

A Conference Call / Video Conference Meeting of the Board of the Dormitory Authority of the State of New York (“DASNY”) was held on March 3, 2021 with proceedings commencing at 9:30 a.m.

**Alfonso L. Carney, Jr., Chairman:** I want to welcome everybody who's joined us. There is a legal notification that has to be in the record, and Sara Richards is going to take care of that for us. Sara?

**Sara Potter Richards, Managing Senior Director, Governance and Administration:** Thank you, Mr. Chairman, and good morning, everyone.

As a result of the ongoing public health emergency related to COVID-19, Executive Order 202.1, as extended, authorizes public boards to meet remotely and take authorized actions without permitting public in-person access to meetings. The public must have the ability to view or listen to the proceedings, and the meetings must be recorded and transcribed. An audio and video recording of today's meeting will be accessible from DASNY's website within two days, and today's proceedings will be transcribed and posted as soon as practicable under the circumstances. For additional information regarding the emergency declaration or the Executive Order, please see the DASNY Website.

Unless there are any questions at this point, I will now conduct a roll call.

On today's call, we have the following Members:

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  
Gerard Romski, Esq., Board Member – Present  
Janice McKinnie, Board Member – Present  
Tracy Raleigh, Designated Representative of the Commissioner of Health, Board Member (*ex-officio*) – Present  
Adrian Swierczewski, Designated Representative of the Director of the Budget, Board Member (*ex officio*) – Present  
Phyllis Morris, Designated Representative of the Commissioner of Education, Board Member (*ex officio*) – Present

I haven't seen Joan Sullivan.

**Chairman Carney:** Joan sent a note to Reuben and me this morning, she said she would not be with us today.

**Ms. Richards:** We certainly wish her well.

In addition to Board Members, we have the following from Staff:

Reuben R. McDaniel, III, President and Chief Executive Officer  
Paul G. Koopman, Vice President  
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  
Ricardo Salaman, Esq., Deputy General Counsel  
Kathy D. Ebert, Senior Director, Internal Audit  
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration  
Jeffrey R. Gordon, Senior Director, Communications and Marketing  
Deborah K. Fasser, Director, Strategic Communications and Business Development  
Matthew T. Bergin, Director, Public Finance  
Craig Schreivogl, Director, Portfolio Monitoring  
Michael L. Johnson, Director, Diversity, and Inclusion  
Matthew Moore, Director, Procurement  
Tara Miner, Esq., Acting Director, Office of Professional Integrity  
David Ostrander, Assistant Director, Public Finance and Portfolio Monitoring  
Geoff Arnold, Director, Budget and Operations  
Dena T. Amodio, Esq., Assistant General Counsel  
Gerard Klauser, Senior Financial Analyst  
Stephen Kosier, Senior Financial Analyst  
Diane Felitte, Legal Assistant

Other guests include:

Melissa Bennett, Esq., Barclay Damon, LLP  
Joanne Kilmer, Esq., Barclay Damon, LLP  
Robert Drillings, Esq., Burgher Gray, LLP  
Brian Idehen, Esq., Burgher Gray, LLP  
Lisa Brice, Esq., Burgher Gray, LLP

Have I missed anyone? We have a big group. Thank you, Mr. Chairman. I'll turn it back over to you.

**Mr. Carney:** Sara, very kind. Again, welcome to all who have been able to join us. Some of you may have heard me say that Joan Sullivan let me and Reuben know this morning that she is having a bit of a reaction to her vaccination from yesterday and is not likely to be with us this morning. She may join, but I don't think so. As you all know, we will always miss Joan, and I have let her know that we will look forward to seeing her at the end of March. We are having two meetings

this month. I have just been reminded that this is schedule driven with regard to both the budget and the number of weeks between this meeting and what would have been the April meeting. Currently, there is no meeting scheduled for April, and we will see how that works out.

Please know, staff, that if you are to make the decision that we need to meet at some point in April, this Board has demonstrated its willingness and its ability to get that done. Do not hesitate if there is a sense that we need to have an April meeting. We will simply have an April meeting.

**Reuben McDaniel, President and Chief Executive Officer:** Thank you Mr. Chairman.

**Chairman Carney:** I am looking forward to the presentations for today because Reuben is going to give us a brief update on his thinking regarding the return to office and the new normalcy that will occur in offices across the nation in the coming weeks and months. Reuben, I am looking forward to that. That's the last point I had to make, so we'll get to the Agenda.

The first item on your Agenda is the Transcript of February 3. I assume everybody's had a chance to take a look at it?

If there are no comments, then I will ask for a motion to approve it.

**Gerard Romski, Board Member:** You got it, Al.

**Chairman Carney:** Thank you very much, Gerry. Is there a second?

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

**Chairman Carney:** Thank you very much. Are there any objections to the approval of the February 3 Transcript? Does anybody choose to abstain from the vote?

Neither being the case, then the motion is approved, and the Transcript is adopted unanimously.

Mr. Romski, we will move to the Finance Committee Report.

**Mr. Romski:** Thank you, Mr. Chair. We met virtually yesterday. First, we adopted the meeting minutes from the Finance Committee Meeting on February 2. Then, we had a fairly active Agenda as we discussed and reviewed six Resolutions. First was the School District Revenue Bond Financing Program. Second up, we discussed the Interagency Council for Developmental Disabilities, Inc. financing, and then, we advanced to the Gold Coast Public Library followed by St. John's University. On all of those four, after some discussion on each, we voted unanimously to recommend approval of these financings at today's full Board meeting. We also discussed two TELP transactions, one for SUNY Stony Brook and the other was up in Syracuse. We recommend that they be approved at today's Board meeting. Unless anyone has any questions or concerns, that concludes my report, and I will turn it back over to you. Thank you.

**Chairman Carney:** Mr. Ronski, thank you very much. We will move on now to item three on the Agenda. It is a Single Approval Financing, and Mr. President, the microphone now goes over to you.

**Mr. McDaniel:** Thank you, Mr. Chairman. Behind Tab three is the School Districts Revenue Bond Financing Program.

The Transaction Summary will be presented by Dave Ostrander of DASNY. We also have Melissa Bennett of Barclay Damon and Robert Drillings of Burgher Gray, as counsel, who will be presenting. I'll turn it over to Mr. Ostrander. Dave?

**David Ostrander, Assistant Director, Public Finance and Portfolio Monitoring:** Good morning, everyone. The Board is being asked to adopt the necessary documents to authorize multiple series of bonds, in an amount not to exceed \$750 million, to be sold through multiple negotiated offerings on behalf of various New York State School Districts.

Proceeds from this authorization may be used to refinance the bond anticipation notes or BANs of various New York State Districts, to finance new money projects on behalf of these Districts, or to refund bonds issued by DASNY through the School Districts Program. Although we do not anticipate a refunding at this point, we did include it in this authorization to the extent the opportunity arises later in the year. As in previous years, staff is requesting authorization to meet current demand from Districts for a new money and BAN refinancing pool closing in June, as well as to accommodate additional demand that could occur later in the year.

As we discussed with the Board in the past, participation in the DASNY pool is largely rate driven. When school districts issue bonds, they can receive building aid reimbursement from the State in one of two ways. The school districts can issue their own general obligation bonds, in which case they receive building aid based on the statewide average. This rate, which was most recently set at 1.875%, lags behind current interest rates since it's based on prior year data, so it's typically beneficial for districts to issue on their own if they can finance below that rate. If districts cannot issue below that rate, they have the option to issue through DASNY. If a school district issues through DASNY, they receive building aid based on their actual cost of borrowing, so this is typically beneficial in a rising interest rate environment. In other words, when rates are declining, districts tend to issue on their own, and when we are in a rising interest rate environment, as we are now, districts tend to come to the DASNY pool.

Over the last three years we have seen our largest pools ever, ranging between \$450 million and \$580 million. At the time these financings occurred, interest rates were rising in relation to the Statewide average. We are starting to see a similar dynamic this year. For the 2021 pool, as of today, we've received interest from about 30 districts, totaling approximately \$300 million. That is just a preliminary number, and that is subject to change based on where rates go over the next month or so.

Otherwise, the structure and security are the same as the previous School District pools. Unless there are any questions, I will turn it over to Melissa and Robert to discuss the documents.

**Melissa Bennett, Esq., Barclay Damon, LLP:** Thanks, David. Good morning, everyone. As noted, before you for consideration is the adoption of the 2021 Supplemental Resolution pursuant to the Amended and Restated Master Resolution in order to provide financing for School Districts for school construction projects that are eligible for building aid and approved by the Commissioner of Education.

The Master Resolution provides for the issuance, from time to time, of multiple series of Bonds in an unlimited principal amount. Since 2004, multiple Series Resolutions and Supplemental Resolutions have been adopted.

Each Series of Bonds issued under the Master Resolution are special obligations of DASNY, payable solely out of the revenues, which consist generally of the payments to be made by the School Districts on their bonds issued to DASNY, and payments to be made by the State Comptroller to DASNY out of State funds otherwise payable to a particular School District if it has not made a payment on its bonds issued to DASNY.

Each Series of Bonds issued under the Master Resolution is secured separately from all other series.

As Dave mentioned, the 2021 Supplemental Resolution authorizes up to an additional \$750 million of Bonds, as and when needed, to satisfy the needs of the participating School Districts, and it also authorizes customary documents for a negotiated public offering of bonds. As in the past, while credit enhancement is not required, municipal bond insurance has historically been cost effective for certain Bonds and may be utilized for certain bonds this year.

I'll now turn it over to Robert to discuss the financing agreements.

**Robert Drillings, Esq., Burgher Gray, LLP:** Thank you, Melissa. As with prior series of School District Revenue Bonds issued to finance or refinance projects for School Districts, each of the participating School Districts will enter into a financing agreement with DASNY with the approval of the Commissioner of Education.

Under those Financing Agreements, the School Districts are obligated to make payments to DASNY, in amounts sufficient to cover principal and interest, on the applicable Series of DASNY Bonds when due, regardless of whether or not the School Districts receive State building aid.

In addition, the School District bonds will be backed by the full faith and credit pledge of the School Districts, which requires the School Districts to levy taxes in amounts sufficient to enable the School Districts to pay their School District bonds securing their obligations under their Financing Agreements.

The School Districts' obligations to make the payments due under the Financing Agreements, and other amounts due to DASNY under the Financing Agreements, will also be supported by the statutory State building aid intercept mechanism of the Program.

Neither the DASNY Bonds nor the School Districts' obligations under the Financing Agreements are secured by a lien on any facilities of the School Districts or any other property, and they may not be accelerated as a remedy for default.

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

We are happy to answer any questions that Board Members may have.

**Chairman Carney:** Thank you very much, Robert. Are there questions for Melissa, Robert, or David? Hearing none, may I have a motion, please, to approve the transaction?

**Mr. Chen:** So moved.

**Chairman Carney:** Thank you, Wellington. Good to see you. Is there a second?

**Beryl Snyder, Board Member:** I'll second.

**Chairman Carney:** Thank you, Beryl. Does anyone object to the transaction as presented? Hearing no objections, are there any abstentions? Hearing none, the motion is approved, and the transaction is also approved unanimously.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL  
RESOLUTION 2021-1 AUTHORIZING UP TO \$750 MILLION SCHOOL DISTRICTS  
REVENUE BOND FINANCING PROGRAM REVENUE BONDS

Melissa, before we depart, I would very much like for you to take a message back to Connie Cahill from this Board. She has recently, I gather, become the Managing Partner of your firm, Barclay Damon. I think she is the first woman in the firm's history to be so recognized, and we have had the pleasure of having Connie present to this Board in the past. She is technically outstanding. I wish, and we wish, her all the best. Congratulations, and all the best of luck in the new job. If you would take that message back to her, we would be very grateful.

**Ms. Bennett:** Thank you, Mr. Chairman. I'm very happy to take the message back, thank you.

**Chairman Carney:** Thank you.

Mr. President, Resolutions to Proceed with New Financings.

**Mr. McDaniel:** Thank you, Mr. Chairman. Behind Tab four is the InterAgency Council for Developmental Disabilities Agencies, Inc. Transaction Summary, and Gerard Klauser will be presenting. Gerard?

**Gerard Klauser, Senior Financial Analyst:** Good morning, Mr. Chairman, Members of the Board, DASNY Senior Staff, and guests. The Transaction Summary and Transaction Report provided to the Members is seeking authorization for a Resolution or Proceed for the InterAgency Council for Developmental Disabilities.

This transaction will include tax exempt and/or taxable, fixed and/or variable rate bonds in one or more series at one or more times sold through a negotiated sale and/or a private placement.

The purpose of the transaction is to refinance existing bank loans and to reimburse certain institutions for cash expenditures which were used to renovate or acquire certain properties used to provide services for the developmentally disabled.

On a program level, this will be the 15th financing for the Interagency Council. This is a pooled financing, with eight participants and 29 projects. We currently have 24 Prior Property Approvals (“PPA’s”) of the 29 with the others currently outstanding. The term is not to exceed 26 years, and the amount is not to exceed \$40 million. Each borrower will have their own loan agreement.

The security features include a pledge of all public funds which are attributable to each financed project, a standby intercept of these public funds attributable to each project, a debt service reserve fund of six months, and mortgages on real property acceptable to DASNY where available.

I mentioned that we have 29 projects, and currently, we have 24 PPA approvals. As a reminder, I will give you a brief highlight on the significance of the PPA’s. They are required to initiate the development of a project to serve individuals with developmental disabilities. The not for profit provider is required to complete a Certificate of Need (CON), which is reviewed by OPWDD for compliance and need. Ultimately, the projects are supported through contract reimbursement arrangements with OPWDD, and the State commits to support the development and operation of the project if it is completed and in conformance with the PPA.

Project funding is subject to annual appropriation of sufficient monies by the State Legislature, and the Prior Property Approvals are in place for 24 of the 29 proposed projects.

In Table two, there is an “Other” column currently containing a significant number, and that is a result of the five pending PPA’s. My expectation is that it will go down, unlikely to zero, but to a rather immaterial, insignificant number which will ultimately represent any slight overages from the PPA approvals. The projects are expected to have replacement operator components.

We anticipate a Aa3 rating from Moody's.

The State's programs and policies demonstrate the essentiality of community-based services to the developmentally disabled population in the State of New York, and the eight borrowers in this pool have had experience in providing these needed services to this population.

Accordingly, the Staff Report recommends that the Board adopt a Resolution to Proceed for one or more series of bonds with maturities not to exceed 26 years in an aggregate amount not to exceed \$40 million.

Mr. Chairman?

**Chairman Carney:** Mr. Klauser, thank you very much. Are there questions for Gerard? Hearing none, may I have a motion, please, to approve the transaction?

**Tracy Raleigh, Board Member:** So moved.

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

**Mr. Chen:** Second.

**Chairman Carney:** Wellington, thank you very much. Are there any objections to the approval of the transaction as presented? Hearing none, are there any abstentions?

Hearing none, then the motion passes unanimously, and the transaction is approved. Thank you, Gerard.

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE THE APPROPRIATE DOCUMENTS TO PROVIDE FOR THE FINANCING OF FACILITIES FOR INTERAGENCY COUNCIL FOR DEVELOPMENTAL DISABILITIES AGENCIES, INC

**Mr. Klauser:** Thank you very much, Mr. Chairman.

**Chairman Carney:** We move on to Tab 5. Mr. President.

**Mr. McDaniel:** Thank you, Mr. Chairman. Behind Tab five is the Gold Coast Public Library Transaction Summary, and Steve Kosier will be presenting this for us. Steve?

**Steve Kosier, Senior Financial Analyst:** Thank you. Good morning all. The Board is being asked to adopt a Resolution to Proceed for 31 year, tax exempt and/or taxable, fixed and/or variable rate bonds in an amount not to exceed \$10.8 million for the Gold Coast Public Library.

The Gold Coast Public Library is a new DASNY client and was added to the DASNY statute in 2015. The Library is a Special District Library, founded in 2001, and is located in Glen Head in



Nassau County. The Library District is coterminous with the North Shore Central School District, less the Village of Sea Cliff.

Bond proceeds will be used to acquire an approximately 2.62-acre parcel of land at 180 Glen Head Road, in Glen Head, and to construct a new library building on this site. Authorizations to pledge funds raised by taxes for amounts required under the DASNY loan agreement was approved by a voter referendum held on December 8, 2020.

The vast majority of funding for the Library comes from real property tax revenues levied and collected by the Towns of North Hempstead and Oyster Bay. Taxes collected by the Towns are paid as received to the Library in two installments, in February and August. Any changes to the tax levy are submitted to the voters for approval. Once approved by the voters, the Library's tax levy is considered an annual appropriation. If the Library subsequently requests an increase, and the voters defeat that request, then the appropriation reverts to the amount last approved by the voters.

The bonds are expected to be rated Aa3 by Moody's. Security will include a pledge of revenues and a lockbox. The lockbox requires the Library to fund, in advance, a debt service account as tax collections are received. The Towns will send all tax receipts directly to the Trustee. A portion of the Library's tax receipts will be set aside by the Trustee to fund the debt service fund, and the remaining balance will be transferred to the Library to be used for its operations.

In summary, the Library has a predictable revenue stream, and the debt service fund will be funded through the lockbox mechanism ahead of bondholder payments. Therefore, Staff requests the approval of a Resolution to Proceed for a bond issue, in an amount not to exceed \$10.8 million, on behalf of Gold Coast Public Library.

Mr. Chairman, before I turn the meeting back over to you, I wanted to respond to a question you raised at Finance Committee yesterday afternoon when you asked what makes up the other revenues on Table 1 of the Transaction Report.

**Chairman Carney:** Yes, thank you.

**Mr. Kosier:** I responded that I believed they were items such as grants, other fundraising, and likely a small amount for fines or late fees. I looked more closely at the audits and confirmed that this is largely the case. Looking at the 2019 audit, the Library reported a little over \$65 thousand in other revenues. Of that, interest income accounted for over \$25 thousand, grants and donations came in just below \$20 thousand, fines and lost and damaged material reimbursements totaled over \$9 thousand, fees for various programs run by the Library were nearly \$6 thousand, copier and printer fees were nearly \$3 thousand, and book sales and other revenues totaled approximately \$2 thousand.

**Chairman Carney:** Steve, thank you for that thorough response.

**Mr. Kosier:** Looking again at Table 1, you'll notice that other revenues were higher in 2015 and 2016, totaling about \$130 thousand and \$140 thousand. Other revenues were higher in those two years because, in addition to the typical other sources of revenues I listed, the Library also received insurance proceeds when frozen pipes in the building caused sprinklers to go off which caused a significant amount of damage, including the loss of a large number of books. Between the two years, the Library received over \$120 thousand from its insurer to cover the damages. With that, I turn it back over to you.

**Chairman Carney:** I can't thank you enough. That was extremely thorough. I appreciate it.

Are there questions for Steve? Hearing none, may I have a motion, please, to approve the transaction?

**Mr. Chen:** So moved.

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

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

**Chairman Carney:** Beryl, thank you so much. Are there any objections to the transaction as proposed and presented? Hearing none, are there any abstentions from the vote?

Hearing none, the motion is approved unanimously and the transaction as well. Thank you very much.

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE THE APPROPRIATE DOCUMENTS TO PROVIDE FOR THE FINANCING OF FACILITIES FOR GOLD COAST PUBLIC LIBRARY

I think we can move directly on to the next presenter who indeed is Steven Kosier.

**Mr. McDaniel:** Behind Tab 6 is the St. John's University transaction. Steve?

**Mr. Kosier:** Thank you. Here, the Board is being asked to adopt a Resolution to Proceed for one or more series of fixed and/or variable rate, tax exempt and/or taxable bonds with an aggregate par amount not to exceed \$365 million on behalf of St. John's University.

St. John's has been a DASNY client for more than 50 years and has always met its obligations to DASNY on time and in full.

The Board will recall, at the May 2020 DASNY Board meeting, the Board adopted documents on behalf of St. John's University for a \$325 million issuance. St. John's was responding proactively

to the impact of the COVID-19 pandemic, and the approved financing was structured to mitigate risk with respect to its debt profile.

The DASNY approval included up to \$30 million of new money projects, and the balance was for refundings of certain outstanding DASNY bonds. The financing was placed on hold in June of 2020, as the University wanted to further assess and respond to the disruptions caused by the COVID-19 pandemic and to ensure their plan of finance supported the University going forward. With the approval of the proposed financing, the University would no longer utilize the approvals obtained in May, 2020.

The proposed financing is similar to the financing approved by the DASNY Board in May, 2020, with the addition of a new money project requiring additional authorization. At the same time the University was working on the anticipated 2020 financing, it was in the planning stages for developing a new health sciences building with a planned borrowing in 2021.

The University's Board has approved the financing of up to \$90 million in new money projects, including the new health sciences building. The health sciences building is expected to cost approximately \$78 million, leaving a balance of approximately \$12 million to be used for other capital projects, including deferred maintenance. These other projects may include items such as HVAC, elevator and other infrastructure projects, renovations to existing facilities, the purchase and installation of fire safety equipment, and technology upgrades.

The new health sciences building will be constructed on the site of what is now St. Vincent's Hall, which will be demolished. The health sciences building will add support to the University's health science initiative and strategic enrollment planning, which will inject new infrastructure and programmatic space capabilities to grow the St. John's College of Pharmacy and Health Sciences and Interdisciplinary Programs. The University is adding new health sciences programs which build upon the pre-existing St. John's expertise in key areas of the health sciences and which directly relate to local, regional, and national health care industry needs that have only been elevated during the COVID-19 crisis.

In addition to the new money issuance, the University also plans to refund all or a portion of its various DASNY Bonds outstanding. The refunding candidates are the same candidates that were approved in May, 2020. St. John's will refund and fix out its variable rate Series 2008B-1 and 2008B-2 bonds. The 2008B-1 bonds also have a Swap which it plans to unwind. Refunding the variable rate bonds with fixed rate bonds will provide a more conservative overall debt mix in a relatively low interest-rate environment and eliminate interest rate, downgrade, and renewal risks.

Additional refunding candidates include the Series 2012B, 2013A, and 2015A bonds which each have 10-year call provisions and are not eligible for current refundings under current tax law. Therefore, these refundings will be done either taxably or through a forward delivery.

The overall financing is expected to be a combination of tax exempt and taxable bonds. The bonds are expected to be issued in a negotiated sale; however, the University has requested the flexibility

of being able to do a private placement as well. The University may choose to fund approximately two years of capitalized interest on the new money issuance. Subject to useful life analysis by tax counsel, there may be extensions of certain final maturities and/or some restructuring of principal of the refunded bonds to achieve a more level overall debt portfolio and to provide greater affordability within the existing debt service budget for the new projects requiring capital investment.

If all refunding candidates are included, the net present value benefit is anticipated to be approximately \$15 million or 6% of the bonds being refunded. The total estimated par of the proposed financing is approximately \$350 million. Staff is requesting a par not to exceed \$365 million to ensure there are sufficient funds to complete the refundings and the authorized new money expenditures. Upon completion of the proposed financing, maximum annual debt service is estimated to increase moderately, from approximately \$39.8 million to approximately \$40.7 million.

The University is currently rated A3 by Moody's and A- by S&P, and the bonds are expected to be a general obligation of the University with no additional security. I will now present some additional information regarding the operations and audited financial statements of the University.

The University is dependent on student related charges, with 74% of 2020 revenues coming from net tuition and fees. The University averaged full-time equivalent or FTE enrollment of 17,527 students over the four-year period from Fall 2016 through Fall 2019. These were the four highest totals in the history of the University. Fall 2020 enrollment declined to 16,040 students, primarily due to the impact of the COVID-19 pandemic. The University implemented several recruitment strategies over the past year, and enrollment planning continues in an effort to mitigate the impact of COVID-19 and improve enrollment while maintaining its admissions standards.

These strategies, which are outlined in the Staff Report, will benefit from the new health sciences building, as many of the new degree programs will be enhanced by this capital project. The already approved new academic programs are projected to grow enrollment by 480 students per year, and additional programs are in the planning stages.

St. John's has a consistent history of positive operating margins, including a \$13.2 million surplus in 2020, despite disruptions caused by COVID-19. Operating surpluses over the last five years averaged \$23.0 million. Despite the impact from COVID-19, the University continues to target a balanced budget for 2021, even under stressed assumptions.

The University's net asset base increased from \$725 million in 2016 to \$936 million in 2020, primarily from an increase in investments and a decrease in long-term debt over the past five years. Investments were up about \$100 million to approximately \$750 million, and debt decreased by about \$120 million over this time period. The University's current outstanding debt of approximately \$397.7 million is a 15-year low. St. John's has been strategic in funding capital projects over the past 15 years from planned reserves or gifts without the use of debt. The

University's 2020 debt service coverage ratio was 2.0 times compared to the 2019 DASNY median of 1.9.

In summary, the University has requested DASNY to approve a bond issue to refund the refunding candidates I described earlier and to provide the ability to issue up to \$90 million in new money projects, including a new health sciences building which is expected to enhance the University's position in the health sciences related industries and projected to propel enrollment. Staff is requesting the Board to adopt a Resolution to Proceed with a financing on behalf of St. John's University in an amount not to exceed \$365 million to facilitate the University with its plan of finance.

Mr. Chairman.

**Chairman Carney:** Steve, thank you very much. Are there questions or comments for Steve? I might say that the Finance Committee had a very positive, robust discussion yesterday with Steve about this proposed transaction. The Finance Committee Chair has already pointed out that it has been recommended for approval by the Board. Again, are there any questions or comments for Steve?

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

**Mr. Romski:** So moved.

**Ms. Snyder:** I'll second. I also wanted to say that I think it's going to be a very, very positive addition to the health care system in Queens. My husband was raised a stone's throw from St. John's, and it's an area really in need of that kind of improvement, so I will second that motion.

**Chairman Carney:** Beryl, thank you very, very much.

The motion has been properly moved and seconded. Are there any objections? Hearing no objections, are there any abstentions? Hearing none, the motion is approved as presented, and the transaction is approved.

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
(DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE  
NECESSARY ACTION TO PREPARE THE APPROPRIATE DOCUMENTS TO PROVIDE  
FOR THE FINANCING OF FACILITIES FOR ST. JOHN'S UNIVERSITY

We now go to the Tax Exempt Leasing Resolutions. Mr. President.

**Mr. McDaniel:** Thank you, Mr. Chairman. Behind tab seven is the State University of New York Stony Brook University Hospital transaction. The summary update will be presented by Portia Lee. Portia?

**Portia Lee, Managing Director, Public Finance and Portfolio Monitoring:** Thank you very much. Before the Members for their consideration is the TELP transaction, on behalf of SUNY Stony Brook University Hospital, in an amount not to exceed \$48 million.

As you know, it is the policy of the Public Authorities Control Board for TELP transactions that exceed \$10 million in a 12 month period be brought before the DASNY Board and PACB for approval.

There's an attached equipment list, which includes various equipment, including IT, pharmacy, and other types of equipment. Mr. Chairman, thank you.

**Chairman Carney:** Thank you very much, Portia. Are there any questions for Portia about this proposed TELP transaction? Hearing none, may I have a motion, please, to approve it?

**Mr. Chen:** So moved.

**Chairman Carney:** Thank you very much, Wellington. Is there a second?

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

**Chairman Carney:** Beryl, thank you very much. Are there any objections to the transaction? Are there any abstentions from the vote? Hearing none, the motion is approved as is the transaction unanimously.

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

**Chairman Carney:** Portia?

**Ms. Lee:** And the second TELP transaction before the Members for consideration is SUNY University Hospital at Syracuse in an amount not to exceed \$42.5 million. As stated previously, policy of the Public Authorities Control Board is that TELP transactions which exceed \$10 million in a 12 month period be brought before the DASNY Board and PACB for approval.

There's an attached equipment list, which includes various emergency department, radiology, IT and other equipment. Mr. Chairman.

**Chairman Carney:** Portia, thank you very much. Are there questions for Portia? Hearing none, may I get a motion, please, to approve the transaction as presented?

**Mr. Chen:** So moved.

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

**Ms. Raleigh:** I second.

**Chairman Carney:** Tracy, thank you very much. Are there any objections to the transaction as presented? Hearing none, are there any abstentions from the vote?

**John Johnson, Vice Chair:** Yes, I sit on the Upstate Medical Council.

**Chairman Carney:** John, thank you very much for that. The record will reflect that we do have one abstention on this vote. The motion is approved as is the transaction. Thank you all very much.

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

The next item on the Agenda is the Corporate Governance Committee Report. Chairman Johnson?

**Mr. Johnson:** The Governance Committee met yesterday. We adopted the minutes of our October meeting, and then, we went to work. I am going to ask Sara to take us through some of the annual actions that we are recommending.

**Chairman Carney:** Thanks, John.

**Ms. Richards:** Thank you. At yesterday's meeting of the Corporate Governance Committee, as required by the Public Authorities Law and the DASNY By-Laws, the Governance Committee undertook the required review of the Code of Ethical Conduct as well as the Policy Regarding Time, Attendance, and Compensation to Staff Officers. That review is required by the Committee. No Board action is required.

The other item that was considered and discussed were some proposed changes to the Whistleblower Policy. I believe, Mr. Chair, that President McDaniel was going to walk through a review of that.

**Chairman Carney:** That's fine. Thank you very much, Sara. Mr. President.

**Mr. McDaniel:** Thank you, Sara. Yes, if you recall, several months ago, our Internal Audit and our Audit Committee proposed that we have a centralized third party for our whistleblower complaints, whether those are internal or external. We went about the work of getting a firm externally to handle our whistleblower calls. They will receive those calls, determine where they should go, and then take appropriate action. Whoever calls those lines will be calling a third party. That third party will determine whether it's an external issue that we need to work through our OPI group, a discrimination issue, or some other issue. They can appropriately have that barrier, and no DASNY employees are making those decisions. We have that set up. We needed to change our Whistleblower Policy to accommodate that change. Ricardo Salaman, Sara Richards, and Tara Miner spent a good amount of time on this Policy, and we appreciate that work.

We've made changes for two things. One is to take care of the Whistleblower Policy. The second, started about a year ago, is the Office of Diversity and Inclusion, and I'll talk more about that later. We wanted to make sure that if someone had a whistleblower complaint that hit one of those topics, that office was in the right order to be notified of that complaint and to assist with the resolution. Those two changes were made specifically along with some "cleanup", and I feel very good about where we are with the Whistleblower Policy now. I present it to the Board for approval.

**Chairman Carney:** Mr. President, thank you. Let me commend the staff on the coupling of the new Office of Diversity and Inclusion with the pre-existing staff who are responsible for receiving and reviewing, depending on category, the whistleblower complaints we receive. It's a great inclusion, and I think it works well.

There is a Resolution that we are required to pass. That Resolution, for review, appears directly behind the revised Whistleblower Policy. Are there any questions about the Policy itself or about the Resolution? Hearing none, may I have a motion, please, to approve it?

**Mr. Chen:** So moved.

**Chairman Carney:** Thank you very much, Wellington. Is there a second?

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

**Chairman Carney:** The motion has been properly moved and seconded. Are there any objections to it? Hearing none, is anybody on the Board abstaining from the vote? There being no abstentions, the motion is approved, and the Policy is adopted. Chairman Johnson, thank you very much for your work on this.

RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY  
OF THE STATE OF NEW YORK APPROVING THE DORMITORY AUTHORITY OF THE  
STATE OF NEW YORK WHISTLEBLOWER PROTECTION POLICY AND PROCEDURE

**Mr. Johnson:** I think that gets us through any action required by the Board. The Committee did spend some time on the Annual Board Self Evaluation. First of all, thank you very much for the



good work. We had a complete and timely response to the questionnaire, so we didn't have a lot of issues. We were able to get it, and we did spend some time yesterday evaluating. I think we're going to go into Executive Session in a minute, but before we go into Executive Session, I would like to put on the record, on behalf of the Governance Committee, that we felt that the results, overall, of the self-evaluation showed an improvement over the last several years. This is all positive news given the challenges that we've all faced in the last 12 months. I think it was a positive performance, and I think that's attributable to the management in place. They are doing an excellent job of keeping the Board fully aware and understanding of what's going on in the Authority. So with that, I think we need to go into Executive Session, or are we are going to do that at the end of the meeting?

**Chairman Carney:** That's right. With your approval, we'll all move on with the meeting and have the Executive Session toward the end of the meeting, so that the folks that have to can go back to work.

**Mr. Johnson:** I agree with that completely.

**Mr. McDaniel:** Chairman Johnson, if I could, I just want to let you know that Brian Cechnicki, who used to be a Board Member of DASNY, emailed me in his new position. He reached out to me a couple weeks ago and asked for our form of Board self-evaluation. He was so impressed with it, he wanted to instill that in his organization. The good work of DASNY is now spreading out through the State.

**Chairman Carney:** Thank you very much, and Mr. Johnson, thank you for your report. We will look forward to the discussion at the end of this meeting. Mr. President, we are at Tab 10.

**Mr. McDaniel:** Thank you very much. I'm going to try to deliver my President's Report. We have got quite a few things to go through. We also have several people who will be coming in and out to present various components to make it hopefully more interesting if nothing else.

But first, I want to address the Chairman of the Governance Committee, John Johnson's, request. As part of the Governance Committee, he wanted to make sure that we reviewed with the Board what we have been doing over the past almost 12 months now, as it relates to working remotely through the pandemic situation and the difficulties that that's created logistically; how we've engaged staff; and what we've done as far as bringing new hires into DASNY and making sure we maintain the DASNY way, if you will.

First, we have not hired anyone during this pandemic period of time. We've not had the difficulty of having someone start during the pandemic. We did hire a couple of people who joined us right before we went remote, so they had an opportunity to be in the office for a few days. Those people have been engaged as well, so fortunately, we have not had to work hard on new hires. However, we have been very strategic and very thoughtful, I believe, in how we engage our employees to maintain our staff productivity.

The first thing we did in going remote was to have each employee revise their work plan so that, from a work plan perspective and in working remotely, everyone was clear on what the responsibilities were and how they would be measured. Also, an employee's managers and the managers above them could make sure that everything that needed to be done was being completed, and we knew who was supposed to be responsible for that. Then, the staff was directed on how to complete their timesheets. One of the benefits to DASNY is that all of our work is done timesheet wise and billed to a specific code, so we did give some codes for out of office for folks who, for whatever reason, were not able to be productive at a given time. We wanted to make sure we accurately reflected what we were doing on behalf of our clients, so I want to commend Geoff Arnold, who did a lot of good work on reviewing these timesheets throughout this period of time. If he felt like people were inadvertently mismarking things, we were making sure that they were aware of that. We also communicated directly to staff members on the various codes that were enhanced during this period of time. We did a nice job, I think, of making sure that timesheets were consistent. This meant that we could accurately both bill our clients for the time for clients and also, as management, look at our productivity measures and make sure that we felt good about where we were productivity wise. To the extent that we saw individuals who, because of their skill set, ability, or job responsibility, were not being as effective as they would have been in the office, we were doing one on one reach out to them to do whatever we could to enhance their productivity, whether that was additional assignments or additional equipment.

In many cases, during the pandemic, we had people volunteer. The State had several outreaches to us for a coordination on the vaccines most recently, but also coordination on testing, and we had a lot of staff members volunteer during the COVID crisis when they were not busy doing DASNY work. That was excellent to see.

On the engagement side, in this virtual world, it is more difficult to engage staff. One of the things we really missed was just the informal communications where someone might get some mentoring or some problem solving in a more casual setting. We really tried to do a lot of things to make sure that we're all communicating well and communicating effectively.

One thing we did was implement the Microsoft Teams platform, which is a video chat and call format. We required everyone who is in the office, on clocking in, to be connected to Teams, so that we could call, chat, or email as needed. We have all of our internal meetings on Teams with video cameras on, so that we can see each other and get the body language, as well as the verbal, and make sure that people are engaged. That has really been very helpful, I believe, for making us all feel that we are still connected.

I have hosted, once a month, what we're calling a lunch with the President, where we have different folks, Grants for example, give a 10 to 15 minute presentation on a unit or a project. Then, we would have Q&A, with everyone being able to ask me questions about the specific project area and/or other things going on. The real goal here was to share that work was going on at DASNY, to let people know what that work was, and to highlight the people that were engaged in that work. I also have been sending out a weekly Friday video that gives updates on what's going on at DASNY. It is done during the week, and most weeks, I have an interview with someone at

DASNY. For instance, when the Moynihan Station permitting was done, we interviewed the two DASNY employees who led that on the ground for us. We also had an external architect who has done work for DASNY for some 30 years. He came on and talked to us about the work going on at some of the SUNY campuses.

I think those have been well received. We typically get somewhere around 200 to 250 people viewing the videos and 250 to 300 people in the lunches. That has been good. We've also been encouraging staff members to really get out and communicate with each other, especially with the people that you would normally walk past in the hall or in the break room so are not seeing now.

Some statistics provided to me by Geoff Arnold: We are projected to close 15 private client financings in 2020-2021 compared to 19 in 2019-2020. We're projected to disburse about \$600 million in construction payments in 2020-2021 compared to \$773 million in construction payments in 2019-2020. In 2020-2021, 42% of all hours charged were direct bill to projects compared to 46% in 2019-2020. You can see that we're down a little bit, as we would expect, but certainly not in a way that would cause significant concern.

We also had been working hard on outreach to our partners. To give you some numbers and some indications of that, in Kim Ellis's group, for the three month period ending 12/31/2020, we had great number performance from both our MWBE and SDVOB broker dealers as we bid out various securities. Of those trades, during that quarter period of time, 44% were awarded to either an MWBE or SDVOB firm. These are all competitively bid. On a side note, one of the reasons it's so good to have smaller firms, minority firms, and SDVOB firms involved in our accounts is that during these periods of time, they pay attention to some of the smaller transactions that we do on a day to day basis and give us aggressive bids. It's always good to see that work.

A couple weeks ago, we had a job order contracting information session that was opened up to all folks who were interested in responding to an RFP on job order contracting. That information session was very successful. We had over 200 people attend. Michael Clay and Wayne Benjamin lead that for us, and that was very well received.

Our Communications Department has been spending a lot of time making sure that we get information on our Intranet, which has been reimagined as a place for people to easily get information about and access to what we're doing at DASNY. That has been, I believe, well received by folks, and we appreciate that staff.

Also, one thing that's been going on behind the scenes that I think will be very productive for DASNY in the long run, is that our IS Department has been looking at all of the various things we did electronically which were historically paper based. That department is now trying to develop systems internally for us to be able to take some of the lessons learned and create a more streamlined process. Some examples of that: On the banking vendor portal information, for people who want to get paid electronically, we're putting together a vendor portal for them where they can come in one time and enter all of their information, so they get their payments done electronically. We're looking at the E-signature and making sure that all works.

We also have a couple of big, specific projects going on. One is PM Web, which is our project management software on the construction side. We've had a couple of internal folks who have really taken great responsibility for that and have done a great job. I got a demonstration on that the other day, and that is looking very, very good. We also are doing some work on the Grants side, and that has been going very well. We are doing some work on the Public Finance side, so the IT group has really integrated a lot of lessons learned here, and that's been going very well.

That brings us to how we're going to come back to work in a more traditional way. A lot of people around the city, both State agencies as well as private sector, are going through this now. Clearly, the numbers are getting better. Not 100% where we want to be yet, and we will continue to monitor those, but I have started to let everyone know that they need to begin talking to their staff members about coming back to work over the next couple of months and begin planning for that. Personally, our target is to have more people in the office in April than we've had in the past, and we want to do that in a systematic way. It is also our target in April to have people in the New York City office come in and, at the very minimum, get their desks set up. We will be providing on a weekly basis the ability for a subset of staff to come in. Our hope is that over the month of April, we can begin to have much more flow in and out of the office and testing of the safety systems to make sure we have the protocols in place, so that as we get into the summertime, assuming that numbers continue to go well, we will have the engagement people on board. We are also working with a target to have some of you come to the New York City office in person at the May 5 Board meeting, so we're making sure we set up the New York City office so that we can safely do that. We still will have a virtual component obviously, but that would be a great day if that in fact comes to fruition. We certainly will not put any of you at risk.

I think we're in good shape on coming back when it's time. Again, we have done a good job on the PPE and all the other things, so I think we're in good shape there.

In summary, I've answered your question the long way, Chairman Johnson, but I am pleased to report that, although the 12 months have not been a great 12 months for DASNY for various reasons, we have been very productive. We monitor that productivity. We've assisted members of the organization who have struggled with whatever productivity tools they need. We've done a lot of work on employee engagement. I have personally spent a lot of time in various monthly meetings talking to staff members. For the Grants group, I did a couple of communication seminars. For the IS group, I've been engaged with them on some of their development, really trying to be present. I've done some one on one pop-ins on people to say hello, and I think all that has gone well. Working very hard on that. With that, I'll pause there, Mr. Johnson. I feel I've answered your question, and are there any questions?

**Mr. Johnson:** Reuben, thank you very much. I think that this is an interesting time to have to govern an agency that has had such a transformation. At this point, as we all look back, I hope we can say that we know what we did, we've learned a lot from it, and hopefully, we never have to put it in practice again. I think that this has been an excellent summary of what has been accomplished, of which I'm sure there was a lot more than you covered. I think it's a terrific

performance on the part of the management, and that puts us in good stead for tomorrow. Thank you very much for your work.

**Chairman Carney:** First of all, I echo Chairman Johnson's remark there. Your report far more than answered the questions that he raised. Thank you very much for taking the time and making the effort to give us a play by play of the myriad matters that you've had to address over the last year. It's great to hear that you've had the kinds of successes that you've had. Thank you very much for that. Are there questions for Reuben before we move on into the remainder of his and other presentations? Hearing none, Mr. President, how do you want to proceed?

**Mr. McDaniel:** Thank you. Next, I want to talk about our Office of Diversity and Inclusion. As you'll recall, in Spring of 2020, we establish that office. Michael L. Johnson was appointed as the Director of our Diversity and Inclusion Office. He has done some great work over this year, organizing the Office from scratch and working with our State partners and others on best practices. We've done a lot of work on creating metrics and measures around diversity and inclusion; communicating to the staff and the organization how important it is to us; and giving people a place where, if they feel like there's something, whether it is negative or positive, around the world of diversity and inclusion, they can have those conversations. I think that has been well received. We also did a seminar on unconscious bias. All employees have taken that, and I participated as well. It was very well done. We also participated in the Statewide diversity strategic planning initiative by providing responses to where we are and what we're trying to accomplish.

I feel very good about where we are, but it really is just the beginning. Sometime this afternoon, Deb Fasser will send you an email with a link to an interview that I did with Michael Johnson. He and I talked about what's going on in diversity and inclusion. I would hope that you all will take the time to view that. At this time, I would like to ask Michael Johnson to say one or two brief words on diversity and inclusion at DASNY and what he sees going forward in that office. Michael?

**Michael L. Johnson, Director, Diversity and Inclusion:** Hi everyone. Regarding the Office of Diversity and Inclusion for DASNY, I can't thank Reuben enough for introducing it. It's something that is needed, and it's also given the employees at DASNY a sense that there's actually something there that addresses so many different issues that they have which they maybe haven't been able to share before. Going forward, especially in working with the Statewide Office of Diversity and Inclusion Management, we gain access to Statewide and national best practices through performance measures, education, and training that can only serve to make DASNY the place that Reuben is trying to make it, which is the best place in the State to be.

**Mr. McDaniel:** Thank you Mr. Johnson. Again, thank you for your good work. You've done a great job getting it set up. I know we have a lot of work to do, but we're off to a great start, and again, I recommend to each of you Board Members to view the video interview with Michael and I. It is about 10 minutes long, so it's not too long, but I think it will give you some more detail into what we're doing in that department. Any questions on the Office of Diversity and Inclusion?

**Chairman Carney:** Michael, I am just curious, and I don't want to take the Board's time today, but I would love to hear your views of what will be the interaction between our Office of Diversity and Inclusion and the State's Office of Diversity and Inclusion Management, to get a better sense of what you're thinking about how that might, ought to, and will ought to work, but we can do that at some other time, whenever you can.

**Mr. Johnson:** Absolutely.

**Mr. McDaniel:** I will say, Mr. Chairman, Michael has been engaged with that office on a consistent basis. The implicit bias seminar that we did was done by them. It was well done. I think everybody enjoyed that. He's got a lot of statistics from that office and a lot of best practices, so you all will have an interesting conversation. I'm going to move now on to Public Finance. Portia, can you give a summary on Public Finance this month?

**Ms. Lee:** Thank you very much. A brief market update: Total new issue supply is currently about \$59.6 billion year to date. That's down about 20.5% compared to this time last year. This week's total supply is expected to be about \$8 billion. Tax-exempt bond yields were flat yesterday, Tuesday. The 10 year AAA MMD remained at a 1.15%, while the 30 year remained at 1.8%. US government bond yields decreased, with the 10 year treasury decreasing by three basis points and the 30 year treasury decreasing by two basis points to 1.42% and 2.21%, respectively.

Municipal bond funds reported modest inflows for the week ending February 24. The market saw some pretty big adjustments last week. Since the February Board meeting, the one year MMD rate increased three basis points, and the 10 and 30 year MMDs have both increased by 42 basis points. Similarly, the 10 and 30 year Treasuries, since the February Board meeting, have increased by 30 and 34 basis points, respectively.

Also included in the Board materials are a package of three Bond Sale Summaries, which include performance metrics. That concludes my report.

**Mr. McDaniel:** Thank you, Portia. Any questions on Public Finance? We do have some interesting and exciting transactions coming up in Public Finance. You heard about a lot of them today, so that group has been very busy.

One thing that I am always reluctant to do is to call out someone specifically because then you end up not calling out everybody who's contributed, but in part of answering John Johnson's question, then reflecting on it this morning, Steve Curro really deserved a little more call out because he's had so many of his folks who have been physically engaged and getting out in the marketplace logistically during this COVID period of time. They are the ones that really have been our frontline during this. A lot of us have been safely behind the screen. He, individually, has done a lot of work, going to sites and those things. I want to shout out that Steve has done a wonderful job of keeping his team safe, engaged and coordinated in moving from here to there, dealing with the various issues, starts, stops, and all that. I wanted to say for the Board, again, everyone at DASNY, all 470

some of us, have done great work, but Steve surely deserves a specific shout out for the work he did given the logistics he had to deal with over this past year.

With that, Steve, give me a great construction report, so that it sounds like you've done all I said you did.

**Stephen Curro, Managing Director, Construction:** Thank you, Reuben. It's the guys on the front lines that are the bread and butter. That's where the rubber meets the road, I just pop around and say hello to them every now and then.

As far as the past month, what we're really focused on today is the Javits Center. Our Code Compliance group, fresh off of the work they did down on Moynihan Station, has now been pulled heavily into the Javits expansion project. We are fully engaged. We are doing a number of reviews and inspections on a weekly basis. We do have consultants down there as well helping us, but really, the exact same team that brought the Moynihan Station to life is now down the street a bit working at the Javits Center. The Temporary Approval for Occupancy ("TAO") date has been targeted for May 3. We certainly have a lot of work to do down there to get to that milestone, but we are fully engaged.

Speaking of Moynihan Station, we are now working on Phase III of that project. Facebook has taken over the balance of that facility. They're one gigantic tenant that DASNY is permitting that fit-out space for, so the same code folks who have been working with both Javits and Moynihan Phase II are also working on the Phase III piece there for Facebook.

Of note, at FIT, just down from our One Penn former offices, E.E. Cruz, our Package 1 foundation contractor, has mobilized to the site. The 28th street traffic barricades and traffic control is now in place, which really tells us that the project is taking shape and is ready to move deeply into the construction phase. On the pre-construction side of that project, activities continue, including subcontractor buyout for both Package 1 and Package 2. A lot of submittal work has been processed, and certainly, the site work prep is ongoing. We, DASNY, have moved our project manager Paul Goncalves into Feldman Hall. Those will be our offices, along with E.E. Cruz and our construction manager, The Legacy Group. This project is a 32 month project that is just now getting started.

Up at Lehman College, another large project, a \$90 million School of Nursing project, is about to break ground. We just completed demolition of a bookstore on the campus to make way for the nursing project. Cinalta Construction is the general contractor for the project, and Chris West is DASNY's project manager. We do have a CM onboard up there, it's TDX, and that project is a 32 month project.

A couple of OMH highlights: We do have four major projects with OMH that are either concluding or in some stage of either design or construction.

At South Beach, you have heard me talk about this project many times. Northwell continues to occupy the South Beach Psychiatric Center, which was converted into a COVID-19 hospital last March actually one year ago. DASNY and OMH now are beginning plans for OMH to formally occupy the facility upon Northwell's exit, and we're hearing that that may happen within the next couple of months.

In Central New York, at the Central New York Psychiatric Center, phase one of a \$130 million renovation project is getting prepped for advertisement for bid. This is a very long-term, multi-phase project, given the fact that all the work will take place in an occupied facility. Most of the work centers around Building 39's MEP systems, as well as a complete window replacement for that facility. Nick Huestis is DASNY's project manager for Central New York.

Out in Western New York, the Western New York Children's Psychiatric Center: That project is concluding from a design perspective. We anticipate advertising for bid within the next couple of months. Michelle Paris is our project manager there.

Our largest project that we're actively engaged in is the Mid-Hudson Forensic Psychiatric Center. This is a complete, new build of a campus down in Mid-Hudson. We are advancing from concept to schematic design. STV and Ar are our project designers, and that project's being managed by Sam Gleason.

A couple of other quick items with regard to the Construction Division: Reuben mentioned PM Web. We are continuing the implementation there. Our I/S folks have taken over the brunt of the configuration of the functionality for that system.

We did push our anticipated live processing date from the beginning of April to late July of this year. Most of that has to do with our folks doing the configuration rather than a third party consultant; a bit of a learning curve, as well as a learning curve for us; and the durations, really the amount of time it takes to configure that system. We have had four Construction Division staff announce retirements since January 1<sup>st</sup>. We are working to fill those gaps and remain responsive to our customer agencies in the meantime.

And lastly, a quick note about West Point. I have mentioned it before. We have been asked to engage in a fifth project down there recently at the Academy. This is the relocation of some bookstore space. We continue to work on contracting language. We actually have a meeting with them today associated with construction services for the Academy.

With that, Reuben, that concludes my report.

**Mr. McDaniel:** Thank you, Steve. Do you have any questions for Steve?

**Chairman Carney:** Not so much a question, Mr. President, more of a comment. Steve already knows about this, and so do you. I am really keen on having as many Members of this Board together visit Moynihan Station as soon as that's, to use Sara's word, practicable.



It is grand space as I've already said to Steve. It was, and continues to be, an extraordinary project. I know ours was a permitting function there, but I'll be honest with everybody on the call, I take full credit for DASNY and its importance to the completion of that project with everybody I talk to. It is nothing less than grand, and it is worth an hour of folks' time to get down there. We will take the train whenever that's comfortable for everybody, so we don't have to be in a van together. If we're still wearing masks, Reuben, when you and Steve decide that that makes sense, then that'll be fine as well. I would love for as many Members of this Board as possible to get down there. And Steve, it's a great piece of work, thank you.

**Mr. McDaniel:** Mr. Chairman, we will definitely do that. We'll make sure that one of our folks who's on site on a consistent basis is there to join us, so they can give us the behind the scenes tour. One of the things about permitting, and we should take full credit for it, is, when it comes to Moynihan Station and other big projects, the health and safety issues are kind of an afterthought. The work that we do there on the permitting side, and also on the consulting on how to solve problems and work through that, is just very important to the work, so great job there, and thank you for highlighting that, Mr. Chairman.

We are now going to move on to budget. As you know, you received the proposed budget. We also posted it on the Public Authorities Reporting Information Systems.

I am going to have Kim Ellis do her presentation, and then, I will fill in any gaps that I feel like we need to fill in after. Kim?

**Kimberly Ellis, Chief Financial Officer:** Thank you, Reuben.

A few highlights: I wanted to provide a brief snapshot of the timeline in the budget development process. On December 30<sup>th</sup>, budget materials were sent to the Board, and in accordance with the Public Authorities Accountability Acts of 2005 and 2009, they were posted on DASNY's website and on the Public Authorities Reporting Information System.

Today, I am going to provide a high level overview of that budget, and, lastly, on March 31<sup>st</sup>, the Board will consider a Resolution to adopt the budget at the meeting.

The budget package you previously received reflects operating expenditures of \$114 million, which is a 3% decrease over the adopted 2021 budget. When pulling out pass-through expenses, the interim operating budget reflects expenditures of approximately \$85 million, which is a 5.2% decrease over the current year's adopted budget. The primary drivers for the decrease in operating expenditures relate to salaries and M&O expenses.

Salaries are proposed to decrease by approximately \$3.8 million. This decrease reflects an FTE level of 473, which is a reduction of 15 from the current year projected and below the 515 in the current year's adopted budget.

Salaries do include the contractual obligations for step and longevity increases of represented employees. A Cost of Living Adjustment or COLA is not included as the collective bargaining agreement ends on March 31 of this year.

Benefits are proposed to increase approximately \$500 thousand. This reflects a 3% increase in health insurance premiums due to higher rates and higher contributions for retirement based on the estimate received from the retirement system. M&O expenses reflect a 13.4% reduction, primarily related to discretionary line items such as travel, training, and consulting services. Pass-through expenses reflect a 23% increase in insurance.

The impact of the proposed operating budget on DASNY's financial position is based on a few key assumptions underlying the proposed budget.

In line with what has been done in the past, this initial budget was prepared without insight into the State's budget. However, with the expectation that this would be a difficult budget year, we shifted some of our assumptions regarding the level of support we expect to receive.

We have since reviewed the proposed Executive budget and have not seen anything that would warrant making adjustments to what we initially proposed or to any assumptions made in its development.

As I said, the proposed budget reflects an FTE level that's 15 FTEs below the level projected for the current year and 34 below the approved level in the 2021 budget.

Additionally, DASNY cannot assume the same level of support as in the past from our public clients due to the financial position of the State. As such, we've assumed a 15% reduction in revenue for CUNY, which is in line with what we've seen in the Executive budget, and a 50% reduction in revenue for the SUNY Dorm Program, which reflects the expectation of not having a robust SUNY summer program since we had no projects in design over the fall.

Other program revenue is expected to be break-even, with slight increases in operating expenses from current year levels and changes to the OPEB adjustment in the other expense line item. Taking into account these assumptions, the 2021-2022 operating results are expected to result in a deficit of approximately \$4.8 million for the year.

This has been a difficult budget year. However, some good news looking to next year is that we have started to see clients get approvals to advance projects in their pipeline. We have heard that both CUNY and OPWDD have received approvals to advance projects. We have new projects with West Point. Additionally, the State budget includes legislation that could expand DASNY's authority to finance and manage construction for not-for-profit entities. If approved, any additional revenue as a result of the expanded authorization would work to reduce the deficit.

The next steps are at the March 31st meeting. Members will be asked to consider a Resolution to adopt the 2021-2022 operating budget. Although not anticipated, should there be any changes to

what you've been provided and what's been presented today, you will be given those updates ahead of the meeting and prior to being asked to take action.

Any questions?

**Chairman Carney:** None here, Kim. Thank you.

**Mr. McDaniel:** Thank you very much. I will make a couple of quick comments. Certainly with the pending passage of the federal relief bill, I think the State, overall, will be in a little better position than we anticipated. Going forward, there is certainly some money in there for state and local, as well as money for schools and universities and such. Having said that, we are very concerned about the next 12 to 18 months because, as Steve always tells me, what wasn't designed this year won't be built next year, so our design has been behind. From that perspective, we're concerned about that. We are trying to pick up as many additional items of work as we can.

As we mentioned, we also have several retirements, some of them even key retirements. Without replacing those folks, we're moving people around the best we can to fill those gaps without causing us to have undue budget issues. I feel like from our perspective, the news probably will not get worse anytime soon, but it will be a trough working our way back up, and it will be a grind over the next 12-18 months to get there.

Geoff Arnold has done a great job. I cannot commend him enough on overseeing expenditures and being as tight as possible while inhibiting us from doing anything that would cause harm to our clients, of course. He's really been on top of that, and that has been helpful. He briefs me, Paul, and Caroline, probably once a quarter, on where things are from a budget perspective. He's been very good about highlighting things that are necessary. Kim and her group have really been trying to streamline processes for us all, so that we get things done more efficiently. In a very difficult budget year, the organization has really stepped up.

Our hope is that, over the next 25 days or so, the State budget will not have any negative impact on DASNY beyond where we already see it now. We certainly don't foresee that at this point. With that, Mr. Chairman, that's our budget presentation.

**Chairman Carney:** Thank you very much, Sir. Thank you very much.

**Mr. McDaniel:** And also, this concludes my President's Report. I know this is longer than normal.

**Chairman Carney:** I was going to say, I don't think your President's Report includes anything else. We have covered the material in Tabs 13, 12 and 11. Kimberly, you have a written report here, and I assume that your budget presentation is the expansion of your Financial Report.

**Ms. Ellis:** Yes, that's correct, and also in your packet is the Quarterly Investment Report that we are required to provide to the Board on a quarterly basis if there are any questions on that.

**Chairman Carney:** Then we will not hesitate to raise them with you. I will remind the Board that we have two additional, formal matters to deal with at the end of this meeting. Before we do that, we have agreed to save the Governance off record discussion for the end of this meeting. We are at that point now unless there are any other matters to come before the Board that are non governance related.

**Mr. McDaniel:** We do not have any other DASNY matters. I just want to let the DASNY staff know that, other than myself, Ms. Richards, and Ms. Fasser, you all can go about your day. When this Board comes back, we will adjourn the meeting.

**Chairman Carney:** Is there anything that we need to have staff around for when moving for the two subsidiary meetings? I don't think so, other than Sara and Deborah.

**Ms. Richards:** Those subsidiary meetings, Mr., Chairman, are at the May 5 meeting. Yesterday was the Governance Committee meeting for those subsidiaries, but the full Board meeting for the subsidiaries is at the May 5 meeting.

**Chairman Carney:** You said that to us yesterday and I completely forgot it. Thank you, Sara. Thank you very much.

Then there being no further business, other than the Governance Committee Executive Session, may I have a motion to go into the executive session to discuss the financial and credit history of particular corporations; proposed, pending, or current litigation; and the employment histories of particular persons with matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons. May I have a motion?

**Ms. Snyder:** So moved.

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

**Mr. Chen:** I second.

**Chairman Carney:** Wellington, thank you very much. Are there objections to the executive session? Are there any abstentions from the vote? Hearing none, we are in Executive Session.

## **RETURN TO PUBLIC SESSION**

The record will reflect that we've just left an Executive Session during which no decisions were made, other than to return to the open session. There being no further business to come before this Board, may I have a motion, please, to adjourn the meeting?

**Mr. Chen:** So moved.

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

**Mr. Johnson:** Second.

**Chairman Carney:** I have asked for the motion, and it's been seconded. Are there any objections to adjourn the meeting? There being none, does anybody abstain from the vote to adjourn the meeting? Hearing none, the meeting is adjourned.

The meeting adjourned at 11:35 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Sara Potter Richards". The signature is written in a cursive style and is positioned above the printed name and title.

Sara Potter Richards  
Assistant Secretary