

The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's New York City Office, One Penn Plaza, 52nd Floor, New York, New York at 9:30 a.m. on Wednesday, March 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
Wellington Z. Chen, Member
Beryl L. Snyder, Esq., Member
Gerard Romski, Esq., Member
Adrian Swierczewski, Designated Representative of the Director of the Budget, Member (ex officio)
Joseph Gilchrist, Designated Representative of the Commissioner of Education, Member (ex officio)
Tracy Raleigh, Designated Representative of the Commissioner of Health, Member (ex officio)

Other Members Present – via phone

Jonathan H. Gardner, Esq., Member

Also Present - Dormitory Authority Staff

Gerrard P. Bushell, President
Michael T. Corrigan, Vice President
Michael E. Cusack, Esq., General Counsel
Kimberly J. Nadeau, Chief Financial Officer
Portia Lee, Managing Director of Public Finance and Portfolio Monitoring
Stephen D. Curro, Managing Director of Construction
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
Kathy Ebert, Director, Internal Audit
Andrew 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.
Chuck Toto, Esq.

Hawkins Delafield & Wood, LLP

Damon Pace, Esq.

Orrick Herrington & Sutcliffe, LLP

Justine Marous, Esq.
Gabriel Marous, Esq.

Marous Law Group

Connie Cahill, Esq.
Melissa Bennett, Esq.
Sharon Brown, Esq.

Barclay Damon

Virginia Wong, Esq.

Nixon Peabody, LLP

Chris Reitzel, Esq.
Jeff Pohl, Esq.

Squire Patton Boggs, LLP

Douglas Seaton, Esq.

D. Seaton and Associates

Gopal Burgher, Esq.

Burgher Gray

PUBLIC SESSION

The Chair called the Meeting to order. The Minutes of the February 6, 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 School Districts Revenue Bond Financing Program to the full Board for approval. He informed the Members that the Finance Committee also undertook its Annual Review of the Finance Charter and no changes are recommended at this time.

Mr. Chen 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

Catholic Health System Obligated Group

The President introduced Neil Kaplan, Esq. of Hawkins Delafield & Wood, LLP bond counsel on the transaction, and Mr. Klauser.

Mr. Klauser stated that the Board is being asked to authorize the issuance of bonds in an amount not to exceed \$220 million on behalf of the Catholic Health System Obligated Group, a fully integrated health care system. He further stated that with this financing, CHS expects to add Mount Saint Mary's Hospital, McAuley Seton Home Care Corporation and Niagara Homemakers Services, Inc. to the Obligated Group. He further stated that the Series 2019B Bonds are expected to be issued as variable rate demand bonds in a weekly mode supported by a direct pay letter of credit to be issued by Manufacturers and Traders Trust Company. Mr. Klauser noted that M & T Bank will also act as the remarketing agent for the Bonds. He reported that since the Board adopted the Resolution to Proceed on February 6, 2019, the contingencies required for the Certificate of Need have been met; the PACB approved the transaction on February 20, 2019; the SEQR was completed on March 4, 2019; and the TEFRA hearing is scheduled for March 15, 2019.

Mr. Kaplan further described the transaction and presented the financing documents. He stated that before the Members for consideration is the adoption of a General Resolution authorizing the issuance of one or more series of Catholic Health System Obligated Group Revenue Bonds pursuant to Series Resolutions to be adopted by DASNY and two series resolutions, each authorizing a series of Catholic Health System Obligated Group Revenue Bonds under the General Resolution. Mr. Kaplan further stated that each Series Resolution authorizes the issuance of up to \$220 million of revenue bonds, provided that the aggregate principal amount of bonds to be issued pursuant to the Series Resolutions shall not exceed \$220 million. He explained that as bonds are issued under one Series Resolution, the amount authorized to be issued under the other Series Resolution shall be reduced accordingly so that the total authorized amount does not exceed \$220 million.

Mr. Kaplan informed the Members that two series of tax-exempt bonds are expected to be issued. He explained that the Series 2019A Bonds will be issued as multi modal bonds in a fixed rate mode, and will be subject to mandatory tender at any time that such bonds are subject to optional redemption. Mr. Kaplan further explained that Bonds purchased pursuant to mandatory tender may be converted to another fixed rate mode or a variable interest rate mode. Mr. Kaplan stated that the Series 2019B Bonds are proposed to be issued as variable rate demand bonds in a weekly mode supported by a direct pay letter of credit to be issued by Manufacturers and Traders Trust Company. He further stated that the bonds are expected to be sold pursuant to a negotiated sale to Bank of America Merrill Lynch, which will then offer the bonds to the public.

Mr. Kaplan stated that pursuant to a Loan Agreement between DASNY and CHS, the proceeds of the Bonds will be loaned to CHS to pay or reimburse members of the Catholic Health System, Inc. Obligated Group for the costs of capital projects, and to refund two series of revenue bonds issued by DASNY in 2006 and 2008. He further stated that CHS is the sole member and co-operator of Mercy Hospital of Buffalo, Sisters of Charity of Buffalo, New York, Kenmore Mercy Hospital and Mount Saint Mary's Hospital of Niagara Falls, which together with CHS, will own and operate substantially all of the property to be financed and refinanced with proceeds of the Bonds. Mr. Kaplan informed the Members that in addition to physical improvements to the four hospitals, Bond proceeds will also be utilized for the purchase of a new electronic health records system for use by CHS and its affiliates.

Mr. Kaplan stated that the Loan Agreement provides for CHS to make payments to the bond trustee sufficient to pay principal and interest and the redemption and purchase price of the bonds, when due. He further stated that the obligations of CHS under the Loan Agreement, together with the payment obligations of all other bonds issued pursuant to the General Resolution, will be secured by obligations to be issued by the Catholic Health System, Inc. Obligated Group pursuant to a Master Trust Indenture entered into in 2006 by and among the Master Trustee and the Members of the Obligated Group. Mr. Kaplan informed the Members that the Members of the Obligated Group will execute and deliver a Supplemental Master Indenture with respect to each series of bonds. He noted that although the bond counsel letter states that these obligations were expected to comprise the 12th and 13th obligations issued pursuant to the Master Indenture, the obligations will instead be the 14th and 15th obligations issued under the Master Indenture.

Mr. Kaplan informed the Members that it is expected that the Master Indenture will be amended and restated upon or shortly after the issuance of the Series 2019 bonds. He stated that the Members of the Obligated Group are currently CHS, Mercy Hospital of Buffalo, Sisters of Charity Hospital of Buffalo, New York and Kenmore Mercy Hospital. Mr. Kaplan further stated that it is expected that at or shortly after the issuance of the Bonds, Mount Saint Mary's Hospital of Niagara Falls and certain other affiliates of CHS will become members of the Obligated Group.

Mr. Kaplan stated that each Obligated Group Member will pledge and grant a security interest in its gross receipts to secure its obligations to make required payments under the Master Trust Indenture. He noted that gross receipts do not include certain gifts, grants, bequests and contributions, and other amounts as described in the Master Trust Indenture. Mr. Kaplan stated that certain Members of the Obligated Group granted mortgages in connection with supplemental obligations to the Master Trust Indenture to secure bonds issued in 2012 and 2015. He further stated that these mortgages will also secure the 2019 obligations for so long as the 2012 and the 2015 obligations remain outstanding. Mr. Kaplan indicated that each Obligated Group Member will agree to set rates and charges for their facilities and services in order to maintain a long-term debt service coverage ratio of not less than 1.10, and will agree to limitations on its rights to issue additional debt, encumber its property, merge or consolidate with other entities and dispose of its assets.

Mr. Kaplan informed the Members that the General Resolution provides for the issuance from time to time of multiple series of bonds on behalf of the Members of the Obligated Group.

He stated that each series of bonds under the General Resolution will comprise special obligations of DASNY payable solely out of the revenues pledged for such series of bonds, which consist primarily of payments made by the applicable Members of the Obligated Group under the related loan agreement, required payments made by Members of the Obligated Group under the supplemental Obligation for such series of bonds, any amounts realized upon the liquidation of any collateral securing such Obligations, and certain funds and accounts held by the Trustee for such series of bonds. Mr. Kaplan further stated that, although the General Resolution authorizes the establishment of a debt reserve fund for any Series of bonds, it is not currently anticipated that a debt service reserve fund will be established.

Mr. Kaplan stated that the Board is being asked to authorize the issuance of two series resolutions. He further stated that the Series 2019A Resolution delegates to an authorized officer of DASNY the authority to make certain determinations with respect to the Series 2019A Bonds. Mr. Kaplan noted that the delegations are of the type typically authorized. Mr. Kaplan informed the Members that the Series 2019B Resolution is substantially identical to the Series 2019A Resolution, other than with respect to series designation, and that the Series 2019B Resolution also contains provisions related to the variable rate status of the Bonds. He explained that such provisions include the appointment of Manufacturers and Traders Trust Company as the provider of the direct pay letter of credit with respect to the initial issuance. Mr. Kaplan indicated that each series resolution also establishes the funds and accounts for such series and authorizes an authorized officer of DASNY to execute a loan agreement and bond purchase agreement with respect to such series, distribute a preliminary official statement, execute, deliver and distribute a final official statement and execute and deliver such other instruments that the authorized officer deems necessary in connection with the issuance of the bonds and the refunding of the refunded bonds.

In response to an inquiry by Mr. Ronski, Ms. Raleigh stated that the Master Trust Indenture will specify how additional members can be added to the Obligated Group. She further stated that as described in the Staff Report, the Department of Health (“DOH”) regulations require that any entity sharing in the revenues of another entity has to be properly established by the Public Health and Health Planning Council. Ms. Raleigh informed the Members that DOH has communicated this requirement to CHS with respect to additional members seeking to join the Obligated Group. Mr. Ronski inquired about the services provided by Niagara Homemakers Services, Inc. Mr. Kaplan responded that Niagara Homemakers is a home health care entity affiliated with Mount Saint Mary’s of Niagara Falls. He indicated that the entity is not anticipated to be a recipient of bond proceeds under this issuance, although it will be able to use the Electronic Health Records system, as will other affiliates of CHS.

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

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE DORMITORY AUTHORITY OF SERIES OF REVENUE BONDS FOR CATHOLIC HEALTH SYSTEM OBLIGATED GROUP MEMBERS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF; and

THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019A RESOLUTION AUTHORIZING UP TO \$220,000,000 CATHOLIC HEALTH SYSTEM OBLIGATED GROUP REVENUE BONDS, SERIES 2019A; and

THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019B RESOLUTION AUTHORIZING UP TO \$220,000,000 CATHOLIC HEALTH SYSTEM OBLIGATED GROUP REVENUE BONDS, SERIES 2019B

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

Cornell University

The President introduced Damon Pace, Esq. of Orrick Herrington and Sutcliffe, LLP, bond counsel on the transaction and Mr. Ostrander.

Mr. Ostrander stated that the Board is being asked to authorize the issuance of four Series of Bonds on behalf of Cornell University. He reminded the Members that on December 13, 2017, the Members adopted a Resolution to Proceed authorizing certain new money, refunding, and refinancing transactions in an amount not to exceed \$1.25 billion. Mr. Ostrander noted at that time, there was uncertainty related to proposed changes to the tax law relating to private activity bonds and advance refundings, and therefore authorization to proceed with a variety of projects was requested. He stated that the Board is now being asked to adopt the necessary documents for the first and second phases of Cornell's overall plan of finance.

Mr. Ostrander explained that the first phase includes the refunding of DASNY's Series 2009A Bonds issued on behalf of Cornell and the refinancing of tax-exempt commercial paper issued by DASNY. He stated that three series of bonds are expected to be issued to finance this phase: Series 2019A Bonds in the amount of approximately \$100 million through a public offering of fixed rate bonds; Series 2019B Bonds in the amount of approximately \$100 million through a public offering of Variable Rate Demand Bonds; and Series 2019C variable rate bonds to be privately placed with TIAA Bank or an affiliate in an amount of approximately \$85– \$100 million. Mr. Ostrander noted that all three series are expected to close simultaneously.

Mr. Ostrander stated that the second phase of the overall plan of finance is expected to occur later this year. He further stated that the proceeds of Series 2019D Bonds will provide new money financing for the University's North Campus Residential Expansion which will create up to 2,000 new undergraduate beds, together with supporting dining, parking, recreational and supporting infrastructure. Mr. Ostrander noted that of the \$1.25 billion not-to-exceed amount approved in December 2017, the amount associated with the proposed financings for which the Board is now being asked to adopt documents will not exceed \$610,000,000.

Mr. Pace further described the transaction and presented the financing documents. He stated that the four series resolutions before the Members for approval are identical with respect to material elements of the transaction. Mr. Pace informed the Members that Cornell seeks to streamline and modernize the provisions of the underlying documents and as a result, the Members

are being asked to approve a Supplemental Resolution to the General Resolution and an Amended and Restated Loan Agreement.

Mr. Pace informed the Members that the Supplemental Resolution would make minor revisions to align certain provisions of the General Resolution with current DASNY policy, including providing flexibility to determine payment dates other than January 1 and July 1, removing provisions regarding certain optional newspaper notice publications and deleting the 30-day waiting period for amendments to become effective. He stated that the 2019 Supplemental Resolution will allow for certain provisions, such as conditional notice of redemption and consent of a Facility Provider providing a Credit Facility in lieu of consent of bondholders to be included in a Series Resolution or Bond Series Certificate.

Mr. Pace stated that the changes to the amended and restated Loan Agreement include removal of covenants relating to engagement of a Management Consultant; removal of specific insurance requirements; and a more streamlined requisition process. Mr. Pace noted that the amendments contained in the Supplemental Resolution and the amended and restated Loan Agreement will not be effective upon the issuance of the Series 2019 Bonds, as the changes require the prior written consent of Holders of at least a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given. He stated that Cornell plans to refund additional series of bonds and expects that underwriters or purchasers of future series of Bonds, including the Series 2019D Bonds, also will consent to the amendments on behalf of, or as, the holders of such future Bonds, such that the amendments will take effect when the requisite amount of such future Bonds are issued in order to reach a majority. Mr. Pace indicated that a request for consent will be sent to the holders of the Bonds that will remain outstanding upon the issuance of the Series 2019 Bonds as required by the General Resolution.

The Chair disclosed that his wife is a professor at Weill Cornell Medical School. The Members thanked him for disclosing the relationship and agreed that he did not need to recuse himself from the vote. Mr. Cusack concurred.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL AND AMENDATORY RESOLUTION TO THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK CORNELL UNIVERSITY REVENUE BOND RESOLUTION ADOPTED ON JANUARY 26, 2000 AS AMENDED AND SUPPLEMENTED ON MARCH 24, 2004, FEBRUARY 27, 2008 AND NOVEMBER 10, 2015; and

DORMITORY AUTHORITY THE STATE OF NEW YORK SERIES 2019A RESOLUTION AUTHORIZING CORNELL UNIVERSITY REVENUE BONDS, SERIES 2019A IN AN AMOUNT NOT EXCEEDING \$610,000,000; and

DORMITORY AUTHORITY THE STATE OF NEW YORK SERIES 2019B RESOLUTION AUTHORIZING CORNELL UNIVERSITY REVENUE BONDS, SERIES 2019B IN AN AMOUNT NOT EXCEEDING \$610,000,000; and

DORMITORY AUTHORITY THE STATE OF NEW YORK SERIES 2019C RESOLUTION AUTHORIZING CORNELL UNIVERSITY REVENUE BONDS, SERIES 2019C IN AN AMOUNT NOT EXCEEDING \$610,000,000; and

DORMITORY AUTHORITY THE STATE OF NEW YORK SERIES 2019D RESOLUTION AUTHORIZING CORNELL UNIVERSITY REVENUE BONDS, SERIES 2019D IN AN AMOUNT NOT EXCEEDING \$610,000,000

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

InterAgency Council of Developmental Disabilities Agencies, Inc.

The Chair introduced Melissa Bennett, Esq. of Barclay Damon LLP and Justine Marous of the Marous Law Group, co-bond counsel on the transaction, and Mr. Klauser.

Mr. Klauser presented the Transaction Summary Update for the InterAgency Council of Developmental Disabilities. He stated that the Board is being asked to authorize 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 sale and/or private placement for a term not to exceed 26 years in an amount not to exceed \$31 million. Mr. Klauser further stated that the bonds are being issued to refinance existing bank loans and reimburse certain institutions for cash expenditures for the acquisition and/or renovation of certain properties used to provide services for the developmentally disabled. He informed the Members that six borrowers are participating in this pooled financing, which represents IAC's 13th financing, and that each borrower will enter into a separate loan Agreement.

Mr. Klauser reported that there are no material changes in this transaction to report since the Resolution to Proceed was obtained on January 9, 2019. He stated that Prior Property Approvals ("PPAs") are in place for all 48 proposed projects. Mr. Klauser informed the Members that the PACB approved the transaction on January 16, 2019; the TEFRA Hearing was held on February 14, 2019; the SEQR was completed on January 30, 2019 and that the transaction received a rating of Aa2 by Moody's on March 1, 2019.

Ms. Bennett further described the transaction and presented the financing documents. She stated that before the Members for their consideration is a proposed series resolution authorizing up to \$31 million of InterAgency Council Pooled Loan Program Revenue Bonds under the IAC Pooled Loan Program Revenue Bond Resolution adopted in 2010. Ms. Bennett further stated that the General Resolution authorizes DASNY to issue multiple series of bonds to help the non-profit members of IAC finance facilities serving people with developmental and other disabilities. She explained that DASNY loans the proceeds of each issue to one or more IAC members for their facilities, and DASNY enters into a separate loan agreement with each participant. Ms. Bennett further explained that each Series of IAC bonds is separately secured by the payments to be made by the participants under their respective loan agreements. She noted that IAC members receive most of their funding through State agencies, and each member in its loan agreement grants DASNY a security interest in such public funds relating to the facilities financed.

Ms. Marous informed the Members that the proposed bonds will finance approximately 48 project facilities for seven IAC members under six loan agreements. She noted that one of the Loan Agreements will cover two IAC members that are affiliated to each other, but operate as two separate legal entities. Ms. Marous stated that each project facility is run by an IAC member licensed by one or more State agencies, including in all cases the Office for People With Developmental Disabilities (“OPWDD”). She further stated that the proceeds of the Bonds will also fund a Debt Service Reserve Fund and costs of issuance.

Ms. Marous stated that the Series 2019 Bonds are currently contemplated to be issued as two subseries. She further stated that the Bonds will be special obligations of DASNY, payable solely from the Revenues pledged to the Bonds, which primarily consist of payments made under the applicable Loan Agreements. Ms. Marous explained that these payments will be secured by a security interest in the public funds relating to each financed Project and that the Bonds will also be secured by the Debt Service Reserve Fund, which is expected to be one-half of the maximum annual debt service.

Ms. Bennett informed the Members that all of the Projects have received a PPA from OPWDD. She explained that the PPA evidences OPWDD’s commitment to pay an amount approximately sufficient to amortize the project’s portion of the bonds, subject to State appropriation and operation of the project to State standards. Ms. Bennett noted that these payments constitute Pledged Revenues. She estimated that six projects include approximately \$125,000 of project costs that are to be paid directly by the respective participant and will not be reimbursed by OPWDD, and that five renovation projects include costs totaling approximately \$342,000 that are not covered by a PPA. Ms. Bennett explained that all of these non-OPWDD reimbursed amounts are anticipated to be paid out of the operating revenues of the respective participant.

Ms. Bennett informed the Members that as additional security, DASNY will enter into intercept agreements so that upon an event of default by a participant, OPWDD will make the payments relating to the financed facilities to DASNY or the Bond Trustee, as DASNY directs. She stated that to secure the respective participant’s loans, approximately 18 project facilities will also have mortgages in favor of DASNY and approximately 26 project facilities that relate to the acquisition of co-op units will have security documents in favor of DASNY similar to those typically entered into in a commercial loan for a co-op unit acquisition. Ms. Bennett further stated that with respect to the four leased properties, the Participants will collaterally assign their respective leasehold interests to DASNY.

Ms. Marous noted that the Bonds will be separately secured from all other Series by the loans to the Participants and that these loans are not cross-collateralized with or cross-defaulted to any other loans. She stated that if a Participant defaults on a loan, the default will not constitute a default under the loans made to the other Participants, and only the defaulting Participant’s Allocable Portion of the Bonds will be accelerated. Ms. Marous further stated that if the amounts recovered through the security described above are insufficient to pay, in full, such portion of the Bonds, those Bonds shall nevertheless be deemed paid and shall be cancelled by the Trustee. Ms. Marous indicated that, in such event, the default shall be deemed cured and the affected Bondholders shall have no further claim under those Bonds. She informed the Members that the

Series Resolution delegates to various officers the power, among others, to set the terms of the Bonds and to establish funds and accounts to be maintained by the Trustee. She noted that the Series Resolution also authorizes the preparation, execution and delivery, as appropriate, of customary documents for a negotiated public offering of bonds and that the Bonds are expected to be sold on a negotiated basis to Municipal Capital Markets Group pursuant to a Bond Purchase Agreement in customary form.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019A RESOLUTION
AUTHORIZING UP TO \$31,000,000 INTERAGENCY COUNCIL POOLED LOAN
PROGRAM REVENUE BONDS, SERIES 2019A

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

Rockefeller University

The Chair introduced Virginia Wong, Esq. of Nixon Peabody, LLP, bond counsel on the transaction, and Mr. Ostrander.

Mr. Ostrander reported that there have been no changes to the transaction since the Members adopted a Resolution to Proceed last month for the issuance of bonds on behalf of Rockefeller University in an amount not to exceed \$310,000,000. He reminded the Members that the transaction consists of a new money component to expand the River Campus, as well as the refunding of the Series 2009A, 2009C, and 2010A Bonds issued by DASNY on behalf of the University.

Ms. Wong further described the transaction and presented the financing documents. She stated that before the Members for their consideration are the adoption of four Series Resolutions, each authorizing the issuance of a separate series of bonds expected to be issued over the next 12 to 18 months for new money and refunding purposes. Ms. Wong further stated that each Series Resolution authorizes the issuance of up to \$310 million of bonds under DASNY's existing General Bond Resolution adopted for Rockefeller University. She noted that although each Series Resolution authorizes the issuance of up to \$310 million, the maximum amount of bonds that may be issued under all Series Resolutions cannot exceed \$310 million in the aggregate.

Ms. Wong informed the Members that the University has requested that DASNY adopt the four Series Resolutions at this time so that it can proceed with the refunding of DASNY's Rockefeller University Series 2009 Bonds, as well as the financing of various capital improvements, shortly after adoption. She stated that the fourth Series of Bonds is expected to be issued in calendar year 2020 to refund DASNY's Rockefeller University Series 2010A Bonds. Ms. Wong further stated that the bonds to be issued pursuant to the Series Resolutions, like all other bonds issued under the General Bond Resolution, will be special obligations of DASNY payable from and secured by payments to be made by the University under the Loan Agreement entered into in connection with the other Series of Bonds issued under the General Resolution.

She indicated that the Loan Agreement obligates the University to make payments in amounts and at times sufficient to pay the principal and redemption price of, and interest on the Bonds.

Ms. Wong stated that the University's obligations under the Loan Agreement are general obligations and payments are to be made out of any source of funds available to the University. She informed the Members that, the University's obligations are not secured by a pledge of or mortgage or security interest in any University assets or property; nor are the bonds secured by a debt service reserve fund.

Ms. Wong informed the Members that each Series Resolution delegates to certain officers of DASNY the power to determine various financial and other terms of the Bonds. She stated that the Series Resolutions authorize an Amended and Restated Loan Agreement to realign the provisions of the Loan Agreement entered into in 2002 and then amended and restated in 2008, with current DASNY policy and more recent Loan Agreements entered into by DASNY. Ms. Wong explained that the amendments include the removal of covenants relating to the engagement of a management consultant, requirements relating to certifications of an insurance consultant and certain additional insurance coverage certifications.

Ms. Wong stated that pursuant to the provisions of the General Resolution, the amendments contained in the Amended and Restated Loan Agreement will not become effective until the holders of a majority in aggregate principal amount of Bonds Outstanding at the time of such consent have given their consent to it. She further stated that it is anticipated that the underwriters of the Series 2019 Bonds and Series 2020 Bonds will consent to the amendments on behalf of the holders of the Series 2019 Bonds and Series 2020 Bonds. Ms. Wong noted that the Series 2019 Bonds will not constitute a majority in the aggregate principal amount of Bonds to be outstanding, and therefore a request for consent will be sent to the holders of the Bonds that will remain outstanding upon the issuance of the Series 2019 Bonds as required by the General Resolution.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020A RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF THE ROCKEFELLER UNIVERSITY REVENUE BONDS; and

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

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

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

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

Terence Cardinal Cooke Health Care Center

The Chair introduced Christopher Reitzel, Esq. and Jeff Pohl, Esq. of Squire Patton Boggs, LLP and Douglas Seaton, Esq. of D. Seaton and Associates, co-bond counsel on the transaction, and Mr. Kosier.

Mr. Kosier presented the Transaction Summary Update for the Terence Cardinal Cooke Health Care Center. He stated that the Members are being asked to authorize the issuance of Bonds in an amount not to exceed \$50,000,000 for a term not to exceed 30 years. Mr. Kosier further stated that the Bonds will be privately placed with Sterling National Bank. He provided an update on the progress of the transaction since the adoption of the Resolution to Proceed at the February 6, 2019 Regular Meeting. Mr. Kosier informed the Members that the PACB approved the transaction at its February 20, 2019 meeting; the SEQR was completed yesterday, and the TEFRA Hearing is scheduled for March 13, 2019. He stated that two closings are currently anticipated in order to allow the Institution to draw down on funds over a longer period of time. Mr. Kosier explained that this will result in interest savings as compared to the issuance of the full amount of Bonds at the time of closing. He noted that the first closing is expected to occur in April and the second closing is anticipated to take place at the end of the year.

Mr. Reitzel further described the transaction and presented the financing documents. He stated that before the Members for their consideration is the adoption of a Terence Cardinal Cooke Health Care Center Revenue Bond Resolution and three Series Resolutions authorizing, individually and in the aggregate, \$50,000,000 of Revenue Bonds for the benefit of Terence Cardinal Cooke. He explained that in order to provide flexibility for the Institution with respect to structure and timing, the Board is being asked to authorize the issuance of up to three series of tax-exempt and taxable Bonds or a combination thereof, which may be issued at one or more times.

Mr. Reitzel informed the Members that the Institution currently anticipates the issuance of two Series of tax-exempt Series 2019 Bonds pursuant to private placements with Sterling National Bank as purchaser. He stated that the Series 2019A Bonds, the proceeds of which will finance the costs of miscellaneous capital projects, are expected to be issued in April. Mr. Reitzel further stated that the issuance of the Series 2019B Bonds is expected to occur later this year to finance the specialty hospital relocation project. He informed the Members that the Institution currently expects each series to be issued initially as variable rate, draw-down bonds subject to tender by the purchaser after 13 years, including the 3-year draw-down period.

Mr. Reitzel stated that the General Resolution provides for the issuance from time to time of multiple Series of Bonds, each Series separately secured from each other except as otherwise provided in the applicable Series Resolutions. He further stated that the Bonds of each series will be special obligations of DASNY payable solely out of the Revenues pledged therefor; the funds and accounts established by the General Resolution and the applicable Series Resolution; and by any other security pledged to the payment of such Series of Bonds.

Mr. Seaton informed the Members that the Series Resolutions delegate to various officers of DASNY the power to make certain determinations relating to the Bonds and to do all things necessary or convenient in connection with the sale and issuance of the Bonds. He stated that in accordance with DASNY's guidelines, the Series Resolutions also contain restrictions on the ownership and transfer of the Bonds to "Qualified Institutional Buyers." Mr. Seaton further stated that DASNY and the Institution will execute a Loan Agreement in connection with the issuance of the Bonds, which will require the Institution to make timely payment of debt service on the Bonds.

Mr. Seaton stated that the Institution's obligation to make payments under the Loan Agreement will be a general obligation. He further stated that the Institution will enter into a bond purchase and continuing covenants agreement or similar agreement with the purchaser in connection with each issuance of Series 2019 Bonds, a default under which will constitute a default under the related Loan Agreement. Mr. Seaton noted that the purchaser is also expected to require a mortgage and a pledge of revenues. He further noted that it is expected that DASNY's rights under the Loan Agreement and the Mortgage will be assigned to the Trustee, who will exercise remedies at the direction of the purchaser.

Mr. Seaton stated that the Institution may be permitted by the purchaser to incur indebtedness secured equally and ratably by the applicable pledged revenues and mortgage. He further stated that the documents may also contain certain financial covenants required by the purchaser.

In response to an inquiry from Mr. Chen, Mr. Kosier confirmed that as a private placement transaction, the bonds did not receive a rating.

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

A GENERAL RESOLUTION AUTHORIZING THE ISSUANCE BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK OF ITS TERENCE CARDINAL COOKE HEALTH CARE CENTER REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING TERENCE CARDINAL COOKE HEALTH CARE CENTER REVENUE BONDS, SERIES 2019A NOT TO EXCEED \$50,000,000; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING TERENCE CARDINAL COOKE HEALTH CARE CENTER REVENUE BONDS, SERIES 2019B NOT TO EXCEED \$50,000,000; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING TERENCE CARDINAL COOKE HEALTH CARE CENTER REVENUE BONDS, SERIES 2019C NOT TO EXCEED \$50,000,000

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

School District Bond Financing Program

The President introduced Connie Cahill, Esq. of Barclay Damon and Gopal Burgher, Esq. of Burgher Gray, co-bond counsel on the transaction, and Mr. Ostrander.

Mr. Ostrander presented the Single Approval Transaction Summary for the School Districts Revenue Bond Financing Program. He stated that the Members are being asked to adopt a Resolution authorizing the issuance of multiple series of tax-exempt and/or taxable bonds in an amount not to exceed \$750,000,000 to be sold through multiple negotiated offerings on behalf of various New York State School Districts.

Mr. Ostrander stated that the proceeds from the Series 2019 Bonds will refinance the Bond Anticipation Notes (“BANs”) of various New York State School Districts, the proceeds of which were used to finance capital projects in anticipation of permanent financing; finance various new money projects on behalf these Districts; and refund bonds issued by DASNY through the School Districts Revenue Bond Financing Program.

Mr. Ostrander informed the Members that there are currently 58 districts in the financing, with a par amount of bonds in excess of \$600 million. He stated that this is a larger pool than last year. Mr. Ostrander noted that participation is expected to be high as interest rates rise in relation to the statewide average interest rate. He explained that school districts issuing their own bonds receive building aid based on the statewide average interest rate, currently at 2.5%. Mr. Ostrander further explained that school districts issuing through DASNY receive building aid based on the actual cost of borrowing. He noted that as interest rates increase relative to statewide average, fewer districts are able to issue bonds at or below that rate, making it advantageous to issue through DASNY.

Mr. Ostrander stated that the structure and security features are the same as previous School District pools. He noted that semi-annual payments to be made pursuant to Financing Agreements are backed by the full faith and credit general obligation bonds of the participating School Districts and that there is statutory intercept, through the State Comptroller, of any State aid due to participating School Districts for debt service on DASNY Bonds. He stated that there is bond insurance if available and economically advantageous.

Ms. Cahill further described the transaction and presented the financing documents. She stated that before the Members for consideration is the adoption of the second supplemental resolution authorizing the issuance of DASNY’s fixed-rate School Districts Revenue Bond Financing Program Revenue Bonds in an aggregate principal amount not to exceed \$750,000,000, in one or more series or subseries pursuant to the Master Resolution adopted in February 2018. Ms. Cahill further stated that the Bonds will be issued to finance or refinance capital facilities and equipment for public school districts throughout New York State.

Ms. Cahill stated that the Master Resolution provides for the issuance from time to time of multiple series of Bonds in an unlimited principal amount. She further stated that each Series of School Districts Revenue Bonds issued under the Master Resolution will be a special obligation of DASNY payable solely out of certain Revenues, which consist generally of payments made by the School Districts on the School District bonds issued to DASNY and in the event of non-payment, by the intercept of State funds otherwise payable to a particular School.

Ms. Cahill stated that each Series of Bonds issued under the Master Resolution will be secured separately from all other series. She further stated that consistent with past practice, DASNY expects to issue Bonds under the 2019 Supplemental Resolution periodically in order to provide a consistent program that will enable School Districts to undertake their capital needs in a timely manner. Ms. Cahill noted that 58 School Districts are currently expected to be part of the pool that closes in mid-June 2019. Ms. Cahill stated that the 2019 Supplemental Resolution delegates to various DASNY officers the power, among others, to set the terms of the Bonds and to establish funds and accounts to be maintained by the Trustee. She further stated that consistent with prior transactions, the Supplemental Resolution also authorizes the preparation, execution and delivery of customary documents for a negotiated public offering of bonds, and that the form of these documents will be substantially similar to the documents utilized in prior School Districts Revenue Bonds transactions. Ms. Cahill informed the Members that, although the Master Resolution does not require that the Bonds issued thereunder be supported by credit enhancement, municipal bond insurance historically has been cost effective with respect to certain Series of Bonds. She noted that it is therefore anticipated that one or more Series of Bonds will include credit enhancement.

Mr. Burgher stated that, consistent with prior series of School Districts Revenue Bonds issued to finance or refinance Projects for School Districts, each School District will enter into a Financing Agreement with DASNY with the approval of the Commissioner of Education. He further stated that under the Financing Agreements, the School Districts are obligated to make payments to DASNY in an amount sufficient to cover principal and interest on the applicable Series of Bonds when due, regardless of whether the School Districts receive State aid payments. Mr. Burgher indicated that in addition, each School District will issue bonds to DASNY backed by the full faith and credit pledge of the School District, which requires the School District to levy taxes in amounts sufficient to enable the School District to pay the School District bonds securing its obligations under the Financing Agreement. He noted that the School Districts' obligations to make the payments due under the Financing Agreements, and other amounts due to DASNY under the Financing Agreements, will be supported by the statutory intercept mechanism of the Program established by Chapter 383. Mr. Burgher stated that neither the DASNY Bonds nor the School Districts' obligations under the Financing Agreements are secured by a lien on any facilities of the School Districts or any other property and may not be accelerated as a remedy for default.

Mr. Burgher informed the Members that the Projects to be financed or refinanced with the proceeds of the School Districts Revenue Bonds will be identified in each Financing Agreement and, prior to the issuance of School Districts Revenue Bonds, will have each been approved by the voters of the School District and the Commissioner of Education.

In response to a question from Mr. Swierczewski, Mr. Ostrander confirmed that the 31-year term is consistent with prior issuances. The Board Chair thanked Mr. Ostrander for the helpful flow chart included with the Single Approval Transaction Summary.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL
RESOLUTION 2019-1 AUTHORIZING UP TO \$750,000,000 SCHOOL DISTRICTS
REVENUE BOND FINANCING PROGRAM REVENUE BONDS

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

The President pointed out that the number of transactions on today's agenda is the culmination of a significant amount of work related to private client financings. He noted that this is reflective of the work that the DASNY team has invested in simplifying processes, increasing transparency, and remaining sensitive to timing issues. The President stated that he has received positive feedback from prior clients who are considering coming back to DASNY, as well as potential clients regarding these efforts. He noted that DASNY continues to engage with those who could benefit from DASNY's services. The President thanked DASNY staff, the law firm of Squire Patton Boggs LLP, Ms. Lee, and Mr. Purcell for their efforts in leading the initiative to determine how DASNY can best help eligible institutions. He informed the Members that DASNY will continue to seek solutions to benefit its clients, including hybrid issuances where taxable and tax-exempt bonds are combined into a single portfolio. The President noted that this strategy was particularly successful with respect to hospitals, which transitioned to the issuance of taxable debt to finance their capital needs. The Board Chair thanked the President for his leadership with respect to these efforts, especially with respect to his willingness to accompany staff on client visits and his efforts to increase DASNY's visibility in the market through the One DASNY initiative.

Governance Committee Report

Governance Committee Chair Johnson reported that the Governance Committee met the prior day. He stated that the Minutes of the October 9, 2018 Corporate Governance Committee Meeting were reviewed and approved. Mr. Johnson further stated that the Corporate Governance Committee undertakes certain annual compliance obligations, usually at its March Meeting, and that such agenda items were before the Governance Committee for their consideration yesterday afternoon. Mr. Johnson asked Mr. Cusack to review with the Members the items that are currently before the Board for consideration.

Mr. Cusack explained that New York State Law requires the Governance Committee to undertake an annual review of two general categories of documents: corporate governance items and operational policies and procedures. He stated that from a governance standpoint, the Governance Committee has conducted its annual review of the Governance Committee Charter and Principles; Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals; and the DASNY Corporate By-Laws. Mr. Cusack reported that the Governance Committee agreed with staff that no changes or updates are required at this time

with respect to the Governance Committee Charter or the Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals.

Governance Principles

Mr. Cusack stated that staff is proposing minor clarifying changes to the Governance Principles, specifically Section III, subdivisions (e), (f) and (g), to clarify and align the brief description of governance purposes of the Audit Committee, Governance Committee and Finance Committee with the language included in each of their respective Charters. Mr. Cusack thanked Ms. Nadeau for her comments in this regard. He stated that the Governance Committee agreed to recommend the proposed amendments to the Board for approval.

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

A RESOLUTION OF THE MEMBERS OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) ADOPTING GOVERNANCE PRINCIPLES

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

Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals

Mr. Cusack stated that the Governance Committee unanimously agreed to refer the Mission Statement and Performance Measures, including Metrics to Quantify Performance Goals to the full Board for re-approval. He further stated that the Committee agreed with Staff that no changes to these documents are needed at this time.

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

A RESOLUTION OF THE MEMBERS OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) RE-APPROVING DASNY'S MISSION STATEMENT AND PERFORMANCE MEASURES, AND METRICS TO QUANTIFY PERFORMANCE GOALS

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

By-Laws

Mr. Cusack stated that staff is recommending an amendment to the By-Laws, Article IV, Section 4.2. He further stated that the proposed amendment clarifies that any person acting in the place of an Authorized Officer must be designated by either the DASNY Board or an Authorized Officer of DASNY. Mr. Cusack explained that this clarifying amendment was recommended by Karen Ehlinger, Manager, Internal Control Analysis, to work in tandem with other internal controls being implemented. He further explained that a list of parties currently authorized to act for and bind DASNY in accordance with By-Laws Section 4.2 will be maintained and published on the

DASNY intranet. Mr. Cusack noted that procedurally, this process will enable employees to verify whether a particular employee is authorized to sign a certain document, in the event that the document will be signed by someone other than a DASNY-authorized officer.

Mr. Cusack explained that the amendment is consistent with existing practice and will increase efficiency. He noted that in the past, the list of authorizations was maintained in a binder that was in the control of one person, and others would have to call to obtain the information verbally. Mr. Cusack stated that this change will enable all employees to readily access this information via a centralized posting.

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

A RESOLUTION OF THE MEMBERS OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) APPROVING CERTAIN AMENDMENTS TO THE DASNY BY-LAWS

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

Mr. Cusack informed the Members that the second category of documents relates to policies and procedures relating to the Code of Ethical Conduct for Board Members; the Whistleblower Protection Policy and Procedure; the Policy Regarding Payment of Compensation and Reimbursement To and Time and Attendance of Executive Management; and Guidelines Pertaining to the Disposition of Certain Property. Mr. Cusack stated that the Governance Committee concurred that no changes to the Code of Ethical Conduct or the Compensation Policy are necessary at this time.

Whistleblower Protection Policy and Procedure

Mr. Cusack directed the Members' attention to the revised Whistleblower Protection Policy and Procedure distributed this morning, which incorporates changes recommended by Staff and requested by the Governance Committee Members. He stated that at yesterday's meeting, the Governance Committee concurred with staff that certain clarifying administrative changes to the Whistleblower Protection Policy and Procedures are appropriate at this time. Mr. Cusack explained that these changes include updating the name of the unit to the Office of Professional Integrity ("OPI"). He reminded the Members that the office was formerly known as the Office of Internal Affairs. Mr. Cusack informed the Members that the policy statement at the beginning of the document has been conformed to the definitions and reservation of rights at the end of the Policy, which is more appropriate from a structuring perspective. He explained that the proposed revisions also reflect current practice regarding the process to be followed by authorized persons to determine if a complaint triggers the Whistleblower review process that ultimately is handled by Counsel's Office.

Mr. Cusack informed the Members that in response to comments received by Mr. Gardner and others, the revised Policy clarifies that the Whistleblower Hotline is a phone line personally monitored by Tara Miner, Acting Director of the Office of Professional Integrity. Mr. Cusack stated that the recommended changes, while not significant from a substantive perspective,

improve the Policy overall. Mr. Cusack summarized that in response to comments received from the Governance Committee Members, the word “adverse” before “personnel action” in Sections a) and c) of the Procedure has been deleted as unnecessary, since “personnel action” is a defined term. The Board Chair thanked Mr. Cusack for the work undertaken on the Policy and for the blacklined copy reflecting the changes agreed to at the Governance Committee meeting.

Mr. Gardner confirmed he discussed the proposed changes with Mr. Cusack at length and concurs with the proposed revisions. The Board Chair thanked Mr. Gardner for his participation, even though he is unable to vote on the proposed revisions as he is participating by telephone.

Mr. Ellis 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 APPROVING THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK WHISTLEBLOWER PROTECTION POLICY AND PROCEDURE

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

Disposition of Certain Property Guidelines

Mr. Cusack reminded the Members that the Guidelines Pertaining to Disposition of Certain Property owned by DASNY must also be annually reviewed and approved by the Board, and then filed with the State Comptroller on or before March 31 of each year. He stated that Staff reviewed the Guidelines with the Governance Committee, and all agreed that no changes to the Guidelines are recommended at this time.

Mr. Chen 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 THE GUIDELINES PERTAINING TO THE DISPOSITION OF CERTAIN PROPERTY OWNED BY THE DORMITORY AUTHORITY

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

Mr. Swierczewski 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 SESSIONPresident's Report

The President reported that on February 20, 2019, the Public Authorities Control Board approved the design and construction plan for the new, \$750 million, multi-purpose New York State Life Sciences Public Health Laboratory. He stated that the lab will be located at the Harriman State Office Building Campus in Albany. The President further stated that the state-of-the-art facility will be a magnet for future private-sector investment and public-private collaboration, accelerating innovation and value creation. He informed the Members that DASNY is managing the design and construction of the project, which will be delivered using the design-build method. He noted that a Request for Proposals (RFP) has been issued to three teams selected to compete for the design-build contract. The President stated that DASNY will host an Industry Day with the three teams on Tuesday, March 26 to help foster opportunities for minority, women, small business, and service-disabled veteran-owned business enterprises to participate in the project.

The President reported that DASNY's long-standing partnership with New York University was further solidified earlier this month when DASNY issued \$862.8 million in bonds on behalf of NYU, the largest private offering in DASNY's 75-year history. He stated that the proceeds of the bonds will be used to finance various construction and renovation projects across the University. The President further stated that the issuance includes more than \$83 million in green bonds, providing investors with the opportunity to directly support projects that NYU has identified as environmentally sustainable. He explained that green bond proceeds will further sustainable construction projects and equipment at NYU's 181 Mercer Street, 370 Jay Street, and the Langone Health Science Building. The President noted that the issuance was comprised of a \$603.5 million tax-exempt series and a \$259.3 million taxable series.

The President reported that next week, two new investment bank partners will be selected to participate in this year's Public Finance Diversity Fellowship for graduating college students. He stated that DASNY has worked diligently with senior underwriters to promote this extraordinary opportunity. The President reported that last year's program was a resounding success, and that he has received feedback that both Fellows are performing very well in their positions with RBC and Barclay's, DASNY's banking partners. He informed the Members that the fellowship is a full-year position, running from July 1, 2019 through June 30, 2020 and will consist of two six-month terms. The President explained that the first term will be spent in DASNY's Albany office serving as an analyst in the Public Finance division and the second will be spent working with one of DASNY's investment bank partners in New York City. He noted that this year's two investment banking partners will again be selected by lottery. The President stated that DASNY has received valuable feedback regarding ways to improve the program, and that he looks forward to making the fellowship experience even better next year.

The Board Chair expressed that he believes the fellowship program provides students with a transformational, life-changing experience in the financial sector and banking sectors, which are fields they might not otherwise ever learn about. He stated that the Fellows are provided with the opportunity to work hard and receive ongoing feedback from experts in the field. The Board Chair

further stated that this year's Fellows are working long days and have received high praise from RBC and Barclay's. He encouraged the Members to reach out to the Fellows the next time they attend.

The President thanked the Board Chair for his support, and stated that he hopes to establish a fellowship involving the Construction Division in the future. He informed the Members that the fellowships provide a strong signal to the marketplace that through entities such as DASNY, New York State provides superior training opportunities to New York State students from public institutions.

Public Finance and Portfolio Monitoring Report

Ms. Lee provided a brief market update. She stated that since the last Board meeting, DASNY priced and closed transactions for the American Academy of the Dramatic Arts and NYU. Ms. Lee reported that the total new issue supply is currently about \$50.5 billion year-to-date, which is 19% higher than supply levels at this time last year. She noted that total supply for the current week is expected to be approximately \$5.7 billion.

Ms. Lee informed the Members that U.S. government bonds were broadly stronger in a flight-to-quality due to lack of any news regarding U.S./China trade negotiations and weaker economic data. She reported that top-rated municipal bonds were flat across the tax-exempt curve on Tuesday, and that municipal bond funds have reported inflows for the week ending February 27. Ms. Lee noted that this marks the sixth consecutive week of inflows. She stated that the one, ten and 30-year MMD have decreased 4, 6 and 5 basis points, respectively, since the February Board Meeting.

Ms. Lee directed the Members' attention to the annual credit enhancement report included with the Board materials for DASNY's not-for-profit portfolio. She stated that the results are generally consistent with those of past years. Ms. Lee summarized that with respect to total outstanding fixed and variable rate debt for not-for-profit institutions, the fixed rate portfolio continues to grow while the variable rate portfolio continues to decline. She reported that the percentage of unenhanced bonds, including unenhanced private placement bonds, continues to grow. Ms. Lee noted that this trend is consistent with recent experience. She stated that the report sets forth the type of credit enhancement and the specific providers for the variable rate portfolio for not-for-profit institutions, as well as a listing of DASNY's private clients together with their Letter of Credit renewal dates for 2019 and the next several years.

Ms. Lee informed the Members that One DASNY outreach efforts continue. She stated that in addition to meeting with clients, staff is meeting with DASNY's banking partners. Ms. Lee informed the Members that meetings were recently held with the health care professionals at UBS and Morgan Stanley to highlight changes made under the One DASNY initiative. She stated that this initiative continues the multi-pronged communications effort that kicked off over the summer when the President presented the changes to the guidelines and financing process to a large group of DASNY's partners. Ms. Lee informed the Members that DASNY will continue to work with clients, third party professionals, and other partners to implement the changes envisioned by One DASNY and will keep the Members updated on these efforts.

President's Report (continued)

The President reported that on February 15, 2019, Governor Andrew M. Cuomo announced 30-day amendments to the Fiscal Year 2020 Executive Budget and changes to the Fiscal Year 2020 Executive Budget and Financial Plan. He stated that the 30-day amendments included technical corrections to the proposal to expand DASNY and other State entities' ability to use design-build and other alternative project delivery methods, including construction manager-at-risk and construction manager build. The President further stated that the amendments also added the State University Construction Fund to the alternative project delivery proposal. He noted that revisions to the Financial Plan include a \$3.8 billion downward re-estimate to personal income tax collections over two years, including a reduction of \$2.6 billion in Fiscal Year 2019 and \$1.2 billion in Fiscal Year 2020.

The President directed the Members' attention to the updated budget documents provided. He stated that the materials include the proposed DASNY operating budget for Fiscal Year 2020, a financial plan, and a resolution adopting the proposed operating budget. The President further stated that the Members are being asked to adopt a Resolution confirming the current fee structure pursuant to which DASNY charges its private clients for services rendered in connection with financing transactions. He reminded the Members that as part of the One DASNY initiative, the decision regarding whether to change DASNY's financing fee structure was deferred until the review of the financing process was completed. The President stated that a staff working group has been established to review the fee structure and consider whether changes would better serve DASNY's clients, position the organization as a long-term strategic partner, and further DASNY's public-service mission. He noted that he will update the Board as this work progresses.

The President then asked Ms. Nadeau to present the proposed Fiscal Year 2019-2020 operating budget.

DASNY Operating Budget

Ms. Nadeau directed the Members' attention to the materials provided in connection with the Fiscal Year 2019-2020 Operating Budget. She stated that the Budget reflects updates to salaries and benefits based on most recent payroll and recruiting assumptions and minor adjustments to the budgeted operating expenditures to reflect the new field office and data center in Rochester. Ms. Nadeau stated that overall, the total adjustment to the proposed operating expenditures as reported at the January meeting is \$32,000.

Ms. Nadeau informed the Members that the earnings for this fiscal year have decreased by approximately \$500,000, while the estimates for next fiscal year have increased by the same amount. She explained this is because the closings for several private client transactions were delayed until next fiscal year. Ms. Nadeau noted that the results for the upcoming fiscal year have improved to breakeven status.

Ms. Nadeau then reviewed some of the key highlights and assumptions in the \$118 million operating budget. She stated that the primary drivers of the 2% increase in operating expenditures

are related to salaries and benefits. Ms. Nadeau explained that salaries are proposed to increase by approximately \$1.6 million over current projected year-end numbers, and that this increase reflects the contractual obligations for cost-of-living and step/longevity increases for 529 FTEs. She noted that this number is consistent with the 2018-19 budget and reflects an increase of 10 FTEs for the end of the current fiscal year.

Ms. Nadeau informed the Members that benefits are proposed to increase by approximately \$1.2 million, which reflects a 3% increase in health insurance premiums due to higher rates and participation and higher social security taxes and contributions for retirements based on the estimate received from the Employee Retirement System increased to reflect the higher salaries. She stated that the financing fees depicted in the budget reflect the four transactions that shifted to next fiscal year, as well as three additional private client financings over current year projections. Ms. Nadeau summarized that it is expected that DASNY will end the current year with a \$1 million surplus, and breakeven status for fiscal year 2019-2020.

The Board Chair inquired whether a 3% increase in health insurance premiums is consistent with past years. Ms. Nadeau replied that the increase is lower than in the past, where the increase is typically in the 6-7% range. Mr. Ellis thanked Ms. Nadeau for her presentation, and for taking the time to explain the budget to him and answer his questions. The Board Chair emphasized that the Members should feel free to call Staff at any time to ask questions.

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

**RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(DASNY) ADOPTING DASNY'S OPERATING BUDGET 2019-2020 AND APPROVING
DASNY'S BUDGET AND FINANCIAL PLAN SUMMARY**

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

Fee Structure

Ms. Nadeau informed the Members that no changes to the fee structure are proposed for this year, although a working group has been established to discuss possible changes in the future. She reminded the Members that fee increases were enacted in 2017, and will remain at \$125,000 for Higher Education clients and \$150,000 for Health Care clients and \$200,000 for complex transactions. Ms. Nadeau noted that DASNY's annual administrative fee is based upon the amount of debt outstanding. She explained that in the first few years after a bond issuance, the fees are at a higher rate due to additional work required on the part of DASNY staff, including processing requisitions.

In response to a question from Mr. Ellis, the President explained that administrative fees were increased in 2017 and that as part of the One DASNY initiative, staff will re-examine the fee structure. He further explained that the fee structure is continually assessed, and is especially appropriate at this time due to the One DASNY initiative and changes in federal tax law. Mr. Romski noted that the 2017 changes to the fee structure were substantial. The President agreed,

and stated that the fee structure may or may not change in the near future. He emphasized that it is important to recognize opportunities for improvement so that DASNY can best serve its clients.

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

RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK
ADOPTING A FEE STRUCTURE FOR THE DORMITORY AUTHORITY OF THE STATE OF
NEW YORK (DASNY)

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

The President reported that on Tuesday, March 19, DASNY will celebrate Women's History Month by hosting a women's leadership event, "Driving Change and Getting Results: The Women Who are Building New York." He stated that the event will be held at the Fashion Institute of Technology and will feature an interview with FIT President Dr. Joyce F. Brown followed by a panel discussion with extraordinary women leaders in their fields. The President noted that the panel will be moderated by M. Cornelia Cahill, a Partner at Barclay Damon, and will include Kym Arnone, Managing Director, Head of Municipal Finance Investment Banking, Jefferies, LLC; Cheryl McKissack Daniel, President & CEO, McKissack & McKissack; Suzanne Shank, Chairwoman, CEO, and Co-founder, Siebert Cisneros Shank & Co., LLC; and Elizabeth Velez, President & Chief Contract Administrator, Velez Organization.

The Board Chair stated that he spoke to Ms. Cahill about the presentation and she reported that the participants had a very positive preliminary meeting regarding the event. He reported that Ms. Cahill is looking forward to the discussion and that he anticipates it will be very impactful.

The President stated that on Thursday, February 7, DASNY, the State University of New York and the New York State Energy Research and Development Authority announced the start of the first zero-net, carbon-ready retrofit project on a SUNY campus. The President explained that the project involves renovating SUNY Oneonta's Ford Hall, a residence hall that houses approximately 300 students. He stated that the renovations will make Ford Hall "zero-net, carbon-ready," which means that it will exceed existing energy codes and be ready to use off-site renewable energy sources as they become available. The President further stated that the project is the first of its kind for the SUNY Residence Hall Program and will serve as proof-of-concept, demonstrating that an affordable, quality residence hall renovation can achieve zero-net carbon performance. The President reported that he met with the SUNY Chancellor yesterday and that she is very supportive of the work that DASNY is doing. He stated that DASNY will continue to work with SUNY to identify additional opportunities.

Mr. Johnson asked whether the cost of procuring energy from an offsite source is factored into the cost. Mr. Curro explained that "zero-net carbon ready" means that the infrastructure will be included in the building construction, and that in the future, the owner will contract for the purchase of the necessary off-site renewable energy production. He noted that until that time, it is not possible to estimate the time it will take to achieve a return on investment, especially for renovation projects. Mr. Curro emphasized that it is important to get the building ready for the future at the time of new construction or major renovation. Mr. Johnson agreed that it is not

possible to understand whether the improvements are cost effective until such time as power is supplied to the building, since it will be dependent upon the cost of energy at that point in the future. The President agreed, but emphasized that although the specifics cannot be determined at this time, it is expected that projects will be cost-effective over the long term as the debt amortizes. He noted that other institutions have experienced cost savings from zero-net carbon ready projects. Mr. Curro agreed, and stated that the ultimate goal is to achieve a zero net carbon end result.

Mr. Ellis inquired whether the cost of the retrofit varies depending upon the source of the energy, or whether the cost of implementing the energy saving measures is the same. Mr. Curro replied that there are generally upfront costs that are incurred for a zero net carbon ready or zero net energy ready project to incorporate the additional sources of energy generation, particularly with gut rehab projects such as the SUNY Oneonta residence hall project. He stated that at a future point in time, a different project will need to incorporate the cost of providing power to the building. Mr. Curro acknowledged that the cost of doing so is unknown at the present time. He noted that the energy savings goal will have been achieved if the project components generate enough energy to provide power to the building. Mr. Curro further noted that the cost-effectiveness and payback term will be assessed at that point in time.

Mr. Curro stated that there is a learning curve in the construction industry for these types of projects, as the concept is very new. He further stated that zero-net carbon ready facilities will likely become commonplace over time. Mr. Curro reminded the Members that 10 years ago, there was uncertainty in the industry regarding LEED standards, whereas now such construction techniques are commonplace. Ms. Snyder observed that when making projections as to future cost savings, certain assumptions must be made. She stated that making assumptions in this scenario is therefore appropriate. Mr. Curro agreed, and stated that the market will ultimately determine whether the assumptions were valid.

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

Construction Projects Report

Mr. Curro directed the Members' attention to the photograph on the cover of the Construction Projects Report. He stated that it depicts the LaGuardia Community College Goldman Sachs Small Business Education Center renovation project.

Mr. Curro informed the Members that the renovation project will provide an opportunity for small business owners to learn the tools necessary to grow their businesses. He stated that the renovation design reflects the atmosphere and setting of international businesses. Mr. Curro further stated that the materials, details and technology throughout the space are found in corporate offices throughout the world.

Mr. Curro reported that renovation of the 10,000 square foot space consisted of the construction of nine office spaces, waiting areas, a reception and entry space, a full wall media display, 80" diagonal touch screen monitors viewable from mobile devices with classroom recordable capabilities, four breakaway rooms with movable partitions, a copy room, storage space, pantry, IT room and mechanical spaces. Mr. Curro stated that design of the \$5 million

project commenced in January 2016 and construction was completed in December 2018. He informed the Members that the project was undertaken as part of the New York - CUNY 2020 Challenge Grant Program, which is a program to incentivize economic development driven by CUNY campuses in areas of their academic strengths. Mr. Curro stated that he visited the site recently, and that it is impressive, Class A space.

Mr. Curro reported that DASNY will be undertaking four new projects totaling approximately \$36.8 million: an \$11.4 million fuel tank decommissioning project; a \$6.1 million big data consortium project for the CUNY Graduate School; and a \$7.5 million roof replacement for NYPI. He stated that DASNY will also be undertaking an \$11.8 million single floor renovation project for Hostos Community College. Mr. Curro noted that this will be the third single-floor renovation taking place in occupied space.

Mr. Curro informed the Members that construction expenditures through January 2018 were \$738 million, while the expenditures through January 2019 were \$596 million, a decrease of \$142 million.

Mr. Curro then updated the Members on several large construction projects. He reported that DASNY's largest project, the South Beach Psychiatric Center, continues to progress. Mr. Curro stated that the building enclosure is nearly complete and that interior framing, mechanical, electrical and plumbing, sheetrocking, elevators, and fire/life safety trades are also progressing. He further stated that the substantial completion date remains early October 2019. Mr. Curro informed the Members that the next on-site executive meeting is planned for Thursday, March 14, and that DASNY meets regularly with the general contractor to discuss schedule and open construction issues on behalf of OMH.

Mr. Curro reported that DASNY has short-listed three design-build teams for the Department of Health Life Science Laboratory and has issued an RFP to the teams. He stated that DASNY is currently finalizing contract language, and that the contract will be issued to the teams as an addendum to the RFP in the near future.

Mr. Curro stated that project redesign efforts continue for the C-squared project at FIT, and that the 30% schematic design milestone has been reached. He further stated that the architects, construction managers and DASNY's estimators expect to complete the project pricing phase by the end of the month. Mr. Curro explained that the future direction of the project will be dictated by the estimation and reconciliation processes.

Mr. Curro informed the Members that DASNY continues to prepare for the new SUNY capital projects, as well as approximately 30 summer projects. He stated that pre-construction activities continue on nearly all of these projects at this time. Mr. Curro noted that construction of the summer projects is scheduled to begin on May 15.

Mr. Curro stated that work continues on the Javits Center Expansion project, including structural steel erection, the reinforced concrete parking garage and completion of deep foundation work. He further stated that work at the transformer building is nearing completion and TAO

meetings have commenced. Mr. Curro noted that project occupancy is expected later this summer. He further noted that DASNY is reviewing plans for a fire alarm upgrade to the existing center.

Mr. Curro reported that work on the Moynihan Station project continues with demolition and heavy civil renovation work. He stated that work on the vertical transportation, mechanical, electrical and plumbing, skylights, and exterior building repairs continue. He noted that DASNY continues its role as permitting agency and continues its full-time, on-site presence overseeing the renovation program.

Mr. Curro stated that DASNY met with GOSR executives in February to discuss movement of projects, project budgets and end-of-program timeline restraints. He reported that DASNY is currently reviewing project estimates and will provide them to GOSR in the near future to allow for the prioritization of projects.

Mr. Curro reported that members of DASNY's executive staff met with CUNY's senior level construction executives last week to discuss our partnership and explored ways to efficiently move projects through the DASNY process. He stated that the meeting was productive, and that feedback was obtained from CUNY that DASNY will continue to pursue together with our CUNY counterparts. Mr. Curro further stated that on February 28, DASNY's Bronx Psychiatric Center project team met with the project architects, construction managers, consultants and OMH facility staff for a project debriefing. He reported that the session was constructive and that some of the feedback has already been implemented with respect to the South Beach project. Mr. Curro noted that the feedback will be incorporated into future OMH projects as well.

Mr. Curro informed the Members that DASNY staff will meet with OMH on March 12 to discuss the Mid-Hudson 250 Bed Forensic Hospital project. He stated that DASNY will present its approach to the project at that time. Mr. Curro noted that OMH is considering both the Office of General Services and DASNY for the project. In response to a question from Mr. Ronski, Mr. Curro stated that DASNY's pricing model is more of a fee for service model as compared to OGS. He further stated that it is a qualifications based process, and that he is optimistic that OMH will be pleased with DASNY's presentation. Mr. Ronski complimented the progress being made on the Moynihan Station project. Mr. Curro stated that the project is one of the more unique and challenging projects DASNY has been involved with. He noted that the President plans to visit the site soon. The President offered to arrange site visits for other staff and Board Members, and asked them to contact Mr. Curro so that he can make the appropriate plans.

Mr. Chen 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 Members went into Executive Session.

EXECUTIVE SESSION

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

PUBLIC SESSION

Ms. Snyder moved that the Meeting adjourn, Mr. Ellis seconded the motion and the Meeting was adjourned at approximately 12:15 p.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary