

The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's Albany Office, 515 Broadway, Albany, New York, New York at 9:30 a.m. on Wednesday, September 11, 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
Jonathan H. Gardner, Esq., 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)

Members Absent

Joan M. Sullivan, Member

Also Present - Dormitory Authority Staff

Gerrard P. Bushell, President
Michael T. Corrigan, Vice President
Michael E. Cusack, Esq., General Counsel
Caroline V. Griffin, Chief of Staff
Kimberly J. Nadeau, Chief Financial Officer
Portia Lee, Managing Director of Public Finance and Portfolio Monitoring
Stephen D. Curro, Managing Director of Construction
Paul G. Koopman, Managing Senior Director of Construction
Larry N. Volk, Senior Director, Portfolio Monitoring
Deborah K. Fasser, Director, Communications & Marketing
Daniel W. Petroff, Chief of Strategy and Business Development
Kathy Ebert, Director, Internal Audit
Karen E. Ehlinger, Manager, Internal Control Analysis
Sara P. Richards, Esq., Associate General Counsel
Michael L. Johnson, Esq., Assistant General Counsel
Donna A. Rosen, Assistant General Counsel

Ann Andrew, Director, Information Services
Matthew T. Bergin, Assistant Director, Public Finance and Portfolio Monitoring
Stephen J. Kosier, Senior Financial Analyst
Gerard E. Klauser, Senior Financial Analyst
David P. Ostrander, Assistant Director, Public Finance and Portfolio Monitoring
Alex A Sirdine, Public Finance Fellow
Maria T Carrasco, Public Finance Fellow

Other Attendees:

Eileen Heitzler, Esq.	Orrick Herrington & Sutcliffe, LLP
Gabriel Marous, Esq. Justine Marous, Esq.	Marous Law Group, PC
Natalia Pearson-Farrer, Esq.	Golden Holley James, LLP
Connie Cahill, Esq.	Barclay Damon, LLP
Russell Biggs Marthe Ngwashi	NYS Department of Health

PUBLIC SESSION

The Chair called the Meeting to order. He took a few moments to recall the events of September 11, 2001 and noted that ceremonies are taking place across the country to pay tribute to the nearly 3,000 people who were killed in the terrorist attacks. The Chair noted that citizens from 78 countries perished on that date and were among the individuals who died at the World Trade Center, the Pentagon and in Pennsylvania. He stated that the Governor had requested that public school administrators, teachers and students pause to honor the men and women who died, as well as the first responders who sacrificed that day, and continue to do so. The Chair requested a moment of silence to reflect upon those who were killed and those who sacrificed.

The Chair stated that today the Board celebrates DASNY President and CEO Gerrard P. Bushell, who recently resigned his position and is attending his last meeting. He stated that Dr. Bushell was exactly the leader DASNY needed when he joined the organization. The Chair explained that although DASNY was a well-known and popular public authority prior to Dr. Bushell's arrival, the organization was not well-defined and was losing clients in an increasingly competitive environment. He stated that Dr. Bushell recognized this and immediately took steps to help DASNY become more facile and responsive to the needs of all of its clients. The Chair explained that Dr. Bushell commenced a multi-faceted, comprehensive review and analysis of the organization, including feedback from DASNY clients and other factors. He further explained that Dr. Bushell took a personal interest in DASNY and empowered an already skilled workforce to be even better.

The Chair further reflected upon the changes and improvements made by Dr. Bushell. He stated that DASNY is a different organization now as a result of his efforts, including the One DASNY initiative; revisions to DASNY guidelines, policies and procedures; reinvigorating strategic planning and succession planning models; establishing and improving personal relationships with DASNY's business partners; and facilitating efficiencies in alternative construction delivery methods including design/build. The Chair further stated that Dr. Bushell's collaborative outreach to Board Members and clients to solicit feedback and guidance in an effort to improve the organization was a first for DASNY.

The Chair complimented Dr. Bushell's skill with words and remarked that he always seems to be able to select precisely the right words to convey his message. He observed that Dr. Bushell is a consistent, persistent and passionate leader who formed strong bonds with DASNY staff and in return, the staff strived to meet his expectations. The Chair stated that DASNY is a better place because of Dr. Bushell's leadership, and that he is grateful for his friendship and the positive working relationship they experienced over the years. He wished Dr. Bushell well in his next career and expressed that his many talents and abilities would serve him well in the future.

The President expressed his appreciation to the Chair.

The Minutes of the July 17, 2019 Regular Meeting were then reviewed and approved.

Finance Committee Report

Finance Committee Chair Ronski reported that the Finance Committee met the previous afternoon and after discussion, decided unanimously to recommend the following transactions to the full Board for approval: Rochester Institute of Technology, Personal Income Tax Revenue Bond Program and Memorial Sloan Kettering Cancer Center.

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. Ellis seconded the motion, and the Meeting went into Executive Session.

EXECUTIVE SESSION

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

PUBLIC SESSION

Rochester Institute of Technology

The President introduced Connie Cahill, Esq. of Barclay Damon, LLP and Justine Marous, Esq. of the Marous Law Group, PC, co-bond counsel on the transaction, and Mr. Kosier.

Mr. Kosier presented the Updated Transaction Summary for the Rochester Institute of Technology (“RIT”). He stated that the Members are being asked to authorize the issuance of fixed and variable rate, tax-exempt and taxable bonds in an amount not to exceed \$375,000,000 on behalf of RIT.

Mr. Kosier reminded the Members that on June 19, 2019, the Board adopted a Resolution to Proceed in an amount not to exceed \$230,000,000 on behalf of RIT. Mr. Kosier stated that the proceeds of the bonds will be used for various construction and renovation projects, refinancing a taxable bank loan and refunding DASNY’s Series 2010 bonds issued on behalf of RIT. He further stated that RIT has now requested the issuance of additional bonds to refund DASNY’s Series 2012 bonds issued on behalf of RIT. He stated that in order to accommodate the additional refunding, staff is requesting an increase in the not to exceed amount to \$375,000,000.

Mr. Kosier informed the Members that the Series 2012 bonds are not callable until July 1, 2022 and cannot currently be refunded with the proceeds of tax-exempt bonds. He stated that the 2012 refunding bonds will therefore be sold on a taxable basis. Mr. Kosier further stated that the Series 2012 refunding is expected to result in net present value savings of approximately \$13 million, or 9.5% of the bonds being refunded. He stated that as part of the overall plan of finance, RIT anticipates issuing up to \$30 million of bonds through a private placement with M&T Bank or its affiliates. Mr. Kosier explained that the private placement bonds are expected to be variable rate drawdown bonds with a seven-year hold period and a 30-year principal amortization, and that the proceeds of the bonds are expected to be used on new money projects.

Mr. Kosier informed the Members that the balance of the Series 2019 Bonds are expected to be sold on a negotiated basis. He stated it is anticipated that there will be two series of fixed rate, tax-exempt bonds and one series of fixed rate, taxable bonds. Mr. Kosier further stated that one fixed rate, tax-exempt series is expected to finance approximately \$120 million of the new money projects and refinance the taxable bank loan, and that the other fixed rate, tax-exempt series is expected to be used to refund the Series 2010 bonds. He noted that the Series 2010 refunding bonds are expected to have a forward delivery, whereby the bonds are expected to price in September and close on or after April 3, 2020 when the issue qualifies as a current refunding. Mr. Kosier stated that the proceeds of the Series 2019 fixed rate, taxable bonds are expected to be used to refund the Series 2012 bonds.

Mr. Kosier reported that the Bonds to be sold publicly have been rated A1 by Moody’s. He informed the Members that the TEFRA Hearing was held on August 30 and that the SEQR review has been completed. Mr. Kosier stated that the original transaction was approved by PACB on June 19, and that PACB approval of the increased amount to accommodate the refunding of the Series 2012 Bonds is expected at this afternoon’s PACB meeting.

Ms. Cahill further described the transaction and presented the financing documents. She stated that before the Members for their consideration is a new General Resolution and four Series Resolutions authorizing the issuance of up to \$375 million of Rochester Institute of Technology (“RIT”) Revenue Bonds. She further stated that the General Resolution is a new resolution and

the four series of bonds issued under the new Series Resolutions will be the first bonds issued thereunder.

Ms. Cahill stated that DASNY has previously issued bonds on behalf of RIT under separate General Resolutions. She explained that RIT has requested the adoption of a new General Resolution so that the principal payment date for each Series of Bonds may be determined in a Series Resolution or Bond Series Certificate. Ms. Cahill noted that the previous General Resolutions adopted by DASNY required all principal payments to be made on July 1.

Ms. Cahill informed the Members that the General Resolution authorizes DASNY to issue multiple series of bonds to finance or refinance capital projects undertaken by RIT. She stated that DASNY will loan the proceeds of each bond issue to RIT and enter into one or more loan agreements with the Institution in connection with the issuance of one or more Series of Bonds. Ms. Cahill further stated that each Series of Bonds is separately secured by the revenues pledged to such Series of Bonds, by the funds and accounts established for such Series of Bonds, and by any other security pledged for the payment of principal and interest on such Series of Bonds as set forth in the Bond Series Certificate or Series Resolution.

Ms. Marous stated that the Bonds will finance or refinance RIT's capital projects, refund all or a portion of DASNY's Series 2010 and Series 2012 Bonds, the Institution's outstanding taxable line of credit and pay the costs of issuance. She further stated that the Series 2019A and Series 2020A Bonds are expected to be issued as tax-exempt, unenhanced, fixed rate Bonds. Ms. Marous further stated that the Series 2019B Bonds are expected to be issued as taxable, unenhanced, fixed rate Bonds and will advance refund the Series 2012 Refunded Bonds. Ms. Marous indicated that the Series 2019C Bonds are expected to be issued as tax-exempt, unenhanced, variable rate drawdown Bonds and will be privately placed with M&T Bank or its affiliate. She informed the Members that the Series 2020A Bonds are expected to be issued as forward delivery Bonds and will refund the Series 2010 Refunded Bonds at their earliest redemption date in 2020.

Ms. Marous 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. She further stated that payment of each series of Bonds is secured by the pledge and assignment made by the General Resolution of the applicable Revenues and the moneys and investments held in the funds and accounts established by the General Resolution and each applicable Series Resolution.

Ms. Cahill stated that in accordance with DASNY's Financing Guidelines for Independent Institutions, the Series 2019C Resolution contains restrictions on the beneficial ownership and transfer of the Series 2019C Bonds, such that ownership of the Series 2019C Bonds is limited to "Qualified Institutional Buyers." She further stated that the Series 2019C Bonds are proposed to be sold privately to M&T Bank or its affiliate, and that these entities qualify as QIBs. Ms. Cahill informed the Members that the Series 2019C Bonds are expected to be issued as drawdown bonds, and the Purchaser is expected to make an advance of the initial installment of the purchase price of the Series 2019C Bonds on the date of issuance of the Series 2019C Bonds.

Ms. Marous stated that the Series Resolutions delegate to various officers the power, among others, to set the terms of the Bonds and establish funds and accounts to be maintained by the Trustee. She further stated that the Series Resolutions also authorize the preparation, execution and delivery, as appropriate, of customary documents. Ms. Marous informed the Members that the Series 2019A Bonds, the Series 2019B Bonds and the Series 2020A Bonds are expected to be sold on a negotiated basis to RBC Capital Markets pursuant to a Bond Purchase Agreement in customary form. She stated that the Series 2019C Bonds are expected to be sold to M&T in a private sale pursuant to a Bond Placement Agreement in customary form.

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

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK OF ITS ROCHESTER INSTITUTE OF TECHNOLOGY 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 2019A RESOLUTION AUTHORIZING UP TO \$375,000,000 ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS, SERIES 2019A; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019B RESOLUTION AUTHORIZING UP TO \$375,000,000 ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS, SERIES 2019B; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2019C RESOLUTION AUTHORIZING UP TO \$375,000,000 ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS, SERIES 2019C; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020A RESOLUTION AUTHORIZING UP TO \$375,000,000 ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS, SERIES 2020A

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

Personal Income Tax Revenue Bond Program

The President introduced Eileen Heitzler, Esq., of Orrick Herrington & Sutcliffe, LLP and Natalia Pearson-Farrer, Esq. of Golden Holley James, LLP, co-bond counsel on the transaction, and Mr. Bergin.

Mr. Bergin stated that the Members are being asked to adopt a resolution authorizing the issuance of a series of tax-exempt, variable rate refunding bonds in an amount not to exceed \$85 million. He further stated that the final maturity of the refunding bonds will not extend past March 15, 2033, the final maturity date of the refunded bonds. Mr. Bergin informed the Members that the Bonds will be sold on a negotiated basis under the Personal Income Tax Revenue Bond Program.

Mr. Bergin explained that the proceeds of the Series 2019 Bonds will be used to refund the New York State Housing Finance Agency State Personal Income Tax Revenue Bonds (Economic Development and Housing) 2005 Series C bonds (the "HFA Bonds"). He stated that the HFA bonds were issued as variable rate demand bonds and JP Morgan Chase Bank has provided a Standby Bond Purchase Agreement whereby the Bank agreed to purchase HFA Bonds tendered or deemed tendered for purchase and not remarketed.

Mr. Bergin stated that at the time of issuance, HFA entered into a synthetic fixed rate swap with J.P. Morgan Chase Bank that matures March 15, 2033, which corresponds to the final maturity date of the HFA Bonds. He further stated that the Division of Budget has requested that DASNY refund the HFA Bonds with variable rate demand bonds and undertake the corresponding synthetic fixed rate swap with J.P. Morgan Chase Bank to DASNY in order to streamline the State's debt portfolio. Mr. Bergin explained that the Division of the Budget has recently automated the debt service process as part of upgrades to the State Financial System and that fewer authorities participate, which makes the process more efficient. He further explained that after this transaction is completed, DASNY and ESD will have the majority of the State's variable rate debt in their portfolios, which aligns with the State's debt issuance approach of having DASNY and ESD as their two primary issuers. He informed the Members that with the exception of pricing, all terms of the existing HFA Bonds remain the same, except that DASNY will now be the issuer. Mr. Bergin noted that there are no savings attributable to the refunding.

Mr. Bergin stated that under the Personal Income Tax Revenue Bond Program, debt service on the Bonds will be paid by semi-annual payments made pursuant to the Financing Agreement between DASNY and the State. He explained that the Bonds will be secured by a set aside of 50% of personal income tax revenues collected pursuant to statute and 50% of the receipts of the employer compensation expense tax, with both taxes deposited in the Revenue Bond Tax Fund. Mr. Bergin stated that current debt service coverage on all outstanding State Personal Income Tax bonds is 6.4 times. He explained that with respect to the swap, DASNY, on behalf of the State, assumes and pays a fixed swap rate of 3.3355% and receives 65% of LIBOR from JP Morgan Chase as counterparty and then DASNY, on behalf of the State, makes the variable rate bond payment. Mr. Bergin noted that a revised transaction summary was provided to the Members to reflect the elimination of the Bond Issuance Charge.

Ms. Heitzler further described the transaction and presented the financing documents. She stated that the PIT Bonds will be issued by DASNY under its General Purpose General Bond Resolution and related Supplemental Resolutions authorizing each series of bonds. She further stated that the authorized purposes for which PIT Bonds may be issued include any of the purposes for which DASNY may issue State-supported debt, including refunding debt. Ms. Heitzler explained that the Members are being asked to authorize the issuance of PIT Bonds to refund Bonds issued by the New York State Housing Finance Agency. She summarized that the HFA Bonds will be shifted to DASNY by an assignment known as a novation, and will be variable rate bonds with a Standby Bond Purchase Agreement from JP Morgan Chase Bank and have a corresponding synthetic fixed rate interest rate exchange agreement between DASNY and the Bank. Ms. Heitzler stated that DASNY is authorized to enter into interest rate exchange agreements pursuant to Article 5-D of the State Finance Law. She further stated that the

Supplemental Resolution authorizes the novation of the HFA swap and authorizes Authorized Officers to enter the agreements relating to the novation of the swap,

Ms. Pearson-Farrer further described the documents before the Members for adoption. She explained that pursuant to Article 5-C of the New York State Finance Law, DASNY is authorized to issue PIT Bonds to finance or refinance certain authorized purposes through the issuance of State-supported debt. Ms. Pearson-Farrer informed the Members that the General Purpose PIT Bond Resolution, which was adopted in 2009, allows DASNY to issue PIT Bonds pursuant to supplemental resolutions adopted by DASNY to finance or refinance any authorized purpose.

Ms. Pearson-Farrer stated that the PIT Supplemental Resolution 2019-2, currently before the Members for consideration, authorizes DASNY to issue the 2019-2 PIT Bonds in one or more series or subseries, at one or more times, in an aggregate principal amount not to exceed \$85 million. She further stated that although it is anticipated that all the Bonds will be issued as variable rate demand bonds, all or a portion of the Bonds also may be issued as fixed rate bonds, convertible bonds, capital appreciation bonds and/or deferred income bonds. Ms. Pearson-Farrer informed the Members that the 2019-2 PIT Bonds may be sold at public or private sale, on a negotiated basis or through competitive bidding.

Ms. Pearson-Farrer stated that the PIT Supplemental Resolution 2019-2 delegates to various officers of DASNY the power to determine the terms of the 2019-2 PIT Bonds, including but not limited to the following: the principal amount of the 2019-2 PIT Bonds, provided that the aggregate principal amount does not exceed \$85 million; the principal amount of 2019-2 PIT Bonds to be issued as Tax-Exempt Bonds and the principal amount to be issued as Taxable Bonds, if any; the date or dates on which the bonds will mature, provided that the final maturity of the 2019-2 PIT Bonds will not be later than March 15, 2033; whether the bonds will bear interest at fixed or variable rates and the rate or rates at which the bonds will bear interest, provided that the true interest cost of any 2019-2 PIT Bonds issued as fixed rate bonds, and the initial interest rate of any 2019-2 PIT Bonds issued as variable rate bonds, may not exceed 7.5% if issued as Tax-Exempt Bonds and 10.0% if issued as Taxable Bonds. She noted that the Bonds are currently expected to be issued as variable rate bonds. Ms. Pearson-Farrer explained that various authorized officers of DASNY may also determine whether the bonds are sold at public or private sale, on a negotiated basis or through competitive bidding; the underwriter or underwriters for the 2019-2 PIT Bonds, if sold on a negotiated basis; the purchase price to be paid by the underwriters of the 2019-2 PIT Bonds, if sold on a negotiated basis, provided that it is not less than 90% of the principal amount of 2019-2 PIT Bonds issued; the redemption provisions of the 2019-2 PIT Bonds, including the redemption dates and prices, subject to certain conditions outlined in PIT Supplemental Resolution 2019-2; and the provisions relating to any Credit Facilities to be entered into in connection with the 2019-2 PIT Bonds.

Ms. Pearson-Farrer informed the Members that the PIT Supplemental Resolution 2019-2 also authorizes various officers of DASNY to prepare, execute and deliver all documents necessary, convenient or desirable in connection with the sale and issuance of the 2019-2 PIT Bonds, the refunding of the Refunded Bonds, and the novation of the interest rate exchange agreement from HFA to DASNY, including but not limited to the following: Preliminary Official Statements; final Official Statements; Bond Purchase Agreements; agreements to provide

continuing secondary market disclosure to ensure that the underwriters can comply with SEC Rule 15c2-12; agreements providing for credit enhancement and liquidity with respect to the 2019-2 PIT Bonds; agreements with respect to the determination of the variable rate and the remarketing of tendered bonds; and agreements relating to the interest rate exchange agreement novation and any other necessary documents.

Ms. Pearson-Farrer stated that DASNY has entered into a PIT Financing Agreement with the Director of the Division of the Budget to provide for the payment by the State of New York of debt service on all PIT Bonds. She noted that the PIT Financing Agreement obligates the State to make payments at times and in amounts sufficient to pay when due the principal, interest and sinking fund installments related to all outstanding PIT Bonds, as well as to make payments on related interest rate exchange agreements and payments with respect to any PIT Bonds purchased by JP Morgan Chase Bank under the Standby Bond Purchase Agreement. She further noted that all PIT Bonds issued are special obligations of DASNY secured by payments to be received by DASNY under the PIT Financing Agreement. Ms. Pearson-Farrer explained that these payments are derived from and are payable to the extent of amounts available in the Revenue Bond Tax Fund established by Section 92-z of Article 6 of the New York State Finance Law. She further explained that as a result of certain changes made in 2018, the Revenue Bond Tax Fund receives a statutorily allocated 50% of the State's PIT receipts and a statutorily allocated 50% of the State's Employer Compensation Expense Program receipts. Ms. Pearson-Farrer stated that the PIT Financing Agreement provides that the State's obligations to make the payments on PIT Bonds are subject to annual appropriation by the State Legislature of money for such purpose. She indicated that under PIT Supplemental Resolution 2019-2, DASNY will execute a supplement to the PIT Financing Agreement related to the issuance of the 2019-2 PIT Bonds, the debt service on the 2019-2 PIT Bonds and payments under any related interest rate exchange agreement.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL
RESOLUTION 2019-2 AUTHORIZING STATE PERSONAL INCOME TAX REVENUE
BONDS (GENERAL PURPOSE)

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

Memorial Sloan Kettering Cancer Center

The President introduced Eileen Heitzler, Esq., of Orrick Herrington & Sutcliffe, LLP and Gabriel Marous, Esq. of the Marous Law Group, co-bond counsel on the transaction, and Mr. Bergin.

Mr. Bergin stated that before the Members for their consideration is the adoption of a resolution authorizing the issuance of bonds in an amount not to exceed \$345,000,000 on behalf of the Memorial Sloan Kettering Cancer Center, located in Manhattan. Mr. Bergin further stated that the term of the bonds will not exceed 30 years.

Mr. Bergin stated that the proceeds of the bonds will be used to finance a portion of the construction of the David H. Koch Center for Cancer Care located at East 74th Street. He further stated that the 760,000 square foot building will include clinical space for multiple oncology services, infusion rooms for standard chemotherapy, various consultative services, a radiation oncology program, a diagnostic imaging program, an interventional radiology program, various clinical support services, a conference center and various administrative offices. Mr. Bergin informed the Members that upon full occupancy, the ambulatory care facility will accommodate over 1,300 patients, 2,600 visitors and 1,600 staff per day. He stated that the proceeds of the bonds will also be used to purchase equipment at various locations including the new ambulatory care center, the Memorial Hospital for Cancer and Allied Diseases and for facilities located at 417 East 68th Street and 430 East 67th Street.

Mr. Bergin stated that the bonds will be a general obligation of the Center Corporation with guarantees from Sloan-Kettering Institute for Cancer Research and S.K.I. Realty Inc. He noted that the bonds are expected to be rated Aa3/AA-/AA.

Mr. Bergin informed the Committee Members that MSK is a multi-billion dollar corporation with over \$10.6 billion in total assets and nearly \$4.2 billion in total liabilities, resulting in over \$6.4 billion in total net assets. He stated that through June 30, 2019, MSK recorded an operating gain of \$161.7 million on approximately \$2.67 billion of total operating revenues. Mr. Bergin reported that outpatient visits have increased due to a transition in the delivery of cancer care to the outpatient setting and the expansion of the Hospital's regional network of outpatient sites. He noted that this expansion has been a major contributor to the growth in outpatient visits.

Mr. Bergin reported that MSK would like to issue a portion of the bonds competitively on a web-enabled auction platform through their Financial Advisor's portal. He explained that the underwriting syndicate will bid on the transaction and the lowest TIC will win the bid.

Ms. Heitzler further described the transaction and presented the financing documents. She stated that the proceeds of the Bonds will be used to finance all or a portion of MSK's new ambulatory care center and equipment for that center and for the main hospital. Ms. Heitzler further stated that the Bonds will be issued under the General Resolution adopted by DASNY in 2003, and that several other series of bonds have been issued and are outstanding under this General Resolution. She noted DASNY also adopted a different General Resolution authorizing the issuance of bonds on behalf of MSK in 2001, and that one series of bonds is outstanding under the 2001 General Resolution. Ms. Heitzler informed the Members that it is expected that the Bonds will be fixed rate bonds until maturity, in term rate mode that will allow for mandatory tender when the Bonds are subject to redemption. She noted that the Board is being asked to adopt two Series Resolutions in order to provide flexibility to issue a taxable series of bonds; a series of bonds in a different mode; to allow for a competitive bid; or to enable a series to be offered separately, if advantageous.

Ms. Heitzler stated that the proceeds of the Bonds will be loaned to the Cancer Center pursuant to the 2003 loan agreement. Ms. Heitzler further stated that the Loan Agreement provides that the obligation to make loan repayments and other payments are general obligations of the Cancer Center and will be secured by guarantees by Sloan-Kettering Institute for Cancer Research

and S.K.I. Realty Inc., two not-for-profit corporations affiliated with MSK. In addition, she stated that Memorial Hospital executed an Inducement Agreement pursuant to which it agrees to be bound by the provisions of the Loan Agreement.

Ms. Heitzler stated that the Loan Agreement, the guarantees and the Inducement Agreement are unsecured obligations of the applicable parties. She further stated that upon the occurrence of a triggering funding event, certain collateral is required to be provided by the various entities for the joint benefit of bonds issued under the 2003 Resolution, bonds issued under the 2001 Resolution, and a taxable bond indenture and an indenture relating to bonds issued by a New Jersey entity. Ms. Heitzler stated that the actions of the trustees or holders of the various bonds are governed by an intercreditor agreement and that the shared collateral includes mortgages on all property other than MSKCC's Research Center, and a pledge of gross operating revenues of related entities other than the Hospital. She noted that the documents provide for a springing lien on the research property solely for the benefit of the holders of bonds issued under the 2003 Resolution.

Ms. Heitzler stated that proposed amendments to the Loan Agreement would eliminate the springing lien on the Research Property for the 2003 Bonds in order to homogenize the security package among the various entities. She noted that the outstanding bonds issued under the 2001 Resolution will continue to have a separate springing lien on certain Hospital revenues. Ms. Heitzler stated that other amendments to the Loan Agreement align certain provisions of the Agreement with current DASNY policy and more recent Loan Agreements. She noted that the amendments to the Loan Agreement would become effective either after all currently outstanding bonds issued under the 2003 General Resolution have been paid or defeased or when the requisite consents are obtained. Ms. Heitzler noted that corresponding changes will be made to the General Resolution as well.

Mr. Marous stated that the proceeds of the Bonds would finance all or a portion of the costs of the construction of MSKCC's ambulatory care center and the purchase of major medical equipment for the ambulatory center, the Hospital and related attendant facilities. He further stated that the proposed series resolutions, individually and in the aggregate, authorize the issuance of up to \$345 million of authorized bonds to be issued under the Memorial Sloan-Kettering Cancer Center Revenue Bond Resolution adopted in 2003.

Mr. Marous informed the Members noted that the General Resolution authorizes DASNY to issue multiple series of bonds, in an unlimited amount, to finance or refinance the costs of one or more projects. He stated that the Members are being asked to adopt two Series Resolutions. He explained that each Series Resolution authorizes bonds to be offered to the public through a negotiated and/or competitive sale to the underwriters or a direct sale to one or more investors in a private placement on terms negotiated directly with the purchasers. Mr. Marous stated that a portion of the bonds is expected to be sold through a competitive auction process with a small group of bidders. Mr. Marous explained that the bidding process will be conducted by Melio & Company through its on-line auction platform and that the remaining bonds would then be sold through a negotiated sale.

Mr. Marous stated that each Series Resolution authorizes the Bonds to be issued as fixed rate or variable rate, tax-exempt or taxable bonds, with or without credit enhancement. He further

stated that it is currently expected that the bonds will be issued in one series of federally tax-exempt variable rate bonds, in term rate mode to maturity. Mr. Marous informed the Members that each Series Resolution delegates to various officers of DASNY the power to determine the terms of the Bonds and to prepare, execute and deliver all related documents, including but not limited to preliminary and final official statements, bond purchase agreements and notices of sale.

In response to a question from Mr. Ronski, Mr. Bergin reported that the Cancer Center is nearly complete and that the floors will be opening on a staged basis this fall. Mr. Bergin stated that full occupancy is anticipated in the first quarter of 2020.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK MEMORIAL SLOAN-KETTERING CANCER CENTER 2019 SERIES 1 RESOLUTION AUTHORIZING UP TO \$345,000,000 2019 SERIES 1 BONDS; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK MEMORIAL SLOAN-KETTERING CANCER CENTER 2019 SERIES 2 RESOLUTION AUTHORIZING UP TO \$345,000,000 2019 SERIES 2 BONDS; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL AND AMENDATORY RESOLUTION TO THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK MEMORIAL SLOAN-KETTERING CANCER CENTER REVENUE BOND RESOLUTION ADOPTED ON FEBRUARY 26, 2003

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

President's Report

The President thanked the Members for their warm wishes and support. He stated that he was very moved by the Chair's poignant words at the start of the meeting. The President then reflected on the accomplishments that have been realized during his tenure at DASNY and stated that these successes are the result of effective collaboration and leadership from the Board Members. The President stated that he has prepared several documents that reflect these accomplishments.

The President informed the Members that DASNY's 2019 Annual Report summarizes the organization's significant accomplishments over the past fiscal year. He stated that the document illustrates how internal improvements are adding value to DASNY's partnerships in both the construction and finance areas and, more importantly, how these areas are interlinked. The President further stated that he has provided an Accomplishments Document which highlights some of the initiatives and process changes that have been instituted over the course of his leadership. He informed the Members that Mr. Petroff has worked behind the scenes to synthesize the ideas of many different individuals and communicate those ideas in written form. The Board Chair introduced Mr. Petroff to the Members. The President stated that Mr. Petroff is a strong and creative collaborator.

The President stated that the improvements made over the past few years touch upon every aspect of the organization and enable DASNY to better serve its clients and advance its mission. The President requested that the document entitled “Advancing One DASNY and Strengthening our Partnerships” be included in the corporate record together with the meeting minutes, as it is a holistic reflection of the challenges, opportunities, and commitment that DASNY has undertaken over the past several years.

The President stated that it has been an honor and a privilege to serve DASNY and the people of the State of New York as President and CEO for the past four and a half years. He expressed appreciation to Governor Cuomo, who, at the time of his appointment, congratulated him on leaving a successful career to give back to the people of the State of New York by entering public service. He stated that he is grateful to have been provided with the opportunity to help build a mission-driven Public Benefit Corporation focused on efficiency, growth, and impact.

The President informed the Members that much has been accomplished by continually asking new questions about how to improve, while at the same time respecting the history and legacy of the organization. He recalled that at his first meeting with the Members, he communicated that he would work with them to improve the organization, which was already one of the biggest and strongest competitors in the finance and construction arenas and should insist on value added services from its partners. The President stated that DASNY has access to intellectual capital in the form of its staff and State partners, and as a result, the State has a great deal of trust in the organization.

The President reminded the Members that during his tenure, DASNY has twice been named the top municipal debt issuer in the nation. He stated that the organization’s construction portfolio is currently valued at nearly \$7 billion. The President further stated that the One DASNY initiative has charted the future course of the organization by making significant changes in many areas so that clients are at the center of DASNY’s mission. He informed the Members that he wants DASNY to be known as a valuable partner that responds swiftly and expertly to the increasingly varied and rapidly changing needs of its client base.

The President informed the Members that DASNY is a wonderful organization, and that he feels fortunate to have worked with such a talented group of individuals. He noted that during his time as President, he has come to know almost everyone in the organization and has tried to be accessible to all. The President expressed his appreciation to the entire DASNY staff and stated that they are among the most dedicated public servants in the State. He noted that his success is largely the result of DASNY staff and leaders collaborating to achieve a common goal despite having differing viewpoints on a range of issues.

The President expressed his appreciation to DASNY’s Executive Leadership team. He stated that Ms. Lee’s leadership was instrumental to DASNY becoming the top issuer in the nation twice during his tenure. The President thanked Ms. Lee for her efforts to make private client financings more efficient. He stated that her work in connection with revisions to the financing documents was central to creating efficiencies, managing risk, and increasing the competitiveness of the organization. The President further stated that the outreach efforts undertaken by Ms. Lee

and her staff have resulted in the recapture of former DASNY clients who had pursued financing opportunities with other debt issuers. He noted that such clients include RIT and the Catholic Health System. The President further noted that DASNY successfully structured a \$685 billion hybrid taxable and tax-exempt financing for Montefiore Medical Center, a former DASNY client that returned to DASNY for its financing needs. He informed the Members that Ms. Lee was also instrumental in establishing and managing the DASNY Diversity Fellowship. The President stated that this is a very important program and that he will remain committed to its success even after leaving the organization. He introduced Ms. Carrasco and Mr. Sardine, the second class of Diversity Fellows. He noted that following her six-month tenure with DASNY, Ms. Carrasco will work with the Jeffries and Mr. Sardine will complete his internship with Siebert Cisneros Shank & Co., LLC. The President also thanked Mr. Bergin for his role in mentoring the diversity fellows.

The President thanked Mr. Curro and informed the Members that Mr. Curro had taught him a great deal about the construction industry. He stated that through Mr. Curro, he had learned that construction is more than “bricks and mortar”; it is a people business. The President further stated that as a result of Mr. Curro’s efforts, DASNY was able to advance alternative delivery methods including design-build and construction manager at risk, among others. He further stated that the utilization of these delivery methods has provided the organization with many opportunities. The President noted that the design-build delivery method has been utilized for SUNY, which is an important client to DASNY and is important to the people of the State of New York because of its mission to provide an affordable and accessible source of education to New Yorkers. He informed the Members that Mr. Curro played an important role in the construction of the 263-bed Eagle Hall Dormitory at SUNY Brockport in 2018, and that the success of this design-build project paved the way for additional design-build projects including the upcoming 257-bed dormitory for SUNY Polytechnic Institute in Utica. The President stated that DASNY was recently awarded a \$350 million contract to build the Mid-Hudson Psychiatric Hospital through OMH. He further stated that DASNY staff from all divisions collaborated to make this award happen. The President noted that this is an important project for the State and for DASNY.

The President informed the Members that DASNY has recently secured more than 20 new interior design projects at SUNY community colleges state wide. The President stated that CUNY is now relying on DASNY more than ever, and that DASNY is currently managing more than 350 active CUNY projects valued in excess of \$1.7 billion. He reported that DASNY has expanded the number of staff members focused on the CUNY projects. The President underscored the importance of DASNY’s relationship with CUNY. He stated that in addition to these important initiatives, DASNY has expanded its relationships with OASAS and OPWDD through an increased role in the community minor maintenance program. He thanked Mr. Curro for his leadership.

The President stated that he is grateful to Mr. Cusack for his collaboration and support. He informed the Members that Mr. Cusack understands not only DASNY’s business, but that of DASNY’s clients and the communities they serve. The President reflected that when he joined DASNY, he asked Mr. Cusack to be a Counselor and partner in order to help other business units grow their franchise. He stated that Mr. Cusack helped to redefine DASNY’s organizational mission. The President thanked Mr. Cusack for his work retaining outside counsel when necessary

to help achieve business goals. He noted that Mr. Cusack's work with Squire Patton Boggs LLP was critical to the One DASNY initiative. The President informed the Members that Mr. Cusack helped others to understand the right questions to ask, as well as the empirical basis behind certain decisions. He noted that Mr. Cusack played an important role in this regard, as well as participating in revisions to standard documents and procedures as needed to better align DASNY's operative documents with market demand and make DASNY more responsive to its clients.

The President thanked Ms. Nadeau for her efforts to put improved technology at the forefront of DASNY operations and better positioning DASNY to serve its clients. He stated that Ms. Nadeau's accomplishments include instituting payables for vendors and the implementation of current software for all employees, including Office 365. The President further stated that Ms. Nadeau spent a great deal of time working on the LEAN process and helped brainstorm ways to manage risk.

The President informed the Members that Ms. Griffin has been a valued confidante, advocate and partner across all lines of DASNY business. He praised her ability to motivate others, listen to all viewpoints, and assemble the resources needed to accomplish necessary tasks and projects across many program areas. The President stated that through her commitment and ability to work with everyone, Ms. Griffin helped to bring a number of policies and projects to fruition. He thanked her for her support and noted that her job is not an easy one.

The President thanked Michael Clay, Senior Director of Opportunity Programs for his efforts to advance the State's diversity and inclusion goals. He stated that Mr. Clay helped to establish the surety bond program for MWBE firms and expand Article 15-A of the Executive Law. He further stated that DASNY's success in merging the Procurement and Opportunity Program departments three years ago serves as a model to other organizations in terms of how they view resource acquisition. The President informed the Members that he looks forward to continued collaboration between Mr. Clay and Matthew Moore, Director of Procurement. He noted that Mr. Moore was previously in Counsel's Office and has a number of good ideas to implement.

The President thanked Recinda Robinson and Miriam Borrero, Executive Assistants, for their help in keeping both offices running smoothly on a regular basis. He stated that he appreciates their efforts.

The President thanked the Board Chair and the Members for their support and leadership. He stated that they faced difficult challenges together. The President expressed his appreciation to the Board Chair for his patience and his ability to work with him through difficult situations. He stated that despite their differences, together they accomplished many good things and greatly appreciates their partnership. The President admired the Board Chair's sense of humor as a defining characteristic and stated that it helped personalize their working relationship. He stated that the Board Chair helped him to better understand and implement his role at DASNY. The President acknowledged with appreciation the support and leadership of the Board Chair. He thanked all of the Board Members and acknowledged that they volunteer and efforts to DASNY and the people of the State.

The President thanked Vice President Michael Corrigan for his 25 years of service to DASNY. He informed the Members that Mr. Corrigan quietly and capably managed the day to day operations of DASNY for many years. The President stated that DASNY is a multi-faceted organization and that this is a challenging task. He further stated that Mr. Corrigan was able to communicate with everyone, and always seemed to know the right answer to any question raised by others. He reflected that when he first met Mr. Corrigan, Mr. Corrigan pledged his support to help the President accomplish his goals and initiatives. He stated that Mr. Corrigan exudes professionalism and excellence in all he does. The President expressed his appreciation to Mr. Corrigan and stated that his ability to bring the right DASNY personnel together with the proper resources was the key to many ideas becoming reality.

The President then asked the Chair to officially present the resolution to the Members recognizing the contributions and service of Michael T. Corrigan, Deputy Executive Director and Vice-President, who is retiring in the near future.

The Board Chair presented the Resolution acknowledging with appreciation the service of Michael T. Corrigan, DASNY's Deputy Executive Director and Vice President, who started working at DASNY in 1995 as the organization's first Budget Director. He directed the Members' attention to the Resolution acknowledging Mr. Corrigan's service and read portions of the Resolution aloud. The Chair stated that in his nearly 25 years of service, Mr. Corrigan held four positions of increasing responsibility and served under six of DASNY's 11 Executive Directors/Presidents and three Board Chairs in DASNY's 75-year history. He recited that in addition to guiding DASNY through several corporate restructurings, Mr. Corrigan has been primarily responsible for overseeing the day-to-day operations of the organization for many years and that during that time, has been a critical resource to DASNY's Executive Leadership and staff on a wide range of policy and operational issues due to his calm demeanor, unparalleled problem-solving skills and ability to analyze situations from various viewpoints. The Chair further recited that Mr. Corrigan has fostered strong and valuable relationships with many other State entities, including the Division of the Budget, and these entities have depended upon his depth of knowledge and sage advice to help develop initiatives to best serve the citizens of the State of New York.

The Chair informed that Members that during Mr. Corrigan's tenure, DASNY has delivered upon its mission of expanding access to capital by issuing more than \$122 billion of tax-exempt and taxable bonds and paying out more than \$19 billion of construction expenditures on behalf of its clients. The Chair explained that under Mr. Corrigan's guidance and leadership, DASNY has designed, constructed, renovated and delivered many projects, some of which are set forth in the Resolution before the Board and also oversaw the implementation by DASNY of several new financing programs, including the School Districts Revenue Bond Financing Program, the New York State Personal Income Tax Revenue Bond Program, the New York State Sales Tax Revenue Bond Program, the new SUNY Dormitory Facilities Revenue Bond Program, and several others. The Chair summarized that for nearly a quarter of a century, Mr. Corrigan has been a trusted advisor and an invaluable resource to DASNY's Board, Executive Leadership and staff, all of whom have depended on his insight, advice, opinion and judgment on a wide range of issues impacting DASNY employees, clients, bondholders and the State of New York. On behalf of the Board, he sincerely thanked Mr. Corrigan and wished him success in his future endeavors.

The Chair stated that Mr. Corrigan has been very helpful to him during his tenure as Chair. He explained that Mr. Corrigan spent a great deal of time with him when he first arrived at DASNY in order to familiarize him with the organization and help him acclimate to his role as Chair. He stated that he is personally grateful for Mr. Corrigan's efforts in this regard. The Members expressed their thanks to Mr. Corrigan as well. Mr. Corrigan thanked the Board Chair and the Members for their kind words.

The Board Chair asked for approval of the following entitled Resolution by Acclamation:

A RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK ("DASNY") ACKNOWLEDGING WITH APPRECIATION THE SERVICE OF MICHAEL T. CORRIGAN

The Board Members unanimously consented and the Resolution was adopted.

The President informed the Members that he is recommending the appointment of Paul G. Koopman as Deputy Executive Director and Vice President. He thanked Mr. Koopman for his service to date, including nearly 30 years in senior roles at DASNY and 35 years of public service. The President stated that Mr. Koopman has been involved with many important DASNY initiatives during his tenure, including collaborating with EY in his role as the project executive in connection with One DASNY. He further stated that Mr. Koopman took the lead on keeping clients apprised of the changes made as a result of One DASNY, as well as insuring that they were offered the full complement of services offered by DASNY. The President informed the Members that Mr. Koopman has been involved with many other important projects and programs as well, including the use of ESCOs; the successful design-build project at SUNY Brockport; and is a driving force in the upcoming \$750 million life sciences laboratory project that DASNY is undertaking in collaboration with the New York State Department of Health to be located in Albany.

The President stated that Mr. Koopman has been the primary relationship manager for some of DASNY's largest clients including SUNY and CUNY, and has worked to create opportunities for private public partnerships. He informed the Members that Mr. Koopman is a change agent, and has headed the Enterprise Risk Management team, focusing on a continuous improvement process in order to offer and deliver DASNY's full complement of services to clients with speed and efficiency.

The President observed that although one can never fully replace his or her predecessor, Mr. Koopman will bring a different set of skills, tenure and experience to the position of Vice President and will be able to fulfill the responsibilities of the position right away. The President noted that he has worked with Mr. Koopman on every major DASNY initiative that has been undertaken during his tenure. He stated that Mr. Koopman is a well-known and highly respected leader internally and externally, is a great collaborator and is regarded as a team player who understands how to work inside and outside DASNY. The President noted that he has learned a great deal from Mr. Koopman.

The President stated that he will make himself accessible to DASNY leadership during the transition as the former DASNY President did for him. He noted that Mr. Corrigan has agreed to an extension of his DASNY service for a short period of time to help with the transition. The President then presented the Resolution to the Members appointing Paul G. Koopman to the position of Deputy Executive Director and Vice-President effective September 27, 2019.

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

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) PROVIDING FOR THE APPOINTMENT OF A DEPUTY EXECUTIVE DIRECTOR AND VICE PRESIDENT

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

Mr. Koopman thanked the Members.

The President then asked Ms. Lee to give the Market Update.

Public Finance and Portfolio Monitoring Report

Ms. Lee informed the Members that the Cornell transaction was priced yesterday, and will be reflected in next month's written report. Ms. Lee then provided a brief market update. She stated that the total new issue supply is currently about \$248.2 billion year-to-date, which is 7.5% higher than the supply levels seen at this time last year, and that the total supply for the week is expected to be heavy at about \$10 billion. Ms. Lee further stated that U.S. treasury prices declined on Tuesday as reports of progress on US-China trade weighed on bond markets. She noted that the top-rated municipal bonds were also weaker across the curve. Ms. Lee further noted that the 10-year AAA MMD was up by four basis points and the 30-year AAA MMD had increased by six basis points from the previous day. She reported that municipal bond funds reported inflows of \$820 million for the week ending September 4, and have now reported 35 consecutive weeks of inflows to municipal bond funds. Ms. Lee informed the Members that the current one, ten and 30-year AAA MMD are 1.10%; 1.36%; and 1.97%, respectively, which is a decrease of 4, 22 and 32 basis points, respectively, since the July Board Meeting. She stated that the current rates for 10- and 30-year Treasuries are 1.72% and 2.19%, respectively.

Ms. Lee updated the Members on One DASNY Outreach efforts. She reported that DASNY met with NYU yesterday to introduce the construction staff and provide an update on DASNY's continued process improvements. She explained that efficiencies made with respect to day to day matters such as the requisitioning process are very much appreciated by NYU and other DASNY clients. Ms. Lee noted that numerous clients have expressed their appreciation for such changes, which save them valuable time.

Ms. Lee reported that staff is currently reviewing materials received in response to the Request for Proposals issued for Underwriters.

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 recently completed Bronx Family and Criminal Courthouse Renovation project. He noted that the sixth-floor renovation was in addition to a \$56 million renovation project at the facility completed by DASNY in 2017.

Mr. Curro stated that the scope of the \$4.4 million project included the complete interior gut renovation of the sixth-floor administrative child services office space including abatement, demolition, new construction of office space, conference rooms, and kitchenette with new lighting, mechanical systems, and fire-life safety systems. He further stated that DASNY procured \$1 million of furniture, fixtures and equipment in connection with the project, including furnishings for 78 work stations.

Mr. Curro reported that project design commenced in July 2016 and construction was completed in May 2019. He informed the Members that challenges included undertaking the work in a fully-occupied space for the entire duration of the project. Mr. Curro stated that workers undertook disruptive tasks and deliveries between 7 p.m. and 7 a.m.

Mr. Curro informed the Members that four new projects have been added to DASNY's portfolio. He stated that the projects include a \$9.7 million boiler/chiller configuration project at LaGuardia Community College; energy upgrades totaling \$12.8 million at Queens College's Razran Hall; a \$6 million Big Haus / Crossroads renovation project at SUNY Purchase; and the development of a statewide master plan for OMH for \$5.4 million. Mr. Curro noted that the total value of the new projects is \$34 million.

Mr. Curro stated that construction expenditures for the prior fiscal year to date were \$216 million and the current fiscal year to date activity is \$246 million, an increase of \$30 million.

Mr. Curro provided an update on several projects and programs. He reported that DASNY completed 31 summer projects at 10 SUNY campuses totaling \$52.3 million, as well as four capital projects at four campuses totaling \$73 million. He noted that these projects were completed in time for fall occupancy. Mr. Curro informed the Members that work began this spring on three new projects that will be completed in 2020: a \$16.6 million renovation of Kent Hall at SUNY Plattsburgh; a \$20 million renovation of Huntington Hall at SUNY Oneonta; and a new \$33.5 million residence hall at SUNY Polytechnic. He stated that two additional projects have winter start dates: a \$30.2 million renovation of the Smith/Casey Towers at SUNY Cortland; and the \$12.5 million renovation of Funnell Hall at SUNY Oswego.

Mr. Curro updated the Members on the Ford Hall project at SUNY Oswego, which is a \$23 million zero net carbon project. He stated that this project is a deep energy retrofit that was expected to be delivered utilizing the design-build method. Mr. Curro reported that DASNY advertised for design-build teams and shortlisted four firms to submit proposals. He stated that two teams dropped out of the process and the proposals from the two remaining teams exceeded the \$21 million budget by more than \$10 million. Mr. Curro stated that DASNY then met with three of the firms to receive feedback on the procurement. He further stated that the firms expressed the following common themes: design-build is not the appropriate delivery method for

this type of project; the energy goals should be more flexible; the liquidated damages were an issue of concern given the nature of the high-risk project; and that the bridging documents should have been performance-based. Mr. Curro informed the Members that DASNY has now decided to retain an architect and deliver the project using the Construction Manager at Risk delivery method.

Mr. Curro stated that with respect to NYCHA, all 78 security projects and 36 of the 40 appliance projects have been completed. He further stated that 19 of the 47 quality of life projects are complete, with 12 in construction and 16 in design or in the procurement process. Mr. Curro reported that of the 43 GOSR projects, three are complete; five are in construction; 15 are in procurement and 20 are in design.

Mr. Curro reported that the South Beach Psychiatric Center project is moving toward the October 4 substantial completion milestone date. He stated that a very heavy workforce continues onsite, varying between 400-500 on weekdays and up to 200 on weekends. Mr. Curro further stated that work includes building finishes, systems commissioning/testing; and exterior site work in addition to punch list/deficiencies being addressed. He noted that the next project executive meeting is scheduled onsite for tomorrow, September 12.

Mr. Curro stated that with respect to the FIT project, 75% re-design documents are due from the architect of record on Friday, September 13. He explained that a two-week design review process will then ensue, including discussions between the design review team and the architect of record and their sub-consultants. Mr. Curro noted that cost estimates for the 75% re-submission are due in early October.

Mr. Curro reported that DASNY is addressing RFI inquiries from the design-build team for the Department of Health Life Sciences Laboratory. He stated that formal proposals are due on November 4. Mr. Curro informed the Members that the procurement process is underway for the Office of Mental Health Mid-Hudson Forensic Laboratory project. He stated that DASNY has shortlisted five designers to submit responses to an RFP and is also procuring a scheduler, estimator and construction manager at risk.

Mr. Curro informed the Members that DASNY has learned that Judy Bergtraum, CUNY Senior Vice Chancellor for Facilities Planning, Construction and Management, will retire from her position in November. He noted that Ms. Bergtraum worked very hard on the relationship between CUNY and DASNY and the colleges we collectively serve. He noted that DASNY is waiting to hear who will replace Ms. Bergtraum.

Mr. Curro stated that DASNY has been asked to participate in the SUNY Residence Life Housing Administrators Conference September 25, which is hosted by the University of Albany. He further stated that he would attend the Conference along with Sandy Daigler, Director of Planning, Design and Quality Assurance; Jodi Smits Anderson, Director of Sustainability Programs, and Mr. Koopman. Mr. Curro explained that the DASNY team will deliver a presentation focusing on green procurement; project procurement cycles; energy service contracting; and project delivery methods.

Mr. Curro stated that before the Members for their consideration is a Resolution seeking approval for DASNY to enter into a contract with PM Web, a construction industry software application vendor, for the purchase, installation and on-going support and maintenance of a replacement project management system for the current contract management system. He directed the Members' attention to the presentation materials included in the Board materials.

Mr. Curro gave a brief history of the current project management software. He informed the Members that DASNY purchased Primavera's Expedition project management software application in 2000 and began implementation in 2001. Mr. Curro stated that live processing began on the system in 2002. He further stated that at the time, Primavera, a small software developer from Philadelphia, was a leading player in construction industry software with application offerings in all aspects of design and construction projects including contract administration and scheduling. Mr. Curro explained that DASNY successfully implemented Expedition along with P6 (Primavera's scheduling offering) and integrated these programs with existing DASNY applications. He noted that DASNY initially implemented Expedition version 8.5 and upgraded several times over the years to version 14.2.

Mr. Curro stated that Oracle Systems acquired Primavera in 2008 and took over product development and support for both Expedition and P6. He further stated that Expedition was renamed Contract Manager, and that support and new version releases continued under Oracle, as well as functionality improvements to the application itself. Mr. Curro informed the Members that in July 2016, Oracle announced that it was discontinuing future releases of Contract Manager. He explained that as a result, users had to choose whether to move away from the product or continue with Contract Manager and receive only technical support from Oracle. Mr. Curro further explained that given the stability of the product, DASNY continued with Contract Manager, but was aware that eventually the product would need to be replaced.

Mr. Curro stated DASNY decided to begin the process of replacing Oracle's Contract Manager in 2016. He informed the Members that a professional services selection was undertaken to consider replacement products that provided Contract Manager and P6 functionality, as well as enhanced features that DASNY desired including work flow development, electronic third-party transactions, mobile computing, enhanced reporting and dashboarding and third-party niche software application integrations. Mr. Curro stated that the market for construction industry software applications was contracting at that time, as larger firms were acquiring smaller specialty vendors.

Mr. Curro informed the Members that DASNY engaged a construction industry expert to assist with the selection of a new project management solution. He explained that in October 2017, following a professional services selection process, DASNY executed an agreement for approximately \$200,000 with Stellar Associates to provide consulting services associated with the replacement of Oracle's Contract Manager application. Mr. Curro further explained that the contract was three-phased and included a review of DASNY's current state, the definition of DASNY's future state and competing product evaluations and recommendations.

Mr. Curro stated that DASNY's Professional Services unit released a Request for Qualifications for the Contract Manager replacement software in July 2018. He further stated that

11 responses were received, and five firms were shortlisted by the selection committee to receive an RFP. Mr. Curro informed the Members that DASNY began the RFP phase in January 2019 by requesting proposals from the five shortlisted firms. He reported that proposals were received in March 2019, followed by interviews and demonstrations by the five shortlisted vendors. Mr. Curro reported that PMWeb was found to be the leading vendor in the construction industry software space, and after determining that the references supplied by PMWeb were satisfied with both the vendor and its products, DASNY moved into a deeper product investigation phase of PMWeb.

Mr. Curro informed the Members that a group of subject matter experts conducted a site visit with a local branch of Goldman Sachs, where the PMWeb application is used for all construction-related activities. He stated that DASNY was very satisfied with the site visit and subsequently Mr. Curro, Ms. Nadeau and Ronald J. Gecsed, Chief Project Manager, met with the vendor on June 26, 2019. Mr. Curro further stated that of the vendors who participated in the selection process, PMWeb was the most qualified and offered the best chance for success with the replacement of Oracle's Contract Manager application. He noted that the product would also enable DASNY to realize increased efficiency through the use of PMWeb's functionality-rich, technically advanced product.

Mr. Curro stated that DASNY reviewed PMWeb's cost proposal to better understand up front one-time costs such as module application costs versus reoccurring lifetime costs such as maintenance and product support. He reported that DASNY conducted several negotiation sessions to reduce the cost below the original cost proposal so that it would be compatible with DASNY's application purchase, installation and long-term maintenance budgets. Mr. Curro stated DASNY negotiated discount pricing that is within the PM system replacement budget of approximately \$1.5 million.

Mr. Curro indicated that DASNY will begin implementation immediately following the execution of the agreement, and that an October 2019 start date is currently anticipated. He estimated that system implementation will take between nine and 15 months. Mr. Curro explained that the implementation will include a review of process efficiency gains, tailoring the system to meet DASNY's needs, input of process work flows, creating required and desired reporting and dashboarding output, data migration, conversion of existing information from the Oracle CM system to PMWeb, and development of training and live processing strategies. He noted that DASNY has started to identify process efficiency gains. Mr. Curro further noted that additional phases of implementation may occur at a later point in time to incorporate additional functionality not required for day one live processing.

Mr. Curro informed the Members that the PMWeb system will be hosted by LoadSpring, a Boston-based manager of hosted software solutions. He stated that LoadSpring currently hosts DASNY's Oracle CM solution and as a result, DASNY is familiar with the organization. Mr. Curro further stated that LoadSpring provides "back office" support without interruption and enables access to data. He noted that DASNY receives excellent support from the company.

Mr. Curro stated that the benefits of moving to PMWeb's solution include improvements to DASNY processes; increased efficiency and functionality; a fully configurable and flexible system that can be tailored to meet DASNY's needs at the present time and in the future as

processes change; automated workflow definition and establishment; increased electronic collaboration with DASNY customers, vendors, and contractors; automated processes using electronic transactions over paper transactions; mobile (field) computing opportunities; interaction with third-party niche applications; user based defined reporting and dashboarding; enhanced disaster recovery and security functionality future functionality development with user- suggested input and internal software application consolidation into the PMWeb system. He noted that DASNY utilizes a number of other software programs that will need to be integrated with PMWeb. Mr. Curro further noted that PMWeb is also able to interact with MTG, the vendor that assisted DASNY with the implementation of the Expedition software program.

Mr. Curro summarized that DASNY has selected PMWeb as the solution provider to replace the Oracle Contract Manger system. He stated that the Members are being asked to approve the engagement of PMWeb, as well as the purchase and implementation of its suite of software modules. Mr. Curro further stated that upon Board approval, DASNY will enter into a contract with PMWeb for a total value of approximately \$1.5 million.

In response to inquiries from Mr. Gardner, Mr. Curro stated that the PMWeb software solution provides a range of services for the construction industry. Mr. Curro further stated that the module-based system is used by construction firms of all sizes and that, while DASNY is one of its larger clients, it is not the largest. Mr. Gardner asked whether the cost of data migration is driven by Oracle, and Mr. Curro replied in the negative. He noted that the data migration will be undertaken independent of Oracle. Mr. Gardner inquired whether the data can be migrated to a different system in the future if DASNY chooses a different software provider. Mr. Curro responded in the affirmative. He noted that historical data will be migrated so that it can be used for reporting purposes and to support the utilization of dashboards.

Mr. Ronski asked how DASNY's Construction Managers will interact with the system. Mr. Curro explained that Construction Managers will be able to access certain portions of the PMWeb system by username and password, as they do now in their use of Contract Manager. He noted that architects are also able to access certain features of the system. He explained that they are trained on the use of the software so that they can utilize the program to enter certain data. Mr. Ronski inquired whether RFIs will be available on PMWeb and Mr. Curro replied in the affirmative. Mr. Gardner observed that the ability to utilize the system for certain data entry eliminates a lot of back and forth communication. Mr. Ronski asked whether the new program includes an integrated scheduling feature. Mr. Curro responded in the affirmative, and noted that DASNY has used a scheduling program in conjunction with Contract Manager. Mr. Ronski observed that the scheduling program currently used by DASNY in connection with Contract Manager has been very popular over the years. Mr. Curro agreed, and stated that many software vendors in the construction industry have been acquired by larger entities. He noted that an integrated scheduling feature is included in the PMWeb program.

Ms. Nadeau informed the Members that staff is seeking approval of a contract value of approximately \$1.5 million. She stated that the numbers reflect a slight increase since the Board mailing as a result of continued discussions with PMWeb. Ms. Nadeau explained that the purchase of most licenses has been deferred until closer to the "go live" date in order to reduce costs. She further explained that 25 licenses will be purchased at the time of installation, and 75 will be paid

for when the system goes live, thereby saving on support and maintenance fees. Mr. Ronski inquired about the term of the license. Ms. Nadeau explained that DASNY will pay a one-time fee and then a 20% annual maintenance fee for two years. Mr. Gardner commented that the license fee appears to be reasonable. Ms. Nadeau replied that that the fee is lower than what DASNY currently pays. Mr. Curro confirmed that 20% is the standard rate for this type of service.

The Board Chair asked Mr. Cusack whether Counsel's Office has reviewed the contract with PMWeb. Mr. Cusack responded in the affirmative. He stated that the contract is based upon the contract that was developed in connection with the purchase of the Fluxx Grants Management Software. Mr. Cusack confirmed that Counsel's Office is very comfortable with the terms of the Contract.

Mr. Swierczewski inquired whether the costs of implementation will be paid from this year's operating budget. Ms. Nadeau replied in the negative and stated that the costs incurred this year will be paid from reserves. She explained that maintenance fees will be incorporated into the budget in later years. Ms. Nadeau noted that when developing the budget for the 2020-2021 fiscal year, staff will consider the costs to be incurred during the period where costs for the current system overlap with the new PMWeb software.

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

RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK ("DASNY") AUTHORIZING THE EXECUTION OF A CONTRACT WITH PMWEB, INC.

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

General Counsel's Report

Mr. Cusack informed the Members that Chuck Katz, Esq. has left the Polsinelli firm and has joined Barnes & Thornburgh LLP. He stated that the Legal RFP contemplates the addition of firms to the list of Underwriters Counsel. Mr. Cusack further stated that Board approval is not required, since the firm represents the Underwriter and not DASNY. He noted that DASNY undertakes a conflicts, competency and cost review of each firm, and that the review of Barnes & Thornburgh has been completed. Mr. Cusack welcomed the firm to DASNY's panel of approved Underwriter's Counsel firms.

Mr. Cusack reported that earlier this summer, Jeffrey Pohl, Esq., and Christopher Reitzel, Esq. left Squire Patton Boggs and joined Nixon Peabody LLP. He stated that Mr. Pohl and Mr. Reitzel have requested the ability to continue working with Douglas M. Seaton, Esq. of D. Seaton and Associates on appropriate transactions. Mr. Cusack further stated that Nixon Peabody would be able to continue working with other MWBE firms as well. Ms. Rosen noted that Nixon Peabody frequently partners with the firm of Drohan Lee. Mr. Cusack informed the Members that Squire Patton Boggs may also continue to partner with D. Seaton and Associates on appropriate transactions if the firm represents DASNY in the future. He stated that this arrangement will be brought before the DASNY Board for approval in the future.

Mr. Cusack informed the Members that MaryEllen Elia's has resigned her position as New York State Education Commissioner. He stated that Beth Berlin is now the Interim Commissioner of Education. Mr. Cusack noted that Ms. Berlin was previously the Board designee and is familiar with DASNY.

The Chair asked whether the approval for Nixon Peabody to work with Mr. Seaton will impact the Firm's relationship with Drohan Lee. Mr. Cusack replied in the negative. He explained that Nixon Peabody may work with both firms, and that certain partners may work with different MWBE firms.

Financial Report

Ms. Nadeau directed the Members' attention to the information provided on page 4 of the Financial Report regarding the reserves established by the Board in 2016. She reported that of the \$5.5 million deposited in the Health Care Transformation Reserve, approximately \$1.4 million has been expended for DASNY labor to support hospital restructuring initiatives. Ms. Nadeau stated that \$4.6 million remains uncommitted in this account. Ms. Nadeau informed the Members that of the \$4 million deposited in the Evolution Reserve Fund, DASNY has expended approximately \$1.35 million in furtherance of the One DASNY initiative and approximately \$1.1 million for DASNY labor in connection with succession planning efforts. She noted that approximately \$1.6 million remains uncommitted in this account. Ms. Nadeau reported that of the \$3 million in the 21st Century Technology Reserve Fund, the two largest expenditures were for a redesign of the DASNY website and to pay a consultant who has helped support application development and other efforts over the last several years. She noted that \$500,000 has been expended and that approximately \$600,000 remains uncommitted in this account.

In response to an inquiry from Mr. Gardner, Ms. Nadeau explained that the cost of the PMWeb software application is being paid from the Reserve for Replacement Fund and not from the 21st Century Technology Reserve Fund. She further explained that the Contract Manager application has depreciated over its useful life and the Reserve for Replacement Fund currently has a balance exceeding \$30 million.

The Chair wished the President the best of luck in his future endeavors. The Members applauded Dr. Bushell and wished him well.

Mr. Ronski moved that the Meeting adjourn, Mr. Chen seconded the motion and the Meeting was adjourned at approximately 12:40 p.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary