

The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's Albany Office, 515 Broadway, Albany, New York at 9:30 a.m. on Wednesday, October 11, 2017.

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

Members Present

Alfonso L. Carney, Jr., Chair, Member
John B. Johnson, Jr., Vice Chair, Member
Sandra M. Shapard, Secretary, Member
Jonathan H. Gardner, Esq., Member
Gerard Ronski, Esq., Member
Elizabeth Berlin, Designated Representative of the Commissioner of Education, Member
(ex officio)
Adrian Swierczewski, Designated Representative of the Director of the
Budget, Member (ex officio)
John Valitutto, Designated Representative of the Commissioner of
Health, Member (ex officio)

Members Absent:

Beryl L. Snyder, Esq., Member
Paul S. Ellis, Esq., Member

Also Present - Dormitory Authority Staff:

Gerrard P. Bushell, President
Michael T. Corrigan, Vice President
Michael E. Cusack, Esq., General Counsel
Kimberly J. Nadeau, Chief Financial Officer
Portia Lee, Managing Director of Public Finance and Portfolio Monitoring
Stephen D. Curro, Managing Director of Construction
Debra Pulenskey Drescher, Esq., Managing General Counsel
Larry N. Volk, Senior Director, Portfolio Monitoring
Paul G. Koopman, Managing Senior Director, Construction
Kathy D. Ebert, Director, Internal Audit
Gayle M. Katzman, Director, Construction Administration
Daniel W. Petroff, Chief of Strategic and Business Development
Freeman M. Klopott, Director, Communications & Marketing
Timothy D. Atkins, Director, InterGovernmental Relations
Dena T. Amodio, Esq., Associate Counsel
Matthew T. Bergin, Assistant Director Public Finance & Portfolio Monitoring
Gerard E. Klauser, Senior Financial Analyst
David P. Ostrander, Senior Financial Analyst

Stephen J. Kosier, Senior Financial Analyst
David F. Peritano, Public Information Officer

Others Present

Russell Biggs	NYS Department of Health
Harrie C. Patrick, Esq. Kevin Bezio, Esq.	Harris Beach PLLC
Gerry Farrell, Esq.	Ahmad Zaffarese, LLC

PUBLIC SESSION

The Chair called the Meeting to order. The Minutes of the September 11, 2017 Meeting were reviewed and approved.

Ms. Shapard moved that the Members go into Executive Session to discuss the financial and credit history of a particular corporation. Mr. Gardner seconded the motion and the Members went into Executive Session.

EXECUTIVE SESSION

During Executive Session, no action was taken other than a motion to return to Public Session.

PUBLIC SESSION

Finance Committee Report

Finance Committee Chair Ronski reported that the Finance Committee met the prior day, and after discussion, decided unanimously to recommend the Bronx Lebanon Hospital transaction to the full Board for approval.

United Cerebral Palsy Association of Putnam and Southern Dutchess Counties, Inc.

The President introduced Harrie C. Patrick, Esq. and Kevin Bezio, Esq. of Harris Beach, PLLC and Gerry Farrell, Esq., of Ahmad Zaffarese LLC, co-bond counsel on the transaction, and Mr. Kosier

Mr. Kosier updated the Board with respect to the transaction. He stated that PACB approval was obtained, the TEFRA hearings were held; and the SEQR review was complete. He further noted that with respect to bond counsel's tax diligence, the useful life analysis of the assets financed by the bonds being refunded supports an extension of the existing final maturity to the full 25 year term of the proposed bonds. Mr. Kosier reported that the Institution has had

conversations with the Office for People with Developmental Disabilities (“OPWDD”) about amending the Prior Property Approval (“PPA”) to make the reimbursement coterminous with bondholder payments, but that no determination has been made. He further stated that if the final maturity is extended and the PPA is not amended, it is expected that there will be a portion of the bonds that will amortize over the existing term of the PPA. Mr. Kosier noted that the remaining bonds will be issued in maturities that will “wrap around” those bonds to create level debt service throughout the life of the bonds.

Mr. Cusack noted that in response to a request by Gates Capital, DASNY staff has been working to develop a streamlined private placement program for certain of DASNY’s borrowers and certain of Gates Capital’s private placement purchasers which are institutional bond funds who require Private Placement Memoranda. He noted that this effort also dovetails with the Private Placement working group which the President had asked that Mr. Cusack convene to identify ways to generate added efficiencies in the private placement process. Mr. Cusack further noted that both Gates Capital and DASNY expect that once the development of the program is completed, including a set of template documents and policies, future financings could be undertaken more efficiently and more cost effectively.

Mr. Cusack stated that as part of the United Cerebral Palsy financing before the Members for their consideration, a form of Bond Issuance Circular was developed with the assistance of bond counsel. He stated that this new Bond Issuance Circular will not subject DASNY to any new or different federal securities law liabilities. He explained that institutional investors of DASNY’s privately placed bonds, who are all required to be Qualified Institutional Buyers (“QIBs”), will continue to be required to deliver at closing a certificate confirming, among other things, the QIB language that is standard in DASNY private placements. He noted that this language includes: the purchaser’s status as a QIB; that the purchaser is willing and able to conduct an independent investigation of the risks involved with its ownership of the bonds; that the purchaser has been provided with such information as it has deemed necessary and desirable relating to the Institution, its operations, governance, and financial condition; and that the purchaser has made such investigations in order to reach an investment decision with respect to its purchase of the bonds.

Ms. Lee noted that the Bond Issuance Circular contains disclosure relating to DASNY’s issuance of the bonds and the core terms of the bonds. She stated that the Bond Issuance Circular is prepared by DASNY and its bond counsel. Ms. Lee explained that the core bond terms include: security, such as pledge of revenues and mortgage; principal and interest payment dates; and redemption provisions. She further explained that borrower-related information, such as the detailed description of the borrower and its operations, financial covenants and risk factors, is disclosed in a separate Private Placement Memorandum prepared on behalf of the borrower. She stated that the business terms between the borrower and the purchaser often times change during the financing process. She noted that staff believes that identifying the summary points contained in the Bond Issuance Circular will help streamline private placements with bond funds, as in this case with the United Cerebral Palsy transaction.

The Chair noted that the Board might benefit from reviewing the Bond Issuance Circular and asked that staff arrange to have the document provided to the Members. He noted that it is a very concise document, as it sets out considerations that are particular to the private placement.

Ms. Lee stated that, in this instance, the private placement purchaser is a bond fund which has requested the type of information contained in the Bond Issuance Circular and the Private Placement Memorandum for bond valuation purposes. She noted that when a bank is the purchaser, the bank does not require these documents.

In response to an inquiry from Mr. Gardner, Ms. Lee noted that, generally speaking, the Private Placement Memorandum is not public, but that in this case, the Private Placement Memorandum and the Bond Issuance Circular will be posted on EMMA.

Mr. Patrick further described the transaction and presented the financing documents. He stated that before the Members for their consideration is the adoption of two Series Resolutions authorizing the issuance in the aggregate of up to \$13,000,000 of tax-exempt or taxable bonds under the Authority's Cerebral Palsy Affiliates Program Revenue Bond Resolution, adopted October 9, 2013, which provides for issuance of multiple series of bonds to fund loans to affiliates of United Cerebral Palsy Associations of New York State. Mr. Patrick further stated that the financing would benefit only one UCP affiliate, United Cerebral Palsy Association of Putnam and Southern Dutchess Counties, Inc.

Mr. Patrick explained that the proceeds of the Series 2017 Bonds are expected to be used to refund outstanding IDA bonds, to refinance taxable debt, to finance improvements to certain Institution facilities, to fund a Debt Service Reserve Fund and to pay costs of issuance of the Bonds.

Mr. Patrick stated that Gates Capital has obtained a commitment from Oppenheimer Funds to purchase the Bonds and that it is currently expected that the Bonds will be issued as a combination of tax-exempt and taxable bonds in two series. He noted, however, that other configurations are possible under the Series Resolution, including separating series of bonds into sub-series.

Mr. Farrell further indicated the General Resolution provides for the issuance from time to time of multiple series of bonds, each of which must be separately secured from each other series of bonds by the revenues pledged to such series and by the funds and accounts established for such series of bonds. Mr. Farrell noted that the proposed Series 2017 Bonds, will be "special obligations" of DASNY payable out of (i) the applicable revenues pledged for such series of bonds consisting of payments to be made by the applicable Affiliate under the related Loan Agreement and (ii) the moneys and investments held in the funds and accounts established for the series of bonds. He informed the Members that payment of each series of bonds is also secured by a pledge and assignment made by DASNY of the security interest granted by the Institution in the pledged revenues.

Concerning the Series 2017 Resolutions, Mr. Farrell stated that each of the Series 2017 Resolutions delegates to various officers of the Authority the power, among others, to determine: (i) the principal amount of the Series 2017 Bonds (and subseries, if applicable) issued thereunder not in excess of \$13,000,000 in the aggregate; (ii) the date or dates on which any Series 2017 Bonds issued thereunder will mature, provided that no Series 2017 Bond shall mature later than twenty-five (25) years from the December 1 following its date of issuance; (iii) the rate or rates at

which the Series 2017 Bonds to be issued thereunder will bear interest, provided that the true interest cost or the initial interest rate of the Series 2017 Bonds shall not exceed seven and one-half percent (7½%) per annum if issued as tax-exempt Bonds and ten percent (10.0%) per annum if issued as taxable Bonds; (iv) the sale price for the Series 2017 Bonds to be issued thereunder provided that it may not be less than 95% of the principal amount of such Series 2017 Bonds sold; (v) whether the Series 2017 Bonds (or any subseries thereof) will be issued on a Federally tax-exempt or taxable basis; and (vi) the existence and scope of any mortgaged property and pledged revenues and whether parity indebtedness is permitted.

Mr. Farrell also stated that pursuant to the authority granted by the General Resolution, the Series 2017 Resolutions also establish the funds and accounts to be held and maintained by the Trustee with respect to the Series 2017 Bonds. He stated that, in addition to the funds required by the General Resolution, the Series 2017A Resolution also establishes a Debt Service Reserve Fund and that the Debt Service Reserve Fund will be funded at its requirement upon issuance. Mr. Farrell stated that the Debt Service Reserve Fund Requirement for the Series 2017A Bonds is expected to be established consistent with the requirements of the private purchaser(s). He stated that there is not expected to be a Debt Service Reserve Fund for the Series 2017B Bonds.

Mr. Farrell also noted, that as previously discussed by others, a Bond Issuance Circular of DASNY and a private placement memorandum of the Institution will be prepared in connection with the Series 2017 Bonds.

Mr. Farrell reported that, in accordance with the Authority's Financing Guidelines for Independent Institutions, each Series 2017 Resolution restricts ownership of the Series 2017 Bonds to QIBs. He stated that each QIB which purchases the Bonds agrees to restrictions on the transfer of the Series 2017 Bonds.

Mr. Patrick informed the Members that DASNY and the Institution are expected to enter into a Loan Agreement which will obligate the Institution to make debt service payments to the Trustee. He stated that Institution's obligations under the Loan Agreement are general obligations payable out of any moneys of the Institution legally available to it for such payments. He stated that the Institution's obligation to make payments under the Loan Agreement will be absolute and unconditional. Mr. Patrick further stated that the Series 2017 Bonds will be secured by a pledge of revenues, subject to prior pledges, and by certain public funds. He stated that the public funds are subject to a standby intercept agreement providing that upon an event of default, DASNY can intercept State and local government funds otherwise payable to the Institution, which funds can be applied to pay debt service on the Bonds. He also stated that payment to DASNY would be secured by a mortgage on three Institution facilities, which would be assigned to the Trustee.

Mr. Patrick informed the Members that the Series 2017 Bonds are proposed to be sold privately to Oppenheimer Funds, which is a QIB. He further stated that the private sale of the Series 2017 Bonds to the purchaser will be effectuated through the execution of a bond placement agreement among DASNY, the Placement Agent and/or the Institution. Mr. Patrick stated that the purchaser will purchase the Series 2017 Bonds on the date of issuance for the par amount of the Series 2017 Bonds, and the proceeds will be deposited with the Trustee to be applied to pay Costs of the Project, to fund the Debt Service Reserve Fund and to pay costs of issuance.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2017A RESOLUTION AUTHORIZING UP TO \$13,000,000 CEREBRAL PALSY AFFILIATES PROGRAM (UNITED CEREBRAL PALSY ASSOCIATION OF PUTNAM AND SOUTHERN DUTCHESS COUNTIES, INC.) REVENUE BONDS, SERIES 2017A; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2017B RESOLUTION AUTHORIZING UP TO \$13,000,000 CEREBRAL PALSY AFFILIATES PROGRAM (UNITED CEREBRAL PALSY ASSOCIATION OF PUTNAM AND SOUTHERN DUTCHESS COUNTIES, INC.) REVENUE BONDS, SERIES 2017B

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

The Chair noted that he wanted to thank Ms. Amodio for her extensive work on the Bond Issuance Circular.

