

**Jon Gardner – Audit Committee Chair:** Welcome to Audit Committee Meeting being held on May 5, 2020. This meeting is being held by a telephone conference due to the COVID 19 situation.

I think Mike Cusack is going to kick this off with a reading of a legal notification.

**Michael Cusack, Esq. – General Counsel** – Thank you Mr. Chair. Today is May 5, 2020 and this is telephonic meeting of the Audit Committee of the Dormitory Authority of the State of New York.

On March 7, 2020, Governor Cuomo declared a disaster emergency in the State of New York due to the outbreak of the novel coronavirus, COVID-19.

Pursuant to Governor Cuomo’s subsequent Executive Order 202.1 dated March 12, 2020 (as extended by Executive Order 202.14 dated April 7, 2020), today’s regular meeting of the Audit Committee of the Dormitory Authority of the State of New York, or DASNY, is being conducted telephonically.

Executive Order 202.1 (as extended) provides, in relevant part, that Article 7 of the Public Officers Law (known as the Open Meetings Law), is suspended through May 7, 2020 to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in public in-person access to meetings and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

The location of today’s Telephonic Meeting is designated as the DASNY Headquarters, 515 Broadway, Albany, New York, where I am located. Notice of this meeting has been posted in the standard locations that are publicly accessible. Notice has also been posted prominently on the DASNY.org public web site. In accordance with EO 202.1 (as extended by Executive Order 202.14 dated April 7, 2020) and the DASNY Bylaws, an audio recording of the Meeting will be accessible from DASNY’s website ([www.dasny.org](http://www.dasny.org)) not later than two business days after the close of the meeting, and today’s proceedings will also be transcribed and posted as soon thereafter as is reasonable and practicable under the circumstances.

I will now turn this over to my colleague Kim Nadeau, Chief Financial Officer who will conduct the Roll Call.

**Kimberly J. Nadeau – Chief Financial Officer:** Thank you Mike. With us today we have:

Audit Committee Members:

Jonathan H. Gardner, Esq., Committee Chair - Present  
John B. Johnson, Jr., Committee Member - Present  
Beryl L. Snyder, Esq., Committee Member - Present  
Joan M. Sullivan, Committee Member - Present

Other Board Members in attendance in addition to the Audit Committee Members:

Alfonso L. Carney, Esq., Jr., Chair to the DASNY Board - Present  
Brian Cechnicki, Designated Representative SED, Board Member (ex officio) - Present

**Mr. Cusack:** All acknowledged, so we will turn the agenda over to the Committee Chair Jon Gardner at this time.

**Mr. Gardner:** I would first like to get a motion to approve the minutes from our last meeting on January 7, 2020 and it looks like those minutes are behind Tab 6 in your Board Book. I have to admit that I'm struggling a little bit to find Tab 6 in my digital Board Book.

Can I have a motion to approve the minutes.

**Joan Sullivan, Committee Member:** So Moved.

**Mr. Gardner:** Joan and did I hear a second?

**John B. Johnson, Committee Member:** Second.

**Mr. Gardner:** Thank you. All in favor. Aye.

Any opposed? Hearing none, the Minutes are approved.

**Mr. Gardner:** I'm going to turn it over to Kim to talk about the proposed amendment to the Investment Guidelines.

#### Investment Guidelines Amendment

**Ms. Nadeau:** As described in my memo, management is proposing the removal of the requirement that "A maximum of approximately 50% of all investments may be held in a single bank." That removal is effective as of March 31, 2020, with the Guidelines in effect as of April 1, 2019 through March 31, 2020.

This follows last year's modified audit opinion for DASNY's compliance with the Investment Guidelines following the majority of the year's results being outside of this requirement.

As noted in my memo, DASNY does not select the Trustee. The Trustee is selected on a bond resolution basis, resulting in the selection having future implications for additional issuances done under each resolution. Bank consolidations and strategic decisions by some firms to no longer offer trustee services have also reduced the number of available Trustees. There is limited exposure to losses since all investment assets are held in book entry form either in the name of DASNY, or the trustee for the benefit of DASNY.

Are there any questions?

**Mr. Gardner:** I have a question. I want to make it clear the choice of these investment advisors in most cases, many cases, is not DASNY -- it is our client.

**Ms. Nadeau:** That is correct.

**Mr. Gardner:** So that's what's driving these higher concentrations in investment advisors as well as there are fewer of them to choose from.

**Ms. Nadeau:** That is correct. The clients are potentially having their own diversification choices when they are selecting for their trustee. This does make it out of DASNY's control to be able to stay within those parameters.

**Mr. Gardner:** So is it fair to say that if our clients are driving this decision we are less likely to be criticized for over-concentrating if there was a problem? It's not a decision we make.

**Ms. Nadeau:** That's correct.

**Mr. Gardner:** Does anyone else have questions? No?

**Mr. Carney:** No, I'm good.

**Mr. Gardner:** I am going to ask for a motion to approve the amendments Investment Guidelines.

**Beryl Snyder, Committee Member:** So moved.

**Mr. Gardner:** Let me rephrase that on the, the motion is to recommend these amendments to the Investment Guideline to the entire Board for approval tomorrow.

**Ms. Snyder:** So moved.

**Alfonso Carney, Board Chair:** Sounds like Beryl has moved.

**Ms. Snyder:** Yes.

**Mr. Gardner:** I remind everyone that this is being recorded. Do I have a second?

**Ms. Sullivan:** So moved.

**Mr. Gardner:** Thank you Joan. All in favor say aye. Any opposed? Hearing none, the motion carries and is unanimous.

I will now turn it over to Kathy Ebert to review a proposed amendment to the Internal Audit Charter.

**Kathy Ebert – Senior Director, Internal Audit:** Thank you Jon.

The IIA standards required the chief audit executive to periodically review the Internal Audit Charter and present it to the audit committee for approval.

There are no substantial amendments being recommended at this time. However, there are certain administrative changes being proposed. Those are reflected in the black line version of the Charter,

which is included in your Board Book. The last review of the Charter was in October 2018 with no amendments proposed either. Any questions?

**Mr. Carney:** Mr. Chairman, if I may. Kathy, just for the record, the amendments being proposed here are not substantive in nature. We are amending to reflect the change in the title of the chief executive. who is responsible for our audit work, that's you, but there are no substantive revisions here, is that correct?

**Ms. Ebert:** Correct.

**Mr. Carney:** Outstanding, thank you.

**Mr. Gardner:** Thank you Al. Are there any questions? Hearing none, could I have a motion to approve recommending these relatively minor Internal Audit Charter changes to the full Board for their approval tomorrow?

**Ms. Snyder:** So moved.

**Mr. Gardner:** Beryl, thank you.

**Ms. Sullivan:** I Second.

**Mr. Gardner:** Thank you, Joan. All in favor, please say Aye. Any Opposed? Hearing none the motion is unanimously passed.

Is there any other business to come before this Committee? I don't have any further business on my agenda. Could I have a motion to adjourn the meeting.

**Ms. Sullivan:** Moved to adjourn.

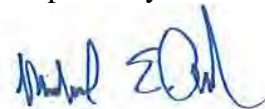
**Mr. Gardner:** Thank you, Joan.

**Ms. Snyder:** Seconded.

**Mr. Gardner:** Thank you. Beryl. You have carried the load through this meeting. Thank you: All in favor say aye. Any opposed. Hearing none the meeting is adjourned.

The Audit Committee Meeting adjourned at 4:20 p.m.

Respectfully submitted,



Michael E. Cusack  
Assistant Secretary