mike and Paul did a great job of reviewing all of the alternates that we believe are necessary from a design perspective to get this office building to be where we need it to be to be functional for DASNY, to live a useful life for 15 years, something that we would all be proud of, but also would be responsible -- as we need to be as a public agency and public entity. I can't thank them enough for the work that they did. We got all the alternates, we presented our wish list to the landlord, the landlord, who's also building out four other floors at the same time, bid out all of the work. When the alternates came back, we had an approximately $1.1 million all-in alternate cost. Then Paul, Mike, Gerry and I and others sat with that spreadsheet, and went line by line on what ultimately we wanted to put in and which ones we wanted to take out, trying to balance fiscal responsibility with making sure we had a building that would be functional for everyone.

We spent a lot of time going through those details, and again I'll give some examples, but Mike and Gerry can answer any specific questions you have about the functionality of things. I can tell you that I am frugal, Paul is almost what I would call cheap, and we had a real discussions about what should we put in, what shouldn’t we put in, what we should pay for, what we shouldn't pay for, and I think we landed in a place where the alternates for the most part are fully functional alternates. There are a few options that are nice to have that I think will be good additions, but we took out several alternatives, that again, would have been nice to have and good for functionality, but we believe just weren't responsible from a cost perspective because we were now looking at this as a post-COVID situation as opposed to a pre-COVID situation.

And so we did that on the alternates. As I mentioned to you, we also went through the furniture. We also have a big IT operation. The decision was made that we did not want to have redundancy in the New York City office. However, we are a fairly tech heavy office, and we intend to be more tech heavy as we go to less paper and more technology. So, the IT group was working through their requirements of what they needed both as it relates to things like wiring and racks and just physical infrastructure for the technology. We also looked at the building to make sure that the building would give us protection, maybe not belts-and-suspenders but certainly a belt with a good clasp, to make sure that if something happened in the building -- fire or other tragedy -- that our equipment would not be damaged. So, we added some additional HVAC and some specialized fire protection. However, we are certainly not at the low end, which is to have sprinklers in the system and hope for the best. I don't believe that hope is good management strategy. So the IT components of this input are also included in what you see in your presentation. And they did an excellent job.

Paul and I also went through IT components line by line. Neither of us are IT experts, but Ann Andrew, who is an IT expert and is on the phone is and does IT for us, walked us through each of the components, and I am very comfortable that this will be an IT-functional building that meets our needs, but is not excessive.

Some of the equipment in New York IT now will be reduced, some will be moved to Albany temporarily and go back to New York, and some of it – there is one piece of equipment that is thirty years old – that clearly will not be reused. Ann’s group is moving all of the technology that is movable to the Albany office, where they will evaluate it, make whatever modifications they need to make and have a City staff ready to move back into the 28 Liberty space.

The move out of Penn Plaza is beginning next week. What we're doing there is we are having all of our employees come in to a COVID safe environment, where they will box up their work papers and all the things that are DASNY-centric. The boxes will be left in the office. They will also have boxes for their personal items to take those personal items home with them. We will then have a moving logistics company move all the boxes into a storage facility until we are ready to move into 28 Liberty.

The remaining furniture and fixtures will be broken down, and OGS has a process for excess and old furniture from the State. Someone will evaluate that furniture, and if there are things that can be utilized by non-profits or other places, they will do that. Quite frankly, the cubicles that have built in desks have probably outlived their useful life. OGS will make that decision for us. and we will be properly moved out. All of the furniture that could be utilized, will be utilized. The one piece of furniture that we are going to continue to use at DASNY are the desk chairs that were actually purchased about four to five years ago. Most of these are in reasonable shape. We're going to move those back up to Albany. We'll have staff evaluate those chairs and those will be used as overflow and replacement chairs for the Albany office so that we are utilizing all of our resources to the best extent possible as we move out of Penn Plaza. And, so I feel very comfortable that we are being responsible in that in that way.

We then have the alternates, we have the furniture and fixtures, and we have the IT infrastructure. I'm going to open up my other computer and go through a couple of examples of alternates so that you can get some examples of what is in the cost.

The total alternate cost is approximately $775,000. Again, that is in the presentation that I sent you, and it includes various components. I'll give you some examples of things that we felt we needed to do from a safety perspective, as well as some examples of things I think are nice to have although could be argued whether they are necessary to have, and then some of the things that we would all probably conclude are necessary to have.

For instance, in the server room we are spending $86,000 for a sprinkler system that will not damage our equipment in the event of a fire. As all of us who have been a building know, sprinkler systems are based on heat per floor. If, for whatever reason, we have a fire one place on the floor, typically all the sprinkler systems on that floor go off, and it can be a very damaging component. We also, as you may recall, had a coffee service component on our sixth floor in Albany that caused significant damage when it started to leak and trickle down to floors below. We wanted to make sure that our computer system would not be exposed to that type of damage again. We just think it's responsible to do that.

On the nice to have list that we could cut out, but I think add to what we're trying to accomplish at DASNY, we're spending $27,000 for a coffee bar and a wellness room. The wellness room will have a sink in it, this room is really designed for our mothers who have special needs and need some privacy to take care of business that they need to take care of, and for other members of the staff who may need some privacy. We do not have to have a sink in the wellness room. But as a father, I can certainly appreciate that having a sink in that private area is something we should be doing. The coffee bar will allow our receptionist to provide our guests and Boardroom with coffee and refreshments. Because of the physical layout, if we didn't locate the coffee bar off of the reception area, the receptionist would have to leave the area for three to four minutes to walk over to the kitchen, which is again located further from reception that our current kitchen. When I'm thinking about 15 years and $27,000 for those two items combined, I felt while these are not a necessity, it is something that we should do from a building perspective.

I questioned whether we should have four-inch molding around the bottom of the floor versus two-inch molding. It is not a very expensive change. Mike Stabulas and Jerry Cohen assured me that over time, with all the cleaning that's done in the building, with people coming and going and scuffing, that we would appreciate over time having these upgrades. So again, we spent a lot of time going into detail.