Bronx Lebanon Hospital

Mr. Klauser presented the Credit Summary and Staff Report recommending the issuance on behalf of Bronx-Lebanon Hospital Center of 15-year fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$36,000,000 to be sold through a private placement to TD Bank, N.A. He stated that Bronx-Lebanon Hospital Center serves economically disadvantaged and medically needy residents of the South and Central Bronx.

Mr. Klauser stated that the proposed bonds are expected to advance refund the fixed rate, TD Bank letter of credit backed Bronx-Lebanon Hospital Center Revenue Bonds, Series 2009, of which there are \$31,305,000 million outstanding. Mr. Klauser explained that the proposed 15-year amortization would shorten the life of the debt by over two years, while demonstrating net present value savings of \$8.1 million with 25.8% savings on the refunded bonds. Mr. Klauser stated that the Series 2009 Bonds were issued to finance the construction of the Ambulatory Care Facility near the Concourse Division which has contributed to the financial health of the Hospital.

Mr. Klauser reported that it is expected that the bonds will be privately placed with TD Bank, which will hold the bonds for ten years, at which point the bonds will be subject to mandatory tender. Mr. Klauser explained that the Hospital will have the right to request that TD Bank extend the hold period. He informed the Members that, subject to the agreement with TD Bank, the proposed bonds are expected to be secured by a pledge of gross receipts and mortgages on certain real property.

Mr. Klauser stated that the Hospital experienced an operating gain of \$9.2 million in 2016, for a 1.29% operating margin. Mr. Klauser reported that the Hospital has 71 days cash on hand, which is far above the regional median and nearly meets the DASNY median. He noted that, with respect to the utilization, occupancy has been consistent and is in excess of the regional and

DASNY medians, while average length of stay is favorably below the regional and DASNY medians. Finally, Mr. Klauser noted that, after the refunding, the bonds will be held privately by TD Bank, rather than being held publicly, which is currently the case.

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE THE APPROPRIATE DOCUMENTS TO PROVIDE FOR THE FINANCING OF FACILITIES FOR BRONX LEBANON HOSPITAL CENTER.

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

Audit Committee Report

Audit Committee Chair Gardner indicated that the Audit Committee had met the previous day via video conference between the Albany and New York City Offices. He noted that the new KPMG partner in charge of the audit, Marie Zimmerman, and her team provided an update on the Audit Plan for 2017-18.

Audit Committee Chair Gardner then noted that Ms. Ebert had made a presentation with respect to amending the Internal Audit Department Charter. He stated that the amendments were to conform DASNY's Internal Audit Department Charter to include recent updates from the Institute of Internal Auditors internal practices framework. He noted that the Audit Committee is recommending to the full Board the proposed changes to the Charter.

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

RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AMENDING THE INTERNAL AUDIT DEPARTMENT CHARTER

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

The Chair thanked Ms. Ebert for her hard work in preparation for her presentation to the Audit Committee the previous day.

President's Report

The President directed the Members' attention to the proposed 2018 DASNY Board and Committee Meeting schedule. He noted that staff is proposing 11 meetings: five in Albany and six in New York City. He further noted that a tentative Special Board Meeting date of August 8, 2018 is noted on the schedule, and that it will be held only if necessary. The President stated that this schedule continues the practice of holding DASNY Board Meeting dates closer to the beginning of the month to better align with PACB meetings.

The President reported on the New York State MWBE Forum. He thanked the Members who were able to attend the Conference that was held in Albany last week. He noted that, once again the DASNY presentation at the Forum were very well attended. The President stated that he had outlined to those in attendance DASNY's delivery of *One DASNY*, which is the complete integration of all resources in finance, design and construction. The President noted that as *One DASNY*, staff is collaborating to leverage the entire organization. He stated that health care and education institutions are partnering with a full complement of resources that maximize impact and gets results. The President noted that the Chair was kind enough to introduce him at the Forum and that his presentation was followed by presentations from Michael Clay, Lou Cirelli, Paul Koopman, Portia Lee and Kim Ellis. The President stated that each of them described the work DASNY does to create opportunities for MWBEs. He stated that MWBEs in attendance were provided the opportunity to meet directly with DASNY staff members, who also participated in and moderated various panels throughout the two-day event.

The President then noted that *The Bond Buyer* published an article on September 22, 2017 based on an interview with him. He stated that the article highlighted many of DASNY's recent successes, including DASNY's finishing the first quarter of 2017 as the second-largest issuer of municipal bonds in the country. The President noted that the article also highlighted DASNY's successes, including DASNY selling \$150 million of tax-exempt bonds to support SUNY residence hall projects throughout the State, and improvements that DASNY has made to better serve its clients. He further noted that he was very excited to see that the reporter captured DASNY's construction work as well, including the application of design-build to speed the construction of a residence hall for SUNY's College at Brockport.

The President reported that, on September 14, 2017, he had the privilege of touring Columbia University's Jerome L. Greene Science Center and its Lenfest Center for the Arts, two important elements of the University's Manhattanville Campus that is rising in West Harlem. He stated that DASNY is providing significant financing for the new campus, which is already reshaping the surrounding community and the University's role within it. He noted that both the Science and Arts Center invite the community into their spaces to participate in research and cultural activities. He further noted that it was also gratifying to learn of Columbia's dedication in supporting MWBEs and local businesses through its workforce participation programs. The President stated that Columbia has committed to spending more than \$130 million with MWBEs and local businesses in building the campus, and almost half of the construction workforce is composed of minorities, women, or local labor. He stated that he was extremely proud that DASNY has been able to support these projects, which help ensure that Columbia University will remain and grow as an economic engine.

The Chair expressed his thanks to Mr. Biggs for taking time to attend the MWBE Forum.

Public Finance and Portfolio Monitoring

Ms. Lee gave the Public Finance Report. She reported that DASNY had priced the \$1.7 billion Personal Income Tax ("PIT") Revenue Bonds new money/refunding last week through a

competitive bid process. She stated that DASNY bid the bonds in 5 tranches and that the winning bidders were: Goldman Sachs, Bank of America Merrill Lynch, Morgan Stanley, Roosevelt and Cross and JP Morgan. She noted that the bids were very aggressive.

Ms. Lee then noted the financing also included funding for grants under the Capital Restructuring Financing Program (“CRFP”). She noted that this program was not referenced in the Staff Report, so she wanted to update the Board with respect to the inclusion of it in the bond issue. She explained that CRFP is an “authorized use” under the PIT Resolution and the program. Ms. Lee stated that the financing is scheduled to close on Friday.

Ms. Lee then gave a market update. She stated treasury yields increased across the curve last week as the market reacted to Las Vegas, continued geopolitical tensions, positive Fed commentary and strong economic data. She stated that market participants are expecting a rate hike in December. Ms. Lee stated that municipal bond funds reported outflows last week and that municipal supply this week is approximately \$7 billion. She further stated that the ten year MMD has increased 15 basis points and the 30 year MMD has increased 9 basis points since the last Board Meeting

Ms. Lee noted that as of today, the current AAA MMD for 1 year is .94%, 10 years is 2.01%, and 30 years is 2.82% and that at the September Board Meeting AAA MMD for 1 year was .77%, 10 years was 1.86% and 30 years was 2.73%.

Ms. Lee directed the Members’ attention to the Quarterly Financial Advisor Report and several Bond Sale Summaries which include performance metrics.

President’s Report (continued)

The President reported that on September 20, 2017 Monroe Community College (“MCC”) held a community celebration for its new Downtown Campus, which welcomed students for the fall semester. He stated that the new \$78 million, 255,000 square-foot Downtown Campus on State Street in Rochester will greatly expand MCC’s ability to provide the education and training for jobs that will further fuel the region’s resurging economy. He further stated that to help fulfill its dream, MCC came to DASNY for interior design, and the purchasing of furniture and equipment. The President stated that DASNY completed the project about \$1 million under budget with an MWBE participation rate of above 50 percent.

The Chair stated that DASNY’s work with the Columbia University Manhattanville initiative is astounding in the scale and scope and focus of biotechnology and engineering. The President mentioned that there was a dairy farm there years ago, which is unusual in the city. The President noted that if there was an interest in touring the project, staff would arrange such a tour.

Construction

Mr. Curro stated that the picture on the cover of the Construction Projects Report is a recently completed project for the SUNY New Paltz – Bevier Hall Renovation. He noted that the budget for the project was \$19.1 million and that the scope of the project included a gut renovation of the residence hall, including a new floor plan and MEP systems, added peaked roof and associated site work. Mr. Curro reported that the design consultant was Architecture Plus and that the design start date was April 2015 with a completion date of February 2016.

Mr. Curro reported that the general contractor for the project is PC Construction based out of Burlington, Vermont, and that the construction start date was May 2016 with a completion date of August 2017. He noted that the project included a LEED Gold rating with a new lounge, internal elevator, and entryways. Mr. Curro reported that \$16.1 million of the construction project was completed in eight months and that this was a very challenging endeavor. He stated that the project was one of five residence halls to be renovated (including prior renovations to Crispell and LeFavor Halls)

In response to an inquiry from Mr. Johnson who asked about the general contractor being a Vermont entity, Mr. Curro stated that bidding is open to everyone, not just New York companies.

Mr. Curro noted that the fourth residence hall in the complex, Deyo Hall, was moving into the design stage with a May 2019 construction start anticipated.

Mr. Curro then reported on new projects. He stated that there is a \$10.9 million minor renovation project at Big Haus at SUNY Purchase. He noted that, at the College of Staten Island, there is a campus roadway reconstruction project at a cost of \$19.1 million. Mr. Curro then reiterated that the various SUNY 2017 summer projects had all been completed for Fall 2017 semester occupancy.

Mr. Curro noted that construction expenditures for the prior year to date were \$258 million and that the current year to date is \$341 million, an increase of \$83 million.

Mr. Curro then provided additional various project/program updates. He stated that with respect to security for the New York City Housing Authority (“NYCHA”), there were 30 projects completed, 16 in construction and 14 in design. He reported that with respect to appliances, there were 20 developments that had been delivered and installed and three developments with delivery/installation in progress. Mr. Curro noted that the quality of life projects for NYCHA included six projects that were moving to construction with stakeholder signoff and 100% construction drawings.

Mr. Curro reported on the Moynihan Station code project. He stated that DASNY continues with permitting tasks, including the review of project bulletins for code impact, construction inspection services, special inspection review, and code compliance walk throughs. He stated that the construction work continues, including the demolition, reinforcement of structural steel and steel trusses, footing excavation and pile installation.

Mr. Curro reported that, in connection with the Javits Center Expansion, construction restarted in August for the transformer building. He stated that on-going construction activities included grate and tie beam installation and that DASNY activities included steel frame inspection and review of revised construction documents.

Mr. Curro then gave an update with respect to the Court Officer Training Academy. He noted that Con Edison delivered infrastructure for permanent power which he expects will be energized this week. He stated that construction continues on a storm water detention system, other site work, MEP and finishes in both Buildings 1 and 2. He noted that a November Certificate of Occupancy is anticipated by the general contractor.

Mr. Curro reported that with respect to SUNY Brockport, the building metal framed panel construction was completed this week for the four-story project. He stated that staff anticipates the structure will be enclosed and weather-tight by November, allowing for interior activities to progress over the winter months. He reported that the project remains on schedule at this time.

Mr. Curro then gave a brief report on various other matters. He noted that the Contract Management system replacement effort was underway. He reported that DASNY is procuring Stellar Associates to assist with the selection process of the replacement project management system. He informed the Members that DASNY anticipates selection in the second quarter of Fiscal Year 2018. He noted that implementation will follow and is anticipated to carry a 10-14 month duration.

Mr. Curro noted that EY recommendations included formation of a Small Projects Planning Committee that has been established internally. He reported that the Committee is focused on approximately 70 projects under the OPWDD CMM Program.

Finally, Mr. Curro reported that with respect to the Construction Division Winter Training Series, DASNY will begin the Training Sessions with presentations including the Procurement Lobbying Law, the EY effort, a general conditions update and specific general conditions articles sessions.

Mr. Ronski noted that the Governor had written an article in *Real Estate Magazine* that was very complimentary of the SUNY Summer project program and DASNY.

President's Report (continued)

The President referred to the proposed contract amendment for the Strategic Planning Consultant. He noted that before the Members for consideration is a Resolution that would enable DASNY to engage EY for ongoing support for as long as the next year. He informed the Members that the proposed contract extension caps the cost of this work at \$150,000. He noted that, in this extended capacity, EY will serve as an on-call advisor as DASNY is transformed in three key areas: top line growth, risk management, and creating efficiencies. He noted that support from EY will specifically support DASNY's development of a risk management framework. He further noted that the teams are being established to develop specific process efficiencies and client outreach strategies. The President further stated that this extended contract will also enable

DASNY to bring members of the EY team to the broader community of the DASNY team to facilitate training sessions. He noted that the services provided under this extension are targeted at providing strategic planning support as DASNY charts and executes on its new path forward.

Mr. Valitutto inquired as to whether there is a firm commitment as to their fees. The President responded that Managing Senior Director, Construction, Paul Koopman, had negotiated with EY and that there is an understanding of the services to be provided and how they are to be executed. The Chair noted that the proposed contract amendment contains a not-to-exceed amount.

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

RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (“DASNY”) AUTHORIZING THE EXECUTION OF AN AMENDMENT TO DASNY’S CONTRACT DATED APRIL 18, 2017 WITH ERNST & YOUNG U.S. LLP FOR STRATEGIC PLANNING CONSULTING SERVICES

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

In response to comments from the Chair and Ms. Shapard, it was agreed that the staff would arrange a presentation for Mr. Johnson, who was not present for the last EY briefing, and that hard copies of the draft materials included in the prior briefing would be shared with the Board. The President emphasized that the evidence-based strategic planning analysis provided by EY is being used by staff to execute on the development of a larger implementation plan for DASNY. He stated the pathway to execution is being developed, and that there are some discernable items that staff will come back to the Board to present on once this exercise is complete.

The President further noted that the first part of the plan includes the small project initiative that is taking shape in the Construction Division. Staff is looking specifically to achieving better efficiencies in the delivery of smaller construction projects, and using any efficiencies realized in other areas of the Construction Division.

The President further stated that the team would be happy to brief the Board on its progress and include EY, if necessary. He noted that staff is working to flesh out the details on the implementation plan, and that there is a schedule and a series of committees across all of DASNY where people are engaged in thinking through efficiencies, risk management and how we grow DASNY’s business to find adjacent opportunities. He stated that one example of this is Mr. Cusack’s initiative in the standardization process for private placements.

Finance Report

Ms. Nadeau stated that in terms of financial results, DASNY continues to perform well against its budget. She noted that, as indicated in her Financial Report, DASNY has closed on six private financings, generating fees of \$840,000 vs the budget of \$2.2 million. She stated that the workload in Grants Administration continues to increase the portion of employee time spent supporting public clients, which has exceeded 93% of direct charges vs the budgeted level of 88%.

She further stated that, through August, operating expenses are approximately \$400,000 above budget. Ms. Nadeau explained that this is due to the Management/Confidential salary adjustments discussed in July, as well as the timing of contractually obligated salary expenditures, partially offset by the timing of expenditures for legal services, utilities and various office expenses.

Mr. Gardner inquired as to whether, even with the EY expense, DASNY was still below budget. Ms. Nadeau responded that the EY initiative was being funded from reserves that were established by the Board in July 2016. In response to an inquiry from Mr. Ronski, Ms. Nadeau stated that the reserve for the Evolutionary Fund was for \$3-4 million.

The Chair asked that Ms. Nadeau provide the Members with an update to the three reserves that had been established July 2016, including what funds remain, and Ms. Nadeau indicated that she would do so at the next Regular Meeting. .

In response to an inquiry from the Chair, Mr. Cusack indicated that the efforts of Counsel's Office are reflected in the materials before the Board today, and that he had no further updates to provide. Mr. Ronski noted that he wished to thank Managing General Counsel, Debbie Paden, Esq., who has retired from DASNY, for her service over the past years. He thanked Ms. Amodio for her presentation to the Board today.

Ms. Shapard moved that the Meeting adjourn, Mr. Johnson seconded the motion and the Meeting was adjourned at approximately 11:06 a.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary