The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's New York City Office, One Penn Plaza, 52nd Floor, New York, New York at 9:30 a.m. on Wednesday, December 13, 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
Beryl L. Snyder, Esq., Member
Gerard Romski, Esq., Member
Paul S. Ellis, Esq., Member
Charles Abel, Designated Representative of the Commissioner of Health, Member (ex officio)
Elizabeth Berlin, Designated Representative of the Commissioner of Education, Member (ex officio)

Members Present (by phone):

Jonathan H. Gardner, Esq., Member

Members Absent:

Adrian Swierczewski, Designated Representative of the Director of the Budget, Member (ex officio)

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 Koopman, Managing Senior Director, Construction
Daniel W. Petroff, Chief of Strategic and Business Development
Nicola B. Zarrelli, Deputy Chief Financial Officer
Andrew T. Purcell, Assistant Director Public Finance and Portfolio Monitoring
Matthew T Bergin, Assistant Director Public Finance and Portfolio Monitoring
David P. Ostrander, Senior Financial Analyst

Gerrard E. Klauser, Senior Financial Analyst
Craig M. Schreivogl, Senior Financial Analyst
Peter V. TenEyck, Financial Analyst

Other Attendees:

Patrick McGlashan, Esq.	McGlashan Law Firm, PC
Connie Cahill, Esq. Melissa Bennett, Esq.	Barclay Damon, LLP
Vivian Rivera-Drohan, Esq.	Drohan Lee, LLP
Christopher J. Reitzel, Esq. JeffreyM. Pohl, Esq. Robyn Helmlinger, Esq. Sani Williams, Esq.	Squire Patton Boggs, LLP
Tracy Fay Raleigh (By Phone)	NYS Department of Health

PUBLIC SESSION

The Chair called the Meeting to order. He noted that this Meeting was the fifth DASNY Board Meeting held in the last six weeks. He stated that the Members' willingness to meet so frequently demonstrates the ability of DASNY to meet the needs of its clients. The Chair further noted that all Members had been in attendance at the first Special Meeting, with one as a non-voting Member. He stated that nine Members had attended the second Special Meeting. He further stated that all were present and voting at the third Special Meeting. He thanked the Members for their dedication. He stated that it was extremely gratifying personally for him to work with the Members, staff, and DASNY's clients to undertake actions necessary to move ahead. The Minutes of the November 8, 2017 Meeting were reviewed and approved.

Ms. Shapard moved that the Members go into Executive Session to discuss the financial and credit history of particular corporations, Mr. Romski seconded the motion, and the Meeting went into Executive Session.

EXECUTIVE SESSION

While in Executive Session, no action was taken other than to return to Public Session. Mr. Abel arrived at the conclusion of Executive Session.

PUBLIC SESSION

Finance Committee Report

Finance Committee Chair Romski reported that the Finance Committee met the prior day, and after discussion, decided unanimously to recommend the following transactions to the full Board for approval: Hospital for Special Surgery; Montefiore Medical Center; Maimonides Medical Center and Cornell Univeristy.

The President noted that, before moving on to the rest of the Agenda, he wanted to take the opportunity to thank the Members for their responsiveness and their civic commitment to DASNY and its clients in agreeing to having five Board Meetings in the last six weeks.

The President also thanked DASNY staff in Public Finance, Finance and Counsel's Office for their hard work. He noted that the last six weeks constituted an "all hands on deck" situation which was executed efficiently and completely. The President expressed his thanks to Ms. Nadeau, Mr. Cusack and Ms. Lee and their respective staffs, who he stated also had to handle the the normal workload they undertake on a daily basis. The President stated that the work undertaken in recent weeks demonstrates that DASNY is not just a leader in the State, but is a leader across the nation.

St. John's University

The President introduced Vivian Rivera-Drohan, Esq. of Drohan Lee, LLP, and co-bond counsel on the transaction, along with Nixon Peabody LLP. She described the transaction and presented the financing documents. She stated that before the Members for their consideration is a Series Resolution authorizing the issuance of up to $88 million of DASNY's St. John's University Revenue Bonds. She noted that the 2017 Bonds will be issued pursuant to the General Resolution adopted by DASNY in June 2012.

Ms. Rivera-Drohan stated the 2017 Bonds will be used to refund all or a portion of two series of bonds previously issued by DASNY in 2008 and 2012. She stated that it is expected that the 2017 Bonds will be issued as fixed rate tax-exempt bonds which will mature not later than July 1, 2037.

Ms. Rivera-Drohan indicated that the Series Resolution delegates to various officers of DASNY the power to determine the specific terms of the 2017 Bonds, including the principal amount thereof, the maturity dates and the applicable interest rates. In addition, she stated that the Series Resolution authorizes various officers of DASNY to: (i) execute a Loan Agreement; prepare and distribute a Preliminary Official Statement and a final Official Statement; and (iii) execute and deliver a Bond Purchase Agreement and a Continuing Disclosure Agreement.

Ms. Rivera-Drohan stated that the General Resolution permits the issuance from time to time of multiple series of bonds. She stated that each series of bonds is separately secured by the funds and accounts established under the applicable series resolution. She noted that in accordance with DASNY's Financing Guidelines for Independent Institutions, the University's obligations under the Loan Agreement will be a general obligation of the University and will not be secured by a pledge of any of the University's revenues or real property. She further noted that the Loan Agreement contains a covenant by the University to retain a management consultant, at the discretion of DASNY, in the event the University's credit rating falls below the criteria established in the Financing Guidelines.

Ms. Rivera-Drohan indicated that the 2017 Bonds are proposed to be sold in a negotiated sale to Morgan Stanley pursuant to a Bond Purchase Agreement. She stated that the Bond Purchase Agreement contains terms and conditions that are customary in connection with DASNY's bonds.

Ms. Rivera-Drohan directed the Members' attention to a replacement page to the bond counsel letter correcting a typo.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2017A RESOLUTION AUTHORIZING UP TO $88,000,000 ST. JOHN'S UNIVERSITY REVENUE BONDS

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

St. Joseph's Hospital, Yonkers Obligated Group

The President introduced Connie Cahill, Esq. of Barclay Damon LLP and Patrick McGlashan, Esq. of the McGlashan Law firm, P.C., co-bond counsel on the transaction, along with Mr. Bergin and Mr. Schreivogl. Mr. Bergin provided an update with respect to the transaction. He reported that the SEQR review had been completed and the filing occurred on December 11, 2017; the TEFRA hearing is scheduled for December 18, 2017 and PACB consideration is scheduled for December 20, 2017. Mr. Bergin also noted that, as requested, the financial projections of the Hospital were provided as a handout to the Members. Mr. Bergin stated that, at a high level, the projections show less of a loss over time such that State funding needed does reduce over time.

Ms. Shapard stated that, while the projected operating loses decrease from 2018 to 2020, the 2020 projections still show an operating loss of $12.7 She asked if the situation improves after 2020, to which Ms. Lee responded that while the loss decreases, State assistance will still be needed.

Mr. Abel noted that the expectation is that the increase in primary care statewide will also keep patients out of emergency rooms, and allow needs to be addressed through less expensive outpatient care. He stated that this transition can be fairly impactful, particularly for hospitals with marginal performance, and noted that State funding through VBPQIP and VAPAP is designed to facilitate the transformation to an outpatient-centric model. He further stated that the proposed financing is designed to facilitate cash flow and improve cash flow in early years and sufficient cash to make investments into the facility that will better position the Hospital for an outpatient-centric model. Mr. Abel indicated that this is an advantage for St Joseph's which has the benefit of being the only hospital in Yonkers. He explained that the large Medicaid/Medicare population provides additional challenges with regard to payment expectation. He further noted that the expectation of the VBPQIP model is to facilitate both a quality improvement along with a price-based performance model that will place the facility on a plane with the insurers, to reward that facility for reducing inpatient visits and lowering costs on a per capita basis.

In response to an inquiry from the Chair, Mr. Bergin stated that the bonds will be privately placed with Rosemawr Management LLC. Mr. Gardner noted that it appears that they specialize in municipal bonds with structural and credit complexity. He stated that they are the perfect buyer for this private placement Ms. Snyder asked whether this is a fund that has many types of high yield bonds. Mr. Bergin replied affirmatively. Ms. Snyder referenced Rosemawr Management LLC assets under management (AUM) and stated that they have many types of municipal debt.

In response to an inquiry from Mr. Gardner, Ms. Lee confirmed that the transfer language in the bonds limits transfer to a QIB. Ms. Amodio noted that at closing the purchasers are required to sign a certificate confirming their status as a QIB, and indicating that they have performed whatever diligence they deemed appropriate and do not look to DASNY in that regard.

In response to a question from Mr. Johnson, Mr. Volk stated that any investment decision assumes that the State will continue to support the entity so the entity will not close, but that there is no obligation for the State to do so. Mr. Cusack confirmed for the record that there is no State service contract supporting this obligation. In response to a question from Mr. Romski, Ms. Lee and Mr. Volk confirmed that no one is making the representation that the State will provide continued support to the Hospital. Mr. Abel explained that DOH looks at this entity as a vital provider. He further stated that DOH cannot guarantee that funding will continue, as it is subject to budget approval. He noted, however, that there is an expectation that there will be continued funding in future years. He stated that the expectation is that overall in the aggregate the funding level will decrease, and that this is a transitional funding to allow the facility to restructure its financing and move forward in a financially feasible fashion.

Ms. Shapard asked whether changes in the management team are anticipated. Mr. Abel responded that DOH has not heard of changes in management. Mr. Bergin concurred. Ms. Shapard asked for additional information regarding the IDA refinancing and restructuring. Mr. Bergin stated that savings will occur until 2020 with dissavings starting in 2021. Ms. Shapard inquired about the debt service on the other two refinancings. Mr. Bergin indicated that the capital leases would have their 2021 maturity extended to 2028. He stated that the mortgage refinancing has a current maturity of 2031 and is proposed to be extended to 2040.

In response to an inquiry from Ms. Shapard regarding the debt service structure, Mr. Bergin replied that it is a level aggregate debt service structure. Mr. Abel stated that the purchaser wanted to see level debt service for the structure of the entire bond transaction taking into account the four components. Mr. Bergin stated that total debt service will be approximately $1.7 million, the new money will have a 30-year maturity, the mortgage maturity will be 2040 and the IDA and capital leases will mature in 2028. Ms. Shapard stated that level debt service does not necessarily mean that it is affordable. Mr. Abel stated that the challenge is in getting to long-term cash flow savings so that it can begin to perform better operationally. He stated that they have not been able to improve facilities as they would like, so it is important for them to bond for their matching component of $9 million .

In response to an inquiry from the Chair as to whether the Hospital has a financial advisor to assist, Mr. Abel reported that there is not an outside financing consultant. He stated that the Hospital has a clinical affiliation with Montefiore Health System, which will enable the Hospital to have a closer relationship with the health system.

Ms. Shapard stated that both Mr. Abel and Ms. Raleigh have spoken to the need for this transaction, but that she was still waiting to hear arguments as to why we should be optimistic especially in such a short period of three years. The President stated that proceeding will give the Institution time. He stated that it offers the opportunity to provide a pathway with an identified investor for these securities. He further stated that this is an important pathway central to the world of restructuring debt. Mr. Romski noted that they appear to have expanded into addiction and rehabilitation. Mr. Abel stated that they are unique in the area and well positioned with rates and managed care companies. He noted, too, that they are well-respected without a large health care system to help.

Ms. Raleigh indicated that she would like to echo the President's and Mr. Abel's policy points. She explained that DOH has historically scrutinized risk with respect to debt extension, but in this case, DOH looks at this such that if they do not proceed with restructuring for a facility that is the only addiction provider in the area, they are ignoring a pathway for success.

Ms. Lee stated that the goal is to maximize the use of the sale of the nursing home proceeds to help St. Josephs make the transition over time. Ms. Shapard stated that there are those that could say what we are doing could make things worse, but one could argue that it is worth the gamble. The Chair stated that he was relying on presentations by DOH and the arguments from a public policy position. He suggested that Mr. Bergin provide the Board with an update six months from now with respect to the progress the Institution is making. Mr. Bergin stated that he would provide an update at the June 2018 Board Meeting. Ms. Shapard commented that it appears that the Members do not have the option of requesting that staff go back to revisit and tweak the proposed transaction given the tax bill looming before us. Mr. Johnson stated that, in the past, hospitals had management consultants overseeing them, but there is not one in this transaction. He asked whether there is an opportunity to have that as part of the transaction. Ms. Shapard asked who will help to make this plan work. Mr. Abel stated that he understands the concerns of his fellow Members, but at this point, DOH has not been actively discussing requiring a financial consultant to oversee the operation. Ms. Raleigh indicated that DOH can consider that proposal on a forward going basis. She noted that Montefiore is not the active parent yet, even though they are significantly involved with the facility. She stated that going forward DOH can consider discussing an external financial consultant with the facility. The Chair stated that both would be important. He further stated that a relationship between the two institutions would be cause for optimism. Mr. Romski stated that it appears that they are being assisted somewhat by Montefiore already.

Mr. McGlashan stated that before the Members for consideration for adoption are (i) a new General Resolution entitled "St. Josephs Hospital, Yonkers Obligated Group Revenue Bond Resolution" and (ii) two series resolutions entitled "Series 2017A Resolution" and "Series 2017B Resolution." He noted that together, the resolutions will authorize the issuance of $27,000,000 of DASNY's St. Josephs Hospital, Yonkers Obligated Group Revenue Bonds, Series 2017A and Series 2017B ("the Series 2017 Bonds").

Mr. McGlashan stated that the funds paid for the Series 2017 Bonds will benefit St. Josephs Hospital, Yonkers. He noted that the Institution provides medical services at St. Josephs Medical Center in Yonkers. He stated that the Series 2017 Bonds will be issued as one series of tax-exempt bonds and one series of taxable bonds.

Mr. McGlashan stated that the purpose of the Series 2017 Bonds will be to (i) finance or refinance a portion of the cost of the construction, reconstruction and equipping of a medical village located at the Institution's Yonkers campus and to acquire equipment to establish a shuttle service for patients; (ii) refund the Institution's outstanding Yonkers IDA Revenue Bonds, Series 1998C; (iii) refinance a commercial bank loan whose proceeds were used to acquire the former St. Vincent's Psychiatric Hospital of Westchester; and (iv) refinance certain outstanding equipment loans.

Mr. McGlashan noted that the General Resolution is a new resolution which provides for the issuance from time to time of multiple Series of Bonds in an unlimited aggregate principal amount for the benefit of St. Josephs. He stated that the General Resolution is an agreement between DASNY and the holders of the bonds issued under the General Resolution. He stated that the Series 2017A Bonds and the Series 2017B Bonds will be the first and second Series of Bonds issued under the General Resolution.

Mr. McGlashan explained that the bonds under the General Resolution may be issued for one or more purposes, including: (i) to finance or refinance the Costs of one or more Projects; (ii) to fund a Debt Service Reserve Fund if one is established by a series resolution; (iii) to fund interest accruing and payable during construction and start-up operations, and (iv) to finance the costs associated with the issuance of Bonds, including the costs of obtaining a policy of municipal bond insurance, a letter of credit or surety bond for the Debt Service Reserve Fund, if any. He noted that each Series of Bonds is secured by Revenues of the Institution pursuant to a Loan Agreement, Obligations of the Institution under a Master Indenture, by certain funds and accounts established for such Series of Bonds, and by any other security pledged to the payment of such Series of Bonds.

Mr. McGlashan stated that the General Resolution sets forth the general terms that apply to each Series of Bonds, including, conditions for issuance of each Series of Bonds, security for the Bonds, funds and accounts and the flow of monies through such funds and accounts, provisions regarding the Trustee's fiduciary obligations, covenants of DASNY and defeasance provisions. He further stated that the Bonds which may be authorized to be issued under the General Resolution may be: (i) bonds that bear interest at fixed rates to their maturity dates payable in accordance with the related Series Resolution or Bond Series Certificate; (ii) capital appreciation bonds; (iii) deferred income bonds; (iv) option bonds; and/or (v) variable interest rate bonds.

Mr. McGlashan noted that the Bonds of each series are “special obligations” of DASNY payable solely out of the applicable Revenues, the moneys and investments held in the funds and accounts established by the General Resolution and the applicable series resolution, proceeds derived under any Obligation, mortgage, assignment or security agreement delivered to secure payments under the applicable loan agreement, and payments made pursuant to any applicable guarantee.

Mr. McGlashan stated that the General Resolution authorizes DASNY to establish and fund a Debt Service Reserve Fund by a Series Resolution authorizing the issuance of a Series of Bonds that will secure payment of the debt service on only that Series of Bonds. He further stated that the General Resolution also contains provisions concerning the rights of the providers of surety bonds or other financial guaranties to fund a debt service reserve fund. Mr. McGlashan stated that the Series 2017 Resolutions, however, do not establish a Debt Service Reserve Fund for the Series 2017 Bonds.

Mr. McGlashan stated that the Bank of New York Mellon will be the Trustee under the Series 2017 Resolutions.

Ms. Cahill stated that, as has been referenced, the Series 2017A Resolution and the Series 2017B Resolution authorize the issuance of up to $27,000,000 of Bonds, with the Series 2017A Resolution authorizing the issuance of tax-exempt Bonds and the Series 2017B Resolution authorizing the issuance of taxable Bonds.

Ms. Cahill further noted that the Bonds will be secured by the funds and accounts established pursuant to the applicable Series Resolution, other than the Arbitrage Rebate Fund, and a pledge to the Trustee of payments to be made to DASNY under the Loan Agreement and Obligation No. 1 issued under the Master Trust Indenture. She stated that in accordance with DASNY’s Financing Guidelines for Independent Institutions, the Series Resolutions contain restrictions on the beneficial ownership and transfer of the Bonds. She specifically noted that the Series Resolutions restrict ownership of the Bonds to “Qualified Institutional Buyers”, or QIBs.

Ms. Cahill stated that each QIB who is or becomes a beneficial owner of the Bonds and each transferee of the Bonds is deemed by acquisition of such beneficial ownership to have represented and agreed that such Beneficial Owner or transferee: (i) is a QIB; (ii)will not transfer; resell, reoffer, pledge or otherwise transfer the Bonds to a subsequent transferee except to a QIB; (iii) is willing and able to conduct an independent investigation of the risks involved with its ownership of the Bonds and such person has been provided with such information as it has deemed necessary and desirable relating to the Bonds, the Institution and the Institution’s operations, governance, and financial condition, and has made such investigations in order to reach an investment decision with respect to its purchase of the Bonds; (iv) agrees to give to each QIB to whom it transfers any Bonds notice of the restrictions on transfer set forth in the Series Resolutions, and (v) acknowledges that DASNY and others will rely upon the truth and accuracy of the foregoing agreements.

Ms. Cahill stated that the Resolutions also require that a statement to such effect be included in every Bond. She noted that the Series Resolutions contain the standard delegation to various officers of DASNY, including, the power to determine: (i) the principal amount of each Series of the Bonds to be issued, but not to exceed an aggregate of $27,000,000; (ii) the date or dates on which Bonds will mature, provided that no Bond may mature later than 30 years from the July 1 next succeeding the date of issuance of the Series 2017 Bonds; (iii) the rate or rates at which the Bonds will bear interest, provided that the true interest cost or initial interest cost, subject to certain prescribed limitations; (iv) the terms of sale of the Bonds at private sale, subject to certain prescribed limitations; (v) the denomination or denominations of and the manner of numbering and lettering the Bonds, provided that the denominations shall not be less than $100,000; (vi) the redemption terms, dates and prices, subject to certain prescribed limitations; (vii) whether any of the Bonds will be book-entry bonds and the depository for them; (viii) whether any fixed rate bonds will be subject to a put option and, if so, the terms thereof; and (ix) such other matters as are not inconsistent with the terms of the General Resolution or the Series Resolutions.

Ms. Cahill noted that the Series Resolutions also authorize various officers of DASNY to: (i) execute the Assignment Agreement, described below, (ii) execute a bond placement agreement in connection with the private sale of the Bonds, (iii) prepare and deliver a bond issuance circular or similar document summarizing the terms of and security for the Bonds, and (iv) execute all other documents, and do all things necessary or convenient in connection with the sale and issuance of the Bonds.

Ms. Cahill stated that DASNY and the Institution will execute a Loan Agreement in connection with the issuance of the Bonds. She noted that the Loan Agreement will require the Institution to make payments in amounts and at times sufficient to make timely payment of the principal and Sinking Fund Installments of, and interest on, the Bonds. She stated that the 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 and will be secured by Obligation No.1 under the Master Indenture and that the Institution's obligation to make payments under the Loan Agreement will be complete and unconditional. Ms. Cahill noted that DASNY will assign at closing its rights under the Loan Agreement to the Trustee pursuant to an assignment agreement, subject to certain retained rights of DASNY relating to, among others, the preservation of the tax-exempt status of the Series 2017A Bonds and the statutory validity of the Series 2017 Bonds, indemnification of DASNY by the Institution and the receipt of Authority administrative fees.

Ms. Cahill noted that every Obligation issued under the Master Indenture will be the joint and several obligations of all Members of the Obligated Group and, currently, the Institution is the only Member of the Obligated Group. She further noted that the Master Trustee and the Institution will execute a Supplemental Indenture concurrently with the issuance of every Obligation issued under the Master Indenture.

Ms. Cahill stated that every Obligation will be secured by a pledge of the gross receipts of each of the Members, which constitute the revenues of the respective Members derived from the operation of facilities used to provide for the care, maintenance and treatment of patients or to otherwise provide health care and health-related services, and a mortgage on St. Josephs Medical Center campus in Yonkers, a neighboring parking garage and the St. Vincent Psychiatric Hospital of Westchester campus in Harrison. She further stated that the Master Indenture sets forth the financial covenants and other covenants applicable to all Members with respect to all indebtedness of Members secured by any Obligation. Ms. Cahill noted that the Master Indenture permits Members of the Obligated Group to issue additional indebtedness on parity with the Series 2017 Bonds and subordinated indebtedness within certain prescribed limitations and that the Master Indenture also prescribes the conditions under which any Member may sell, lease, or otherwise dispose of its assets.

Ms. Cahill noted that Members of the Obligated Group may leave the Obligated Group and other organizations may join the Obligated Group, but only if certain financial covenants and other conditions provided in the Master Indenture or Supplemental Indentures are satisfied and, that under Supplemental Indenture No. 1, for so long as the Series 2017 Bonds remain Outstanding, the Institution is not permitted to withdraw from the Obligated Group.

Ms. Cahill indicated that the Series 2017 Bonds are proposed to be sold privately to the Purchaser. She reiterated that only QIBs will be permitted to purchase the Series 2017 Bonds. She noted 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 Institution, the Purchaser and/or B.C. Ziegler and Company, acting as placement agent. She stated that it is currently expected that the Series 2017A Bonds and the Series 2017B Bonds will bear interest at a fixed rate of 5.75% per annum and 7.95% per annum, respectively and that debt service will be paid on a level debt basis. Ms. Cahill stated that the principal payments on the Series 2017 Bonds will be paid annually, and interest payments will be paid semi-annually and that principal payments on the Series 2017B Bonds will amortize prior to the commencement of amortization of the principal payments on the Series 2017A Bonds.

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

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK OF ITS ST. JOSEPHS HOSPITAL, YONKERS OBLIGATED GROUP REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF; AND

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2017A RESOLUTION AUTHORIZING ST. JOSEPHS HOSPITAL, YONKERS OBLIGATED GROUP REVENUE BONDS, SERIES 2017A; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2017B RESOLUTION AUTHORIZING ST. JOSEPHS HOSPITAL, YONKERS OBLIGATED GROUP REVENUE BONDS, SERIES 2017B

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

Hospital for Special Surgery

Mr. Klauser presented the Credit Summary and Staff Report recommending the issuance of 30-year tax-exempt and/or taxable, fixed and/or variable rate bonds to be sold through a negotiated sale and/or a private placement in an amount not to exceed $160,000,000 on behalf of the Hospital for Special Surgery ("HSS"). He further noted that the Hospital for Special Surgery is a financially sound hospital which provides a wide range of orthopedic and rheumatology related inpatient, ambulatory and ancillary services, primarily to residents of New York City's five boroughs and the surrounding suburban counties of New York, New Jersey and Connecticut. Mr. Klauser stated that the Hospital is committed to both basic and clinical research as a component of the overall Hospital mission and is critical to the Hospital maintaining and enhancing its standing as an internationally recognized and premier hospital in the fields of orthopedics and rheumatology.

Mr. Klauser stated that the financing before the Members for consideration would advance refund the DASNY Hospital for Special Surgery FHA insured Mortgage Hospital Revenue Bonds, Series 2009 (in the amount of $71.895 million) and, in addition, the HSS GNMA Taxable Revenue Bonds, Series 2011 ($32.37million) and HSS GNMA Taxable Revenue Bonds, Series 2015 ($39.12 million) would be refunded.

Mr. Klauser stated that the Hospital is planning to exit the FHA Program and eliminate the restrictive requirements associated with the program. He noted that the Hospital's strong financial performance should allow the Hospital to issue unenhanced debt. He informed the Members that the proposed restructuring seeks to produce level debt service. Mr. Klauser further noted that, although a 30-year amortization is being requested, the debt structure is subject to DOH and tax counsel approval.

Mr. Klauser stated that the proposed Bonds may be secured by a pledge of Hospital revenues and mortgages on certain real property, if required to market the Bonds. He stated that operating gains in the last five years are averaging $59.1 million, with an operating margin of 4.54% in 2016. Additionally, he noted that the Hospital has 189 days cash on hand, which is far above the regional and DASNY medians. He stated that the Hospital has demonstrated strong financial results including solid liquidity and strong debt service coverage, quality services and a favorable mix of third-party payors.

Ms. Shapard inquired about the benefits of leaving the FHA Program, to which Mr. Klauser responded that the FHA Program had several additional requirements such as a Mortgage Reserve Fund in addition to a Debt Service Reserve Fund. He further noted that in addition, there are fees involved for a Mortgage Servicer to service the mortgage. Mr. Klauser stated that additionally, there can be Letters of Credit required in some instances to plug any holes in the cashflows at any point in time, as well as the 1% of the mortgage that is not insured by FHA.

Ms. Shapard asked about the return of the Debt Service Reserve Fund, to which Mr. Klauser noted that the prior Debt Service Reserve Fund would be used to fund the escrow. Mr. Purcell explained that in the 1980s and 1990s, financing under the FHA Program was all that was available to healthcare providers in New York State. He further explained that it is not an efficient form of credit enhancement. He stated that 40-year assets are amortized over 25 years and that letters of credit are required for a period of time. Mr. Purcell summarized by saying that withdrawing from the FHA Program will place the Institution in a more nimble position. Ms. Shapard concurred that the reasons articulated for withdrawal from the program are all good reasons.

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

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

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

Montefiore Medical Center

Mr. Klauser presented the Credit Summary and Staff Report recommending the issuance of one or more series of 30-year taxable and/or tax-exempt, fixed and/or variable rate bonds to be sold through a negotiated sale and/or a private placement in an amount not to exceed $640,000,000 on behalf of Montefiore Medical Center. Mr. Klauser stated that the Hospital’s primary service area is the Bronx and Southern Westchester County, where the hospital holds a 34% market share. He reported that the Hospital’s occupancy rate has been consistently high and was 89.55% in 2016, far above the regional and DASNY medians.

Mr. Klauser stated that the proposed financing is a current refunding of the DASNY issued, Montefiore Medical Center FHA insured Mortgage Hospital Revenue Bonds, Series 2008 (in the amount of $64.965 million). Mr. Klauser stated that the Montefiore Medical Center GNMA Collateralized Taxable Revenue Bonds, Series 2011 ($73.05 million) and 2016A and 2016B ($226.7 million) would also be refunded in addition to the refinancing of $233 million of debt related to affiliate hospitals.

Mr. Klauser stated that the Hospital is planning to exit the FHA Program and eliminate the restrictive requirements associated with the program. He stated that the Hospital’s financial performance may allow the Hospital to issue unenhanced debt. He noted that the proposed restructuring seeks to produce level debt service. He explained that although a 30-year amortization is being requested, the debt structure is subject to DOH and tax counsel approval.

Mr. Klauser noted that an obligation issued under the Master Trust Indenture (MTI) will be secured by a pledge of the Medical Center’s gross receipts, a debt service reserve fund, if required by investors, and a mortgage on the Medical Center facilities, if required by investors.

Mr. Klauser then provided the Members with some financial highlights. He stated that the Medical Center has been profitable in each of the past five years, with an operating gain of $105 million in 2013 and $18 million in 2016. He further noted that the Center had 74 days cash on hand, which is far above the regional median and in line with the DASNY medians, and a debt service ratio of 2.09.

Mr. Ellis inquired about the capitation payment arrangements that Montefiore Medical Center has and the likelihood of challenges in a catastrophic scenario. Mr. Klauser responded that that Montefiore has capitation agreements across all spectrums of reimbursement from Medicare to Medicaid to private insurers. He noted that it appears that the hospital has managed to work the capitation structure out very well. He indicated that it appears that they have been and continue to be very successful with this reimbursement arrangement across all spectrums.

Mr. Volk commented that this may be a management issue if a catastrophic scenario were to occur. He further advised, however, that the hospital has managed the capitation arrangements masterfully and is essentially the model hospital for this arrangement.

Mr. Abel validated Mr. Volk's comments that this hospital manages these arrangements well and is also the recipient of some of the DOH funds from VBPQIP.

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

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

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

Maimonidies Medical Center

Mr. Purcell presented the Credit Summary and Staff Report recommending the issuance of 30-year tax-exempt and/or taxable, fixed and/or variable rate bonds to be sold through a negotiated sale and/or a private placement in an amount not to exceed $225,000,000 on behalf of Maimonides Medical Center. Mr. Purcell stated that the Medical Center provides a comprehensive array of acute care inpatient services to residents of southern Brooklyn and tertiary care inpatient services to the entire Borough of Brooklyn and surrounding metropolitan area, with a medical staff numbering over 1,200 and graduate medical residents numbering over 400. He noted that the proposed financing includes the refinancing of various obligations of the Medical Center and a small new money component.

Mr. Purcell stated that the proceeds of the bonds are expected to be used to: refinance the Maimonides Medical Center GNMA Collateralized Taxable Revenue Bonds, Series 2013 ($78.8 million); refinance various capital leases, many of which have front loaded debt service ($59.2 million); refinance a construction loan and a line of credit that was used to fund minor repairs, upgrade furnishings and medical equipment throughout the hospital ($24.3 million) and to finance the construction of an additional operating room and the renovation of the CTICU and the repair to various facilities, including the parking garage ($17.4 million).

Mr. Purcell stated that the Medical Center would like to create corporate-wide level debt service to the extent possible, which could include the extension of the final maturities of the debt refinanced. He noted, however, that the debt structure and final maturity is subject to approval by the DOH and tax counsel.

Mr. Purcell stated that the bonds will be secured by an Obligation issued under the Master Trust Indenture ("MTI"), which will be secured by a pledge of the Medical Center's gross receipts and a Debt Service Reserve Fund, if required by investors; and a mortgage on the Medical Center's core hospital facilities, if required by investors. He stated that the bonds are expected to be rated in the BBB category.

Mr. Purcell stated that the Medical Center is planning to exit the FHA Program, which would enable it to free up collateral, reduce costs and eliminate restrictive requirements. He noted that the proposed bond issue would bring the Medical Center back into DASNY's healthcare portfolio and that the Hospital had always met its obligations to DASNY on time and in full.

Mr. Purcell stated that, in 2015, the Medical Center entered into a three-year clinical affiliation and collaboration agreement with Northwell Health to assist the Medical Center in expanding its clinical footprint and improving the Medical Center's clinical and financial condition. He noted that the goal of this affiliation is for Northwell Health to eventually become the sole member and/or parent of the Medical Center, at which time the Medical Center will be fully integrated into and will function as the Brooklyn hub of Northwell Health, although achievement of that goal is not certain. He further noted that the Medical Center is currently in discussions with Northwell Health to extend the agreement.

Mr. Purcell stated that the Medical Center offers several nationally-recognized and accredited centers of excellence including a Heart and Vascular Center, an outpatient Breast Center and Cancer Center, and a Stroke Center. He reported that the Medical Center's inpatient activity has been relatively stable over the past five-year period.

Ms. Shapard stated that the Staff Report indicates that the Medical Center's debt service coverage ratio appears to be fluctuating. Mr. Purcell directed the Members attention to page 4 of the Staff Report to highlight the large fluctuations in debt service which is due to the amortization structure of the Medical Center's existing debt. Mr. Purcell stated that by creating overall level debt service, their debt service coverage ratio should be improved.

Ms. Shapard 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 MAIMONIDIES MEDICAL CENTER

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

Cornell University

Mr. Ostrander presented the Credit Summary and Staff Report recommending the issuance of fixed and/or variable rate, tax-exempt and/or taxable bonds with maturities not to exceed 40 years to be sold at one or more times through a negotiated offering and/or a private placement in an amount not to exceed $1.25 billion on behalf of Cornell University. He stated that the proceeds of the bonds are expected to be used to provide $300 million for the financing of the University's North Campus Residential Expansion which would create up to 2,000 new undergraduate beds, together with supporting dining, parking, recreational and supporting infrastructure; $150 million for the financing of deferred maintenance across the University system; $716.8 million for the refunding of all or a portion of DASNY's Cornell University Revenue Bonds, Series 1990B, Series 2008B, Series 2008C, Series 2009A and Series 2010A; $52.9 million for the refinancing of tax-exempt commercial paper issued by DASNY; and $15.4 million for the refinancing of taxable commercial paper.

Mr. Ostrander indicated that Moody's Investors Service has assigned a rating of "Aa1" to all of the outstanding obligations of the University. He reported that Standard & Poor's has rated the University's obligations "AA". He noted that both rating agencies have assigned a Stable Outlook to the University, and that accordingly, Cornell currently qualifies for an unsecured borrowing under DASNY's Financing Guidelines for Independent Institutions.

Mr. Ostrander stated that the student demand and enrollment remain strong for the University's undergraduate and graduate programs. He noted that the undergraduate applications increased from 37,808 to 44,965 over the last five years while total FTE enrollment increased by 4.3%, reaching 23,388 for fall 2016. Mr. Ostrander reported that Cornell has become increasingly selective, accepting only 14.1% of applications for fall 2016. He stated that operating margins, which have been historically negative on an accrual basis, have improved in each of the past two years, and results were nearly break-even in fiscal year 2017. He further stated that the University's revenue composition is extremely diverse. He noted that for fiscal year 2017, only 21% of revenues came from student-generated sources, with 17% from tuition and fees and 4% from auxiliaries. Mr. Ostrander noted that Cornell's balance sheet demonstrates strong and growing financial resources and solid liquidity. He further stated that unrestricted net assets increased by 13.5% over five years, reaching $3.1 billion in fiscal year 2017 and, as of June 30, 2017, the University reported total net assets of over $10.0 billion.

Mr. Johnson asked if there was a concern about the potential effect of the potential new tax law on the University's endowment. Mr. Volk responded that broadly, there was a concern, and that it was not just for Cornell, but for other private institutions in New York and throughout the country. He stated that if it is adopted, the effect will be in the millions. Ms. Snyder commented that Cornell is a solid, highly rated institution, that DASNY should be funding.

In response to an inquiry from Ms. Shapard as to the thinking behind forty year bonds, Mr. Ostrander stated that the longer term is to provide flexibility. He explained that while the useful life of the property could reach forty years, the University has historically issued 30 year bonds.

Ms. Shapard 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 CORNELL UNIVERSITY

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

President's Report

The President noted that the holiday season is upon us and 2017 is winding down. He stated that as we prepare for what 2018 has in store, he wanted to take a few moments to reflect on what we have accomplished together this year. He noted that DASNY has a great deal for which to be grateful.

The President reflected on the successes of 2017. He noted that DASNY is ending the year with an enormous amount of activity as it delivers *One DASNY*, the complete integration of all of its resources in finance, design and construction. He noted that it is an effort that includes the creation of efficiencies across the organization. The President stated that DASNY has established 17 work groups in three areas: strategy, construction and private-client financing. He explained that through this bottom-up process, DASNY is developing plans to grow top-line revenue, improve risk management and create efficiencies. The President noted, for example, that the Small Projects Planning Committee has begun assessing workflow and creating efficiencies to simplify the process when working with clients such as the New York State Office for People with Developmental Disabilities. He further stated that in a few moments, Mr. Koopman will provide greater detail with respect to each of the teams and the work they are doing.

The President reported that DASNY is also preparing for a number of changes that could impact its business, including the future of private activity bonds for not-for-profits and advance refundings. He thanked everyone for helping DASNY accommodate its private clients by having additional Board Meetings so the clients could get into the market.

The President informed the Members that DASNY is working with the Governor's Office and other entities across the State and the nation to support the continuation of private activity bonds in their current form and is examining DASNY's business to be prepared if the measure passes as proposed by the House. He stated that, so far this calendar year, DASNY has closed 20 bond issues valued at about $7.2 billion. He further stated that DASNY began 2017 by expanding its MWBE capacity and creating new opportunities for MWBEs by launching its surety bond training program, and selecting its first MWBE firm as its broker of record for its general excess liability insurance program.

The President noted that in one day, the Board approved $2.9 billion to fund projects statewide that are growing the economy and keeping New York State competitive. He stated that in 2017, DASNY provided more than $250 million in low-cost financing for not-for profit health care providers, and more than $890 million for private not-for profit higher education institutions. The President noted that these financings helped pave the way to support projects like the $16 million conversion of Bishop Hall at Buffalo State College. He stated that DASNY is speeding residence hall delivery through the use of alternative delivery methods, including design-build for the $21 million 256-bed residence hall at SUNY Brockport. He further stated that DASNY is increasing energy efficiency at CUNY's campuses to the tune of $380 million dollars and that DASNY's low-cost financing support extended beyond the SUNY and CUNY systems to help 54 school districts throughout New York State save $17 million dollars in 2017. The President stated that DASNY is also supporting tourism and growing economies in Western New York by completing upgrades to Niagara Falls State Park, part of Governor Cuomo's $70 million revitalization effort. He noted that this work positions DASNY to hit the ground running in 2018.

The President then asked Mr. Koopman to update the Members with respect to the *One* DASNY committees that have been established and the work that they are undertaking. Mr. Koopman stated that DASNY has formulated 17 teams to tackle the areas of strategy, construction process and private client financings. He noted that in addition to the 100 plus staff that are actively involved in these committees, DASNY has also put out a communication to all staff informing them of the establishment of these committees which affords all staff the opportunity to participate with suggestions. He stated that all of the teams are aligned with the themes of top line growth, risk management and efficiency and are also co-dependent and therefore, are not working in isolation.

Mr. Koopman noted that he wanted to highlight a few of the Committees' activities. With respect to the Small Project Delivery Committee, Mr. Koopman reported that initially the focus was the OPWDD CMM Program, but DASNY is now expanding these methods to CUNY programs, and is looking for opportunities to globally streamline its delivery on smaller projects for all clients. He noted that, to this end, DASNY is: centralizing administrative functions; centralizing client communications; establishing uniformity in forms and process used in the project delivery model; and targeting timeframes for decision making with the client.

Mr. Koopman reported that tied into the Small Projects initiative, DASNY has also kicked off a Lean Process Improvement strategy for work authorizations and job order contracts which are the two main procurement strategies DASNY uses in the delivery of small projects. He noted that DASNY is utilizing the resources of the NYS Lean Office and that DASNY will be carrying out an extensive evaluation of these business processes to achieve great efficiency.

Mr. Koopman reported that going forward, as the teams develop their recommendations, they will be presented to DASNY's *One DASNY* Executive Leadership team for consideration. Lastly, Mr. Koopman stated that DASNY had formalized a communications plan to keep staff apprised of the actions being undertaken in the various workstreams and will provide staff training as necessary.

The President thanked Mr. Koopman for the update.

Ms. Shapard asked about the current timeline for the work of the committees. Mr. Koopman stated that fourteen committees are already actively working. Mr. Ellis suggested that the plan should include short timeframes for reaching the "low hanging fruit." Mr. Purcell stated that he was the Head of the Public Finance Committee and noted, for example, that part of their mission is to choose efficiencies that can easily be implemented, such as allowing certain sophisticated clients to do their own investments. The Chair stated that having a service list from which the clients may pick is a good idea. Mr. Purcell stated that his committee would also be looking at financing fees charged by DASNY. The President stated that the timelines for the various committees' work varies, depending on the integration involved. He stated that DASNY is looking to succeed based on being value added. He noted that DASNY is competitive based on its resident intellectual capital. The President stated that DASNY needs to be self-reflective and continue to plan for the future.

In response to an inquiry from Ms. Shapard as to whether the Board would receive regular reports with respect to the implementation, the President responded affirmatively. The Chair expressed his appreciation of that response.

Ms. Berlin departed the Meeting.

Mr. Romski moved that the Members go into Executive Session to discuss the credit history of a particular corporation and proposed, pending or current litigation, Ms. Shapard seconded the motion, and the Meeting went into Executive Session.

EXECUTIVE SESSION

While in Executive Session no action was taken other than to return to Public Session.

PUBLIC SESSION

General Counsel's Report

Mr. Cusack stated that the memorandum included behind Tab #13 of the Board materials recommends that DASNY engage Squire Patton Boggs, LLP ("Squire") as Strategic Counsel to provide legal advice and counsel to DASNY's staff and the Board with respect to the development of a comprehensive strategic plan for the integration of DASNY's resources in finance, construction management and design, and corporate operations. He stated that this planning initiative, referred to as *One DASNY*, has been described by the President and Mr. Koopman, and includes the formulation of legal and non-legal strategies to improve DASNY's top-line growth, properly manage risk, and identify pathways for greater efficiency, collaboration and coordination. Mr. Cusack noted that, as stated in the memorandum, President Bushell and he have had the opportunity to meet with representatives of Squire and consider other firms on DASNY's procured counsel panels, and believe that Squire Patton is best-positioned to represent DASNY in this capacity.

Mr. Cusack noted that Section 4.4 of DASNY's By-Laws requires Board approval of any contract for the general corporate purposes of DASNY that is in excess of $300,000. He stated that after review and consultation with DASNY, Squire estimates its costs for the proposed engagement will not exceed $500,000, inclusive of disbursements. Mr. Cusack noted that the anticipated duration of this engagement is six to eight months.

Ms. Shapard 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) APPOINTING SQUIRE PATTON BOGGS, LLP AS STRATEGIC COUNSEL AND AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL ENGAGEMENT LETTER IN CONNECTION THEREWITH

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

President's Report (continued)

The President noted that on November 17, 2017, he was featured as a panelist for a discussion of "Operating Outside of Your Silo" for the National Association of Securities Professionals in New York City. He stated that he discussed how DASNY serves as a bridge between New York State and its health care and higher education institutions. He further stated that as these institutions go through tremendous change, DASNY is evolving to align its business with their changing needs through *One* DASNY.

The President reported that on November 30, 2017, he participated in a McKinsey & Company panel discussion in New York City entitled, "Innovations in Infrastructure." He stated that he discussed how DASNY is taking advantage of opportunities to expand and further leverage its partnerships with the private sector, starting with a focus internally on creating efficiencies and streamlining processes to mirror private sector operations. He noted that through this process DASNY makes itself a better partner, both for the private sector and the public. The President stated that as the interface between the two, DASNY helps the public and private sectors understand each other.

The President stated that the Finance Division is in the process of developing the proposed Fiscal Year 2018-19 Operating Budget. He noted that information is currently being gathered from all DASNY departments and compiled by the Budget Department in anticipation of sending a draft budget package to the Board on or by December 31, 2017, as required under the Public Authorities Accountability Act. He reported that the Members will be asked to adopt the budget at the March 2018 Regular Meeting.

The President reported that Members of DASNY's Civil Service Employees Association, Inc. bargaining units, which represents the majority of DASNY employees, have approved their new collective bargaining agreements. He then asked Mr. Corrigan to provide an update to the Members.

Mr. Corrigan directed the Members' attention to the Board materials relating to the two recently ratified Collective Bargaining Agreements with CSEA Local 698 and Civil Service Employees Association, Inc., Local 1000, AFSCME, AFL-CIO representing employees of DASNY.

Mr. Corrigan stated that the first proposed Collective Bargaining Agreement is for 402 employees represented by CSEA Local 698 and is for a five (5) year term from April 1, 2016 through March 31, 2021. He stated that the Agreement includes a 2% cost of living increase for each of the five years and that these amounts are retroactive to April 1, 2016. Mr. Corrigan noted that the Agreement also includes an increase in the employees' share of health insurance premiums to 31% for family coverage and 16% for individual coverage for new employees hired after 2021. He noted that the Agreement maintains a 27% contribution for the lowest paid employees for family coverage.

Mr. Corrigan further noted that the language regarding the movement for employees from the Schedule D to Schedule D-1 salary schedules had been slightly altered. He stated that this was to correct some inequities for employees who had been promoted.

Mr. Corrigan stated that the terms of the Agreement between DASNY and Local 1000, AFSCME, AFL-CIO were similar to those of the Local 698 Agreement with the exception of the labor management committee to implement a new performance evaluation system.

Ms. Shapard asked whether the execution and implementation of the two collective bargaining agreements would have a budgetary impact. Mr. Corrigan stated that staff was requesting an adjustment to the Operating Budget, which would be covered in the next Agenda item in the Financial Report.

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK ("DASNY") RATIFYING A STIPULATION OF AGREEMENT AND APPROVING AND AUTHORIZING THE EXECUTION OF A COLLECTIVE BARGAINING AGREEMENT

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

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK ("DASNY") RATIFYING A STIPULATION OF AGREEMENT AND APPROVING AND AUTHORIZING THE EXECUTION OF A COLLECTIVE BARGAINING AGREEMENT.

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

<u>Financial Report</u>

The President indicated that Ms. Nadeau would provide the Members with an update of the fiscal performance of DASNY against the FY 2017–18 Operating Budget and discuss the budget process for FY 2018–19. He stated that, in addition to the budget update, Ms. Nadeau will also present a Resolution to reflect changes in spending resulting from the CSEA contracts just approved by the Board.

Ms. Nadeau stated that, as indicted in her Memorandum to the Members, following the Board's approval of the 2017-18 Operating Budget, there have been several events that have occurred that necessitate a proposed increase in the Operating Budget. She reported that these events included: hiring additional personnel in the Grants Administration Department to support the significant workload increase resulting from the growth of the SAM Grant Program in particular; the Management/Confidential salary increases the Board approved in July pursuant to the Budget Bulletin issued by DOB; the CSEA agreements that were just approved earlier in the Meeting and a higher share of DASNY's health insurance costs for those retiree participants for whom DASNY pays more of the premium (at least 90%).

Ms. Nadeau stated that, as a result of these events, staff is proposing an increase of approximately $4 million for the 2017-18 Operating Budget. She noted that her Memorandum also includes the mid-year update on the projected year-end financial position. Ms. Nadeau reported that, projecting YTD results through the balance of the year, excluding the accounting entry required for DASNY's liability for its post-employment benefits other than pensions, earnings would improve to approximately 1.5% of projected expenditures.

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK ("DASNY") AMENDING THE DASNY OPERATING BUDGET 2017-2018

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

<u>President's Report (continued)</u>

The President reported that on November 9, 2017, DASNY hosted a networking event for junior bankers at its New York City office. He stated that the 13 firms represented work hand-in-hand with DASNY to deliver more than $5 billion municipal bonds annually. He noted that he encouraged the junior bankers to take advantage of the opportunity to make connections and maintain new relationships and the free flow of ideas that would come with them. The President stated that DASNY is continually looking for ways to develop its business and could always use fresh ideas.

<u>Public Finance and Portfolio Monitoring Report</u>

Ms. Lee stated that with respect to the market update, the calendar continues to build as issuers continue to enter the market with transactions in advance of the proposed tax law changes. She noted that last week's calendar was more than $21 billion and that this week's record calendar is in excess of $23 billion. Ms. Lee reported that the FOMC is meeting today and that it is expected to raise rates 25 basis points.

Ms. Lee further reported that the ten and thirty year MMD rates have increased nine and four basis points, while the short end of the curve has increased 17 basis points since the November Board Meeting. She stated that she wanted to point out that DASNY priced the

MSK transaction yesterday with very strong results and that the deal was just under $300 million and was significantly oversubscribed. Ms. Lee stated that the underwriter was able to tighten spreads considerably. She reported that, at this time, DASNY is on track to price and close all of the financings brought to the Board for adoption of documents over the last several Special Board Meetings before the end of the calendar year. Ms. Lee thanked the Board for their extraordinary commitment during this process

Ms. Lee also thanked staff for their efforts – the Public Finance staff, the Portfolio Monitoring staff, the Finance staff and Counsel's Office staff who are doing extraordinary work to complete the bond sales and review and finalize all of the documents in order to close these transactions before year end.

President's Report (continued)

The President reported that from November 8, 2017 through November 10, 2017, employees from DASNY's Construction Division attended Greenbuild, the International Green Building Conference, in Boston. He noted that this year's theme was "All-in" which underscores that sustainability in design, construction and operations can support goals for social justice, resiliency, health and well-being, as well as energy efficiency and carbon reductions. The President reported that DASNY's team attended approximately 80 education sessions that will inform DASNY's work and among the takeaways were: DASNY clients should be made aware of the wide range of green services and materials available to them; and conferences like these bolster our industry knowledge as well as our ability to comply with state policy goals.

The President reported that DASNY currently has 40 LEED-rated buildings and defines specific sustainable goals for all projects.

Construction Report

No verbal Construction Report was given at the Meeting. The Members were directed to the written materials provided to them.

Ms. Shapard moved that the Meeting adjourn, Mr. Johnson seconded the motion and the Meeting was adjourned at approximately 12:45 p.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary