

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, February 6, 2019.

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  
Wellington Z. Chen, Member  
Gerard Ronski, Esq., Member  
Joseph Gilchrist, Designated Representative of the Commissioner of Education, Member (ex officio)  
John Valitutto, Designated Representative of the Commissioner of Health, 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  
Ricardo Salaman, Esq., Managing General Counsel  
Deborah K. Fasser, Director, Communications & Marketing  
Sara P. Richards, Esq., Associate General Counsel  
Andy T. Purcell, Director Public Finance  
David P. Ostrander, Assistant Director, Public Finance and Portfolio Monitoring  
Stephen J. Kosier, Senior Financial Analyst  
Gerard E. Klauser, Senior Financial Analyst

Other Attendees:

Neil Kaplan, Esq.

Hawkins Delafield &amp; Wood, LLP

Patrick McGlashan, Esq.

McGlashan Law Firm, PC

**PUBLIC SESSION**

The Chair called the Meeting to order. He stated that the next Regular Meeting will be on Wednesday, March 6 in the New York City Office. The Board Chair reminded the Members to complete the annual self-evaluation. He stated that the surveys are anonymous and there are still several outstanding. The Minutes of the January 9, 2019 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 following transactions to the full Board for approval of a Resolution to Proceed: Catholic Health System Obligated Group; Maimonides Medical Center; Rockefeller University; Terence Cardinal Cooke Health Care Center; State University of New York, University Hospital at Syracuse (TELP) and United Health Services Hospitals, Inc. (TELP). He noted that DOH had provided letters of recommendation for the Catholic Health System and Maimonides Medical Center transactions.

**New York University**

The President introduced Neil Kaplan, Esq. of Hawkins Delafield & Wood, LLP and Patrick McGlashan, Esq. of the McGlashan Law Firm, PC, co-bond counsel on the transaction, and Mr. Ostrander.

Mr. Ostrander presented the Transaction Summary update. He stated that since the adoption of the Resolution to Proceed at the December meeting, the PACB, TEFRA and SEQR processes have all been completed. He further stated that the transaction continues to progress and that DASNY expects to mail the Preliminary Official Statement soon after Board approval.

Mr. Ostrander informed the Members that a subseries of the Series 2019 Bonds are expected to be issued as "Green Bonds." He noted that DASNY previously issued a series of green bonds on behalf of Columbia University. Mr. Ostrander explained that by labeling this subseries as "Green Bonds," investors may invest directly in the following projects that the University has identified as promoting environmental sustainability: construction and equipping of 181 Mercer Street; 370 Jay Street; and the School of Medicine's new Science Building at 435 East 30<sup>th</sup> Street. He further explained that the University intends to pursue LEED (Leadership in Energy and Environmental Design) certification for these projects under the LEED green building program rating system established by the U.S. Green Building Council. Mr. Ostrander stated that on an annual basis, the University will provide disclosure regarding the expenditure of Green Bond

proceeds. He further stated that once LEED certification is received, the University will disclose such receipt on EMMA. Mr. Ostrander noted that there is no obligation on the part of the University to obtain LEED certification and this is disclosed to investors.

In response to an inquiry by Mr. Ronski, Mr. Ostrander emphasized that while the University intends to apply for LEED certification, there is no obligation on the part of the University if it is unable to obtain such certification. He confirmed that this is disclosed to the investors.

Mr. Kaplan described the transaction and presented the financing documents. He stated that before the Members today are four Series Resolutions, each of which authorizes a separate Series of Bonds to be issued pursuant to DASNY's New York University Revenue Bond Resolution adopted in 2008. He noted that this will be the tenth issuance of bonds under the General Resolution. Mr. Kaplan informed the Members that the proceeds of the Series 2019 Bonds will be loaned to the University pursuant to a Loan Agreement entered into between DASNY and the University in 2008.

Mr. Kaplan stated that the four Series Resolutions are identical except for the series designations, and that each authorizes the issuance of a series of bonds up to a maximum principal amount of \$1.25 billion dollars. Mr. Kaplan further stated that combined principal amount of all Bonds that may be issued pursuant to the four Series Resolutions is also limited to \$1.25 billion, such that the issuance of Bonds under one of the Series Resolutions will reduce the remaining principal amount authorized to be issued under the other resolutions. He explained that four Series Resolutions will provide DASNY and the University with the flexibility to issue the bonds at one or more times, although it is currently expected they will be issued at the same time. Mr. Kaplan further explained that the adoption of four series resolutions will provide flexibility on the tax side as well. He stated that the University would be able to utilize taxable bond proceeds for various projects over the life of the 30-year bond issue, providing flexibility as to how the projects are utilized during that time. Mr. Kaplan noted that having four Series Resolutions would enable the Bonds to be sold as a public offering or as a direct purchase, although a public offering is currently anticipated.

Mr. McGlashan further described the transaction and explained the delegation of authority to various officers of DASNY in connection with the Bonds. He informed the Members that each of the Series 2019 Series Resolutions delegates to various officers the authority to determine the principal amount of the Series to be issued and the principal amount of each maturity, provided that the aggregate principal amount does not exceed \$1,250,000,000; the maturity dates of the Bonds, provided that no Bond shall mature later than forty (40) years from the date of issuance; whether the Bonds will be fixed or variable rate bonds; the interest rate on the Bonds, provided that the true interest cost of the Bonds that are fixed rate bonds, and the initial interest rate of Variable Interest Rate Bonds, shall not exceed seven and one-half percent (7.5%) per annum if issued as Tax-Exempt Bonds and ten percent (10%) per annum if issued as Federally Taxable Bonds. Mr. McGlashan noted that it is currently expected that the Bonds will be issued as fixed rate bonds. He informed the Members that various officers of DASNY may also determine whether the Bonds will be sold at public or private sale; whether any of the Bonds will be sold in a direct placement; the denomination or denominations of the Bonds, provided, however, that if

the Bonds are sold to a purchaser in a direct placement, the minimum authorized denomination shall be no less than \$100,000 and integral multiples of \$5,000 above that amount; the redemption dates and prices, which may be equal to a percentage of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, and may alternatively be a “make whole” amount that is based on the expected rate of return to such Holders; whether any of the Bonds will be subject to purchase in lieu of optional redemption, and the terms on which such purchase is to be made; the Project or components thereof for which the Bonds are to be issued, together with any allocation or reallocation, from time to time, of proceeds of the Bonds to pay costs of the various components of the Project; whether the Bonds will be issued as Tax-Exempt Bonds or Federally Taxable Bonds, and whether to obtain credit enhancement for the payment of all or a portion of principal and Sinking Fund Installments of and interest on the Bonds and the terms and conditions of such credit enhancement.

Mr. McGlashan informed the Members that each Series 2019 Resolution further authorizes various officers to: prepare and deliver a Preliminary Official Statement and to prepare, execute and deliver a final Official Statement in connection with any public offering of the Bonds; to execute one or more Bond Purchase Agreements with the respective underwriters of the Bonds in connection with the sale of the Bonds, containing such terms and conditions that are customary in connection with the sale of the Bonds. He stated that with respect to any direct private placement of the Bonds, each Series 2019 Resolution also authorizes the execution of bond purchase or bond placement agreements with any such purchasers and, if applicable, the placement agent. Mr. McGlashan further stated that each Series 2019 Resolution authorizes various officers of DASNY to execute all other documents and do all things necessary or convenient in connection with the sale and issuance of the Series 2019 Bonds.

Mr. Kaplan stated that the costs of issuance for both the taxable and tax-exempt Bonds are expected to be financed solely with taxable bond proceeds. He further stated that in addition to the costs of issuance, the Bond proceeds will be used to either directly pay project costs or repay the University’s lines of credit, the proceeds of which were used to pay the costs of various construction, renovation and improvement projects throughout the University’s campuses in New York City. Mr. Kaplan informed the Members that several of the projects to be financed with the Series 2019 Bonds were financed, in part, with the proceeds of various series of DASNY Bonds. He stated that these projects include the construction costs of a new mixed-use building at 181 Mercer Street, which is used for academic, athletic, residential and administrative purposes. Mr. Kaplan stated that this project is part of the University’s Core Plan and was financed with proceeds of DASNY’s 2018 Bonds.

Mr. Kaplan stated that other projects to be funded with the Series 2019 Bonds and partially funded with proceeds of other series of DASNY Bonds include the completion of a new science building for the School of Medicine; additional improvements to the University’s Co-Gen facility which serves the Washington Square Campus; upgrades to laboratories at the Tandon School of Engineering in Downtown Brooklyn; and substantial renovations to Science Laboratories at the University’s Silver complex in Manhattan. He further stated that other projects to be funded with the proceeds of the Series 2019 Bonds include routine capital projects throughout the University’s campuses and leasehold improvements to medical office space for use by NYU physicians. Mr. Kaplan informed the Members that taxable bond proceeds will also be used for the acquisition and

renovation of an existing apartment building on Washington Square North to be used for faculty housing.

Mr. Kaplan informed the Members that consistent with the other Series of bonds issued under the 2008 General Resolution, the Series 2019 Bonds will be Special Obligations of DASNY, payable solely from payments made by the University pursuant to the Loan Agreement and from amounts in the funds and accounts held by the Trustee under the General Resolution. He stated that the Bonds issued pursuant to the four Series Resolutions will be on a parity with each other and all other Bonds issued under the General Resolution. Mr. Kaplan stated that the University's obligation to make payments under the Loan Agreement is a general obligation of the University and the Bonds will not be secured by any mortgage, a pledge of University revenues, or a debt service reserve fund. He noted that Bonds issued on behalf of the University prior to the adoption of the 2008 Resolution are secured by a pledge of tuition and fee revenues.

In response to an inquiry from Mr. Chen, Mr. Kaplan stated that the market does not require additional security for the Bonds and therefore the transaction is not secured by a pledge of tuition and fees. Mr. Ostrander stated that the transaction is rated Aa2 and as such, the University's general obligation is consistent with DASNY Financing Guidelines. Ms. Lee confirmed that the revised financing guidelines take market considerations into account when determining the security to be provided.

Mr. Ronski inquired whether there is any community opposition to the projects to be funded with Bond proceeds and Mr. Ostrander replied in the negative.

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

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019A RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF NEW YORK UNIVERSITY REVENUE BONDS; and**

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019B RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF NEW YORK UNIVERSITY REVENUE BONDS; and**

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019C RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF NEW YORK UNIVERSITY REVENUE BONDS; and**

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019D RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF NEW YORK UNIVERSITY REVENUE BONDS;**

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

**Catholic Health System Obligated Group**

Mr. Klauser presented the Staff Report Transaction Summary for the Catholic Health System Obligated Group (the "System"). He stated that the Members are being asked to adopt a Resolution to Proceed for the issuance of tax-exempt and/or taxable, fixed and/or variable rate bonds in one or more series at one or more times through a negotiated offering and/or private placement in an amount not to exceed \$220,000,000 for a term not to exceed 30 years. Mr. Klauser stated that this transaction will bring the System back into the DASNY portfolio. He noted that the System issued bonds through a Local Development Corporation in 2015.

Mr. Klauser stated that this transaction will finance approximately \$146 million of new money projects, and that approximately \$49 million will be issued to current refund DASNY's Series 2006A-2006D and Series 2008 variable rate bonds issued on behalf of the System, together with a SWAP termination fee of \$2.6 million relating to the Series 2008 Bonds. Mr. Klauser noted that the transaction will include both fixed and variable rate bonds, and that the proceeds from the variable rate bonds will finance approximately \$49 million of the new money projects. He further noted that the System's overall exposure to variable rate debt will therefore remain the same.

Mr. Klauser informed the Members that the debt restructuring will result in a level debt service profile for the System and address the current front-loaded debt service profile. He stated that the restructuring will decrease the System's maximum annual debt service, but will not produce overall savings.

Mr. Purcell directed the Members' attention to the chart provided, which compares the debt service structure both with and without the refunding component. He explained that if the System issued only new money debt and did not restructure its existing debt, the maximum annual debt service would be approximately \$28.7 million in 2020. He noted that the weighted average cost of capital would be approximately 4.82%. Mr. Purcell further explained that by restructuring the existing debt and extending the some of the maturities, the maximum annual debt service decreases by approximately \$5 million and reduces the average weighted cost of capital by approximately 50 basis points. He stated that the level debt service profile will result in savings for the State in terms of reimbursement. Mr. Purcell emphasized that the goal of the debt restructuring is to create System-wide level debt service.

Mr. Klauser informed the Members that the Obligated Group currently consists of three hospitals on four campuses: CHS Inc, which is the active parent; Mercy Hospital of Buffalo; Kenmore Mercy Hospital; Sisters of Charity Hospital; and Sisters of Charity Hospital – St Joseph's Campus. Mr. Klauser stated that the Plan of Finance contemplates the addition of other Members to the Obligated Group, subject to DOH review and approval, in order to create a fully integrated Health Care System. He further stated that Mount St. Mary's Hospital of Niagara Falls; McAuley Seton Home Care Corporation; and Niagara Homemakers Services, Inc. are expected to become members of the Obligated Group. Mr. Klauser noted that DOH has reviewed these three entities and no further action is required prior to joining the System and may be added to the Obligated Group.

Mr. Klauser further noted that St. Francis Geriatric and Healthcare Services, Inc., a senior living facility, has filed an application for enriched living facility which is currently under review by DOH. Mr. Klauser informed the Members that four additional potential members may require further review by DOH: Catholic Health Infusion Pharmacy; Trinity Medical WNT, P.C, which is a captive not-for-profit P.C.; Niagara Medicine, P.C., which is a captive, for profit P.C.; and KMH Homes, a real estate holding company.

Mr. Klauser indicated that the Amended and Restated Master Trust Indenture (MTI) will be driven by the market and is expected to relieve certain covenant constraints for the System. He noted that DASNY will not be party to the MTI. He stated that the MTI will be joint and several obligations of each member of the Obligated Group, secured by mortgages on real property and a pledge of gross receipts. Mr. Klauser further stated that the Bonds are expected to be rated Baa1 by Moody's and BBB+ by Standard & Poor's.

Mr. Klauser stated that that the project will finance approximately 14 CON's, 7 Notices and 4 infrastructure projects (which do not require a CON or notice) and that the projects are summarized in the Transaction Summary by facility and detailed in the DOH approval letter. He noted that DASNY has worked very closely with DOH on this transaction and the DOH letter has been provided.

Mr. Valitutto stated that the System is a voluntary not-for-profit corporation and integrated health care delivery system serving the Western New York region. He further stated that the System is jointly sponsored by the Diocese of Buffalo, New York and Catholic Health Ministries, and that Trinity Health and the Diocese of Buffalo are the corporate members of the System with equal ownership interest. Mr. Valitutto reported that the System has total operating revenues of approximately \$1.1 billion and encompasses over 891 certified beds, 1,500 affiliated physicians, and over 9,000 employees. He further reported that the System provides approximately 43,000 inpatient discharges, in excess of 110,000 emergency department visits and 800,000 ambulatory care visits. Mr. Valitutto informed the Members that the System has a slight market share lead position in Erie County, capturing 43% of total Erie County discharges.

Mr. Valitutto stated that DOH recommends approval of the Resolution to Proceed. He noted that there is additional diligence to be undertaken by DOH and DASNY in connection with some of the proposed new Obligated Group members, as well as for some of the projects. Mr. Valitutto further noted that the diligence will be completed prior to the issuance of the Preliminary Official Statement.

In response to an inquiry from Mr. Ellis, Mr. Klauser confirmed that the restructuring brings the term of the bonds into alignment with the life of the assets and also levels out the current front-loaded debt structure. He noted that these two goals are viewed as beneficial. Mr. Ellis asked why the option to create level debt service was not previously available to the System. Mr. Purcell explained that while working together on the Montefiore transaction, DOH and DASNY learned that level debt service is viewed more favorably by rating agencies and better positions institutions for future strategic opportunities. Mr. Ellis asked whether the issuance of new money debt creates the front-loaded debt service issue. Mr. Purcell explained that layering new money debt over existing indebtedness exacerbates the front-loading, and the restructuring will address

that issue with respect to the System's current debt. He further explained that leveling out the System's debt provides additional stability to the System.

In response to an inquiry from Mr. Ellis, Mr. Purcell responded that neither the Obligated Group nor the Members of the Obligated Group are responsible for the obligations of the religious sponsors. The Chair informed the Members that the Finance Committee discussed the unfunded pension liabilities of the System. He noted that the System has been paying a tenth of the unfunded amount each year. Mr. Klauser confirmed that the System has a plan in place to have the unfunded pension liabilities 80% funded by 2026.

Ms. Lee stated that a number of One DASNY initiatives were utilized in connection with this transaction. She reminded the members that the streamlined process efficiencies will allow tax diligence to be completed at the time the Preliminary Official Statement is issued, instead of prior to the adoption of documents and informed the Members that DASNY and DOH had recently come to agreement that the outstanding contingencies relating to the Obligated Group Members will also be addressed before the mailing of the Preliminary Official Statement.

Mr. Ellis stated that he is very pleased that the System has returned to the DASNY portfolio, and asked how the One DASNY initiative impacted its decision to do so. Mr. Purcell explained that DASNY staff met with System representatives and its financial advisor in the fall to discuss the services that DASNY provides. He stated that at the time, the System was exploring other financing options, including debt issuance through the Local Development Corporation. Mr. Purcell informed the Members that after the meeting, the financial advisor recommended DASNY financing. Mr. Klauser stated that the market-driven MTI was a factor as was DASNY's collaboration with DOH. The Board Chair thanked Staff for their efforts in bringing the System back into the DASNY portfolio.

Mr. Ronski 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 CATHOLIC HEALTH SYSTEM OBLIGATED GROUP

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

### **Maimonides Medical Center**

Mr. Klauser presented the Transaction Summary for Maimonides Medical Center. He stated that the Members are being asked to adopt a Resolution to Proceed for the issuance of tax-exempt and/or taxable, fixed and/or variable rate bonds in one or more series at one or more times through a negotiated offering and/or private placement in an amount not to exceed \$165,000,000 for a term not to exceed 40 years.



Mr. Klauser informed the Members that the proceeds of the Bonds will be used to finance the construction and renovation of the Hospital's Emergency Department, including Invasive Cardiology and Neonatology Services in the amount of approximately \$114 million, and the Phase II renovation of Cardiothoracic Intensive Care Unit in the amount of approximately \$12.3 million. He noted that these projects require the issuance of a CON by DOH. Mr. Klauser stated that the financing also includes approximately \$31 million for projects that do not require a CON and include the modernization of the Hospital information systems; the purchase of moveable medical equipment and various infrastructure projects.

Mr. Klauser stated that the tax-exempt bonds will be secured by FHA Mortgage Insurance; the pledge of payments under the Mortgage Note; a one-year Debt Service Reserve Fund; mortgages on real property acceptable to FHA; a Letter of Credit to plug holes in the cashflow and a Mortgage Reserve Fund. He further stated that the Bonds are expected to be rated Aa2/AA by Moody's and Standard & Poor's, respectively. Mr. Klauser informed the Members that if taxable bonds are issued, they will be secured by GNMA Securities and are expected to be rated Aaa/AA+ from Moody's and Standard & Poor's, respectively.

Mr. Klauser reported that Maimonides currently has no debt outstanding with DASNY. He stated that DASNY previously issued three series of FHA-insured bonds for the benefit of the Hospital. Mr. Klauser further stated that the last series of DASNY bonds was issued in 2004 and refunded in 2013 with taxable GNMA debt issued away from DASNY. He noted that Maimonides is a valued client and is returning to the DASNY Portfolio with this transaction. Mr. Klauser further noted that the Hospital has debt outstanding with HUD and as a result, only certain refinancing options are available. He informed the Members that this transaction is another example of how the One DASNY initiative has been utilized to attract former clients back to the DASNY portfolio.

Mr. Klauser directed the Members' attention to the sources and uses chart included in the transaction summary. He stated that FHA-insured bond issuances are more expensive than other types of transactions. Mr. Klauser pointed out that the costs include three years of prepaid Mortgage Insurance Premium in the amount of \$2.8 million, as well as a \$2.8 million AMPO (allowance to make project operational) cost. He reported that the Hospital has always made its debt service payments on time. Mr. Klauser further reported that Maimonides is currently in a clinical affiliation and collaboration agreement with Northwell Health and is a nationally recognized and accredited center of excellence for the Heart and Vascular Center, Outpatient Breast Center and Cancer Center and Stroke Center. He noted that Maimonides is a performing provider for DSRIP funds through DOH.

Mr. Valitutto informed the Members that Maimonides Medical Center is a 711-bed, voluntary not-for-profit, Article 28 acute care hospital located in Brooklyn. He stated that the Hospital provides a comprehensive array of acute care inpatient and outpatient services to residents of Brooklyn, and tertiary inpatient care services. Mr. Valitutto further stated that Maimonides Health Resources, Inc. is the sole member of the Hospital.

Mr. Valitutto stated that Hospital affiliates include the Maimonides Research and Development Foundation, a not-for-profit corporation which solicits funds and awards grants

primarily to Maimonides for research purposes, and MMC Holding of Brooklyn, Inc., a for-profit company, which provides certain support services to the Hospital and the surrounding community. He further stated that the Hospital has a clinical affiliation and collaboration agreement with Northwell Health through August 2020, which enables Northwell Health to assist the Hospital in improving its clinical and financial condition. Mr. Valitutto noted that both CONs have been conditionally approved by DOH, and that all contingencies will be satisfied before mailing the Preliminary Official Statement. He stated that DOH recommends approval of the Resolution to Proceed.

In response to an inquiry from Mr. Ellis, Mr. Purcell explained that the decrease in length of stay reflects that the Hospital is treating patients more efficiently. He stated that this is reflected positively from a reimbursement perspective. Mr. Purcell further explained that as health care shifts from an in-patient model to more out-patient services, a decreased length of stay is viewed favorably in terms of both health care outcomes and from a financial perspective.

Mr. Ronski stated that Ms. Raleigh informed the Finance Committee Members that the improvements to the Hospital's Emergency Room are necessary in order to serve an increased population. Mr. Purcell confirmed that the existing space is outdated and in need of renovation so that services can be provided to additional patients.

In response to a question from Mr. Ellis, Mr. Purcell stated that the affiliation with Northwell does not mean that the Hospital will become a Member of the Northwell system. He noted that the relationship has been extended several times. Mr. Ronski inquired whether the Hospital needs to stand on its own, and Ms. Lee replied in the affirmative.

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

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

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

### **The Rockefeller University**

Mr. Ostrander presented the Transaction Summary for The Rockefeller University ("Rockefeller"). He stated that the Members are being asked to adopt a Resolution to Proceed for the issuance of tax-exempt and/or taxable, fixed and/or variable rate bonds in one or more series at one or more times through a negotiated offering and/or private placement in an amount not to exceed \$310,000,000 for a term not to exceed 40 years.

Mr. Ostrander stated that approximately \$90 million of the bonds are being issued to finance and/or reimburse Rockefeller for costs associated with construction of the Stavros Niarchos Foundation – David Rockefeller River Campus (the "River Campus"), which will add two acres and several buildings to the University's existing 14-acre campus. He further stated that

construction of the River Campus project began in the fall of 2015 and is expected to be completed this spring. Mr. Ostrander reported that the project has been financed to date with donations and \$100 million from the proceeds of DASNY bonds issued in 2015.

Mr. Ostrander stated that approximately \$209.3 million of bond proceeds will be used to refund all or a portion of DASNY's The Rockefeller University Revenue Bonds, Series 2009A, 2009C and 2010A. He informed the Members that the refunding transactions will likely occur at different times. Mr. Ostrander explained that the 2009A and 2009C Bonds are currently callable on April 1, 2019 and will be issued together with the new money bonds. He further explained that the 2010A Bonds, which are not currently callable until April 1, 2020, will be refunded at a later date. He informed the Members that assuming current market conditions, a total net present value savings of approximately \$11.2 million, or 7% of the refunded bonds, is expected from the refunding of the 2009A and 2009C Bonds.

Mr. Ostrander stated that Moody's has assigned a rating of "Aa1" to the outstanding obligations of the University with a "Stable Outlook." He informed the Members that Standard & Poor's adjusted the University's rating to "AA" with a "Stable Outlook" after the Transaction Summary was mailed to the Board. Mr. Ostrander explained that the rating on the Bonds factored in the additional \$90 million in new money debt to be incurred by the University as a result of the proposed issuance. He stated that the Loan Agreement will be a general unsecured obligation of the University, consistent with prior issuances for The Rockefeller University.

Mr. Ostrander reported that The Rockefeller University is a long-time DASNY client and is a world-renowned center for research and graduate education in the biomedical sciences. He noted that the University does not charge tuition to graduate students. He stated that its revenues are derived primarily from investment income, government grants and contracts, and fundraising. Mr. Ostrander informed the Members that direct research has accounted for an average of \$84 million in revenue annually over the last five years and that the National Institutes of Health (NIH) has historically been its largest research sponsor, averaging approximately 85% of annual government grants and contracts. He stated that The University has focused considerable effort on increasing private support for its research programs in recent years, with private gifts and grants reaching a 5-year high of \$23.4 million for fiscal year 2018. Mr. Ostrander further stated that the University's financial resource base has grown, primarily due to philanthropic support and a history of positive investment returns. Mr. Ostrander reported that as of June 30, 2018, the University reported Total Net Assets of over \$2.7 billion for fiscal year 2018.

Mr. Chen 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 THE ROCKEFELLER UNIVERSITY**

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

**Terence Cardinal Cooke Health Care Center**

Mr. Kosier presented the Transaction Summary for the Terence Cardinal Cooke Health Care Center (the “Center”). He stated that the Members are being asked to adopt a Resolution to Proceed for the issuance of tax-exempt and/or taxable, fixed and/or variable rate bonds in one or more series at one or more times through a private placement in an amount not to exceed \$50,000,000 for a term not to exceed 30 years.

Mr. Kosier stated that DASNY issued Bonds on behalf of Terence Cardinal Cooke in 1998, and that the Series 1998 Bonds were defeased in 2014. Mr. Kosier further stated that the Center is a not for profit corporation located in New York City. He informed the Members that the Center operates an Article 28 facility licensed by DOH, as well as an Article 16 program under New York’s Mental Hygiene Law, which is licensed by the Office for People with Developmental Disabilities (“OPWDD”). Mr. Kosier stated that the Center is a member of the Catholic Health Care System, also known as ArchCare. Mr. Kosier further stated that ArchCare operates five skilled nursing facilities, programs at Calvary Hospital, and many home-based and community programs. He noted that ArchCare has managed the Center since 2004.

Mr. Kosier informed the Members that Terence Cardinal Cooke provides a comprehensive range of services, which is unique for health care service providers in New York State. He explained that the Center’s 559 DOH-licensed beds include a 57-bed residential dialysis unit; a 48-bed neurodegenerative disease unit; and a 156-bed HIV/AIDS unit. Mr. Kosier further explained that the Center also operates a 56-bed Specialty Hospital for children and young adults with profound neurological impairments and other complex medical conditions, and that the Specialty Hospital is the Article 16 facility licensed by OPWDD.

Mr. Kosier stated that approximately \$20 million of the proposed bond issue will finance the expansion and relocation of the Specialty Hospital. He further stated that the Specialty Hospital has been approved by OPWDD to expand to 72 beds and that there will be a Prior Property Approval (“PPA”) for this portion of the Project. Mr. Kosier explained that the PPA represents the commitment by OPWDD to reimburse the Center for all principal and interest associated with this portion of the Project. He further explained that in addition to the expansion and relocation of the Specialty Hospital, Terence Cardinal Cooke will also finance various upgrades and deferred maintenance projects across its campus, including replacing and relocating a kitchen; installing a new generator; upgrading elevators; and updating its fire systems. Mr. Kosier informed the Members that these project components are considered “Notice Projects” with DOH and therefore do not require a Certificate of Need.

Mr. Kosier stated that the Bonds are expected to be privately placed with Sterling National Bank, a Qualified Institutional Buyer. He further stated that the Bonds will be variable rate drawdown bonds during the drawdown period of up to 3 years, and will then convert to fixed rate bonds. Mr. Kosier explained that the Purchaser will have a 10-year hold period upon conversion, for total hold period of up to 13 years from closing. He stated that principal will amortize over 25 years upon conversion to the fixed rate and that the Purchaser has agreed to accommodate two closings. Mr. Kosier explained that the first closing is expected to occur this spring and the second

closing is expected to take place in December 2019. He informed the Members that this schedule will enable the Center to begin certain projects now, and draw down the proceeds as needed.

Mr. Kosier informed the Members that the security required by the Purchaser is expected to include a mortgage, a pledge of revenues, a pledge of assets and financial covenants. He stated that the Center has had an occupancy rate of approximately 96% in recent years and that the Specialty Hospital has been operating at capacity with a waiting list. Mr. Kosier further stated that the Center operates with a working capital deficiency and that ArchCare provides financial support to the Center as necessary. Mr. Kosier informed the Members that as of December 31, 2017, the ArchCare foundation reported \$37 million of cash and investments and \$747,000 in total liabilities. Mr. Kosier reported that the Center's operating gain or loss has fluctuated over the past five years with margins ranging from a low of negative 2.8% to a high of positive 1.6% and that as of December 31, 2017, Terence Cardinal Cooke has net assets of approximately \$9.5 million.

Mr. Kosier informed the Members that DASNY is providing additional services in connection with the project. He explained that prior to the issuance of the PPA for the Specialty Hospital, OPWDD requested that DASNY perform architectural, cost, and quality reviews of the design for appropriateness. Mr. Kosier further explained that these reviews are typically undertaken by OPWDD, but that the Agency does not have the in-house expertise to perform these services for a complex project such as the Specialty Hospital. He stated that this is a good example of how DASNY's Construction and Public Finance Divisions are working together to provide value-added services for clients. Mr. Kosier noted that these reviews are underway and are expected to be completed in the near future.

Mr. Ellis inquired whether ArchCare is responsible for any of the liabilities or obligations of the archdiocese. Mr. Kosier replied in the negative. The Chair commented that there is no agreement between ArchCare and the Center that obligates ArchCare to provide support to the Center. Mr. Kosier confirmed that ArchCare is not providing a guaranty with respect to the Bonds. He pointed out that ArchCare was established to manage the Center and other nursing homes and provide financial support if needed. He stated that the financial statements have reflected that ArchCare has provided such support.

In response to a question from the Chair, Mr. Kosier stated that a significant portion of ArchCare's assets are the result of the sale of a nursing home. Mr. Ellis asked whether the Center is controlled by the archbishop. Mr. Kosier replied that ArchCare and the Center were established to further the mission of the Catholic Church and the archdiocese.

Mr. Chen 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 TERENCE CARDINAL COOKE HEALTH CARE CENTER**

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

**SUNY University Hospital at Syracuse - TELP**

Ms. Lee presented a Memorandum recommending a lease of equipment pursuant to DASNY's Tax Exempt Leasing Program I ("TELP I") in a total amount not to exceed \$23,200,000 for SUNY University Hospital at Syracuse. She reminded the Members that the current policy of the Public Authorities Control Board ("PACB") requires that TELP I leases which exceed \$10 million in a twelve-month period be presented to both the DASNY Board and the Public Authorities Control Board ("PACB") for approval. Ms. Lee stated that the lease proceeds are expected to be used for nursing, IT, perioperative services and other equipment needs.

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE, AND THE DORMITORY AUTHORITY TO EXECUTE ONE OR MORE MASTER LEASE AND SUBLEASE AGREEMENTS AND ANY OTHER APPROPRIATE DOCUMENTS TO MAKE EQUIPMENT HAVING A VALUE IN EXCESS OF \$10,000,000 AVAILABLE TO STATE UNIVERSITY OF NEW YORK, UNIVERSITY HOSPITAL AT SYRACUSE UNDER THE TAX-EXEMPT LEASING PROGRAM

Ms. Snyder seconded the motion and the Resolution was unanimously adopted, except for Mr. Johnson, who recused himself as he serves on the Board of SUNY Upstate.

**United Health Services Hospitals, Inc. - TELP**

Ms. Lee presented a Memorandum recommending a lease of equipment pursuant to DASNY's Tax Exempt Leasing Program I ("TELP I") in a total amount not to exceed \$10,066,000 for United Health Services, Inc. She reminded the Members that the current policy of the Public Authorities Control Board ("PACB") requires that TELP I leases which exceed \$10 million be presented to both the DASNY Board and the Public Authorities Control Board ("PACB") for approval. Ms. Lee stated that the lease proceeds are expected to be used for equipment including OR, radiology, IT and other equipment.

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, AND THE DORMITORY AUTHORITY TO EXECUTE ONE OR MORE MASTER LEASE AND SUBLEASE AGREEMENTS AND ANY OTHER APPROPRIATE DOCUMENTS TO MAKE EQUIPMENT HAVING A VALUE IN EXCESS OF \$10,000,000 AVAILABLE TO UNITED HEALTH SERVICES, INC. UNDER THE TAX-EXEMPT LEASING PROGRAM

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

The Board Chair stated that he had requested Staff to initiate discussions with the appropriate entities to determine whether it is possible to raise the threshold amount of TELP leases required for PACB and Board approval.

### **President's Report**

The President informed the Members that DASNY continues to receive positive feedback from partners and clients across the State regarding its finance and construction practices. He stated that Ms. Lee and Mr. Curro continue to communicate with partners about the benefits of working with DASNY and the services that DASNY provides. The President stated that their efforts are being reflected in the opportunities and workload currently pending. He pointed out that DASNY is working on new initiatives including design/build, the new life sciences building, and other opportunities in the health care area. He reminded the Members that approximately two years ago, DASNY recognized that its partners and clients were utilizing taxable debt structures. The President stated that as a result, DASNY worked to develop flexible hybrid solutions in order to accommodate client needs. He noted that the recent Montefiore transaction reflects this commitment and DASNY has seen positive effects from this effort. The President stated that DASNY has recently reintroduced the TELP program, and has issued a comprehensive Request for Proposals in connection with establishing an energy services program. He further stated that staff will provide an update to the Members at the next Regular Meeting.

The President summarized several provisions contained in the 2019-2020 Executive Budget. He stated that DASNY is very excited to offer design build services to its SUNY clients. The President emphasized that this is an important mechanism to deliver results. The President stated that the proposed Executive Budget would authorize DASNY to use alternative delivery methods including Construction Manager-Build and Construction Manager at Risk for other clients in the DASNY portfolio.

The President reported that DASNY is proud to support and exceed Governor Cuomo's aspirational goal of 30 percent MWBE participation on all state contracts where MWBE capacity exists. He informed the Members that inclusion is at the core of all DASNY's work, in addition to innovation and growth. The President stated that DASNY has proven its ability to meet and exceed this goal by integrating the MWBE considerations earlier in the process. He further stated that the Governor's proposed budget reauthorizes and expands New York's minority- and women-owned business enterprises program to apply to all state funded entities, including counties and local governments.

The President reported that the proposed budget would make permanent DASNY's authority to provide design and construction services to the Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP). He informed the Members that DASNY has been working with DEC and OPRHP since 2011 on important Statewide projects. The President stated that since that time, DASNY has collaborated with OPRHP to manage projects totaling \$70 million at Niagara Falls State Park, the oldest State park in the nation. He reported that the project recently received special recognition.

The President reported that the Executive Budget also clarifies DASNY's authority to finance health care projects covered under both the Medical Care Facilities Finance Agency (MCFFA) Act and DASNY's authorizing statute. He stated that if a project can be financed in its entirety by The MCFFA Act, such as a traditional hospital or ancillary facility such as a primary care center, then the bonds shall be issued pursuant to the MCFFA Act. The President explained that in other situations, the DASNY statute will be utilized, if available.

The President stated that DASNY is an important part of the Governor's Vital Brooklyn initiative, which focuses on increasing access to open spaces and healthy food and transforming the healthcare system by increasing access and quality of health care services and preventive care. He informed the Members that Vital Brooklyn will also create a stronger, more sustainable Central Brooklyn by prioritizing strategic investments in resiliency and affordable housing, as well as job creation, youth development, and community violence prevention. The President stated that Vital Brooklyn represents a holistic set of solutions for both Brooklyn and other communities across the State. He further stated that the program represents a critical partnering effort with DOH and other entities. The President informed the Members that the proposed Executive Budget provides additional authorization for DASNY's Atlantic Avenue Healthcare Property Holding Corporation subsidiary, as part of the Governor's Vital Brooklyn initiative, to sell, exchange, transfer, lease, and convey real property located in Brooklyn upon the direction of the Commissioner of the New York State Division of Homes and Community Renewal.

The President reported that yesterday, Governor Cuomo announced that \$204 million has been awarded to support 95 projects through the Statewide Health Care Facility Transformation Program, which was enacted in the Fiscal Year 2018 budget. He stated that these awards will help protect and transform New York State's health care system by improving patient care through the development of high-quality medical facilities and programs serving the inpatient, primary care, mental health, substance use disorder and long-term care needs of communities throughout the State. The President informed the Members that the program is administered by the Department of Health with assistance from DASNY, and will help support the objectives of the Delivery System Reform Incentive Program.

The President reported that on January 29 he delivered the keynote address at The Bond Buyer's National Outlook Conference in New York City. He stated that he spoke about the numerous changes that have been made at DASNY and outlined the positive impacts DASNY continues to make throughout the State. The President further stated that through the One DASNY initiative, DASNY continues to broaden and deepen its mission through market expansion, top line growth, minimizing risk and driving efficiencies across the entire organization. He noted that these steps will better enable DASNY to assist its higher education and health care partners.

The President stated that he participated in a podcast interview with the Bond Buyer on January 17. He informed the Members that the topics included maintaining success and remaining competitive in a changing marketplace; DASNY's ranking as the nation's top debt issuer for second time four years; and looking forward to what DASNY's clients can expect in the future as DASNY commemorates its 75<sup>th</sup> year.

The President then asked Ms. Lee to give a market update.



**Public Finance and Portfolio Monitoring Report**

Ms. Lee provided a brief market update. She stated that year to date total new issue supply is just under \$25 billion, which represents an increase of approximately 10% over the supply level at this time last year. Ms. Lee further stated that total supply for the current week is expected to be approximately \$8.0 billion. She reported that U.S. Government bonds were broadly weaker, with higher yields across the curve, as investors considered the strong economic data reported last Friday. Ms. Lee informed the Members that top-rated municipal bonds were weaker in the intermediate to long end of the curve, following the move seen in treasuries. She stated that municipal bond funds reported inflows for the week ending January 30, which marks the fourth consecutive week of inflows.

Ms. Lee stated that the one-year and ten-year MMD have decreased by 10 and 4 basis points, respectively, since the January Board Meeting. She further stated that the thirty-year MMD has increased by 3 basis points. She reported that the current one-, ten-, and thirty-year AAA MMD is 1.61%; 2.19%; and 3.05%, respectively.

Ms. Lee informed the Members that DASNY continues its client outreach efforts as a part of the One DASNY initiative. She stated that Staff recently met with Northwell to discuss the process improvements and efficiencies made in connection with the bond issuance process, as well as the rebranded TELP program and improvements to the construction services offered by DASNY. She noted that there is a follow up meeting scheduled to discuss DASNY's construction services in more detail.

The President informed the Members that on January 22, he was joined by the Board Chair in DASNY's Albany office, with a video link to the Buffalo office, to honor 17 retirees and 71 upstate employees commemorating milestone anniversaries of 10, 15, 20, 25, 30, and 35 years of service. He reported that on January 24, seven retirees and 17 employees from the downstate office celebrated milestone service anniversaries and were honored in the New York City office. The President stated that together with the Board Chair, he expressed gratitude for their years of public service and the work they have performed on behalf of DASNY and the people of the State of New York. He further stated that each of these individuals made a difference in people's lives. The President thanked the Board Chair for attending. The Board Chair stated that he was honored to participate in the events, and complimented Ms. Fasser and her team for organizing the program and taking wonderful photographs at the event. He further stated that the employees were grateful to be recognized.

The President reported that *The Engineering News Record* (ENR) has named DASNY's restoration work on Niagara Falls State Park's Cave of the Winds plaza a national winner for "Best of the Best Renovation/Restoration". He stated that DASNY managed projects totaling approximately \$70 million to update the oldest State park in the nation. The President informed the Members that the work included landscaping, removing and replacing walkways, reconfiguring spaces, replacing handrails, and constructing new concessions. He stated that DASNY's work has helped to make this world-renowned park more accessible, safe and interactive.

The President then asked Mr. Curro to present the Construction Projects Report.

### **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 Rockland Psychiatric Center – New Electrical System Upgrade project. Mr. Curro informed the Members that the project included the demolition of the existing electrical feeder system, including electrical equipment at Buildings 1, 17, 19, 68 and 116. He stated that the project also included the installation of new pad-mounted switchgear and upgrades to the campus-wide lighting distribution system.

Mr. Curro informed the Members that design on the \$6.6 million project commenced in July 2014 and that construction was completed in October 2018. He stated that project challenges included coordinating electrical shutdowns in several occupied facilities. Mr. Curro further stated that in order to minimize impacts to the operating facility, much of the work was undertaken during the overnight or early morning hours. He noted that safety was an ongoing concern and that much of the work was performed in underground electrical distribution manholes and inside occupied facilities.

Mr. Curro then updated the Members with respect to new project activity. He stated that five new projects totaling \$52.8 million have been added to DASNY's workload: a \$5.2 million chiller replacement project at Hostos Community College; a \$5.1 million mechanical/HVAC project at New York City Technical College; a \$6 million conversion of existing space at Rochester Psychiatric Center; an \$18.8 renovation of Huntington Hall located at SUNY Oneonta; and a \$17.7 million renovation of SUNY Morrisville's Stewart Hall. Mr. Curro stated that one project has been dropped from the report as the authorized budget is below the \$5 million threshold for reportable projects.

Mr. Curro reported that year to date construction expenditures through December 2018 were \$540 million, as compared to \$666 million through December 2017, a decrease of \$126 million.

Mr. Curro updated the Members on several large construction projects. He reported that the four large SUNY capital projects underway at Albany, Alfred, Buffalo State and Plattsburgh totaling over \$80 million continue to progress and are expected to be completed in the Summer of 2019, in time for Fall 2019 occupancy.

Mr. Curro stated that 35 SUNY residence hall projects totaling over \$40 million will be completed in the Summer of 2019. He further stated that most all the projects have been assigned or awarded at this time and that pre-construction activities will be completed in time for construction to commence at the various campuses in mid-May.

Mr. Curro reported that the projects in DASNY's GOSR portfolio continue to move from the design to construction phase, and that additional projects will commence as the Spring 2019 building season approaches. He stated that the next executive meeting with GOSR is on Tuesday, February 19, and that the bi-weekly meetings with GOSR staff also continue.

Mr. Curro stated that the 96 community minor maintenance projects for OPWDD have advanced to the design phase, and that construction of the outdoor projects is scheduled to begin in the Spring and Summer.

With respect to the South Beach Psychiatric Center, Mr. Curro stated that the building enclosure is nearly complete, as the construction of the curtain wall is in the completion stage. He further stated that drywall installation has commenced, and that mechanical, electrical, plumbing, light gage metal framing activities, and punched window installation continue to advance. Mr. Curro informed the Members that the projected substantial completion date has been delayed until November 2019 from the original baseline completion date of June 2019.

Mr. Curro reported that DASNY continues to work with FIT on a re-design such that the project scope and construction budget are aligned. He stated that the results of the architect's efforts will be presented to FIT for consideration on Monday, February 11.

With respect to the \$750 million Life Sciences Laboratory being undertaken in collaboration with the Department of Health, Mr. Curro reported that the "Basis for Design" is concluding given recent site determinations. He stated that DASNY continues to work on design/build contract language and RFP documents. Mr. Curro further stated that the RFP will be released following PACB project approval. He informed the Members that Chief Project Manager Paul McCoy will manage the project on DASNY and DOH's behalf.

Mr. Curro noted that additional program and project status updates for NYCHA, Moynihan Station and the Javits Expansion are provided in his report behind Tab #12.

Mr. Curro informed the Members that DASNY presented at the SUNY PP/AA Conference in Saratoga Springs yesterday and today. He stated that DASNY addressed various One DASNY initiatives; the reorganization of the Western New York Construction Division; project status updates; the interior design efforts taking place at various SUNY campuses; and the ESCO program. Mr. Curro further stated that earlier today, DASNY participated in a panel discussion associated with the SUNY Chancellor's net-zero energy directive, along with SUNY and NYSERDA. He informed the Members that DASNY's first net-zero project is a retrofit residence hall renovation project at SUNY Oneonta's Ford Hall. Mr. Curro stated that DASNY is currently in the bridging documents phase of the project.

Mr. Curro reported that DASNY is currently recruiting for a Safety Manager to join the Construction Division to oversee and build up DASNY's internal project safety capabilities.

In response to a question from the Chair, Mr. Curro explained that the \$53 million in new projects were initiated after the last Regular Meeting. The Board Chair congratulated Mr. Curro on this accomplishment.

**Financial Report**

Ms. Nadeau informed the Members that before them for consideration is a Resolution to authorize additional named employees to approve and execute approved transactions. She explained that the investments department hired a new employee and as a result, the current authorization needs to be updated. She noted that no individuals will be removed from the list.

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING NAMED EMPLOYEES TO APPROVE AND EXECUTE INVESTMENT TRANSACTIONS

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

**Counsel Report**

Mr. Cusack reminded the Members that at the September 2018 Board meeting, he reported that the Securities and Exchange Commission (“SEC”) had issued certain amendments to the Municipal Securities Disclosure requirements at Rule 15c2-12 of the Securities and Exchange Act of 1934 (“Rule 15c2-12”). He stated that, as indicated at the September meeting, DASNY has consulted with external disclosure and bond counsel to analyze how the new amendments will impact DASNY and its clients. Mr. Cusack noted that the amendments become effective on February 27, 2019.

Mr. Cusack explained that two additional events have been added to Rule 15c2-12, the occurrence of which requires the filing of a public notice with the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access (“EMMA”) system. He informed the Members that the first event is the incurrence of a financial obligation of the obligated person, if material, or agreement to certain covenants, or financial terms of the obligated person, any of which affects security holders, if material. Mr. Cusack stated that the second event addresses a default under a financial obligation of the obligated person, if any such event reflects financial difficulties.

Mr. Cusack noted that the language in the amendments focuses on the obligated person. He informed the Members that the amendments will not have an impact on DASNY or its financing program. Mr. Cusack explained that for purposes of Rule 15c2-12, an obligated person is a person committed by contract or other arrangement to support payment of all or part of the applicable bonds. He further explained that DASNY, as a conduit issuer, is never an obligated person regardless of whether it elects to be a party to the continuing disclosure agreement.

Mr. Cusack informed the Members that under the amendments, neither new event will be a DASNY responsibility under continuing disclosure agreements entered into on or after the effective date. He explained that as of approximately one year ago, with respect to bonds issued on behalf of private not-for-profit borrowers, DASNY is no longer a party to the continuing

disclosure agreements and as a result, the responsibility to report rests exclusively with the private client borrower. He reported that this change has had positive results. Mr. Cusack stated that in transactions where DASNY is a party to continuing disclosure agreements, such as in the School District Revenue Bond Program, the continuing disclosure agreements will be amended to reflect that the obligation to report is with conduit borrower and not DASNY.

Mr. Cusack stated that with respect to State-supported debt transactions such as the Personal Income Tax Revenue Bond Program and the State Sales Tax Revenue Bond Program, the obligation to file is the same. He noted that the Division of the Budget is currently reviewing the new amendment to ensure that its Master Continuing Disclosure Agreements comply with the requirements of the new Rule.

Mr. Cusack informed the Members that he consulted with Orrick, Herrington & Sutcliffe regarding the amendments, given the Firm's involvement with MCDC to ensure that DASNY is acting in a manner consistent with the both the new rule and MCDC initiatives. He reported that the various initiatives were harmonized. Mr. Cusack encouraged the Members to contact him if they have any questions regarding amendments to the Rule or how the Rule applies to particular borrowers.

In response to an inquiry from Mr. Valitutto, Mr. Cusack stated it is possible that DASNY may become aware of a reportable event and may choose to report it, but there is no obligation to do so. He noted that it may be appropriate to share the information in certain circumstances, such as with the default of one institution or school district in a pooled financing. Ms. Lee confirmed that the two events have been widely discussed in the industry and noted that this would be included for discussion during the working group process. She stated that DASNY has no obligation to report on these items under the continuing disclosure agreements.

Mr. Valitutto 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 Members went into Executive Session.

## **EXECUTIVE SESSION**

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

**PUBLIC SESSION**

Mr. Johnson moved that the Meeting adjourn, Ms. Snyder seconded the motion and the Meeting was adjourned at approximately 11:40 a.m.

Respectfully submitted,

Michael E. Cusack  
Assistant Secretary