

The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's New York City Office, One Penn Plaza, 52<sup>nd</sup> Floor, New York, New York at 9:30 a.m. on Wednesday, December 12, 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  
Paul S. Ellis, Esq., Secretary, Member  
Beryl L. Snyder, 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 Present 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  
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  
Sara P. Richards, Esq., Associate General Counsel  
David P. Ostrander, Senior Financial Analyst

**PUBLIC SESSION**

The Chair called the Meeting to order. He directed the Members' attention to the Board materials provided, including the announcement of a blood drive to be hosted by DASNY in honor of former Board Member Sandra Shapard. The Chair stated that the blood drive would be in DASNY's Albany office on January 8, 2019, from 9:00AM-2:00PM.

The Minutes of the November 7, 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 New York University transaction to the full Board for approval.

**New York University**

The President asked Mr. Ostrander to present the Transaction Summary to the Board. Mr. Ostrander stated that the transaction includes one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds in an amount not to exceed \$1,250,000,000 for a term not to exceed 40 years on behalf of New York University ("NYU"). Mr. Ostrander further stated that the proceeds of the DASNY Bonds will finance numerous construction and renovation projects located throughout the New York University system and will also be used to refinance a portion of amounts drawn on the University's lines of credit for various capital projects. He noted that the new money portion of the financing is approximately \$918 million, and the refinancing component is approximately \$251 million.

Mr. Ostrander stated that the projects to be financed or refinanced include the construction of a new multi-use building at 181 Mercer Street which will include a modern athletic facility, 58 new classrooms, a 350-seat theatre, and student and faculty housing. He further stated that foundation work is ongoing and the project is expected to be completed in late 2021. Mr. Ostrander explained that new classroom space at 181 Mercer will free up space within the Silver Center for Arts and Sciences to allow for the creation of laboratories for the Chemical Biology Department. He noted that this is part of NYU's effort to bolster its science program. He informed the Members that the bond proceeds will also finance or refinance improvements to facilities located at the University's Brooklyn campus in order to expand NYU's Engineering and Applied Sciences programs. Mr. Ostrander stated that the former MTA Headquarters building located at 370 Jay Street will be renovated as part of an expansion to the University's Engineering and Applied Sciences programs in Brooklyn. He noted that construction work will continue through Summer 2019.

Mr. Ostrander stated that Moody's Investors Service has assigned a rating of "Aa2" to the outstanding obligations of the University with a "Stable Outlook," and that Standard & Poor's has rated the University's obligations "AA-" with a "Stable Outlook". He further stated that, as

with previous NYU transactions, the Loan Agreement is expected to be a general unsecured obligation of the University.

Mr. Ostrander informed the Committee Members that positive demand and enrollment trends have continued in recent years. He stated that the University received 64,007 applications for first-time full-time freshman last year, marking the tenth year in a row of record applications. Mr. Ostrander further stated that the total headcount enrollment increased to over 51,000 in fall 2017. He reported that the growth in net tuition revenue, patient care revenue associated with the School of Medicine, and fundraising have all contributed to steadily increasing operating revenue, and that the University's overall revenue mix is diverse. Mr. Ostrander stated that for fiscal year 2017, 30% of the University's total operating revenues came from net tuition and fees. Mr. Ostrander informed the Committee Members that NYU reported total net assets in excess of \$5.69 billion for fiscal year 2017, which represents a 26% increase over 5 years.

Mr. Ostrander informed the Members that the University's 2018 audit was released yesterday, and that the numbers were comparable to 2017. He stated that NYU's net operating ratio for 2018 was -1.8%, compared to -1.5% in 2017. Mr. Ostrander further stated that the University's total net assets increased from \$5.7 billion in 2017 to \$6.2 billion in 2018.

The Board Chair noted that the Finance Committee discussed the transaction at yesterday's Committee Meeting.

Mr. Ellis 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 DOCUMENTS TO PROVIDE FOR THE FINANCING OF FACILITIES FOR NEW YORK UNIVERSITY**

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

### **Governance Committee Report**

Governance Committee Chair Johnson reported that the Governance Committee had met on May 8, 2018 and had reviewed Staff Officer Compensation. He stated that at the May meeting, the Committee considered the proposed implementation of the NYS Division of Budget Bulletin-1137 relating to general and parity salary increases for Staff Officers. Mr. Johnson further stated that the Committee unanimously agreed to make a recommendation to the full Board at a future meeting once certain administrative matters were finalized. He informed the Members that at this time, the Committee is recommending adoption of a Resolution implementing the salary actions for Staff Officers, as well as other employees classified at the Managing Director level. The Board Chair noted that the salary increases are retroactive to April 1, 2018.

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (“DASNY”) AUTHORIZING THE IMPLEMENTATION OF SALARY ACTIONS FOR STAFF OFFICERS AND EXECUTIVE STAFF CLASSIFIED AT THE STAFF OFFICER LEVEL

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

**President’s Report**

The President thanked the Members for their leadership and support over the past year. He stated that it was a difficult year in some ways, as DASNY worked to forestall the elimination of private activity bonds and the new tax code eliminated the ability to undertake advance refundings. The President reported that volume was down approximately 15-20% across the market. The President reflected that despite the difficulties, DASNY experienced a number of successes and achievements.

The President stated that DASNY continues to implement process improvements throughout the organization as part of the One DASNY initiative. He informed the Members that the initiative has integrated over 200 personnel in the finance, design and construction divisions into 17 work groups. The President stated that the work groups focus on strategy, construction and private-client financing. He explained that through this “bottom-up” process, DASNY continues to advance strategies to create efficiencies, grow top-line revenue, align risk management, and identify adjacent businesses in order to grow DASNY’s client base and help our clients achieve results.

The President informed the Members that DASNY has implemented process improvements throughout the DASNY organization and has received positive feedback on many of these, including the amendments to DASNY’s financing guidelines. He explained that DASNY’s clients, financial advisors, underwriters and others see the revisions as fast, efficient, and flexible. The President noted that the revised Guidelines also ensure predictability and distribute risk appropriately. He stated that DASNY applied many of the process improvements to the recent \$685 million hybrid taxable/tax-exempt financing transaction for Montefiore Health System. The President emphasized the importance of the Montefiore transaction in that it illustrated to others in the health care industry that DASNY is a customer-focused, valued partner capable of solving complex problems. He stated that he expects this transaction will encourage other health care institutions to finance with DASNY, especially as interest rates climb.

The President informed the Members that New York University continues to recognize DASNY’s ability to problem-solve, as evidenced by the transaction for which a Resolution to Proceed was adopted earlier in the meeting. He stated that as part of the One DASNY client outreach initiative, members of the Public Finance and Portfolio Monitoring division recently met with representatives from Mount Sinai Hospital, as well as with representatives from New York-Presbyterian Hospital. The President further stated that additional meetings are scheduled in the new year. He explained that these continue to be important meetings, where the DASNY team discusses the changes to DASNY’s financing guidelines and the ways DASNY can assist hospitals in meeting their financial needs. The President noted that the changes to the guidelines were well received.

The President reported that over the past year, DASNY will have issued approximately \$9.1 billion of bonds, including the \$1.6 billion recent PIT transaction. He stated that although the repeal of the ability to undertake advance refundings and decreased volume across the market have impacted the numbers, DASNY is finishing the year strong in terms of impactfulness of transactions. The President informed the Members that DASNY will continue to work favorably with its clients, and there is a robust pipeline for 2019. He noted that DASNY will continue to focus on providing value-added services to our clients.

The President informed the Members that the current construction pipeline consists of 1009 projects valued at more than \$6.6 billion as of October 2018. He stated that DASNY continues to augment its alternative delivery method capabilities such as design-build. The President highlighted the successful \$24 million, 263-bed residence hall at SUNY Brockport, where a 32% MWBE participation rate was achieved using the design-build delivery method. He informed the Members that the success of the Brockport project provided a delivery model for the \$750 million NYS Life Sciences Public Health Laboratory in the Capital Region, as well as a new \$27.8 million, 257-bed residence hall at SUNY Polytechnic Institute in Utica. The President stated that he is very pleased that DASNY continues to be a leader in meeting or exceeding State MWBE participation goals utilizing various delivery methods.

The President stated that DASNY is expanding its energy performance contracting offerings by combining current energy performance services with the Tax-Exempt Equipment Leasing Program (TELP) and procurement services. He explained that this will enable DASNY to provide a turn key solution to clients by offering a variety of finance, construction and energy services. The President stated that DASNY is currently developing a net zero building for SUNY Polytechnic Institute in Utica. He informed the Members that the Small Projects Planning Committee has created efficiencies when working with clients such as the New York State Office for People with Developmental Disabilities. The President stated that DASNY has also instituted various process improvements to the work authorization and job order contracting processes by integrating more technology solutions that will reduce redundant approvals and documentation, enabling quicker delivery to DASNY's clients. He noted that the upcoming transition to a new project management tool for the construction division will promote additional efficiencies. The President reported that Finance, Grants, and Information Services are working together to implement the Fluxx grants management system, which will streamline the grants administration process and increase transparency to all users and clients.

The President reported that Counsel's Office and the Construction Division are working together to refine the general conditions to DASNY's construction contracts in order to further reduce DASNY's risk and exposure with respect to construction projects, while at the same time enabling DASNY to identify problems and provide solutions for clients. He stated that by working together as One DASNY, the organization continues to advance New York State's support of innovation, social impact, growth, and inclusion. The President informed the Members that DASNY is viewed as a national leader in each of these important sectors. He stated that DASNY is a model for providing integrated solutions to higher education and health care clients. The President further stated that it has been very fulfilling to see DASNY staff undertake additional responsibilities and make difficult decisions as required in order to offer more services for our

clients. He thanked the leadership team for their efforts in this regard, and stated that together with the team, he will continue to focus on minimizing risk, increasing efficiencies, and working well together.

In response to a question from Mr. Ellis, the President confirmed that the construction pipeline as of October was approximately \$6 billion, and that the financing issuances totaled approximately \$7.5 billion over the past year, excluding the recent PIT transaction. The President stated that a more robust financing pipeline is expected in the upcoming year. He explained that it is more difficult to predict the timing of financings, as the clients need to work with their own leadership before coming to DASNY. He further stated that the process improvements and increased efficiencies undertaken by DASNY have resonated across the market in a positive way.

Mr. Johnson asked about the composition of the construction and financing pipelines in terms of upstate and downstate institutions. The President responded that DASNY continues to actively and aggressively reach out to smaller upstate institutions. He stated that DASNY's turn key solutions can help address the needs of these existing, former or potential clients. The President further stated that large institutions tend to be doing fairly well, regardless of geographic location. He informed the Members that DASNY is committed to working with the next tier of institutions that don't have strong endowments and can benefit from the services that DASNY offers. The President asked Ms. Lee and Mr. Curro to provide additional information regarding the finance and construction pipelines.

Ms. Lee directed the Members' attention to the pipeline report, and stated that the financing pipeline is comprised of mostly downstate entities. She further stated that the Catholic Health System of Western New York is an upstate client. Mr. Curro stated that from a numbers perspective, approximately 75% of the projects are located upstate, but approximately 75% of the construction dollar spend is downstate. Mr. Ronski inquired whether additional opportunities exist for DASNY to work with not-for-profit entities. The President responded that DASNY has discussed several opportunities to become more involved in the not-for-profit sector, and that the benefit of tax-exempt financing can be very positive. He noted that in the event that Empire State Development is the lead entity for economic development initiatives, DASNY will be available to provide assistance as needed. The President stated that DASNY has reached out and anticipates further discussions.

The Board Chair expressed his appreciation to DASNY staff. He informed the Members that staff works diligently with clients to obtain and analyze the information necessary to provide the Board Members with relevant and accurate information in a timely manner. The Board Chair acknowledged that this is not always easy to do, and thanked staff for their efforts.

### Approval of Lease

The President directed the Members' attention to the materials relating to the Approval of Lease. He explained that in order to secure long term space, DASNY must relocate its regional field office in the Rochester area. The President stated that staff has identified an opportunity to relocate to an existing office building within a short distance of the current field office. He further stated that the new site is easily accessible to major highways in the Rochester area. The President

reported that the cost and terms of the leased space were determined to be reasonable, according to the results of a rent study comparison performed by a third-party consultant. He informed the Members that DASNY also plans to enhance its IT backup and recovery infrastructure by relocating its Statewide Computer Data Backup Server Room to this location from DASNY's New York City Office at 1 Penn Plaza.

Mr. Johnson asked if the relocation is related to the Governor's efforts to revitalize downtown Rochester. Mr. Corrigan replied that the location will provide space for DASNY's field staff. He explained that the field office serves a large geographic area from Rochester to Buffalo on the West; to Syracuse on the East, and South to the Pennsylvania border. Mr. Corrigan further explained that DASNY needs the best space to serve the employees working in this region, as well as provide space for IT backup. He stated that easy highway access is critical, since field staff frequently travel between sites.

Ms. Snyder asked for additional details regarding the space. Mr. Corrigan responded that the space is approximately 10,000 square feet and will serve approximately 12-15 employees. He stated that DASNY has utilized the OPWDD DDSO Finger Lakes facility for a long time, but it is small and does not provide the space necessary for conference rooms and meeting space. In response to a question from the Board Chair, Mr. Corrigan stated that OPWDD allowed DASNY to utilize space at the DDSO at no charge.

Mr. Curro explained that OPWDD is vacating the facility and as a result, DASNY must relocate its field office. In response to an inquiry from the Board Chair, Mr. Corrigan confirmed that staff recommends approval of the lease in its current form, and that the landlord has already signed the lease. Mr. Ronski asked whether the terms of the lease were negotiated in house, and Mr. Cusack responded in the affirmative.

Mr. Ronski 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") APPROVING A LEASE OF PROPERTY LOCATED AT 3495 WINTON PLACE, BUILDING C, SUITE 1 ROCHESTER, NEW YORK

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

#### Extension of Existing Memorandum of Understanding

The President stated that the Members are being asked to adopt a Resolution authorizing the execution of a Memorandum of Agreement (MOA) amending the existing Memorandum of Understanding (MOU) between DASNY and the Building and Construction Trades Council of Greater New York and Vicinity (BCTC) regarding utilization of Project Labor Agreements (PLAs) on DASNY projects in New York City. He explained that the current MOU expires on December 31, 2018. The President further explained that DASNY and the BCTC would like to enter into a new MOU for a new term and are negotiating several enhancements to the PLAs. He informed the Members that the parties have agreed to enter into a MOA that amends the MOU for nine months in order to allow time for DASNY and the BCTC to negotiate a new MOU and new PLAs.

Mr. Ronski asked whether nine months will provide sufficient time for this process. Mr. Cusack responded in the affirmative. He explained that each member of the BCTC must agree to the changes and have them approved its Board, but that the nine-month extension should be sufficient.

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

**RESOLUTION OF THE MEMBERS OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK APPROVING A CERTAIN MEMORANDUM OF AGREEMENT**

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

**Financial Report**

The President stated that the Finance Division is currently developing the proposed Fiscal Year 2019-20 operating budget. He informed the Members that the Budget department has compiled information from all DASNY departments and will provide a draft budget package to the Board on or by December 31, 2018 as required under the Public Authorities Accountability Act. The President explained that the Members will review the draft budget at the January 2019 meeting and will then be asked to adopt the budget at the March 2019 meeting.

The President asked Ms. Nadeau to provide the Members with an update of the fiscal performance of DASNY against the FY 2018-19 operating budget pursuant to the requirements of the Public Authorities Reform Act.

Ms. Nadeau stated that included with the Board materials is a memorandum describing the changes to DASNY's year-end projections as compared to the approved budget. She informed the Members that the year-end projection has improved from the budgeted amount by nearly \$1.4 million. Ms. Nadeau explained that this is largely due to a greater portion of DASNY resources supporting DASNY's public clients than the level assumed in the budget. She further explained that this resulted in a greater allocation of liability for post-retirement benefits (primarily health care costs) to public clients. Ms. Nadeau noted that this has resulted in a shift of approximately \$1.3 million and is beneficial to DASNY's net income for the year. She reminded the Members that the accounting rules for post-retirement benefits are changing, and that DASNY is currently working with its actuary and KPMG to determine the implications of the changes. Ms. Nadeau stated that DASNY is currently gathering information for the actuary, and that she will not be able to quantify the impact of the changes until that process is complete, most likely next fiscal year. Ms. Nadeau noted that the projections before the Members today do not take the proposed changes into account.

The Board Chair asked Ms. Nadeau to explain the accounting changes. Ms. Nadeau explained that DASNY is currently reflecting approximately \$155 million in liability for future post-retirement benefits other than pensions on its books. She further explained that this amount is allocated between DASNY's public and private clients based upon the amount of support provided to them, which is calculated based on a rolling five-year average to minimize aberrations in a given year. Ms. Nadeau noted that this year there was a .9% change from the budgeted amount



to the actual amount, or approximately \$1.3 million. Mr. Ronski inquired whether public agencies pay the benefits for DASNY employees. Ms. Nadeau replied in the affirmative, and noted that private institutions also pay a share of the benefits. She noted that financing fees take the cost of providing the benefits into account. Mr. Corrigan explained that the figure represents the adjustment to the number and is not reflective of the overall liability. He further explained that DASNY charges the actual current year cost of providing the benefits. Ms. Nadeau clarified that the numbers represent a future liability that DASNY pays out over time to retirees. She explained that the annual expense for each year includes an additional year of service for active employees. Ms. Nadeau noted that the actuary calculates the future benefit and predicts the actual spend, and then DASNY analyzes the total liability and trues up each year based upon the level of support provided to public and private clients.

### **Public Finance and Portfolio Monitoring Report**

The President asked Ms. Lee to provide the Members with additional details regarding Mount Sinai and New York-Presbyterian, as well as the market update.

Ms. Lee stated that DASNY successfully priced the \$1.69 billion PIT transaction yesterday in a difficult market. She noted that the transaction was comprised of approximately \$1.56 billion in tax-exempt bonds, and approximately \$103 million in taxable bonds. Ms. Lee informed the Members that since the last meeting, S&P implemented new rating criteria for certain debt, including the PIT and Sales Tax Bonds. She reported that this rating recalibration resulted in a rating change from AAA to AA+. Ms. Lee stated that there was no market reaction to this change, and the credit is still viewed favorably.

Ms. Lee reported that the market has been volatile due to a variety of factors including tensions with China over trade, concerns about the economy, scaled back expectations regarding the number of rate hikes next year, and uncertainty regarding Brexit. She stated that last week's supply was heavy at \$19.7 billion, and that overall, new issuances are down by 19% this year. Ms. Lee further stated that municipal bonds experienced outflows for the 11<sup>th</sup> straight week last week. She informed the Members that the one-, ten- and 30-year MMD increased by 19, 37 and 33 basis points, respectively, since the November Board Meeting.

Ms. Lee informed the Members that that as part of DASNY's continued One DASNY client outreach initiative, meetings were held with representatives from Mount Sinai Hospital and New York-Presbyterian Hospital last month. Ms. Lee stated that the team discussed the recent changes to the Financing Guidelines and highlighted the ways that DASNY implemented many of the One DASNY process improvements to the Montefiore Health System's recent \$685 million hybrid tax-exempt/taxable financing. She informed the Members that the reaction was very positive, and resonated with both hospitals. Ms. Lee reported that the DASNY team discussed the many ways that DASNY can assist the hospitals in meeting their financial needs, including guiding them through New York's regulatory process; engaging the Construction Division to review architectural plans in connection with the State Department of Health's (DOH) Certificate of Need process; and the work that DASNY has done with DOH to streamline the requisition review process as the Institution draws down bond proceeds. Ms. Lee noted that she believes it is

important to continue to remind clients of this service. She indicated that the information was well-received.

Ms. Lee informed the Members that Mt. Sinai indicated that it has had a long-standing, positive relationship with DASNY. She stated that feedback from Mt. Sinai however, suggested that DASNY staff is very good at identifying problems that arise, but needs to improve its ability to solve those problems. Ms. Lee stated that this feedback would be considered as One DASNY continues to be implemented.

Ms. Lee stated that New York Presbyterian provided important feedback as well. She informed the Members that they were impressed by the process improvements and efficiencies that DASNY has implemented. Ms. Lee stated that their representatives were supportive of DASNY's approach whereby DASNY staff focuses on the requisite State approvals and allows the third party professionals to drive the working group process. She reported that clients view time and cost factors to be critical matters when making financing decisions and selecting an issuer. Ms. Lee emphasized that DASNY would continue to hold meetings with new and existing clients to gather suggestions for future improvement. Lastly, she stated that performance metrics are included with the bond sale summary in the Board materials.

Ms. Snyder inquired whether DASNY should expect the rating recalibration to affect future DASNY transactions. Ms. Lee responded that investor feedback reveals that the recalibration did not affect the perception of the State credit. Ms. Snyder pointed out the combination of lower interest rates with outflows in municipal bond funds, and asked whether more predictable interest rates in 2019 are expected to impact outflows. Ms. Lee responded that it is difficult to say for certain. She observed that the MMD tightened significantly last week. Ms. Lee stated that she will continue to keep the Board apprised of market developments. Ms. Snyder expressed that the incoming Congress may reconsider certain matters related to the tax deductibility of municipal debt as well as the allowability of advance refundings. The President concurred, and stated that he believes there will continue to be a focus on infrastructure improvements.

### **Presidents Report (continued)**

The President stated that DASNY has selected a Design-Build Team to Construct the Zero-Net Energy-Ready Residence Hall in Utica. He informed the Members that Hueber-Breuer Construction Company was selected to construct a new \$27.8 million, 257-bed residence hall at SUNY Polytechnic Institute in Utica. The President stated that occupancy of the building is planned for August 2020. He further stated that the residence hall will be constructed as "zero-net ready." The President explained that in addition to meeting or exceeding existing energy codes, the infrastructure for future energy performance systems will be in place, ultimately leading to a zero-net energy consumption facility once these systems are installed. He further explained that the construction team will utilize the design-build delivery method and that the project will be financed through DASNY's SUNY Dormitory Facilities Program, which issues low-cost, tax-exempt bonds supported by student residence hall fees.

The President reported that on Friday, November 2, Bronx Community College opened the nation's first "World War II Dominican Veterans Monument." He stated that DASNY constructed

the Memorial, which consists of a granite wall with the names of soldiers engraved in it, and provided the surrounding landscaping. He informed the Members that the College was awarded \$400,000 in state and local funding to construct the Memorial.

The President reported that on November 29, he addressed a group of graduate students at the John Jay College of Criminal Justice in Manhattan as the first speaker in a series focusing on the importance of public service. He stated that a discussion was held regarding the role that DASNY plays in serving all New Yorkers.

The President informed the Members that on December 5, he participated in a panel discussion at the Infrastructure Investor Summit in New York City, which focused on delivering inclusive, sustainable communities. He stated that he addressed alternative delivery methods that DASNY is using in the construction of higher education and health care institutions, energy performance contracting, green building initiatives, such as zero-net energy, and minority- and women-owned business enterprise (MWBE) opportunities.

The President stated that he attended a ribbon cutting on November 27 at the Hutchings Psychiatric Center in Syracuse, which is undertaking a multi-phased inpatient rehabilitation project. He informed the Members that DASNY managed the design and construction of the project.

Mr. Johnson asked for more information on the term “zero-net energy.” Mr. Curro responded that the energy used by the building is supplied onsite, so there is no need to obtain energy from the grid. He explained that the energy can be supplied with a number of different technologies, such as the photovoltaic panels on the roof of DASNY’s Albany Office. Mr. Curro stated that the building at SUNY Poly will be constructed so it is zero-net ready, and that future plug in technologies can be accommodated to bring the net energy usage to zero.

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. He stated that it depicts the Rochester Psychiatric Center Roof Replacement project on Buildings #48 and #60. Mr. Curro informed the Members that the \$4.4 million project included removing the existing 116,600 square feet roof and adding a new roof, flashing and reinstallation of coping caps.

Mr. Curro reported that the project design commenced in February 2016 and construction was completed in October 2018. He stated that the project was challenging as a result of the size of the roof and the fact that it had to be replaced while the building was fully occupied. Mr. Curro further stated that the project required multiple staging areas in the parking lots and the logistical arrangements presented a challenging situation. Mr. Curro noted that Dan Gaffney, a Project Manager for DASNY, worked on the construction team for the Rochester Psychiatric Center

project when it was built 24 years ago, and he was the DASNY Project Manager for the new roof replacement as well.

Mr. Curro then reported on new projects. He stated that DASNY will be undertaking a \$5.1 million envelope upgrade at for OMH at the Pilgrim Psychiatric Center, as well as a two-phased, \$11.8 million bathroom renovation known as Crossroads Rehabilitation Project at SUNY Purchase during the summers of 2019 and 2020. Mr. Curro noted that two projects were dropped from the report due to a decrease in the funding amounts below the report threshold. He explained that the funding for Lehman College dropped to \$1.5 million, while funding for the Brooklyn College project decreased to \$4.3 million.

Mr. Curro reported that year to date construction expenditures through November 2018 were \$426 million, as compared to \$528 million through the same time period last year, a decrease of \$102 million.

Mr. Curro summarized the progress on several larger construction projects. He stated that the Court Officer's Training Academy is expected to receive a final Certificate of Occupancy from the New York City Department of Buildings in the near future, and that OCA expects to occupy the building on January 19. Mr. Curro informed the Members that he would no longer be reporting on the COTA project as a result. He stated that a ribbon cutting was held on December 3<sup>rd</sup> and that Temporary Certificates of Occupancy were received for Buildings #1 and #2 in November. Mr. Curro noted that punchlist work continues.

Mr. Curro reported that the Hutchings Psychiatric Center rehabilitation project in Syracuse was completed in early November, and that a ribbon cutting was held on November 29. He stated that occupancy is scheduled for December 19.

Mr. Curro stated that an executive meeting and walkthrough was held at the South Beach Psychiatric Center project on December 6 with representatives of OMH, the Construction Manager, the General Contractor, and DASNY. He explained that the building enclosure tasks continue, and that the curtain wall, punched windows and masonry installations are on-going. Mr. Curro noted that interior mechanical, electrical and plumbing and finishes work also continues. He stated that the project remains 64 working days off the baseline schedule, but progress is being made. He informed the Members that he is meeting with the construction manager today, and with OMH tomorrow. Mr. Curro stated that the next onsite meeting is scheduled for January 10.

With respect to the SUNY Capital Projects, Mr. Curro reported that the following projects have been scheduled to commence in Summer 2019, with occupancy in Fall 2020: the \$27.7 million SUNY Poly design/build residence hall project; the \$25 million CM at risk - Deyo Residence Hall renovation project at SUNY New Paltz, a \$14.5 million Huntington hall renovation project at SUNY Oneonta; a \$25 million, two-phased CM at risk project at SUNY Cortland; a \$12 million Kent Hall renovation project at SUNY Plattsburgh; and a \$10 million Funnelle Hall renovation project at SUNY Oswego will begin in December 2019 for fall 2020 occupancy. He informed the Members that ongoing capital projects for Buffalo State Tower 3, SUNY Plattsburgh's Whiteface Hall, SUNY Albany's G & H Residence Halls, and McKenzie Hall at SUNY Alfred are all advancing with a completion date expected in the summer of 2019.

Mr. Curro reported that forty SUNY projects with a total budget of \$50 million are scheduled for Summer 2019, and that the bidding process continues for these projects.

With respect to the NYCHA projects, Mr. Curro stated that 69 of 77 security projects have been completed, as well as 32 of 38 appliance installation projects, and 4 of the 49 quality of life projects. Mr. Curro reported that the renovation of Moynihan Station continues, with work being undertaken throughout the complex and in the train hall, including vertical transportation from the hall to the track level. He stated that skylight work in both the train hall and mid-block is in progress and that DASNY continues its full-time staff presence through the use of term consultants to aid DASNY in our role as the permitting entity.

Mr. Curro reported that the project transformer building work on the Javits Expansion project continues in anticipation of an early 2019 TAO date. Regarding the expansion itself, he stated that the steel frame continues to progress, and that most of the foundation work has been completed at this time.

Mr. Curro stated that DASNY continues its work with the Governor's Office of Storm Recovery, and that of the 35 DASNY managed projects, four projects are in construction, and others are at the construction document phase. Mr. Curro reported that DASNY is working with OPWDD on the 2018-2019 Community Minor Maintenance Program, and that 96 small projects are moving into the design phase.

Mr. Curro reported that the Construction Division continues to recruit staff as part of the succession planning process. He also stated that the upcoming Construction Division Training Series is kicking off for the winter months from December through March. Mr. Curro stated that the Division continues to work on updating its procedures.

### **Counsel Report**

Mr. Cusack informed the Members that the Board Review and Action Chart for Calendar Year 2019 is included in the Board materials. He stated that the Chart sets forth the schedule and plan to address the statutory component of the Board's oversight function. Mr. Cusack noted that twelve of the listed items are acted upon at the end of DASNY's fiscal year in March. He encouraged the Members to review the chart and contact him with any questions or comments. Mr. Cusack noted that he had received feedback from some of the Members and expressed his appreciation for their insight.

The President informed the Members that DASNY continues to be sensitive to risk, and that the organization takes steps to verify that appropriate procedures, protocols and controls are in place to mitigate risk. He stated that he has asked Mr. Cusack to confirm to the Board, on an annual basis, that DASNY currently has appropriate risk management protocols in effect. The Chair asked whether any new corporate amendments or actions are currently anticipated, and Mr. Cusack replied in the negative. He stated that the By-Laws were recently amended to address weather-related attendance issues, and encouraged the Members to contact him if any other changes were being considered.

Mr. Gilchrist 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. Ms. Raleigh seconded the motion and the Meeting went into Executive Session.

### **EXECUTIVE SESSION**

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

### **PUBLIC SESSION**

The Chair thanked the Board for its support throughout the year. He stated that throughout the year, there was robust attendance and participation on the part of the Members. The Chair observed that it was very fitting that the NYU transaction, one of the largest private client financings in DASNY history, was approved at the last meeting of the year. He stated that DASNY welcomed three new Members to the DASNY Board in 2018, including two designees--Joe Gilchrist (SED) and Tracy Raleigh (DOH) who are present at the meeting today, and Wellington Chen who was unable to attend today's meeting. The Chair thanked them for their service. He noted that Board experienced the loss of a colleague in the past year, and stated that Ms. Shapard's contributions to Board deliberations were important and profound. The Chair stated that he appreciated her service to the organization. He thanked DASNY staff, and stated that they always make the Board look good. The Chair acknowledged that they often function under a significant amount of pressure, and consistently perform well. The Chair stated that the next meeting is on January 9, 2019 in the Albany Office. Mr. Ronski thanked the Chair for his service.

Ms. Snyder moved that the Meeting adjourn, Mr. Ellis seconded the motion and the Meeting was adjourned at approximately 11:10 a.m.

Respectfully submitted,

Michael E. Cusack  
Assistant Secretary