I originally was going to have a television in my office so that I could monitor the news. I personally don't do this, if I need to watch the Assembly or something else, I use my computer. And so I made the decision not to have a television in my office and removed those monitors from my office. We also eliminated some touch screens. We have some touch screen monitors in our larger conference rooms for doing presentations and will have great technology to do that. We had originally thought about having touch screens in more conference areas, but we decided to take those out due to expense at this time. And, so we went from $1 million and change down to the $700,000 figure that you see, and I continue to push us to make sure that we're not spending anything that we don't need to spend.

I feel very comfortable that we have done the work. I'm very pleased that Mike Stabulas and Jerry Cohen can look at this information, like HVAC upgrades that we need for cooling system in the computer area, as well as the south side of a building. They were able to let us know that that HVAC design makes sense, it has the right BTUs and is a reasonable cost and not a Cadillac. If we didn't have them on Board, I would have had less confidence. I feel very comfortable with those numbers.

If after I finish my presentation, Members have specific questions about the $775,000 figure for the alternates, Paul, Mike and Gerry are available to go through those and get your questions answered. I can tell you that we had a conversation with Gerry Romski and Joan Sullivan last evening, and they both received the detail behind this information. Gerry has requested some answers which we have given him, and some which we are working on to make sure he is comfortable from a real estate perspective. And so I think that as best we can do, given that we don't control the bid process, we will be fine from a cost perspective and an alternate perspective at this level, and that we will be happy with the building that we ultimately receive.

On the furniture, we are using the State procurement process. So, we've estimated all these costs based on the procurement catalog. We will go back through that process and will know we are getting the best prices and the State negotiated prices for all furniture and fixtures. We have the two design folks from our team here on the call, and they can answer any questions about the furniture and fixtures. I'm very comfortable that we have a nice looking, modern office, that is certainly not high in extreme or extravagance. I think it gives us a good balance of being able to present something that makes sense from DASNY's perspective, and our customer perspective, without people feeling like we've gone overboard, and without us being irresponsible with funds, because I think that is our fiduciary responsibility.

On the information technology side, I will describe some of the IT components. The data center for IT, as you can imagine, takes some excess cooling. Those cooling units combined are about $225,000 of the cost. Again, Ann worked with Mike and Gerry to make sure we had enough cooling so that we wouldn't get in a situation where we're down because of overheating. If you can imagine, it's a small room with a lot of electronic components in it, and the heat generated there is much higher than anywhere else in the office. We also have wiring -- both labor and the wire components themselves -- built into this $3 million not-to-exceed number so that we won't be coming back either asking for authorization for additional expenses or get surprised, and we will not have to take out of operating expenses the cost of the installation of some of the specialized computer equipment.

On the accounting side and where the funds come from, as I mentioned, back in 2008, it was determined that the fiduciary fund would be utilized for the design and fit out of the then Metro Tech relocation. The Board approved that Resolution. They determine ultimately not to move in there, but once that was the determined as the location for those funds, as we looked at this lease and contemplated moving, the former President/CEO and former Vice President went back to that Resolution and said we should continue to use and allocate those funds for this purpose. Those funds will be transferred on Chairman Carney's and my signature to the capital budget and used to do the full build-out. Going forward, we will be depreciating all of the assets on our financial statements and budget so that will be absorbing those costs over the life of either the lease or the useful life of the components, whichever is shorter.

We have talked with Kim Nadeau about this and recognize that we could have put a footnote in the operating budget that this was going to be an expense in the future. As a practical matter, because of moving in so later, there will be very little depreciation that will be accumulated this year. We didn't have any understanding at the time what the specific costs would be, and which could be depreciated and which could not. Anything we put in would have been a guess, and a small number at that, so we did not put it in the operating budget. But we will not have operating expenses for the physical move that will be allocated over the life of the least transaction. So, I'm very comfortable with how we're handling the accounting component of this.

From an overall budget perspective, as we go through this unprecedented time, I have spent a lot of time not just on the this project, but overall, evaluating where we are on construction fees and revenues, public finance fees and revenues, and what our expectations for payments. When things started in March/April, we had a lot of uncertainty around that. I am pleased to report that DOB and other agencies have paid our bills on time and that it's been helpful in our cash flow. Also projecting out, I feel very comfortable that we will be able to meet our operating expenses. I don't feel comfortable enough to take the foot off the brakes on expenditures, and we continue to be very conservative around expenditures.

Again, Paul approves most expenditures that come through. He and the whole executive team know that unless it is a necessary expense that we needed to do it now, we shouldn't do it, and if it is expense that falls outside of that, they need to get my blessing. From an operating perspective, I would not typically be in the minutia like this, but I think in this time, it's is important that we continue to save as much as we can. I also believe in reviewing all of our budget forecasts and revenue forecasts, the million dollar plus savings from our delaying the move and people working from home, the savings that we have from non-essential travel being curtailed, and the savings we have from not being able to fill positions or replacing retirements, that we will get sufficient budget savings to give us some cushion from an operating perspective. We also have sufficient reserves to carry us for a short-term, certainly not for a long term, if we need to work with the DOB around delays. I'm not concerned about a cash management issue, if we need to do some things with cash management perspective. So, all in, I am very pleased about where we are, so let's talk about timing and why we're making this decision here.

As I mentioned, we originally expected to get our alternates bid out in early March, which would have meant that at the April or May Board meeting we could come back and had this conversation, and then made this decision later. Unfortunately, that did not happen. The building was closed down as I mentioned earlier, and so we did not get those alternate estimates until early in June. We were not in a position in early June to bring that to the June Board meeting because we had not had a chance to review it and do the detail work that we needed to do. During the month of June, the design and internal team that is on this project spent countless hours making sure that we have what we need, so we can go back to the landlord and begin building out the space with the alternates that we need, and that we can begin ordering the furniture and fixtures, and then IT can begin configuring and bringing the equipment that they need.

Again, it's unfortunate that we are here in a fairly tight timeframe, and if I'd had more context around what the Board was expecting or not expecting with the moving costs, we certainly would have addressed a more broad number at the last Board meeting, and I apologize for that. That will not happen again. But given where we are, given the detail we have, given the people that we have on the phone, I think we can answer all the questions that you have. I know you're a governance board and not a management board. We're happy to get into as much detail and transparency as necessary, and I can tell you, the people who know how to do this work and do it on a day-to-day basis, have made me very comfortable that we have a very responsible and reasonable proposal. I know that optically it doesn't feel good in this environment to be spending $3 million in capital. Our alternatives are not great. The $15 million of savings over time and the current savings here will make up for it, and I believe that we are pursuing the most prudent avenue as necessary, and I wanted to make sure that the Board has all the information and transparency that we could provide to you so that you can feel good about approving it.

From a timing perspective, working back from August 5th, this is the last date that we have executive order approval to have a Board meeting telephonically. So that's the outside date we have to work with. However, practically and logistically, if we could have a Board meeting next week, that would help us stay on schedule. The plan is to have our building ready to open in January. My hope is that we get the keys turned over to us in mid-November, that we push our internal folks to get things set up in November- December and that the building is prepare for us to physically move into January 3rd, after the New Year's holiday.

With that, I'll conclude my formal presentation and I will open up the floor for questions. What I'd like to do, if it's okay with the Board Members, is give the Chair the first round of questions and then give Mr. Romski the second round of question, and then we can go around and answer questions from everyone else. Because they've been intimately involved, I think they can help with help with making sure we get to those points before we get to general Board Member questions. So with that, Mr. Chairman?

Mr. Carney: Mr. President, I feel as if I should stand up and applaud. What a presentation that was. You could probably now take a deep breath.

Mr. President: I can at least get a good night's sleep. Thank you.

Mr. Carney: I heard that. I actually wanted to ask a couple of questions. As everybody on this call knows, I'm the least savvy real estate person, I know very little about commercial leases and even less about things that have captions like "fit-out". Mike Stabulas -- I know you're on the phone, welcome, it's always good to have you -- Mike has actually helped me to learn a little bit about this through questions that I've had to ask him, and things that I've learned from Paul as well.

But my first question actually is about the fiduciary fund. How did we come to have it, what's in it – it's a reserve, I know. I wasn't at DASNY when the decision was made to use the fiduciary fund for what was proposed at that time, late in the decade of 2000. I don't know how we got there, and I'm not asking you to go back and haul out all the Minutes. Maybe Kim, you have a better knowledge of that reserve, but why is that the right place to get the money?

Mr. McDaniel: Al, I'll start with that, and let Kim jump in, and then if Mike Cusack has any legal components he will chime in. Over the years, DASNY, albeit a not-for-profit organization, has accumulated various funds over time, whether they were because we spent less on budget, or otherwise, where we allocated money to a specific purpose in the budget or where we projected out that we would need reserve funds for some component. You can think about things like the fund that has been established which is fairly small for future technology needs and build-out, that I think will be very helpful to us going forward. There was also a fund that was established a couple of years ago in the million dollar range that was really designed to help with transitions, recognizing that DASNY has an aging workforce. It was determined that we might need to hire some people who were duplicating functionality of someone else, while that person transitioned out so that we wouldn't have issues. To use a nice example, if Portia left tomorrow we would want to have someone who has spent some time, over the course of a year or two, to be able to take her place. And so we had a reserve fund set up for that. The Fiduciary Fund is in that category. I'll turn it over to Kim to get some history on how that fund was established.

Ms. Nadeau: Thank you, Reuben. I wasn't around when it was established either. As I understand it from some information that Mike Cusack was able to provide from the legal records, the fund was originally established under a different name. But it was retaining the fees that we would charge our private clients, so that we would have funds available if -- when we were issuing general obligation bonds as opposed to special obligation bonds -- those funds would be available in the case of default by a client. We no longer have any of those funds available.

Mr. Carney: Kim, we are missing a lot of what you're saying -- it's not your fault, of course, but there is an electronic slurring of your voice and I missed the last two or three sentences.

Mr. McDaniel: Kim, please try again starting with the reserve funds accumulated for our clients.

Mr. Carney: Thank you.

Ms. Nadeau: Thank you. We no longer have those funds available and are not accumulating these funds because we no longer have general obligation bonds. This is because we don't have the exposure that we used to have in the event that a private client defaulted on any of their bonds. When we have either a small surplus or a small loss through our annual operations, as you know, we try to achieve breakeven given the public benefit corporation status that we have. So when we have a small surplus, we put those funds away for a rainy day, as it were. Over time, we have accumulated what you could think of as some level of a backstop for unexpected costs, so that when something like this comes up and we don't have money in the Reserves for Replacement, the other reserves that Reuben was mentioning are specifically allocated for very specific purposes. We can't access those funds for other uses, based on the Board's allocation to those reserves. This provides us an opportunity to be able to fund costs like this. It is otherwise very difficult to obtain this kind of funding within our normal operating budget or with our typical reserve for replacement.

Mr. McDaniel: And Mike, do have anything to add to that. And Mike, you're on mute, so please unmute yourself.

Mr. Cusack: Thank you, Rueben. I'll just add a couple of simple and quick points. While we're a component of State government, it is important to remember that DASNY is a corporation. Legally, and as a matter of standard corporate practice, it is standard procedure to set aside money for expenses -- capital expenses -- that we know are going to occur in the future. What we're seeing here and using here is completely normal, and completely consistent with general corporate practice. The second point that I will add is that the fund included in its original purpose the reservation of funds for exactly this type of a capital expenditure – meaning, normal office operations and replacement in kind of furniture and fixtures over time. The original purposes that Kim mentioned are no longer accrued for, and those funds are no longer there -- but some of the original purposes, such as the corporate purposes we're talking about today, carry on. I would categorize this as normal -- and prudent -- corporate planning. Thank you.

Mr. McDaniel: And not to call out Paul Koopman as the only person on staff who actually was here back when this was at issue, but Paul, do you have anything to add to that given your historical perspective?

Mr. Koopman: Everything that everyone has said is consistent -- that this fund, as Mike said, is not for day-to-day payroll expenses, it's for potential capital outlays, things that are aligned with the fund, and as indicated, we do incur losses from time to time, or gains where the money goes into that fund, as is necessary. Nothing more.

Mr. McDaniel: Thank you, Mr. Chair.

Mr. Carney: Thank you very much, Mr. President. I guess my basic question -- and I've raised it with you and I think you addressed it actually in in in your report -- I was concerned at the outset that the $3 million number was one with which I had no familiarity. I now understand that you and staff believe the Board to have been well informed about that back whenever we needed to have the information. It just didn't happen that way. There's no reason for that, and there's no issue with that now. The numbers $3 million. Is it prudent in your view for this Board at this time in history, given the circumstances extant in New York City, to do this in one lump sum, rather than in stages? And I heard your response to that, I understand where you are on it. I raised the question for the Board Members to think about it. Is it prudent for us to at this point approve a $3 million fit out plan, when it is clear that in September or October, we could go back and spend some dollars and approve through Resolution some dollars?

Mr. McDaniel: I'd like to respond directly to that, and Portia gives me a hard time about this all the time when I'm on financing calls. I'm one to come with a recommendation and just tell you what I think. I quite candidly think given where we are, and given the type of expenditures we have, if we do not approve $3 million today, and come back in September, we will have a difficult time getting this building built out the way we need to be, to be functional. Most of the expenditures are for things that need to be either built in, as we're doing the construction now, $775,000 worth -- that needs to be done now. We also need to begin issuing purchase orders for the furniture, so that the furniture is available now. The majority of this furniture is modular furniture that has, if you can imagine, a cube with a built-in desk and built-in components. So you can't just buy the cube and not buy the desk.

So if we said let's only purchase the things that we need today and put off and delay purchasing things we do not, that number would be fairly small. I won't give you a specific number, but I would estimate it's in the $200,000 - $300,000 range. We need all of the wiring in, we need the HVAC in, we need the racks in – we need all those things purchases now so that they can be ordered and delivered, so that the landlord can get a building delivered to us. I recognize it as a large number. I don't think it's responsible to try to do half the floor and then do the other half. I think we must have the COVID friendly cubicles -- we added 18 inches to each one of those, at an expense, but an expense that I think is more than prudent given the current circumstance.

Mr. Carney: Absolutely.

Mr. McDaniel: And so if this Board does not approve the number, the Board would need to dig into the detail and tell us which items you thought were better purchased in September versus now. And having done that exercise myself with Paul and Mike and others, you would come back with a $200,000 -- $250,000 number. And so, my recommendation, strongly, is we need to give the building authorization to spend the $775,000 for the build out. We cannot come back and do that in September or October. We need to give our design people the authorization to begin the process with the state procurement office to procure the cubicles and desks so they can be installed, so that we have a chance of moving in by January. We're doing all this at the same time as construction as opposed to on a piecemeal basis. And while I'm sure I could press Ann a bit on some IT that we could come in with later, we do need the base IT -- the wiring those things -- to be ordered and installed. As we sit here in July, we would be really pressed to get all that in of we could purchase that at a later date -- we would be pressing to do that if we were to delay this decision until September or October.

Given that we have the funds available to do this, in a place that I believe is a responsible place to take this from, and you have given our timing -- as I mentioned from the very beginning if we knew then what we know now, we might be a lot of different decisions. But given where we are, I believe it is prudent, and the responsible thing to do, to move forward with the $3 million. Now, we will monitor and stay on top of it. We can report back monthly, weekly, whatever you'd like to do on the actual expenditures as they come in. But I believe that we will all be better served by making those decisions now, and not having to come back and forth. I know that all the Board Members would be willing to meet on a more frequent basis, if necessary. But again, from my perspective, having served on a board and looking at this from a board versus management view, I believe that it is a prudent decision for us to move forward. I think that on July 15, 2021, we will all be glad that we did this and have this building in place. And I think from a cost perspective, this is the most prudent way to proceed.

Mr. Carney: Thank you very much, Reuben. I wanted to get all that on the record, and thank you for taking the time to do that. It may be that I'm pinching my own pennies because this is Tax Day, and some of us have to write checks. It is what it is. I don't have any further questions Reuben. I took a lot of notes while you were while you were talking, I may have some questions later on. Thank you for giving us all the opportunity to ask those questions in our own good time. I appreciate that very much.

Mr. McDaniel: Jon Gardner has a question so I'll ask Jon for that question before moving on to Gerry Romski.

Mr. Gardner: The reason I'm trying to get this in is because it's really a follow on to Al's question. I note that, if we knew then what we know now we obviously would do things differently. I also note that the world is doing things differently, rather dramatically in light of what we know now. So this is a two-part question, and one part leads to the other. I have the impression that our New York office is where we can meet with clients and since most of our construction is in New York City it's where we can oversee construction. So I'm going to ask the very basic question, why do we need the IT center to be in New York City at all? Why could it not be in Albany, or in the cloud, or just using light computing in New York?

Mr. McDaniel: So Jon, I may have glossed over this and not said this specifically enough: we are not having a computer center functionality in New York City, other than what is required at a minimal level to provide the expertise, the technology and support in New York City. We used to have redundancy in New York City. We've moved that redundancy out of the city and to the cloud. We have several cloud-based applications, as you can imagine. And so if we were actually moving all of our it for the redundancy into New York City, that cost would be much higher than this.

The cost that we have for IT is specifically so that the offices and conference rooms have the Wi Fi access and other things necessary so that we can function as an office, but our data center is off site.

Jon Gardner: Just help me understand why does that and Paul Koopman looks like he's going to answer my question. Why does that require a quarter of a million dollars of air conditioning?

Mr. Koopman: Well, I'll just answer the basic question, we are only supporting the network and the telecom. There is no data center support. I'll let the technical people answer. Ann, Gerry, Mike, if you want to jump in on the cooling requirements.

Mr. McDaniel: Yes. Let's have Ann answer first, and then Mike Stabulas.

Mr. Koopman: Ann, can you unmute?

Ann Andrew, Director Information Services: Yes. Thank you, Reuben. For the IS equipment currently kept in the data center, as Reuben mentioned, we have moved all storage, all backup systems, all applications and servers off the New York City Office already. The only things we want to keep in New York City at this time are the equipment necessary for network access from inside the building -- from Offices, cubes, conference rooms and for Board meetings in the Boardroom. We want to make sure Zoom works from that room, so network connections for the office phone service, and the office is big enough to have its own phone system. So there'll be a phone in every cube, every office, every conference room, and we need to provide phone service. And security for internet access, there will be a firewall. Really, the function of the data center has been reduced to internet access, security, network access for DASNY file shares and the phone system. The data center has been reduced compared to what it was in One Penn Plaza.

The AC requirement for the new data center is lower than what we have in Penn plaza as well. We also have a little wiring closet that connects the data center to different cubes. As the data center is not in the center of the office, there has to be another "hop" where the network connections need to be made. The biggest cost for IT in the offices wiring the office. That's not something we can transfer from Penn Plaza to 28 Liberty -- and every cube needs network access every office, the kitchen everywhere -- we need network access for the phone and the computer and printers in the building. So it's just scaled down to what we can do there. Most of the equipment in the new data center is going to be shipped from Penn Plaza. Any equipment that has reached end of life is being replaced, and wiring and mentioned is needed. That's just part of moving.

Mr. McDaniel: Mike and Gerry can you address the HVAC system.

Michael Stabulas, Managing Senior Director Construction: The sizing of the equipment for cooling was based upon the equipment that we have. So calculations are made based on heat generated by the equipment that we are actually putting in the space. And it's interesting that the engineer for the owner had sized that equipment one way, and gave us the numbers. And we said, these are too big, and had our own engineers do the calculations, and actually reduced the size that the landlord's engineer had come up with. There's also redundancy built in.

Mr. Gardner: Mike, I don't want to belabor this point because I'm coming late to the process and this Resolution was circulated on short notice. We are referring to it as a data center, and if the equipment has been sized such that it needs a quarter of a million dollars of air conditioning, it's a significant data center. I'll leave it at that, other than to say that it's in the highest rent area that we could choose. And the world has moved to the cloud, but I'll leave it at that.

Mr. McDaniel: Gerry Romski I'll ask you to continue with questions.

Mr. Romski: Thanks, Reuben, and thanks for the presentation. I think for the benefit of the new Board Members, and just to refresh the folks who were around last year, when we were looking for new space, we went to a number of different buildings. I'm not going to repeat the whole history of how we got to 28 Liberty, but on the good side of 28 Liberty -- and sometimes it's better to be lucky than good -- what 28 Liberty offers us now is one, a really sophisticated high speed elevator system that will a move you up to the 55th floor. And if you remember ,Al, and I think Paul Ellis was with us, we were amazed at how fast those elevators worked, because when they retrofitted that building a number of years ago they basically tore it down to the core and put a really high-speed elevator system in there. So that's obviously a good thing in the face of COVID-19, and I'm sure there are many, many, many other buildings, including over at One Penn Plaza that would rather have that elevator system than any other.

Mr. Carney: Absolutely. Absolutely correct. And thank you for mentioning that.

Mr. Romski: And frankly, it was part of the process. In this day and age, that works to our benefit. On the other hand, there's a lot of open space out on the deck, if you remember, which again in this day and age is a good thing. The other good thing is that the ventilation system and the HVAC system -- not the auxiliary systems that we were talking about adding to the data center -- but the overall ventilation system that's in that space, and Paul and Gerry can correct me if I'm mistaken, but I believe that the ventilation system is as advanced as it could possibly be in this day and age, and the filtration systems will be able to handle the HEPA filters that you're going to be putting on the system. So that's the upside of 28 Liberty in the crisis.

In regard to the cost, I think you can really break the costs down into two silos. One, is the IT and the IT sort of infrastructure cost. I think as Jerry points out, it's sort of triggered by the IT equipment. So, just looking at it from my perspective, and I'm not an IT guy when I looked at the HVAC additional pieces -- and thank you, Paul and Jerry for getting that to me yesterday -- they're pretty decent additional auxiliary HVAC systems. So on that end, they look okay. There's some other cost in there that Paul and Jerry are going to be getting to me over the next couple of days or so. And I'm not there to be the auditor. I'm just there to check in, to sort of give my opinion on whether I think the cost is reasonable or not. So far, I don't see anything out of the ordinary. But again, I need some additional information. And when I get it, I'll report back. I think the question on the IT you answered already and if it's necessary, I guess it's necessary. I don't, I don't think I really can sort of make that judgment call. You know what I mean.

Mr. Carney: I know exactly what you're saying. As Reuben pointed out earlier, and as you and I talk about all the time, we're not here to manage DASNY. Our job is to do governance work.

Mr. Romski: Right.

Mr. Carney: So if staff believes that that this is the right way to go, unless there is IT expertise on the Board that would oppose that, then I think it's our job to accept the proposition as it is given to us. I think Jon Gardner has asked a very relevant question. It was going to be one of my questions, interestingly enough. We're not here to somehow counterpose management's decision-making. It's just that, as I've said countless times now, a $3 million expenditure in the midst of the greatest public health crisis we likely will ever see seems still to be a bit big. Reuben, you've given me a great deal of comfort on two things. One, that the number may be correct. And that whether it's correct or not, splitting it into the tranches is probably not the way to go -- which for me has been a big concern.

We're being asked to approve a huge number at a time when people are looking at these kinds of expenditures and wondering is this responsible, is it prudent to do this. I'm talking about the 50,000 foot view, the overarching view. And Gerry, I applaud your questions. I just I want to make sure that in the final analysis, we can without any question or reservation justify the size of this decision. If the answer is $2,750,000 after this conversation then maybe a lot of us will feel better. But if the answer is $3,250,000 after this discussion maybe we should feel better because maybe what staff has just done is to give us an opportunity to hear flat out, without any sprinkles on it, the reason for the number. And again, as I've said to Reuben a number of times, that was my only concern.

Mr. McDaniel: I appreciate that. I think that, a couple of things. One is, just so that everyone on the Board knows Mike and his team did go back and review our legal options.

Mr. Carney: Okay, I accept that.

Mr. McDaniel: So that puts us into a position where we have to move. We are keeping people at home, as opposed to moving back into Penn Plaza, to generate significant savings. We have to have a building that we can move into. The $3 million not-to-exceed number is the number that we will not exceed. We do have some contingency built into that number. We do have to bid out the furniture, although we've taken our estimates from the state procurement office and we're very comfortable that's where they are. But if over the next week or two, we see that there's any places we could cut a little bit of furniture out, we will do that. What I don't want to do is be in a position where we are stuck spending money without an office that is functional. And if we do not have money, or for the situation where from a budget perspective we are concerned about that, we may make some more dramatic decisions.

I think that in the current environment, we are making the most responsible decision -- that is, balancing what was originally proposed to a as a $3.6 - $3.7 million number, now I've got that to a not to exceed $3 million by taking some things out and making some reconfigurations.

Clearly, in the environment we're in, we've taken into account the need to change the design things for COVID, for the safety of our employees we need to do some things different for setting up the office, and all of those things are built into this decision. And so I know that from a raw number perspective, it is large, we could have brought to you $300,000 for this and $400,000 for that over a couple month period of time, if we had had the luxury of getting these numbers back in March and April, when we thought we would. We don't have that luxury, we did not get them. We've been working overtime, if there is such a thing, on getting to where we want to be. And I understand from the Board's perspective this is a lot to digest. I understand that this might not feel like the right number, but I think that all of us will look back if we don't do this at a larger overall financial impact as well as a poor execution on our move.

Mr. Carney: Mr. President, thank you. Gerry, do you have other comments you want to make?

Mr. Romski: I just was going to ask if any of the new Board members had any questions on how we got to the point of the lease, and how we ended up on the 55th floor or anything like that. I'd be more than happy to answer those questions from a Board perspective, but otherwise, I'll pass the baton.

Mr. Johnson: This is John Johnson. May I ask you a question Gerry? You really are the only person who I know who understands or has any knowledge of the real estate market in New York City. So from the rural New York perspective, New York City has changed. And I would be curious as to what opportunity we would have to be able to push some of these new costs created by this pandemic to the building owner? Is there an opportunity, or are we too far down the line to make that change? It seems to me that we've got the money, they've got the building. They need to rent it. We should be more in more of a driver's seat with them.

Mr. Romski: In theory you're right. The question becomes, whether from a leverage perspective, whether you could put yourself in the position where you could, in effect, walk away. And like we all say, if we could turn the clock back -- I think we all very well might be picking the same building. Maybe it's less space, and a lesser rent. But, as you know, no one has the benefit of the crystal ball to know something was going to happen.

The IT and the furniture really was always on us, and the fit-out of the furniture was always going to be a DASNY expense. It's sort of the other item. The IT piece that, in turn, triggers the requirements for additional HVAC and additional electric and certain other additional requirements. And I would say, by the way, that Paul and Reuben are correct. I had the benefit of looking at the entire list, it's not like we're going to the model home and putting all of the high-end options in. It's just a matter of timing, which doesn't work out for us right now, unfortunately. If the items are necessary, you're probably stuck with it. It's not a good answer but it's probably the answer.

Mr. McDaniel: John, just so you know Gerry did bring a similar question to us, maybe phrased differently, the same response. Paul went back and pushed the landlord, the landlord pushed back. We've had the tough conversations. I think that if we wanted to pursue anything in more detail, given that we have already signed a lease, and given what Mike is telling us, it would be a potential legal solution as opposed to a business solution because our leverage is very low. So we would probably spend more money than we would save by trying to push the landlord to make changes, or to modify the lease. So again, I think it's a good question. I want you to know that Jerry asked the same question. It's not a situation where the staff just said, we have a lease, let's keep moving. We all recognize we're in a different place. And we've tried to use whatever leverage we can as well as our own internal prudence to get where we need to get to.

Mr. Gardner: You are answering my question because so much flows from the decision to put the IT in that space. I don't think we're going to save money on furniture or carpeting or anything like that, it'll be de minimis. But when you put a data center on a floor, that requires air conditioning and wiring and there's just a lot that flows from it and really the reason that that I'm raising it now is it wasn't clear to me that this was actually part of the lease because it's coming up now. And as you said earlier on these changes, they didn't emerge because we went into lockdown. And there was the pandemic and everything that slowed down, but now they're coming out. If we're bound to make them, if we're bound to do them legally, then so be it. But given the timing of this, and the way it's coming out, I wondered whether we were really bound and whether we could go back and look at that technical decision and say, alright, we're going to rent the same amount of space, we're going to buy the same furniture, but we're just not going to put a data center in there.

Mr. McDaniel: Again Jon, I appreciate that. I think that Ann has done a good job of explaining what our data center function is. We have a couple of options with the data center; one we could certainly lease that equipment versus purchasing it. Just from a cost of capital perspective, given that we have the funds to do it, I think we should do it as a cost of capital. Second is, I can commit to the whole Board that I will go back and push Ann and her team to make sure we're not getting anything we don't absolutely need to function in the office itself. But we have gone to an internet-based phone system and a high reliance on Wi Fi and internet connectivity. And as you know, a lot of our New York Office personnel are in the design business, so they need the speed and that is required.

We do not have any of the redundancy in the office at 28 Liberty that we have now in New York City. We replaced all that. You probably remember that historically, the redundancy was in the City, and the decision was made -- really quite candidly outside of this decision -- it was deemed more prudent to have the data center backup in another location Upstate, and so we made the decision to make that transition.

I just want to be clear from the Board perspective, and I know that that you all recognize this, but we have a couple new Board Members. I've been extremely impressed with the staff and how hard they've worked to make this happen. We've asked the questions, we pushed the buttons. We've asked Mike legal questions, we've recognized that we’re in a different situation. I feel like we are in a position where we are maintaining prudence over the actual purchase costs and making sure we don't go in excess of costs to our contingency budget and paying attention to all of the implementation of this. From my office on down, we're all very focused and working hard to make sure that we’re as prudent and efficient as possible.

Mr. Romski: Reuben, was the delay in the design of the data center related to COVID-19?

Mr. McDaniel: Yes. I'm sorry. I didn't mean to cut you off.

Mr. Romski: Just take me through the timeline, so I can digest that.

Mr. McDaniel: I am going to spare you having Mike give the full legal analysis, although he can certainly do that. But I want to be clear. In March, the Executive Order from the Governor that shut down New York City also precluded anyone from doing design work. We were impacted by that as well at DASNY. We knew what we wanted on the data center. We had our internal work complete, and we had actually presented most of it to the landlord. They could not bid that work out for a 60-day period of time, until we entered phase one in New York City. As soon as we entered phase one, the landlord bid the work out, and then we got the numbers back. And Mike can be more precise on the dates, but that's what happened, is literally, we had done everything we needed to do on time and on schedule, and the landlord was prepared to bid this out. The Executive Order said we could not do any bid work on construction in the State until we entered phase one. Once we entered phase one, the landlord bid it out, actually, a little more efficiently than they anticipated initially, which is what got us from the February 1st date to the January 1st date. We knew the specs of the data center, but we did not have the opportunity to bid that out because of the COVID lock down.

Mr. Koopman: The landlord was struggling to get contractors and the labor supply was in question. If you recall, we were supposed to get in initially August 1st. I'll let Mike speak to the legal side, but we did get a force majeure letter where they indicated that because of the COVID situation, it did push us out basically two and a half months. So to the original bids, they were probably trying to get this out sometime in March when we got a notification that was happening, and that the landlord didn't know what the market was going to look like. Once things opened back up, we then got notification that they were able to secure bids, and then we got the notification on the schedule.

Mr. Carney: Thank you, Paul.

Mr. Romski: Thanks Paul. I'm turning it over to whoever would like to ask the next question.

Mr. Johnson: But Gerry, just let me thank you for that answer to the question that I raised, it really helped me understand. Thank you.

Mr. Romski: Thank you John. And of course, if anybody has any questions.

Mr. Carney: Joan, you've actually had more contact with this in recent weeks than certainly you had before. Do you have any questions that that you're ready to ask now, or would you rather just wait and pose them later on?

Ms. Sullivan: No, actually I have had a lot of my questions answered, and kudos to the DASNY staff. They've been very open and very helpful. I think when I saw the $3 million, it was sticker shock and without really having the background which folks have provided me -- not to micromanage but to better understand -- I'm actually much more comfortable than I was last week when we saw it. I do see where DASNY really looked at the alternatives and did a hard look and cut back so that gave me some comfort. And I agree with some of the things that Reuben said in terms of approving the total amount. And I think Ruben, you may be more optimistic than me in terms of timeframes for ordering and for procuring just based on my background. I don't think we have a lot of time. But I do think it would be helpful for the Board to have some of the material that you had shared with Gerry and I to get a better sense of what was in there, and what was taken out, because that has given me much more comfort.

Mr. McDaniel: We'll certainly present all the information we sent to you to view, and it is quite dense, but we'll send it to the full Board. Our goal here is to make sure that everyone has the information they need. And I will apologize for the last time. It was my assumption based on conversations I had with Gerrard and Mike Corrigan that the Board would have had a $3 million dollar-ish number in their head around this. And that was just a poor assumption on my part, and I take full responsibility for not verifying that people expected that number. My anticipation was the number itself would not be surprising to you, clearly it was, and so if I thought it would be surprising, I would have taken a different tact to sending the Board packets, as opposed to asking for a Resolution. I take full responsibility for that.

Mr. Carney: It's all history Reuben. And, you know, things happen. What you all have done today is to give us a much better sense of comfort with all the information that you presented. And you've got major staff on hand to answer questions of other Board Members. I think four of us have spoken up. But that means that there are seven people who may or may not have further questions. If you have questions, please let's have them. And if you don't, but may formulate questions today, tomorrow or Friday, don't hesitate.

Ms. Snyder: I just wanted to say that I thought that was an excellent presentation. And John, for what it's worth, I think every tenant in New York City and probably other cities as well are having that same conversation about rent abatement, or who's responsible for the COVID changes when it comes to the air conditioning and the cubicles and the temperature. All those things, and kind of with the same result -- if you have any leverage maybe you can make some headway, but if you don't, you can't. And everyone's having the conversation. Most of the results are the same. Thank you, DASNY and Reuben and staff. I thought it was an excellent presentation. Thank you.

Mr. Carney: Thank you very much, I think we all agree. Mike, question, who did the legal work for us on the lease?

Mr. Cusack: The legal work as the Board will recall was handled by internal staff working with Andrew Weiner, Esq. and Caroline Harcourt, Esq. from the Pillsbury law firm, from our procured counsel list. And we were also advised as you will recall by Cushman & Wakefield as our real estate expert to get to what everyone concluded was a very standard and fair New York City market lease.

Mr. Carney: Okay, I wasn't really going to ask questions about it, but I was just curious. Are there other questions from Board members?

Mr. Cechnicki: Mr. Chair, I don't know that I have questions per se, but I've been thinking through all these conversations. And I think it's probably more commentary, but questions may come out as I say it. I feel like this is going to be fairly long-winded despite coming from a place of ignorance, and the Chair mentioned not knowing much about real estate, I would certainly challenge him to a trivia contest, because I think he might win that. But as I'm thinking through this, I'm informed by a couple different things within my own experience in working in state government.

The first is that in the State Education Department. I oversee an IT system essentially that manages billions in payments to school districts. And that system was undergoing a significant change about 10 years ago, in modernizing and automating a bunch of it. And unfortunately, the State cancelled the project in the middle of that. And 10 years later, we are struggling mightily with those decisions to try to piece of this together with bubble gum and toothpicks. It's a real challenge. And now we're in a position where the ability to get this fixed at any point in the near future has completely evaporated. And so I'm mindful of taking your opportunities when you have them, so that you don't put yourself in bad positions down the road.

And I'm also informed of having worked in various state agencies where the work environment, both in sort of the human component, but also just the workspace itself, are very different. Having experienced both places that are great and wonderful and you feel like you're totally at home, and places where you're treated like a cog in a machine, I'm very mindful of that in terms of longer term health of the Authority and in terms of its people, and trying to balance those needs with the financial needs.

In looking at this, I think obviously the sort of the first level look, you're looking at your needs versus your costs. Pre-pandemic it seems like that work was moving along and was done in all the appropriate ways. I think as you go through the changing of the circumstances, certainly I think somebody mentioned the political issues that this can raise for us, but I think the fundamental question really is one of if that needs and cost assessment was appropriate already, if to the extent any change circumstances have changed your fiscal capacity, that's really the time to look at that. And I think in this case, for us, it seems like the answer is probably no. There's certainly some longer tail risks on some of our clientele in terms of what they're going to be doing in the future. But it seems to be where the authority stands today, we have that ability.

I know in my own personal life, I kept my kids home for three months, but I still paid the daycare because when we came out of this, I wanted the daycare to still be there. And I think that in the short run, it would have been nice for me to save the money and not pay them. But if I and others were doing that for three months and the place went out of business, then when I started going back to work we would have been stuck. So it was important to me, even though the short-term financial costs didn't make sense rationally. So I think when you put that context in, then my inclination in these types of things is then to lean towards not changing your plans, so long as you're not putting yourself in a position of inadequacies in the future, I think to the to the questions that have been raised about the IT structure and things like that.

So I think altogether, I think one could go through these tests and come to different conclusions. But I have to agree with Al’s point about governance versus management, and I think the staff have done a good job of laying out the work that is done and anticipating those questions, and trying to balance that. Having been micromanaged many times in the past, I want to take this opportunity to try to be more on the on the governance side.

And then lastly, just sort of a general observation. I think the last meeting we had in person, I had the opportunity to go to 28 Liberty for a totally separate meeting after our Board meeting. And though we weren't on the same floor that the office space will be on, I found the space to be more than adequate, the ease of access from Penn Station was great. So I know at least from a selfish point of view that that I was pleased with what I saw there. And I think what I've heard from staff is encouraging. And even if I'm coming from a place of ignorance on the real estate market, it seems like the right questions have been asked and I appreciate the opportunity for us to have this conversation and for Reuben and staff to continue looking into these things.

Mr. Carney: Brian, thank you for that. You've not been with us a real long time but clearly you have figured out that this is a terrific staff, and that we must rely on the quality of the work that they do for the Authority. I think it's clear -- and you've made it clear that you understand -- that they are doing a great job. And your comments made it clear, our governance responsibility is simply to ensure to our own comfort levels -- and those will vary from Member to Member -- that we are asking the right questions and the staff is giving us great answers. I think today is an example of where both of those things have happened. I think the Members have asked great questions, offered great comments, and I think staff came fully prepared -- loaded for bear as the old expression was. So thank you for your comments. Other questions or comments from Members?

All right, well, it seems to me then that we have come to the end of our meeting.

Mr. McDaniel: Mr. Chairman if you don't mind. Let me just make sure that everybody's on the same page as far as what the next steps will be with this decision.

Mr. Carney: Yes, I actually wanted to talk to you a bit about that outside of the meeting context, but that's fine. Please go ahead.

Mr. McDaniel: I don't think I'll say anything that would trump that. I just want people to expect that we will get a package of information later today from the staff members that mirrors what Gerry and Joan have seen, so you have a chance to look at that. If you have questions about those materials, please coordinate with Paul, he will determine who the best staff people are to answer those questions and arrange for you to talk to the responsible parties to get the questions answered directly. Again, I can answer the general questions, but I think it's more efficient if Paul gets you the right person to get those questions answered. And then, you know, Mr. Chairman, you and Mike and I can work on the meeting. That's what I wanted to put that out there, that we would be getting you more detailed information and the staff is available to respond to those questions.

Mr. Carney: Okay. Terrific. Again, if there are, if people have other questions or comments this is a great time. But because we're not voting on the Resolution today you have more time to consider what you think. Comments would be appreciated if you look at this, If you're looking at this and you're comfortable that we have done about as much as we can do as a Board, then you know let me know, don't hesitate to pick up the phone calls and send a send an email or anything but a text message anything but a text message. Just so that I can know where you are on, feel free to ask your questions, direct your questions directly to Ruben and he will direct you to others. If that needs to be the case. Is there any other business to come before this Board?

Hearing none, then our next regular meeting is scheduled for the ninth of September. Obviously, that's a regularly scheduled meeting. We're obviously going to meet on the phone, between now and the fifth of August, whenever Ruben and staff determine it to be a good time based on polling the Members, on the phone to vote this Resolution. And we'll look forward to hearing from you Reuben and from Diane Felitte, who of course will organize around making all that happen. If there are no questions about that, then may I have motion please to adjourn the meeting?

Ms. Sullivan: And I make the motion.

Mr. Carney: Thank you very much, Joan. Is there a second?

Mr. Chen: Second.

Mr. Carney: Thank you.

Mr. Romski: And by the way Al, thanks to Reuben and Paul for putting this together, by the way. I think it is very helpful and not the easiest thing. I personally thank them.

Mr. McDaniel: Thank you, Gerry.

Mr. Carney: I agree with you, Gerry, I did make the comment already, but I think Beryl covered that territory the way I would have covered it if I had thought to do it, and that was to say that the presentation today was excellent. It was just top shelf. And I really, really appreciate the work that must have gone into it.

Thank you.

All in favor? Aye. Any opposed to adjourning the meeting? Hearing none, the motion passes unanimously and we stand adjourned.

The meeting adjourned at 11:50 a.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary