

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, November 7, 2018.

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

Members Present

Alfonso L. Carney, Jr., Chair, Member
John B. Johnson, Jr., Vice Chair, Member
Beryl L. Snyder, Esq., Member
Paul S. Ellis, Esq., Member
Gerard Ronski, Esq., Member
Joseph Gilchrist, Designated Representative of the Commissioner of Education, Member (ex officio)
Tracy Fay Raleigh, Designated Representative of the Commissioner of Health, Member (ex officio)

Members Participating by Phone

Jonathan H. Gardner, Esq., Member

Members Absent

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

Also Present - Dormitory Authority Staff

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
Caroline V. Griffin, Chief of Staff
Ricardo Salaman, Esq., Managing General Counsel
Larry N. Volk, Senior Director, Portfolio Monitoring
Deborah K. Fasser, Director, Communications & Marketing
Daniel W. Petroff, Chief of Strategy and Business Development
Tara Miner, Acting Director, Office of Professional Integrity
Sara P. Richards, Esq., Associate General Counsel
Matthew T. Bergin, Assistant Director, Public Finance and Portfolio Monitoring

Steven P, Mullen, Investigative Auditor
Dilshoda Kurbonova, Public Finance Diversity Fellow
Criseidra Tait, Public Finance Diversity Fellow

Others Present

Kam Wong, Esq.

Hawkins, Delafield & Wood, LLP

Robert James, Esq.

Golden Holley James, LLP

PUBLIC SESSION

The Chair called the Meeting to order. The Minutes of the October 10, 2018 Regular Meeting were then reviewed and approved.

Finance Committee Report

Finance Committee Chair Ronski reported that the Finance Committee met the prior day and, after discussion, decided unanimously to recommend the Personal Income Tax Revenue Bond Program/Sales Tax Revenue Bond Program transaction to the full Board for approval.

Audit Committee Report

Audit Committee Chair Gardner reported that the Audit Committee had met the previous day via video conference between the Albany, New York City and Buffalo Offices. He stated that the audit team of KPMG and BCA Watson Rice presented the Audit Plan for 2018-2019. Mr. Gardner informed the Members that the approach for the 2018-2019 audit is consistent with prior years. Mr. Gardner further stated that Ms. Ebert, Director of Internal Audit, provided an update on several Internal Audit matters.

Ms. Nadeau informed the Members that DASNY provided a comment letter to GASB in response to its Exposure Draft addressing proposed changes to the definition and reporting of conduit debt. She stated that DASNY requested clarification and confirmation with respect to several matters addressed in the Exposure Draft. Ms. Nadeau further stated that the letter requested an expanded definition of conduit debt to include both private and public issuances. She explained that both public and private debt constitute special obligations of DASNY and therefore, DASNY has no payment obligations with respect to either.

Ms. Nadeau further explained that Management is concerned that confusion will result if public debt is included in the body of the financial statements, while debt issued on behalf of private clients is included in footnote disclosure. She stated that this could lead some users of the financial statements to incorrectly conclude that DASNY has some level of obligation for the public debt.

Committee Chair Gardner thanked Ms. Nadeau for drafting the letter and stated that it is a very good response. He noted that KPMG informed the Audit Committee Members that the firm

believes it is a strong letter. Ms. Nadeau thanked the Committee Chair for his remarks, and stated that Finance Staff and members of Counsel's Office helped draft the letter.

In response to questions from the Board Chair, Ms. Nadeau stated that GASB received 39 comment letters in response to the Exposure Draft, and will likely review them in totality to assess whether there are common concerns or trends. She noted that the AICPA also requested clarification regarding the appropriate entity to record debt issuances when the issuer and third-party obligor are within the same financial reporting entity, analogous to DASNY's relationship to the State of New York. Ms. Nadeau stated that although DASNY is unlikely to receive a response to the letter, GASB is expected to issue a final statement once it has considered the issues raised in the comment letters.

Personal Income Tax Revenue Bonds / Sales Tax Revenue Bonds

The President introduced Kam Wong, Esq., of Hawkins Delafield & Wood, LLP, and Robert James, Esq., of Golden Holley James, LLP, co-bond counsel on the transaction, and Mr. Bergin.

Mr. Bergin stated that the Board is being asked to authorize the issuance of multiple series of tax-exempt and taxable, fixed and/or variable rate bonds to be issued at one or more times with a term not to exceed 30 years, in an amount not to exceed \$2.0 billion, under either the Sales Tax Revenue Bond Program and/or the Personal Income Tax Revenue Bond Program. He further stated that the Bonds are currently expected to be issued under the Personal Income Tax Revenue Bond Program. Mr. Bergin informed the Members that the mechanics of the two programs are very similar, and that the major difference between the programs is the stream of revenue that secures the bonds. He explained that sales tax revenue is used to secure bonds issued under the Sales Tax Revenue Bond Program, and personal income tax revenue secures bonds issued under the Personal Income Tax Revenue Bond Program.

Mr. Bergin informed the Members that the Bonds are being issued for both new money and refunding purposes. He stated that the new money portion is expected to fund authorized purposes including the SUNY Upstate Community College facilities program; various environmental projects; transportation facilities projects for the Metropolitan Transportation Authority; State and Municipal Facilities grants and other capital grant programs; Economic Development Projects and/or grants; Library Facilities; the New York State Education Department's Longitudinal Data System; the New York State Office of General Services for state office buildings and other facilities; the New York City Department of Corrections and Community Supervision's correctional facilities; the Office of Children and Family Services' youth facilities; and healthcare facilities under the Capital Restructuring Financing Program.

Mr. Bergin stated that the proceeds of the Bonds will also be used to refund certain fixed rate bonds issued under various programs including, but not limited to, the PIT Revenue Bond Program, the Mental Health Services Facilities Improvement Revenue Bond Program and the Service Contract Program. He informed the Members that the bonds to be refunded were issued by DASNY or Empire State Development.

Mr. Bergin stated that if the bonds are issued under the Sales Tax Revenue Bond Program, the bonds will be paid by the semi-annual payments made pursuant to a Financing Agreement between DASNY and the State. He explained that the bonds are secured by a set aside of one cent, or 25% of the State's four percent sales tax to be collected pursuant to statute and deposited in the Sales Tax Revenue Bond Fund. Mr. Bergin stated that the current debt service coverage on all outstanding Sales Tax Revenue bonds is 3.3 times.

Mr. Bergin stated that if the bonds are issued under the Personal Income Tax Revenue Bond Program, the bonds will be paid by the semi-annual payments made pursuant to a Financing Agreement between DASNY and the State. He explained that the bonds are secured by a set aside of 50% of personal income tax revenues collected pursuant to statute and 50% of the receipts of the Employer Compensation Expense Program, with both revenues deposited in the Revenue Bond Tax Fund. Mr. Bergin stated that the current debt service coverage on all outstanding State Personal Income Tax bonds is 7.5 times. He further stated that Bonds issued under either program are expected to be rated Aa1/AAA/AA+.

Mr. Johnson inquired whether any of the Bond proceeds would be used to provide funding incentives for the Amazon Headquarters in New York. He noted that there had been some press about potential involvement in the project. Ms. Lee and Mr. Bergin responded in the negative. Ms. Wong stated that bond counsel reviews each of the projects to be funded with bond proceeds from a State and tax law perspective, and this was not one of the identified projects. In response to a question from the Board Chair, Ms. Lee stated that most of the bond proceeds are utilized for reimbursement purposes, and it would therefore be very unlikely that any new project, including this one, would be funded with the proceeds of bonds issued in this transaction. She stated that although some projects are funded prospectively, this project would not be one of them.

Ms. Wong informed the Members that bond counsel reviews each grant-funded project to determine compliance with relevant federal and State law provisions at the time the grant is administered by DASNY or another State entity. She explained that the grants are paid from State funds in the first instance and then, at a later point in time, bond proceeds are used to reimburse the State for advances made. Ms. Wong stated that bond counsel reviews each project at the time of bond issuance as well. She noted that as a result of this process, bond counsel reviews the projects on two separate occasions.

Ms. Wong further explained the transaction and presented the financing documents. She stated that Mr. Bergin had provided a comprehensive explanation of the structure of the program. Ms. Wong stated that the proceeds allocable to MTA projects under this transaction represent the second time that DASNY has issued for MTA projects as part of the overall State commitment to the initiative. She noted that \$300 million was authorized for the MTA in a prior bond issuance. Ms. Wong informed the Members that this is the first time that DASNY will be funding new money projects for various agencies including the Department of Corrections, the Office of Children and Family Services, and the Office of General Services. Ms. Wong noted that Empire State Development has historically financed the new money project components for these entities. She stated that DASNY has previously issued for new money projects undertaken by other agencies included in this financing, including DEC and the Office of Parks, Recreation and Historic Preservation.

Mr. James then described the features of the Supplemental Resolutions. He stated that because the PIT and Sales Tax Revenue Bond programs have similar mechanics, the respective Supplemental Resolutions are similar as well. Mr. James further stated that pursuant to the Supplemental Resolutions, the Bonds may be issued in one or more series or subseries, at one or more times, in an aggregate principal amount not to exceed \$2 billion. He informed the Members that although it is anticipated that all the Bonds will be issued as fixed rate bonds, all or a portion of the Bonds also may be issued as variable rate bonds, convertible bonds, capital appreciation bonds and/or deferred income bonds. Mr. James stated that the Supplemental Resolutions further provide that all or a portion of the Bonds authorized thereby may be sold at public or private sale on a negotiated basis or through competitive bidding, and may be consolidated into a single series with any other Bonds that are authorized under the respective Resolutions. He informed the Members that the Bonds will be sold on a negotiated basis to a syndicate of underwriters, with Bank of America Merrill Lynch as Lead Manager.

Mr. James stated that the Supplemental Resolutions delegate to various officers of DASNY certain powers, including authorization: to designate the series and subseries, of the Bonds; to determine the principal amount of Series 2018-4 Bonds of each series to be issued thereunder, provided that the aggregate principal amount of Series 2018-4 Bonds issued does not exceed \$2 billion; and to determine the principal amount of Series 2018-4 Bonds to be issued as Tax-Exempt Bonds and the principal amount of Series 2018-4 Bonds to be issued as Taxable Bonds. He explained that this determination is based upon an analysis of the grant programs and projects to be funded with bond proceeds.

Mr. James stated that the Supplemental Resolutions also delegate to various officers of DASNY the authorization to determine: the date or dates on which the Series 2018-4 Bonds will mature, provided that no 2018-4 Bonds will mature more than 30 years from its date of issuance and, provided further with respect to any Series 2018-4 Bonds issued to refund the Refunded Bonds, that the final maturity of such Series 2018-4 Bonds shall not exceed the fiscal year of the final maturity of the Refunded Bonds, considered in the aggregate; whether the Series 2018-4 Bonds shall bear interest at fixed or variable rates and the rate or rates at which the Series 2018-4 Bonds will bear interest, provided that the true interest cost of any Series 2018-4 Bonds issued as fixed rate bonds, and the initial interest rate of any Series 2018-4 Bonds issued as variable rate bonds, may not exceed 7.5% per annum if issued as Tax-Exempt Bonds, and 10.0% per annum if issued as Taxable Bonds, or such other rate or rates as the resolution of the Public Authorities Control Board approving the issuance of the Series 2018-4 Bonds may establish; the purchase price to be paid by the underwriters of the Series 2018-4 Bonds, if sold on a negotiated basis, provided that it is not less than 90% of the principal amount of Series 2018-4 Bonds issued; the manner in which the winning bid or bids will be selected and the Series 2018-4 Bonds awarded, if sold on a competitive basis; the redemption provisions applicable to the Series 2018-4 Bonds, including the redemption dates and prices, if any, for the Series 2018-4 Bonds, provided that the redemption price of any Series 2018-4 Bonds subject to redemption at the election or direction of DASNY may be equal to a percentage of the principal amount of the Series 2018-4 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, and/or, alternatively, may be determined by a formula which is intended to "make whole" the holders of such Series 2018-4

Bonds by setting a redemption price based on the expected rate of return to such holders; the series and maturities of the Refunded Bonds to be refunded and the principal amount thereof to be refunded with the proceeds of the Series 2018-4 Bonds; the provisions relating to any Credit Facilities to be entered into in connection with the Series 2018-4 Bonds; and whether any of the Series 2018-4 Bonds will be book-entry bonds and the depository for them.

Mr. James stated that the Supplemental Resolutions also authorize various officers of DASNY to: prepare and distribute one or more Preliminary Official Statements in connection with the sale of the Bonds; prepare, execute and deliver one or more final Official Statements; execute and deliver one or more Bond Purchase Agreements in connection with the sale of the Bonds, if sold on a negotiated basis, and circulate one or more Notices of Sale for the Bonds, if sold on a competitive basis; execute agreements to provide continuing secondary market disclosure as may be appropriate to assure that the underwriters can comply with SEC Rule 15c2-12; execute and deliver agreements providing for credit enhancement and liquidity with respect to the Bonds and execute all other documents and do all things necessary, convenient or desirable in connection with the sale and issuance of the Bonds. Mr. James stated that the Supplemental Resolutions further authorize various officers of DASNY to enter into one or more agreements with the applicable State agencies, authorities or other entities in order to effect the transactions contemplated thereby.

Mr. Johnson asked whether the new tax law impacted DASNY's ability to undertake the type of refundings contemplated by the Supplemental Resolutions. Ms. Wong explained that the new tax law eliminated the ability to undertake advance refundings, but not current refundings. She further explained that an advance refunding occurs when the bonds to be refunded are redeemed more than 90 days after the refunding bonds are issued. Ms. Wong stated that the refundings authorized in the Supplemental Resolutions are current refundings, where the bonds to be refunded are redeemed within 90 days of the date of issuance of the new bonds.

In response to an inquiry from Ms. Snyder, Ms. Lee stated that the State has utilized the PIT program as its primary financing vehicle since 2003. She further stated that the State introduced the Sales Tax Revenue Bond Program in 2013, and has regularly issued bonds under both programs in order to best access the capital market. Ms. Lee explained that DASNY has issued under the Sales Tax program for the last several transactions and, therefore, it is likely that these bonds will be issued under the PIT program.

Ms. Snyder asked whether there are advantages to one program over the other. Ms. Lee responded that historically, the Sales Tax Revenue Bonds have priced better than the PIT bonds due to the volume of PIT bonds in the market. Ms. Lee stated that with the increase in the set aside from 25 to 50 percent, she expects the PIT bonds to price aggressively at the time of sale. She noted that as bonds are issued under either the PIT or Sales Tax Supplemental Resolution, the authorization to issue under the other Supplemental Resolution will be reduced. Mr. James confirmed that the Resolutions authorize a maximum of \$2 billion to be issued, in the aggregate, between the two programs.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL RESOLUTION 2018-4 AUTHORIZING STATE PERSONAL INCOME TAX REVENUE BONDS (GENERAL PURPOSE); and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL RESOLUTION 2018-4 AUTHORIZING STATE SALES TAX REVENUE BONDS

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

President's Report

The President stated that as part of the One DASNY initiative, DASNY has met with a number of clients to highlight process improvements, both internally and externally, to better respond to client needs. He further stated that the Key Account Management team within DASNY has been working on these improvements for some time. The President reminded the Members that a year ago, DASNY reacted very quickly upon learning that the ability to undertake advance refundings would be eliminated in the new tax law, and that there were concerns regarding potential changes to private activity bonds. He stated that DASNY held five meetings over a six-week period to help our clients prepare for these changes.

The President stated that volume is down significantly across the entire industry and that as a result, DASNY is working with its clients to try to better understand their present and future capital needs and how DASNY can respond to these needs. The President informed the Members that as part of the Key Account Management initiative, DASNY established integrated Public Finance and Construction teams to work with current and potential clients from an advisory perspective. He explained that these integrated teams will help potential clients understand DASNY's expertise in a variety of areas and how DASNY can partner with them to help meet their goals.

The President reported that on October 18, members of the Public Finance and Portfolio Monitoring team met with representatives of the Catholic Health System of Western New York and discussed ways DASNY can help meet their financing needs, guide them through the regulatory process and utilize Construction Division resources to review architectural drawings in connection with the Department of Health's Certificate of Need process. The President reported that during the meeting, DASNY described the recent collaboration with the Montefiore Health System, where numerous process improvements were utilized in connection with the \$685 million hybrid tax-exempt/taxable financing. He stated that after the meeting with Catholic Health System and its financial advisor, the System has decided to finance with DASNY.

The President stated that DASNY will continue to be proactive in working with current and potential clients in order to highlight the value-added services DASNY provides. He explained that the intellectual capital of the staff, together with strong institutional relationships with DOH, SED, and other State entities, distinguishes DASNY from its competitors. The

President stated that the meetings also provide a good opportunity to make potential clients aware of the long-term benefits of working with the State. The Chair stated that this partnership is an exciting development and demonstrates that the outreach efforts are working.

In response to an inquiry from Mr. Ellis, Ms. Lee stated that Catholic Health System financed through DASNY in 2006 and 2008, but financed through a local issuer in 2015. The President stated that DASNY is reaching out to both new and former clients. He acknowledged that although some entities have strong relationships with local development corporations and industrial development agencies, he is hopeful that once they are educated about the value-added services DASNY provides, they may consider issuing through DASNY. The President noted that the Montefiore transaction sends a strong signal to other health care institutions that recent process changes have improved DASNY's ability to work with our clients and achieve results.

Mr. Ellis asked whether the implementation of the One DASNY process improvements is likely to lead to an increase in the volume of bond issuances. The President responded that the volume is a distinct issue from client satisfaction with the One DASNY initiative. He stated that decreased volume this year was anticipated due to the rise in interest rates. The President informed the Members that DASNY worked with its clients to complete a significant number of transactions last year, before the rate increase and prior to the elimination of advance refundings. He explained that DASNY is optimistic that One DASNY process improvements will result in clients coming to DASNY for their new money and refunding needs. The President noted that DASNY is able to provide advisory support, and is continuously evaluating additional services for the benefit of our clients. He explained that DASNY now provides energy-related services to help clients meet various energy efficiency goals. The President stated that DASNY is rebranding the TELP program in order to increase awareness of the program.

The President stated that DASNY staff met with Memorial Sloan Kettering Cancer Center last week to obtain feedback on the 2017 financing undertaken through DASNY, and to update them on the One DASNY initiative. He further stated that DASNY staff will be meeting with Mt. Sinai Hospital and New York Presbyterian Hospital later this week. The President asked Ms. Lee to summarize the meeting with MSK for the Members.

Ms. Lee stated that the meeting with Memorial Sloan Kettering was very positive. She informed the Members that MSK was pleased with their financing experience with DASNY overall, especially with the financing that was completed at the end of 2017. Ms. Lee reported that they were very happy that DASNY brought the transaction to the market so quickly in anticipation of federal tax law changes. She further reported that MSK was also complimentary of DASNY's overall financing process. Ms. Lee noted that this high level of service at the end of 2017 has become the new benchmark for future transactions.

Ms. Lee informed the Members that MSK also provided positive feedback regarding DASNY's process improvements and other changes addressed by the One DASNY initiative. She reported that MSK compared the DASNY process with their experience using another issuer. Ms. Lee stated that the issues raised were those that had already been considered by DASNY in the context of One DASNY. She explained that these issues included the role of third party professionals and internal staff, the format of working group calls, and standard documents. She

indicated that the discussions underscored that DASNY's proactive approach with respect to these matters has been successful.

Ms. Lee stated that as part of the One DASNY initiative, DASNY prioritizes customer service and responsiveness to borrower needs. She stated that the Financial Advisor for the Catholic Health System contacted DASNY several times as they were evaluating various conduit issuers, and that DASNY responded promptly to all their questions. Ms. Lee further stated that as a result, the System and its Financial Advisor were receptive when DASNY requested an in-person meeting to discuss DASNY services. She informed the Members that Matt Bergin and Andy Purcell traveled to Buffalo in mid-October and that the meeting went very well. Ms. Lee reported that in addition to discussing DASNY's financing services, Mr. Bergin and Mr. Purcell discussed the role that DASNY's Construction Division plays in CON architectural reviews, as well as the work that DOH and DASNY have undertaken to streamline the requisition process for health care clients. She stated that they reacted positively to these changes, and that at the end of October, the financial advisor notified DASNY that Catholic Health System had decided to issue through DASNY.

The President emphasized that DASNY strives to be the partner of choice for our clients' capital needs. He stated that despite current and future volume challenges, institutions will always have capital needs, and will continue to refund existing debt and issue new debt. The President informed the Members that more institutions are becoming aware of the type of hybrid financing structure that DASNY utilized in connection with the Montefiore Medical Center transaction. He stated that the healthcare industry is currently experiencing a transformation in the way services are delivered, and there is a greater focus on forming partnerships. The President further stated that DASNY has over 2-½ year's experience with this model. He summarized that, while volume challenges are expected to continue, DASNY is eager to learn more about innovation in the marketplace in order to meet client needs. Ms. Lee stated that DASNY will continue to meet with new and existing clients to increase awareness of the financing and construction services that DASNY provides.

Mr. Ellis asked whether the decreased volume is expected to impact DASNY's infrastructure. The President responded that DASNY continues to try to expand its market share in new areas to mitigate any such impacts. He stated that DASNY is currently emphasizing certain businesses that complement DASNY's financing and construction business, such as the TELP program, energy financing, and other smaller programs that are important to DASNY's business.

In response to an inquiry from the Chair, the President stated that DASNY will continue to prioritize quality customer service for existing clients while also attracting new clients. He informed the Members that, consistent with the analytics developed by EY as part of the One DASNY initiative, DASNY must continue to broaden and deepen its mission. The President explained that as such, DASNY will look to market expansion in certain adjacent lines of business. He stated that in doing so, DASNY will continue to focus on increasing efficiency and managing risk. The President informed the Members that a presentation on DASNY's energy services would be made to the Board in the future.

Mr. Johnson inquired whether DASNY is working with the New York State Power Authority (NYPA) with respect to the energy initiatives in order to maximize efficiencies. He noted that NYPA is involved with many upstate projects. The President stated that DASNY has a good relationship with NYSERDA and has been working with them. Ms. Griffin stated that Mr. Koopman has reached out to NYPA to discuss DASNY's initiatives and they did not express any concerns with respect thereto. The President informed the Members that DASNY will continue to work with its partners in order to leverage capacity for the benefit of our clients. He noted that there are many opportunities in the energy services field for increased collaboration and that DASNY's knowledge of client needs will be beneficial.

The President reported that some of the biggest construction projects in the country are currently being undertaken by the Port Authority, and that the Port Authority is committed to increasing opportunities for small businesses and MWBE vendors and contractors. He noted that some of these projects include LaGuardia, JFK, Moynihan Station, and the Javits Center projects. The President informed the Members that senior management of the Port Authority asked DASNY to meet with them to discuss best practices for increasing diversity and inclusion. He stated that on October 31, together with Michael Clay, Senior Director of Opportunity Programs, and Dan Petroff, Chief of Strategy & Business Development, he delivered a presentation addressing key themes in this area, including the synergy that was created three years ago by combining the Opportunity Programs Group and Procurement Unit into the Resource Acquisition Group. The President explained that this merger allows diversity issues to be addressed at an earlier point in the overall process. He informed the Members that the discussion was productive and noted that there are many similarities between DASNY and the Port Authority. The President stated that there have been subsequent discussions, and DASNY will continue to collaborate with the Port Authority to help them accomplish their goal of fostering diversity and inclusion.

The President informed the Members that DASNY hosted an MWBE and SDVOB outreach event at the CUNY Graduate Center in Manhattan on November 1. He stated that DASNY staff, including Mr. Curro, Mr. Koopman, and Mr. Clay provided guidance to MWBEs and SDVOBs with respect to the overall construction process and working with DASNY. The President stated that Alan Resnick, Vice President at Brailsford & Dunlavey, Inc., one of DASNY's term contractors, addressed the attendees regarding alternative construction delivery methods. He explained that Mr. Resnick focused on alternative delivery methods in the metropolitan New York area, and discussed ways that traditional design and construction firms, as well as specialty consultants, can get on project teams to help deliver projects using these methods. The President stated that Joni Capobianco, President of AMG Demolition and Andrew Simmons, President of LaShay's Construction and Development, Inc., spoke about their experiences working with DASNY and how they have been able to increase their capacity as a result.

The President reported that on October 26, the New York State Office of Alcoholism and Substance Abuse Services (OASAS) officially opened the doors of its new Champlain Valley Family Center Recovery Campus in Schuyler Falls. He stated that DASNY provided construction and design management services for this innovative treatment facility in the North Country. The President further stated that this new center provides detox, stabilization, respite and outpatient substance abuse disorder services 24 hours a day, 7 days a week. He stated that DASNY is proud to team with OASAS in building stronger, healthier communities throughout New York State.

The President then asked Mr. Curro to provide an update on the Construction Division's work.

Construction Division Report

Mr. Curro directed the Members' attention to the photograph on the cover of the Construction Projects Report and stated that it depicts the Macomb Hall Renovation project at SUNY Plattsburgh. He informed the Members that the \$15 million project included the complete renovation of the 152-bed, 48,000 square foot residence hall. Mr. Curro explained that the work included selective demolition; new windows and doors throughout the facility; new mechanical, electrical and plumbing and fire/life safety systems; a new entrance; an external elevator; new bathrooms, lounges, and laundry facilities on each floor; landscaping; and parking. Mr. Curro stated that project design commenced in February 2016 and construction was completed in August 2018, in time for fall occupancy. He further stated that some of the special features of the project include the addition of a new exterior elevator and the creation of a new Student Success and Equal Opportunities Program Center on the ground floor of the residence hall.

Mr. Curro informed the Members that DASNY will be undertaking new projects totaling approximately \$75 million. He stated that these projects include a \$6.3 million roof replacement at Bronx Community College; a \$7.2 million bathroom renovation at John Jay College; a \$6.2 million HVAC project at the College of Staten Island; a \$19.7 million energy performance project at Medgar Evers College; a \$6.5 million HVAC project at CUNY Graduate School; and a \$28 million renovation project for Deyo Hall at SUNY New Paltz.

Mr. Curro reported that year to date construction expenditures through September 2018 were \$321 million, as compared to \$412 million through the same time period last year, a decrease of \$91 million.

Mr. Curro summarized the progress on several larger construction projects. He stated that all Temporary Certificates of Occupancy (TCO) requirements have now been completed for the Court Officers Training Academy. Mr. Curro further stated that DASNY's expeditor is formally requesting the issuance of the TCO with the New York City Department of Buildings. He informed the Members that the formal review time for the TCO application is expected to take two to four weeks to process.

Mr. Curro reported that DASNY met with representatives from the New York State Office of Mental Health, DASNY's construction manager and the general contractor on October 25th to discuss the project status of the South Beach Psychiatric Center. He stated that the contractor is working to enclose the building structure prior to the winter season, including temporary enclosure measures for any areas not permanently completed. Mr. Curro further stated that construction activities taking place at the Center include brick masonry, punched window installation, curtain wall installation, mechanical, electrical and plumbing rough-in, and sitework and piles installation.

Mr. Curro reported that DASNY issued the final build out permit for the Javits Expansion project last week. He stated that the expansion project and transformer building project permits

have now been issued. Mr. Curro further stated that structural steel erection is underway and the transformer building is nearing temporary approval for occupancy certification. Mr. Curro informed the Members that work on the Moynihan Station project is progressing for both the train hall and skylight scopes of work.

Mr. Curro reported that 66 of 80 security projects have been completed for NYCHA, nine are in construction, two are in the scoping phase, one is on hold, one is awaiting materials fabrication, and one new project has been received. He further reported that 32 of 38 appliance projects have been completed. With respect to the other six projects, Mr. Curro stated that two delivery dates have been established for November and December, and the other four dates are being coordinated with NYCHA based on needs and schedules. Mr. Curro noted that of the 49 Quality of Life projects, four have been completed, 22 projects are in construction, 20 projects are in design and one is on hold.

Mr. Curro reported that DASNY is currently planning SUNY 2018-19 project scheduling, including approximately 40 SUNY Summer 2019 projects with a value of approximately \$50 million. He stated that approximately \$70 million of renovation projects are underway at SUNY Plattsburgh (Whiteface Hall); Buffalo State (Tower 3); University at Albany (G & H Residence Halls); and Alfred (Mackenzie Hall Phase III).

Mr. Curro stated that DASNY is receiving bids for SUNY projects scheduled to begin in 2019. He informed the Members that DASNY received bids last week for the new \$188 million academic building at FIT, as well as the \$28 million Deyo Hall renovation project at SUNY New Paltz. Mr. Curro stated that the bids for both projects were above estimates. He further stated that this was not unexpected, given the strong construction market. Mr. Curro indicated that DASNY is working with both FIT and New Paltz on strategies to move the projects forward.

Mr. Curro stated that DASNY received pricing for the design build project for the new residence hall at SUNY Polytechnic Institute in Utica. He informed the Members that this will be DASNY's first project utilizing SUNY's directed Net Zero requirements for new SUNY projects. Mr. Curro reported that pricing was approximately 10% above estimates, which was anticipated since the Net Zero concept is new for the bidding community.

Mr. Curro reported that the Basis of Design consultant continues to work on the design requirements for the Department of Health Life and Science Laboratory. He stated that the Basis of Design, once completed, will be included in the Request for Proposals phase of the project.

In response to an inquiry by the Chair, Mr. Curro responded that 75 of 80 security projects for NYCHA will be completed by the end of the calendar year. He stated that one security project valued at \$1.5 million is expected to be completed by the second quarter of 2019. Mr. Curro further stated that most of the appliance projects would also be completed by the end of the calendar year. He summarized that in total, the two scopes of work totaling approximately \$60 million are expected to be completed within the first quarter of 2019.

Counsel Report

Mr. Cusack informed the Members that a draft meeting schedule for 2019 was included with the Board Materials. He reminded the Members that the January meeting date could change. Mr. Cusack asked that the Members notify him of any questions or comments regarding the draft schedule.

Mr. Ellis moved that the Members go into Executive Session to discuss the financial and credit history of particular corporations; proposed, pending or current litigation, and the employment history of persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons. Mr. Gilchrist seconded the motion, and the Meeting went into Executive Session.

EXECUTIVE SESSION

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

PUBLIC SESSION

Ms. Snyder moved that the Meeting adjourn, Mr. Johnson seconded the motion and the Meeting was adjourned at approximately 11:15 a.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary