

**Alfonso L. Carney, Jr., Chair:** I want to welcome the Members, staff and any guests to the last meeting of the Members for the calendar year. We have had a very, very interesting year with most of our meetings held virtually and we're all looking forward, I think, to being able to get back together. There's a great deal lost, I think, when we cannot be together in the same room, particularly in the pre- and post-meeting conversations, which I always enjoy.

It is necessary that we have certain legal notices read into the record. Our General Counsel is going to do that. Mike, if you will.

**Michael E. Cusack, General Counsel:** Thank you, Mr. Chairman. On March 7, 2020, Governor Cuomo declared a disaster emergency in the State of New York due to the outbreak of the novel coronavirus, or COVID-19. Pursuant to Governor Cuomo's subsequent Executive Order 202.1 dated March 12, 2020, as extended most recently by Executive Order 202.79, today's meeting of the Board of Directors of the Dormitory Authority of the State of New York, or DASNY, is being conducted telephonically and by video conference.

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 January 1, 2021 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.

At the time of the Board mailing for today's meeting, Staff anticipated an extension of Executive Order 202.1 to encompass today's Board meeting. For the record, I'd like to confirm that Governor Cuomo signed Executive Order 202.79 on December 2, 2020, continuing the suspension of the Open Meetings Law for an additional 30-day period through and including January 1, 2021.

The location of today's Conference Call and Video Conference Board 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 website. In accordance with Executive Order 202.1 (as extended) and the DASNY Bylaws, an audio and video recording of today's 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 the meeting over to my colleague, Kim Ellis, who will conduct a roll call. Thank you, Mr. Chairman.

**Chairman Carney:** Thank you, Mike.

**Kimberly A. Ellis, Chief Financial Officer:** Thank you, Mike. For the record, we have the following Board Members present at today's meeting:

Board Members:

Alfonso L. Carney, Jr., Esq., Chair – Present

John B. Johnson, Jr., Vice Chair – Present  
Beryl L. Snyder, J.D., Secretary – Present  
Jonathan H. Gardner, Esq., Board Member – Present  
Wellington Z. Chen, Board Member – Present  
Joan M. Sullivan, Board Member – Present  
Gerard Ronski, Esq., Board Member – Present  
Janice McKinnie, Board Member – Present  
Brian Cechnicki, Designated Representative of the Interim Commissioner of Education, Board Member (*ex officio*) – Present  
Adrian Swierczewski, Designated Representative of the Director of the Budget, Board Member (*ex officio*) – Present

Also present are:

Kathleen McCarthy, Department of Health  
Phyllis Morris, State Education Department (joined at 10:00 a.m.)

From Staff, we have the following:

Reuben R. McDaniel, III, President and Chief Executive Officer  
Paul G. Koopman, Vice President  
Michael E. Cusack, Esq., General Counsel  
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring  
Kimberly A. Ellis, Chief Financial Officer  
Stephen D. Curro, Managing Director, Construction  
Caroline V. Griffin, Chief of Staff  
Kathy D. Ebert, Senior Director, Internal Audit  
Sara Potter Richards, Esq., Senior Director, Grants Administration  
Jeffrey R. Gordon, Senior Director, Communications and Marketing  
Deborah K. Fasser, Director, Strategic Communications and Business Development  
Craig M Schreivogl, Director, Portfolio Monitoring  
Ricardo Salaman, Esq., Managing General Counsel  
Dena T. Amodio, Esq., Assistant General Counsel  
Cheryl E. Sargent, Esq., Managing Assistant Counsel  
Matthew T. Bergin, Director, Public Finance  
Maria T. Carrasco, Public Finance Fellow

**Mr. Cusack:** We will also note, Mr. Chairman, in addition to Kathleen McCarthy from the Department of Health, Kam Wong, Esq. from Hawkins and Patrick McGlashan, Esq. from the McGlashan Law Firm are here to present on the FIT Agenda item. Thank you.

**Chairman Carney:** Thank you very much, Mike. Kam, Patrick – welcome. Good to have you.

I'm going to start the meeting; my commencement will be a bit unusual because I'm going to start with notices. First of all, you've already heard that Tracy Raleigh can't be with us today and you've already heard that Kathleen McCarthy is here in her stead. Tracy sends her apologies, she really

wanted to be here, particularly given one of the discussion items and votes we're going to take later on, but she assures me, Ms. McCarthy, that you're the right person to be here with us. Thank you very much for finding the time to join us at this meeting.

A bit of a bittersweet news. As most of you are aware, we've learned that Brian Cechnicki has had the temerity to take a job away from the State Education Department (SED). He's going into the private sector. Brian, congratulations on what sounds like a terrific opportunity. In his stead, the Commissioner has already designated Phyllis Morris to sit at the at the virtual table, at least for the first few months of the year. Brian, congratulations on your departure, please feel free to say anything about it you'd like. And then I'll ask you, Ms. Morris, to say anything you'd like to say to this Board, since you are both now Members of it.

**Brian Cechnicki, Member:** Thank you, Mr. Chairman. First, let me just say it's been such a pleasure to work with you all this past year. I know it seems like SED sends new people every year, but I know that Joe worked well before me and I know Phyllis will continue that tradition. As Al mentioned, I've accepted an opportunity in the private sector to be the Executive Director of the Association of School Business Officials. The work I'll be doing will still have some tangential relationship to DASNY, and I hope that we'll continue to find ways to work together. I think there are some opportunities, and once I get my bearings there, I will definitely be doing so – if only, as I mentioned to the Chairman and the President, to come see the new digs at some point when we're traveling again. I'll come down as a member of the public to a meeting, but again – thank you all for the opportunity. I've really enjoyed these meetings. I've learned a lot and hopefully I have represented the Department well. It looks like Phyllis isn't quite here yet; because this is sort of late-breaking, this hadn't been in her schedule. I know she'll be joining us at some point this morning. She's our current Chief Financial Officer at SED.

**Chairman Carney:** I was going to mention that she's the current CFO, and that you both have budget in your backgrounds. Congratulations again on the new position. I learned yesterday, Brian, that you were designated formally in the middle of October of last year. So you've been with us for a little over a year, and it's been a great experience for us. Thank you very much for what you've contributed to the quality of our meetings, and for some of the conversations we've had.

**Mr. Cechnicki:** Thank you.

**Chairman Carney:** Did somebody just join?

**Reuben R. McDaniel, III, President:** Mr. Chairman, I believe Jon Gardner has joined.

**Chairman Carney:** All right. Jon, are you there?

**Jonathan H. Gardner, Esq., Member:** I am. I'm using the mute and unmute button, so I don't disturb the meeting. I had a little connectivity problem this morning.

**Chairman Carney:** Sorry to hear it, but it's good to have you. All right, I think we are at the point of beginning the Agenda, and I will go straight there. The first agenda item is the transcript of the

meeting of 10 November of the Board. Are there any comments? Does anybody want to say anything about the transcript? Hearing no comments, may I have a motion please to approve?

**Joan M. Sullivan, Member:** I'll make the motion.

**Chairman Carney:** Thank you Joan, is there a second?

**Wellington Z. Chen, Member:** Second.

**Chairman Carney:** Thank you.

**Chairman Carney:** Since the Ayes and Nays don't work easily for me, at least, in this medium, is there anybody who objects to the approval of the transcript, as it has been presented? Hearing no objection, the transcript will be deemed approved unanimously. Thank you all very much. We'll move on now to the adoption of financing documents. Mr. President?

**Mr. McDaniel:** Mr. Chairman, thank you so much. Good to see all the Board Members this morning. Hope you're doing well. Behind Tab two is the FIT Student Housing Corporation Transaction Summary Update. DASNY's Matt Bergin is our lead on this transaction. We also have co-bond counsel Kam Wong of Hawkins, and Patrick McGlashan of the McGlashan Law Firm.

**Matthew T. Bergin, Director, Public Finance:** Thank you, Mr. President, and good morning everyone. I just want to give a couple of updates on the FIT Student Housing Corporation transaction. Since the Resolution Proceed on November 10, we did receive PACB approval on November 18. I also want to comment on the recent information that is in the Transaction Summary Update. At the time of the Resolution to Proceed, the security was portrayed to include the pledge of room rents and other revenues of only Kaufman Hall, which is the largest of FIT Student Housing Corporation's four residential facilities. The security has now been expanded to include the pledge of room rents and other revenues of all four of FIT Student Housing Corporation's residential facilities. This essentially doubles the amount of pledged revenues. We also continue to work with the bond insurer, Assured Guaranty, as it is expected that this transaction will include a policy of municipal bond insurance as security. Now I'd like to turn the presentation over to Patrick McGlashan.

**Patrick McGlashan, Esq., The McGlashan Law Firm, P.C.:** Thank you Matt. Good morning. Before you for consideration for adoption is the Authority's Series Resolution Authorizing up to \$39,000,000 FIT Student Housing Corporation Revenue Bonds. The Series Resolution will authorize the issuance of a series of FIT Student Housing Corporation Revenue Bonds, which we will refer to today as the "Authorized Bonds."

The Series Resolution will be adopted pursuant to the Authority's FIT Student Housing Corporation Revenue Bond Resolution which was adopted on April 28, 2004, and which we will refer to today as the "General Resolution." The General Resolution authorizes the issuance of series of bonds to finance or refinance Projects for FIT Student Housing Corporation (the "Corporation"). Funds paid for the Authorized Bonds will be used to: (i) refinance or refund all or a portion of the debt service due and payable for up to three years on the outstanding FIT Student

Housing Corporation Insured Revenue Bonds, Series 2007, which were previously issued by the Authority, (ii) pay all or a portion of the interest accruing on the Authorized Bonds for up to three years, (iii) fund the debt service reserve fund, including to pay the premium of any surety bond or other permitted facility, and (iv) pay the costs of issuance of the Authorized Bonds. Presently, only the Series 2007 Bonds remain outstanding under the General Resolution.

Because the Corporation is experiencing reduced revenues due to the COVID-19 pandemic, it is seeking to reduce its debt service burden for the next three years. In order to accomplish this, it is expected that both the principal of and interest due and payable on the Series 2007 Bonds for up to three years will be refunded with the proceeds of the Authorized Bonds and that the final maturity date of the Authorized Bonds will be extended four years later than the final maturity of the remaining Series 2007 Bonds.

In addition, the Authorized Bonds are expected to provide funds sufficient to pay interest accruing on the outstanding Authorized Bonds for up to three years. It is anticipated that the Authorized Bonds will be issued as fixed rate obligations, the interest on which will be included in gross income for federal income tax purposes. The Series Resolution, however, does not limit the discretion of the Authority's officers to make a determination to issue the Authorized Bonds in other configurations than are presently contemplated.

The Series Resolution delegates to various officers of the Authority the power to determine: the principal amount of Authorized Bonds to be issued and the principal amount of each maturity, provided that the aggregate principal amount of the Authorized Bonds shall not exceed \$39,000,000; the date or dates on which any Authorized Bonds will mature, provided that no Authorized Bond may mature later than eighteen years from the July 1 next succeeding the date of issuance of the Authorized Bonds; the interest rates on the Bonds; the purchase price for the Bonds; the redemption dates and prices of the Bonds; whether to obtain a policy of municipal bond insurance or other form of credit support for the payment of the principal of and interest on all or a portion of the Authorized Bonds; and whether the Bonds will be secured by a debt service reserve fund. It is anticipated that there will be a debt service reserve fund, and that it will be funded by approximately \$1.4 million of the proceeds of the Bonds. In addition, officers may determine whether to obtain a surety bond or other facility in order to meet all or a portion of the debt service reserve fund requirement in connection with the issuance of the Authorized Bonds. Officers of the Authority may determine which maturities of the Series 2007 Bonds are to be refunded; whether the Authorized Bonds will be issued as tax-exempt bonds or taxable bonds; and any other provisions deemed advisable by an authorized officer of the Authority, not in conflict with the provisions of the General Resolution or the Series Resolution.

My firm, McGlashan Law Firm, P.C. and Hawkins Delafield & Wood LLP will be working together as co-bond counsel in connection with the issuance of the Bonds. The Authorized Bonds are expected to be sold by negotiated sale to J.P. Morgan Securities LLC. With that, I'll turn it over to Kam Wong of Hawkins to discuss the material terms of the General Resolution, the Series Resolution and the main agreements.

**Kam Wong, Esq., Hawkins Delafield & Wood, LLP:** Thank you, Patrick. I will first discuss the payment of and security for the Authorized Bonds. The General Resolution is the basic security

document. The Authorized Bonds will be the third series of bonds issued under the General Resolution. The Authorized Bonds, like all other Bonds previously issued under the General Resolution, will be special obligations of DASNY, payable solely from and secured (1) by payments made by the Corporation pursuant to the Lease and Agreement (which I will describe in more detail) and (2) from amounts held in the funds and accounts under the General Resolution. The Authorized Bonds will be on a parity with each other and with all other Bonds issued or to be issued under the General Resolution.

There are three agreements providing for payment of and security for the Bonds: first, the Agreement of Lease; second, the Lease and Agreement; and third, the Operating Agreement. The first agreement, the Agreement of Lease, is between the Corporation and DASNY. Under this agreement, the Corporation leases the Project, which is Kaufman Hall, to DASNY for a nominal rent of one dollar per year, which has been paid. The second agreement, the Lease and Agreement, is also between the Corporation and DASNY. Under this agreement, DASNY leases the Project back to the Corporation. The Corporation is obligated, among other things, to pay rent in amounts and at the times sufficient to pay debt service on the outstanding Bonds. The Corporation's obligation to make such payments is a general obligation that is payable from any legally available funds of the Corporation. The Corporation has granted to DASNY a security interest in the revenues and receipts of the Project. The Corporation's obligation to pay rent with respect to the 2007 Bonds and the Authorized Bonds is additionally secured by mortgages on the Project. DASNY will assign these mortgages to the bond trustee.

The third agreement, the Operating Agreement, is between the Corporation and the Fashion Institute of Technology or "FIT." Under this agreement, FIT is obligated pay the amount of any deficiency in the debt service fund under the General Resolution. FIT's obligation to make such payments is a general obligation that is payable from any legally available funds of FIT. To secure its obligations under the Operating Agreement, FIT has assigned to the Corporation all rents and room charges collected by FIT on behalf of the Corporation. The Corporation has assigned to DASNY all of the Corporation's rights under the Operating Agreement and all security interests granted thereunder.

No amendments to the General Resolution are required. The three agreements (*i.e.*, the Agreement of Lease, the Lease and Agreement and the Operating Agreement) will be amended to extend their terms to match the last maturity of the Authorized Bonds. The Lease and Agreement and the Operating Agreement will also be amended to expand the security interest to include the revenues and receipts from three other student housing buildings owned by the Corporation. Finally, the Lease and Agreement is expected to be additionally amended to include a rate covenant and an additional bonds test.

Due to a slippage in the financing schedule, the Authorized Bonds will not be issued until next year. As a result, the escrow agreement mentioned in our bond counsel letter is no longer needed. At this point Patrick and I are happy to answer any questions you may have.

**Chairman Carney:** Thank you. Kam and Patrick. Are there questions for Kam and/or Patrick? Hearing none, are the questions for Matt?

**Mr. Gardner:** I've got a quick question for Matt. Is municipal bond insurance making a comeback?

**Chairman Carney:** I asked him the same question, Jon.

**Mr. Bergin:** Sparingly. On our School Districts issues, certain maturities are insured. I don't think I'm going to go as far as to say it's making a comeback, especially as to where it was pre-2008, but we do see it sporadically.

**Chairman Carney:** And Matt, the debt service reserve fund, would you remind the Board of its size?

**Mr. Bergin:** It's the maximum annual debt service on the Bonds issued under the General resolution. So we look at the current outstanding bonds, which are the 2007 bonds, and in addition, the incremental debt service on the 2020 bonds or 2021 bonds, whatever it may be. And so the additional \$1.4 million is, in essence, the annual amount of capitalized interest because we have to borrow a little more to capitalize the interest. That additional amount equates to what's ultimately going to be the maximum annual debt service. And then, as was discussed, the principal gets paid after the 2007 bonds go away.

**Chairman Carney:** All right. I got it.

**John B. Johnson, Jr., Vice-Chair:** This is not about the FIT transaction per se, but it's about the nature of the transaction. We did that \$300 plus million transaction, similar to this, for the State University dormitories. What has been the occupancy rate at the State University dormitories for this school year?

**Chairman Carney:** I don't know the answer to that, John. It's a great question. Does anybody know the answer to that?

**President McDaniel:** John, I don't have campus by campus, but we do know, as an example, UAlbany was 60% this year. It seems like the rest of the campuses are about the same. Paul, do you have more information?

**Paul G. Koopman, Vice President:** I think in the 50 to 60% range is what we've heard system-wide.

**Chairman Carney:** But we can't extrapolate easily. We can't say that 50 to 60% of SUNY somehow equates to a similar percentage at FIT.

**Mr. Johnson:** I agree. I appreciate that information. I was just curious, and that is probably a little better performance than they anticipated when they did the deal.

**Chairman Carney:** That's probably right. Thanks for the question, John. Are there any other questions for Matt, Patrick or Kam? Comments?

Hearing none, may I have a motion, please, to approve the transaction?

**Beryl L. Snyder, Secretary, Member:** I'll make a motion.

**Chairman Carney:** Thank you, Beryl. Is there a second?

**Mr. Chen:** Second.

**Chairman Carney:** Thank you very much, Wellington. Once again, are there any objections to the motion?

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION  
AUTHORIZING UP TO \$39,000,000 FIT STUDENT HOUSING CORPORATION REVENUE  
BONDS

Hearing none, the Resolution is approved unanimously.

**President McDaniel:** Mr. Chairman, before we move on, Phyllis Morris has joined us.

**Chairman Carney:** Ms. Morris, this is Alfonso Carney, Al Carney. It's a pleasure to have you. As I mentioned earlier, it would appear that we now have two voting members of SED, so the two of you will have to have a duel of some sort to decide who's going to be the voting member.

**Phyllis Morris, Member:** Thank you. Brian will vote today, but Brian, as he may have told you, has taken a new and exciting position and will be leaving the Department later on this month. So I'm going to be taking his place on the Board. It's a pleasure to be here, and I look forward to the conversation. Thank you for having me.

**Chairman Carney:** It was mentioned earlier that you are the Chief Financial Officer at SED currently, which means that you're probably a pretty busy person and that's terrific, I'm sure, for you. We will look forward to seeing you at as many of these virtual meetings as you can make. And we will also look forward to meeting you personally as soon as we can all get together.

**Ms. Morris:** That sounds great. Yes, that's correct. I'm the State Education Department's Chief Financial Officer and yes, it is a bit busy right now. But it always seems to be busy. So, I'm happy to make the time, and appreciate the opportunity. Thank you.

**Chairman Carney:** We're fortunate to have you. And we'll look forward to getting to know you.

So we have just approved the resolution for the FIT transaction, and we are now moving to Tab three, and the continuation of the Governance Committee Annual Review. Mr. Johnson.

**Mr. Johnson:** As you may recall from the October meeting, in an effort to streamline the meetings at the fiscal year end in March, the Governance Committee recommended that we take a look at what could be described as the more standard of charters and principles and measures and things that we're supposed to evaluate and adopt for the next fiscal year. We reviewed those with Counsel



and Counsel's Office and we're prepared to advance those to the Board today for approval. This will get this done now, and we won't have to do it in March. For any questions and explanations of each of those, we should go to the General Counsel, Mike Cusack. So Mike, it's up to you.

**Mr. Cusack:** Thank you very much, Chair Johnson, and you are correct. We are following up today on three of the six items reviewed by the Governance Committee on October 13, 2020, to clear these items from the list and reduce the workload for the remainder of the year. The first item is the Mission Statement and Performance Measures with the Metrics to Quantify Performance Goals, actually two separate items that were reviewed. Under Public Authorities Law Section 2824-a, it's required that these items be reviewed and approved annually by the Board. This is also consistent with our corporate Governance Committee Charter.

The Governance Committee has completed its annual review and concurs with Staff's recommendation for no further changes at this time. Subject to comments from the Board today, Staff recommends the adoption of the Resolution that is within the Board book concurring with the Governance Committee's recommendation and documenting the completion of this annual review. I'll turn it over to Chairman Carney for that Resolution.

**Chairman Carney:** Thank you very much, Michael. Are there any questions from the Members regarding the Mission Statement and Performance Measurements and Metrics?

There is a Resolution that we have to consider. I'm going to ask for a motion to approve it. May I have that motion, please?

**Ms. Sullivan:** I make the motion.

**Chairman Carney:** Thank you, Joan. Is there a second?

**Ms. Snyder:** I second.

**Chairman Carney:** Thank you very much, Beryl. Unless they are objections to the motion as properly moved and seconded, the Resolution is approved and the Mission Statement and Performance Measurements with Metrics to Quantify Performance Goals, without revision, are adopted.

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. Cusack:** Thank you, Mr. Chairman and noting no response to your question, we'll note it in the record as approved unanimously.

The second item is the DASNY By-Laws, which, in accordance with Public Authorities Law Section 2824(7) and our own Corporate Governance Principles, requires an annual review. Staff recommended no further changes to the By-Laws at this time, and the Governance Committee, after discussion, concurred with Staff's recommendation. So, for purposes of documenting this

part of our annual review responsibilities, we only need a simple motion of the Board concurring with the Governance Committee's recommendation, subject, of course, to any comments that Board Members want to make at this time concerning the By-Laws. Thank you, Mr. Chair.

**Chairman Carney:** Thank you, Mike. Are there any comments regarding the By-Laws from the Members? Hearing none, may I have a motion please to approve the By-Laws, as presented?

**Mr. Gardner:** So moved.

**Chairman Carney:** Thank you, Jon. Is there a second?

**Mr. Chen:** I second.

**Chairman Carney:** Thank you, Wellington. Thank you very much. Again, are there any objections to the motion and to the By-Laws, as presented? Hearing none, the By-Laws are approved unanimously.

**Mr. Cusack:** Thank you, Mr. Chairman. The final item concerns the Guidelines Pertaining to the Disposition of Certain Property Owned by DASNY. In this case, Public Authorities Law Section 2896 requires that these Guidelines be reviewed and approved annually by the Board and thereafter filed with the State Comptroller no later than March 31 of each year. This procedure is also consistent with DASNY's Corporate Governance Committee Charter and section seven of the Guidelines themselves.

The Governance Committee review of the Guidelines is now complete, and the Governance Committee did concur with several recommendations from Staff for proposed amendments to the Guidelines. These recommendations are summarized in the October materials as well as the materials in today's Board packet. In the interest of time, I will not go through those recommendations step by step, but I'm happy to do so if any Member has any questions.

To complete this review, there is a formal Resolution in the Board book that's before the Members and Staff would recommend, subject to comments from the Board today, the adoption of that Resolution. I'll turn it over to you to Mr. Chairman, for that part of the discussion. Thank you.

**Chairman Carney:** Thank you, Michael. Thank you very much. Are there questions or comments from the Members regarding the Guidelines? We do have a Resolution here. You've had a chance to take a look at it. May I have a motion, please, to approve it?

**Ms. Sullivan:** I make that motion to approve.

**Chairman Carney:** Thank you, Joan.

**Janice McKinnie, Member:** I second.

**Chairman Carney:** Janice, thank you very much. Again, without objection to the Resolution as presented, the motion was properly made and seconded, it is approved unanimously.

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

We move on then. Oh, by the way, before I forget to do this, John, your governance of Governance is always welcome. We are fortunate to have you in that position. Thank you for all the work that you put into it. I think this year's result was terrific. I think that your process is one that forces the Members to consider carefully the work that we're required to do, year to year, taking a look at the Governance matters. I don't remember to thank you often, but I did remember this time. John, thank you.

**Mr. Johnson:** Well, thank you for the kind comments.

**Ms. Ellis:** Mr. Chair, we have one person in the waiting room that I want to admit and find out who they are.

**Chairman Carney:** Please, go ahead, Kim.

**Ms. Ellis:** Good morning, who just joined? It looks like they dropped off.

**Chairman Carney:** Kimberly, thank you for being careful – appreciate that very much. We move into Tab four, the President's Report.

**President McDaniel:** Thank you, Mr. Chairman. Good morning to everyone again. I want to share one of my personal items this morning – my two favorite December movies. I used to have to find children to watch with me, but now I'm mature enough, I am confident in my own skin to tell you that How The Grinch Stole Christmas and Charlie Brown Christmas are my two favorite movies this time of year. I think the message of those two movies is aptly appropriate this year: that this season is more than just the gifts, the travel and all those things. I just want to acknowledge as we end our year how much the Staff appreciates all the work that you all do, and wish all of you a great season. Tomorrow we celebrate Hanukkah, which will be fantastic for all of us. I always take all the holidays myself, so excuse me. So tomorrow we celebrate Hanukkah. Of course, on December 25 we celebrate Christmas. The 26<sup>th</sup> through the first, we celebrate Kwanzaa. For those of you who don't know much about Kwanzaa, the African American and African Diaspora tradition has the best of both worlds. We have food, presents and seven days of candle lighting for that period of time.

On the first we're going to celebrate like we used to back in 1999 – we're all looking forward to 2021. And then we will conclude our festive holiday season on January 6, with our next DASNY Board meeting. So, in all seriousness, from the Staff at DASNY, happy holidays to all of you. Be safe, we wish everybody well and we truly, truly do appreciate all of your support.

**Chairman Carney:** Reuben, thank you for your comments. The only question I would raise is whether everybody on the call is familiar with the Prince song that you just referred to – we’re going to party like it’s 1999.

**President McDaniel:** Well, Maria in our office is a little too young to know that song. The rest of us can probably sing it without words.

**Gerry Romski, Member:** And Reuben, you forgot Festivus – remember the Seinfeld holiday?

**President McDaniel:** I’ll add it to my calendar.

**Mr. Chen:** To extend further your celebration, don’t forget Lunar New Year in February. So you’ve got a couple more months of celebration.

**President McDaniel:** I’ll be sure to celebrate.

I also want to say that December 4 was my one-year anniversary at DASNY. The Staff of DASNY and the Board of DASNY have made it a great year and I really appreciate all the support, all the work, all the activity. It really has been fantastic. As Board Members you have all done a great job not only to welcome me but also to make my job, I won’t say easy, but certainly easier. So I really appreciate that, and look forward to a long tenure here.

**Chairman Carney:** Reuben, you make it a pleasure. It has been our pleasure to have you with us. I was actually going to mention your anniversary in closing remarks, you’ve taken that away from me. So we’ll find some more work for you to do.

**President McDaniel:** Well, thank you. With that, I’ll move to my more formal President’s Report. First, we talked about “DASNY 2030,” and that really is for us, as a staff, to look at things that we might be doing now in preparation for what the world might look like in 2030. So we sent out to our staff a request for submissions for ideas that they might have to get us started.

We received over 35 submissions from staff members. Some of them were collaborative. Some of them were from individuals. All of them were very helpful; none of them were destructive, all were constructive. Some of the high-level topic areas that were suggested to work on are construction efficiencies, sustainability, diversity and inclusion, and information systems.

Our next steps will be to consolidate these ideas into major themes. Leadership will then add any additional themes we think are appropriate. And then we’ll put together some working groups over the next three to four months to begin preparing the work product for DASNY 2030. I have had some great conversations, great solicitations and quite candidly, I am impressed and proud of our staff. From top to bottom, the submissions were very well thought out, very interesting, and as I mentioned, very positive, so that that was really fantastic.

On the outreach front we continue to do outreach to our customers and partners. We had good conversations with folks at FIT, CUNY and PRAG (Public Resources Advisory Group), which is the financial advisor to the State on the large PIT transactions.

On the event front, I want to highlight the New York State MWBE virtual forum. That is an event that was actually started 20-some years ago by our own Michael Clay as a DASNY event that was picked up to be Statewide. The DASNY team participated in several panels. We hosted a panel. Over 400 people attended the panel on procurement that we hosted, which was fantastic. We hosted a virtual happy hour that evening with 75 limited attendees; Mike put together a really nice presentation from a couple of our outside partners. Jeff Gordon in Communications and his team did a great job of organizing it.

I just want to share an observation here because I think it's really important. One of the vendors on that call is new to DASNY. He sent me a chat to introduce himself; I sent him a chat back inviting him for a call. We had that call yesterday, turns out his firm does some things we needed to take care of quickly and by five o'clock yesterday afternoon we had a contract with a new MWBE to help us with some of our network solutions. So those things, while they seem sometimes not to be as robust as they might be, they are definitely helpful and it's just nice to see even in this virtual environment that we are able to convert interest and activity into actual contracts. So we have another MWBE vendor on our panel doing work for us. I'm really, really pleased with that.

I also want to invite all of you to a virtual round table we're having on December 16, it will be from 8:30 to 10:00 and I'll make sure you all get invitations. We're going to have a discussion around what we call ESCO, energy service contracts. Paul Koopman will be leading that with some Q&A and a panel discussion with our professionals. What we're trying to do is begin outreach to various entities with interesting information so that we can stay connected with our current partners as well as partners who want to do business with DASNY that are having a difficult time connecting in this environment. So we're really looking forward to that, and we hope that's the first of many to come.

We have a 28 Liberty update. I want to give you just some quick information on another topic because it's germane. We have moved back our "no sooner than" opening date for New York City, Albany, and the rest of offices to February 1, given the COVID situation. We're not saying that February 1 is the date we will open, but we've given our staff notice that we'll have an open date no earlier than February 1. So 28 Liberty is in good shape. A couple of punch list items are being finished. I think they finished the electrical work a couple of days ago. We're now getting in and doing our work. We were going to accelerate to get us in by January 1 or 2. That would have required some people to travel and spend some time in the City. Given the holiday season and the fact that we're not going to be in until February 1 anyway, we've moved that activity back so that it will actually happen in January, that is our internal folks, putting the network connectivity in place and getting all of our final furniture moved in so it will be ready to go February 1. Again, no one can predict what the COVID situation will be, but just know that that construction is going well and we're in really good shape on 28 Liberty, I appreciate everybody's work on that.

For Steve Curro's construction report – as I mentioned, he is working and he turned his mute button off to verify that he was – I just have a quick update. The FIT project is moving into the construction phase. The two low-bid contractors have begun pre-construction activities. We expect that actual site activity will begin in January. Those of you who have been on this Board

for a long time know that that project has been hanging out there, and we're just excited that ground will be broken in January and the project is moving forward.

On the South Beach medical facility, we built the facility for OMH for use as a Psychiatric Center. During COVID, we transitioned it to a COVID facility and now Northwell Health, who occupied it first, is going to be occupying it again. So we are on standby as they do their work.

Finally, on Moynihan Station, our role there is, I was about to say simply, but it's not simple, it is to do the permitting work. Empire State Development is managing the construction there. They are targeting an opening date of December 30. They have asked us, and we have complied, to have people on site so we can test in real time. On any given day, we have two to five people on site at Moynihan Station working with the contractors, doing the testing as we can, helping them to plan for the testing. And I think that ESD and others have been very pleased with the work we've done there. I can't thank our team, who's down there on a day-to-day basis, enough for the work that they're doing. That's going to be a fantastic facility and we're just proud to be a small but very important part of that program.

At this time, I want to ask Portia to give her bond sale summary report update as well as a bond market update.

**Portia Lee, Managing Director, Public Finance and Portfolio Monitoring:** Thank you, Reuben. So, just briefly, as far as a market update is concerned, total new issue supply is currently about \$449 billion year-to-date, more than 11% higher than supply levels seen this time last year. Total supply for this week is expected to be about \$9.8 billion. Tax-exempt bond yields declined yesterday (Tuesday), with strong demand for new issuance coming to market and active secondary market trading. The 10-year AAA MMD yield fell by one basis point to .71% while the 30-year decreased by two basis points to 1.4%. US government bond yields were also stronger with both the 10-year and the 30-year Treasury decreasing by two basis points to .92% and 1.66% respectively. Municipal bond funds reported inflows for the week ending December 2 after reporting inflows previously.

Since the November Board meeting, the one-year MMD decreased by five basis points, the 10-year decreased by 15 basis points and the 30-year decreased by 21 basis points. The 10- and 30-year Treasury have decreased by three basis points and nine basis points, respectively, since the November Board meeting.

I just want to give a few other quick updates. Since the last Board meeting, we priced and closed the second part of the St. Lawrence-Lewis BOCES transaction.

I also want to update the Board on the Greenburgh Eleven financing. When we brought that financing to the Board in the fall, we had indicated that the rate on the private placement would be 5.75%. Given the passage of time, the purchaser increased the rate to 6%. It should be noted, though, that with the par amount finalized now at less than the not-to-exceed amount, the actual amount of debt service to be paid even with a slightly higher interest rate is effectively the same as what we had shown the Board previously when we came in the fall.

And lastly, I want to note that included in the Board materials are a package of 13 bond sales summaries, which include performance metrics. I would note that we generally met our days-to-market benchmark, although there were two deals that were delayed because of COVID. That concludes my report. Thank you very much.

**President McDaniel:** Thank you Portia. Any questions for Portia?

Hearing none, we'll move on to Kim Ellis, she will give our mid-year financial update that we are statutorily required to give to the Board, you should have received that in your package. CFO Ellis.

**Ms. Ellis:** Thank you Reuben. As Reuben mentioned, included in your materials is the current projected financial results for this fiscal year. As noted in the memo, the projected surplus has been reduced by approximately \$1.2 million going from \$1.3 million to \$100,000 or roughly breakeven.

Although we're projecting overall expenses to come in \$5.3 million under budget, most of our operating costs are allocated to our public clients which generally revenue-match projected costs, which limits the impact on our surplus or deficit from operations.

The change in the projected surplus is primarily driven by a shift in allocation of work from our private clients who pay fixed fees to public clients that pay fees to match allocated expenses, which actually resulted in a slight increase in revenue by approximately \$922,000. That was offset by lower interest earnings on our operating and reserve funds; adjustments to our post-employment benefit (OPEB) expense where our public client costs are covered by our billing process and our private client costs must be absorbed by our fixed fees; and lastly, a reduced projected surplus from public clients paying fixed fees, which is predominantly in our mental health program. Also included in your packet are the standard standing monthly financial report and the quarterly Treasurer's report as required, including highlights.

That concludes my report.

**President McDaniel:** Thank you Ms. Ellis. Any questions for our CFO?

**Mr. Gardner:** Kim, are our public clients generally paying things in the normal course? Are we seeing any slowdowns?

**Ms. Ellis:** They're paying. I think CUNY, which is one of our clients who typically pays in advance, has taken the approach where they're now paying on a current basis. So, they're not paying in advance. They're waiting to see what our charges are, and trueing up the billing to match what the projected expense was for hours worked.

**Mr. Gardner:** Good.

**Ms. Ellis:** But overall, we are getting paid, our cash flows are fine and we'll be fine by the end of the year.

**President McDaniel:** Thank you very much. The other item I want to go over is, as we move into the end of the year, it begins a Legislative session early next year. And that always is kicked off with the State of the State. I am pleased to let you know that we have several items that are in the draft of the State of the State. I can't mention them, of course, but assuming they do not get left on the cutting room floor – which they could, certainly some of them will – I do have some optimism about some new opportunities for DASNY. We're very excited about those pieces and excited about the State of the State. So be sure and look for updates on that, we're very excited about the work that's been done there, as well as the confidence the Second Floor has in DASNY to give us some assignments that I think will be very interesting and good and helpful to us going into next year. So that's very good.

**Chairman Carney:** I have a question. Will there be attendance at the State of the State or will that be a presentation without attendees?

**President McDaniel:** Al, I don't know the answer to that question; I have not heard anything one way or the other.

**Chairman Carney:** Fair enough. Thank you.

**President McDaniel:** I'll certainly let people know if there's an attendance opportunity, be it virtual or in person, I'll make sure the Board is aware of that. Clearly, in years past, this is a big deal for everyone in the State who is interested in State work. So we'll make sure we keep you on top of how that's going to be presented this year.

**Chairman Carney:** Thank you. Thanks very much.

**President McDaniel:** Just from a from a technical perspective here: as I finish up my President's Report, we will be moving into an Executive Session and then we will come back and adjourn the meeting and go into the Atlantic Avenue Board meeting.

So those of you, particularly DASNY staff members who are not involved in the Atlantic Avenue issue, please go about your day – and anyone else who needs to, as well. So, once we go into Executive Session, we will not have any additional business at the DASNY Board meeting, and then we're going to invoke the Jon Gardner rule. We're going to move into Executive Session by having Kim Ellis move us all into a breakout room without having to get off of Zoom. So if that works, it will be a first. Jon, we appreciate your inspiration getting us to this point.

**Mr. Gardner:** Reuben, I've actually applied for patent protection.

**President McDaniel:** Mr. Chairman, I conclude my President's Report. Thank you.

**Chairman Carney:** Are there any questions for the President?

**Mr. Johnson:** Are you going to sell stock in this, Jon, in Bitcoin?



**Mr. Gardner:** Oh, yeah. I'm doing an IPO right now, John, if you'd like to talk about it after the meeting.

**Chairman Carney:** You'll have to make your purchases with Bitcoin.

**Mr. Gardner:** Also, I just can't resist, everything I said about Bitcoin has proven to be true. It's just under \$20,000 a coin.

**Chairman Carney:** Jon, thank you and Reuben, thank you.

May I have a motion, please, to go into Executive Session to discuss the financial and credit history of particular corporations, proposed, pending or current litigation, and the employment history of particular persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal, or removal of particular persons. May I have that motion, please?

**Ms. Sullivan:** I make the motion.

**Ms. Snyder:** And I'll second.

**Chairman Carney:** Joan and Beryl, thank you both very much. I'm very pleased that you came today because between the two of you you've made and seconded all the motions.

As I have done previously, are there any objections to an Executive Session now that it's been properly moved and seconded? Hearing none, the motion passes unanimously and we are in Executive Session.

**President McDaniel:** Just sit tight and we'll be all moving into Executive Session to a breakout room.

EXECUTIVE SESSION

PUBLIC SESSION

**Chairman Carney:** Thank you. The record will indicate that we've just left an Executive Session during which no decisions were made, other than to return to Public Session.

Is there any other business to come before this Board? I want to, for the record, in this meeting recognize Reuben's one-year anniversary, which he has already pointed out was on December 4. Reuben, it's been great working with you, we've all learned a lot. Your style works for DASNY and we're very appreciative of it.

I want to thank the Staff for the extraordinary volume of work you've had to do this year under adverse circumstances. And for the record, happy holidays to everybody. I celebrate Christmas, and so I will wish everybody on this call a Merry Christmas. May I have a motion to adjourn the meeting?

**Ms. Snyder:** Thank you, Merry Christmas, Happy Hanukkah to everyone as well. I make the motion to adjourn.

**Mr. Cechnicki:** Second.

**Chairman Carney:** Thank you very much, Brian. Brian, it's been great having you, but you're going to be on the on the call that's coming up, I assume.

**Mr. Cechnicki:** Yes. I do need to switch over to my phone, so if you see a phone number pop up, that's me.

**Chairman Carney:** Okay, thank you very much. It's been properly moved and seconded that we adjourn the meeting. There being no objection, the meeting stands adjourned.

The meeting adjourned at 11:35 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ricardo Salaman". The signature is written in a cursive style with a long horizontal stroke at the end.

Ricardo Salaman  
Assistant Secretary