

A Conference Call / Video Conference Meeting of the Dormitory Authority of the State of New York (“DASNY”) was held via conference call and video conference on Wednesday, February 2, 2022 at 9:30 a.m. with Members participating via Zoom.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Alfonso Carney, Board Chair at 9:30 a.m. and a quorum was declared present.

Sara Richards, Assistant Secretary, called the roll.

The following Board Members and Staff were present:

Board Members Present – Via Zoom

Alfonso L. Carney, Jr. – Chair
John B. Johnson—Vice-Chair
Beryl L. Snyder, Esq. – Secretary
Jonathan Gardner, Esq. – Board Member
Wellington Chen, Board Member (entered meeting after Roll Call)
Joan M. Sullivan – Board Member
Janice McKinnie – Board Member
Gerard Romski, Esq. – Board Member
Phyllis Morris, Designated Representative of the Commissioner of Education, Board Member (*ex officio*) – Board Member
Kenneth Evans, Designated Representative of the Commissioner of Health, Board Member (*ex officio*) – Board Member
Adrian Swierczewski, Designated Representative of the Director of the Budget, Board Member (*ex officio*)

Staff Members Present - via Zoom

Reuben R. McDaniel, III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Kimberly A. Ellis, Chief Financial Officer
Nadine Fontaine, Esq., General Counsel
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Stephen Curro, Managing Director, Construction
Caroline V. Griffin, Chief of Staff
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration
Ricardo Salaman, Esq., Deputy General Counsel
Kathy Ebert, Senior Director, Internal Audit
Matthew T. Bergin, Director, Public Finance
Craig Schreivogl, Director, Portfolio Monitoring
Dena Amodio, Esq., Assistant General Counsel
David Ostrander, Assistant Director, Public Finance
Stephen Kosier, Senior Financial Analyst, Public Finance

Jeffrey Gordon, Senior Director, Communications & Marketing
Deborah Fasser, Director, Strategic Communications and Business Development
Alex Sirdine, Financial Analyst
Amanda Nazario, Confidential Legal Assistant

Bond Counsel – via Zoom

Christopher Canada, Esq., Hodgson Russ, LLP
Sani Williams, Esq., Bryant Rabbino, LLP
Charles Holley, Esq., Golden, Holley, James, LLP
Chris Reitzel, Esq., Nixon Peabody, LLP
Seth Bryant, Esq., Bryant Rabbino, LLP

APPROVAL OF JANUARY 5, 2022 BOARD MEETING MINUTES

Upon a motion by Mr. Chen and a second by Mr. Ronski, the Minutes of the DASNY January 5, 2022 Board Meeting were approved unanimously.

FINANCE COMMITTEE REPORT

Mr. Ronski reported that after approving the Finance Committee Meeting Minutes from the November 10, 2021 Meeting, the Finance Committee voted to recommend the Personal Income Tax/Sales Tax Revenue Bond Program Revenue Bond Program transaction to the full Board for Single Approval, as well as the New School financing for adoption of a Resolution to Proceed.

OCEANSIDE LIBRARY – ADOPTION OF DOCUMENTS

President McDaniel introduced Steve Kosier of DASNY, Chris Canada, Esq. of Hodgson Russ and Charles Holley, Esq. of Golden, Holley, James, co-bond counsel on the transaction. Mr. Kosier provided a brief update. He reminded the Members that the Board adopted a Resolution to Proceed for the transaction in July 2020 and that the plan of finance and security package remains the same. Mr. Kosier explained that shortly after the July 2020 meeting, the Library placed the financing on hold to review and refine the project design with its architects before requesting approval of the project from the Town of Hempstead. He noted that ultimately, the project design did not materially change from what was described in the staff report and the Town of Hempstead approved the project on Wednesday, January 26, 2022. All the necessary approvals are now in place, including approvals from the Library, Oceanside Union Free School District, and the Town. Mr. Kosier further noted that PACB approved the financing in July 2020 and that the requisite TEFRA and SEQRA approvals are complete.

Mr. Canada and Mr. Holley further described the transaction and presented the financing documents. Mr. Canada stated that before the Board for consideration is the adoption of a Bond Resolution authorizing the issuance of multiple series of bonds at one or more times and the adoption of a Series Resolution authorizing the issuance of up to \$35 million of Oceanside Library Revenue Bonds. The proposed Series 2022 Bonds would be issued pursuant to the proposed Bond Resolution and Series Resolution.

Mr. Canada informed the Members that the Bond Resolution is a new resolution, based on DASNY's new model resolution, and constitutes the agreement between DASNY and the holders of the bonds issued under the Bond Resolution. The Bond Resolution contains the basic terms of that agreement, including the conditions for issuance of bonds, security for bonds, types of bonds and accounts to be established for each series of bonds, events of default and remedies, as well as provisions relating to other matters such as amendments and defeasance. The Bond Resolution does not establish a debt service reserve fund but provides that one may be established if authorized by a series resolution.

Mr. Holley stated that the Board is also being asked to adopt a series resolution under the Bond Resolution entitled "Series Resolution Authorizing Up To \$35,000,000 Oceanside Library Revenue Bonds, Series 2022," authorizing the issuance of the Series 2022 Bonds to provide funds to current refund the Series 2005 Bonds, finance the expansion and renovation of the existing main library building, and pay costs of issuance. He further stated that it is expected that the Series 2022 Bonds will be issued in one fixed-rate, tax-exempt series.

Mr. Holley stated that the Series 2022 Bonds will be "special obligations" of DASNY payable solely out of the payments made by the Library under a Loan Agreement on account of debt service on the Series 2022 Bonds (referred to as the "Revenues"). Payment of the Series 2022 Bonds is separately secured by the pledge and assignment of the Revenues made pursuant to the Bond Resolution and the Series Resolution, DASNY's right to receive such Revenues, the moneys and investments held in the funds and accounts established by the Bond Resolution and the Series Resolution (with certain exceptions), and by the assignment by DASNY of the security interest in the "Pledged Revenues" granted by the Library under the Loan Agreement. No debt service reserve fund is expected to be established for the Series 2022 Bonds.

Mr. Canada stated that DASNY and the Library will execute a Loan Agreement in connection with the issuance of the Series 2022 Bonds. The Loan Agreement will require the Library to make payments to the Trustee in amounts and at times sufficient to make timely debt service payments on the Series 2022 Bonds. The Loan Agreement will also require the Library to make payments sufficient to pay the fees, costs and expenses of DASNY and the Trustee with respect to the Series 2022 Bonds. The Loan Agreement, and the obligations of the Library to make payments under it, are general obligations of the Library. A recurring annual tax levy in an amount sufficient to repay the Library's obligations under the Loan Agreement was previously authorized pursuant to referendums of the Library approved on November 30, 1994 and June 9, 2020, respectively. The Loan Agreement will require the Library to notify DASNY and the Trustee of certain events that could affect the collection of adequate taxes to pay debt service and operating expenses relating to the Bonds.

To secure its obligations to DASNY under the Loan Agreement, the Library will grant DASNY a security interest in its "Pledged Revenues," comprised of all "Public Funds," all revenues received by the Library from its operations, and all other income available to the Library from any other source. "Public Funds" consist of all moneys apportioned or otherwise payable to the Library by the State of New York or a political subdivision. The Loan Agreement will permit the Library to incur additional long-term indebtedness secured by a parity lien on "Pledged Revenues," but not on "Public Funds" attributable to the tax referendums previously mentioned.

To provide for the payment of debt service on the Series 2022 Bonds, the Library, the School District, the Town, the Trustee and DASNY will enter into a Tax Pledge and Collection Agreement. Pursuant to the Tax Pledge and Collection Agreement, the Town of Hempstead agrees to collect, and the Oceanside Union Free School District agrees to levy, the annual tax previously mentioned in an amount not less than the amount necessary for the Library to pay principal, sinking fund installments and interest on the Series 2022 Bonds.

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

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK OF ITS OCEANSIDE LIBRARY REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS; and

SERIES RESOLUTION AUTHORIZING UP TO \$35,000,000 OCEANSIDE LIBRARY REVENUE BONDS, SERIES 2022

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

PIT/SALES TAX REVENUE BONDS—SINGLE APPROVAL

President McDaniel introduced Matthew Bergin of DASNY, Chris Reitzel, Esq. of Nixon Peabody and Sani Williams, Esq. of Bryant Rabbino, co-bond counsel on the transaction.

Mr. Bergin stated that the Board is being asked to authorize the issuance of multiple series of tax exempt and/or taxable, fixed and/or variable rate bonds issued at one or more times in an amount not to exceed \$3 billion with a term of 30 years, provided, however, that the maximum term for the portion of financing related to MTA capital projects would be 50 years. The fiscal year 2022 enacted budget authorized issuances undertaken by the State for MTA capital projects to be issued for a maximum term of 50 years.

Mr. Bergin explained that the State directly contributes to the MTA capital plan and the pandemic has adversely affected the credit rating of the MTA transportation revenue bond program, which increased their cost of borrowing. As a result, the State will issue PIT/Sales Tax revenue bonds to fund the State's portions of the MTA's capital plan. Previously, the financial plan assumed that the State's portion of the MTA capital projects would be bonded for by the MTA but funded by the State through additional operating aid. The State would like the flexibility to issue the proposed bonds under either the Sales Tax Revenue Bond Program and/or the Personal Income Tax Revenue Bond Program; however, at this time, the current plan is to issue under the Personal Income Tax Revenue Bond Program. Mr. Bergin informed the Members that the authorization is for new money and refunding purposes. The new money portion is estimated at approximately \$2.1 billion and may include the funding or reimbursement related to capital projects for City University of New York facilities, Capital projects for the Office of Mental Health, the Office for People with Developmental Disabilities and the Office of Addiction Services and Supports, Capital projects for the State University of New York Educational Facilities, dedicated highway and bridge Trust Fund projects, MTA transportation facilities projects, state and municipal facilities grants, housing capital facilities projects and healthcare grants.

Mr. Bergin stated that, in addition to the new money portion, the authorization also looks to cover the refunding of certain bonds issued under various State supported debt programs in the amount of approximately \$780 million. Both the Sales Tax Revenue Bond Program and the Personal Income Tax Revenue Bond Program are secured by semiannual payments to be made pursuant to financing agreements between DASNY and the Division of the Budget.

When discussing security, Mr. Bergin stated that both the Sales Tax Revenue Bond Program and the Personal Income Tax Revenue Bond Program are secured by Semi-annual payments to be made pursuant to Financing Agreements between DASNY and the Div. of the Budget. For the Sales Tax Revenue Bond Program, security also includes a set aside of two cents, or 50% of the State's four percent sales tax, pursuant to statute and deposited in the Sales Tax Revenue Bond Tax Fund

For the Personal Income Tax Revenue Bond Program, security also includes 50% of the receipts from the New York State personal income tax, 50% of the employer compensation expense tax, and 50% of the receipts from imposition of the pass-through entity tax which shall be deposited into the Revenue Bond Tax Fund ("RBTF").

Mr. Bergin stated that for the fiscal year ending March 31, 2022, the debt service coverage on all outstanding state personal income tax bonds is projected to be 9.5 times total debt service and the debt service coverage on all outstanding sales tax bonds is projected to be 6.6 times total debt service. He noted that the PIT debt service coverage of 9.5 times reflects the timing of pass-through entity tax receipts, which have been received. However, the accompanying tax credits, which would be an offset, do not begin until April of 2022. Mr. Bergin informed the Members that the Division of the Budget expects that the pass-through entity tax will be revenue neutral to the State. However, because of the timing of the receipts, it may not be revenue neutral within each fiscal year. Mr. Bergin stated that the bonds are expected to be rated Aa2/ AA+/AA+ under either PIT or Sales Tax.

Mr. Reitzel and Mr. Williams further described the transaction and presented the financing documents. Mr. Reitzel stated that in order to provide maximum flexibility, the Board was being asked to adopt two supplemental resolutions, one under the Personal Income Tax Revenue Bond Program and the other under the State Sales Tax Revenue Bond Program. Each supplemental resolution authorizes, individually and together, the issuance of up to \$3 billion of bonds. He stated that each supplemental resolution permits bonds to be issued in one or more series or sub series at one or more times and to be sold on a negotiated basis or through competitive bidding. Mr. Reitzel further stated that all or a portion of the bonds may be issued as tax exempt bonds and/or federally taxable bonds. He then summarized the functions delegated to an Authorized Officer of DASNY pursuant to each supplemental resolution.

Mr. Williams provided a brief overview of the PIT and sales tax programs. He stated that the bonds issued under the supplemental resolutions are special obligations of the Authority secured by payments to be received by the Authority under the applicable financing agreement with DOB, which obligates the State to pay debt service on outstanding bonds, notes and other obligations. Those payments are made from amounts available in the applicable revenue funds established by State Finance Law and are subject to annual appropriation.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL RESOLUTION 2022-1 AUTHORIZING STATE PERSONAL INCOME TAX REVENUE BONDS (GENERAL PURPOSE); and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SUPPLEMENTAL RESOLUTION 2022-1 AUTHORIZING STATE SALES TAX REVENUE BONDS

Mr. Ronski seconded the motion, and the Resolutions were unanimously adopted.

THE NEW SCHOOL—RESOLUTION TO PROCEED

Mr. Ostrander stated that the Members are being asked to approve a Resolution to Proceed for one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds in an amount not to exceed \$186,925,000 on behalf of the New School. He further stated that the proposed transaction includes both new money and refunding components. The new money proceeds will be used to finance costs associated with the acquisition, renovation and equipping of a 12-story building in Manhattan to provide residential living space for University students while also reducing annual capital costs associated with the facility. The University expects to save at least \$3.2 million annually through the purchase and the renovation of the property and the elimination of the annual lease expense.

Mr. Ostrander stated that the refunding proceeds will be used to refund all or a portion of the University's Series 2011 bonds issued by DASNY, which is expected to result in net present value savings in the range of \$3 million, or 19% of the refunded bonds. He explained that the outstanding obligations of the University have been assigned a rating of A3 from Moody's and BBB+ from S&P, and therefore the New School meets the requirements under DASNY's financing guidelines for the bonds to be issued as a general unsecured obligation of the University. Mr. Ostrander informed the Members that the loan agreement may include additional security as determined by existing market conditions for similar credits.

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

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 THE NEW SCHOOL

Ms. Sullivan seconded the motion, and the Resolutions were unanimously adopted.

PRESIDENT'S REPORT

The President reported that Governor Hochul had delivered the State of the State address, as well as her presentation on the proposed budget for the next fiscal year. He summarized certain items in the budget proposal that impact DASNY, including expanded authorization to provide

construction and finance services to nonprofit organizations; authorization to provide construction services for entities receiving downtown revitalization initiative grants; an extension of the design build authorization; an extension of DASNY's authority to establish subsidiaries in certain situations; the extension of prequalification authority to DASNY; authorization for DASNY to provide services in connection with Brownfields redevelopment; and the expansion of authority to enable DASNY to develop capital projects for voluntary program operated addiction service programs. The President reported that with respect to the Office of Cannabis Management, the governor announced a \$200 million fund to assist social equity applicants in the cannabis business to obtain loans from the state to establish retail locations in various areas. This bill would also authorize DASNY to do construction work on behalf of OCM and the Fund to do the build out. He informed the Members that DASNY would not be assuming any financial risk in connection with this initiative. The President stated that overall, the State budget reflects a number of initiatives to help the economy rebound from the pandemic and benefit all New Yorkers.

GENERAL COUNSEL'S REPORT

Ms. Fontaine stated that the Members are being asked to adopt a Resolution approving the selection of certain law firms to serve as counsel to DASNY. She summarized the procurement process and informed the board of the eight different legal panels sought to be authorized, which included Bond Counsel, Construction and General Litigation, Real Estate and Environmental, Labor and Employment, Personal Injury, and Bankruptcy and Workout. In addition, an Emerging Firms Panel was also proposed, which includes certified MWBE and SDVOB law firms. Ms. Fontaine took note that although the evaluation of proposals took place for much of the the holiday season, the evaluation committees were able to complete their review and analysis in short order. She thanked those who participated in the process.

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

A RESOLUTION APPROVING THE SELECTION OF CERTAIN LAW FIRMS TO SERVE AS COUNSEL TO THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK

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

FINANCIAL REPORT

Ms. Ellis delivered the Finance Report. She informed the Members that DASNY received \$1.3 million in financing fees through December against a budgeted amount of \$1.85 million, and that the percentage of direct hours charged to public clients is down slightly from last month at 94.8%, but remains slightly up against a budget of 92.5%. Total operating expenses are slightly under projection by \$300,000. Ms. Ellis stated that at the March meeting, the Members will be asked to review and approve the proposed 2022-23 Operating Budget and Financial Plan. She noted that some adjustments are anticipated as a result of the State's recently released proposed budget. She updated the Members on several other initiatives including network segmentation and the clearwater implementation and noted that the year-end financial statement audit is underway.

PUBLIC FINANCE REPORT

Ms. Lee provided a brief market update. She reported total new issue volume for January 2022 was down 14.7% from last January and that total supply for this week is expected to be average at about \$8.3 billion. Ms. Lee stated that tax-exempt bond yields were lower yesterday, after very big upward movement last week. She reported that municipal bond funds reported outflows for the past two weeks. Ms. Lee summarized the annual credit enhancement report for not-for-profit clients included with the Board materials. She informed the Members that the percentage of fixed rate debt is growing year over year while the variable rate portfolio is declining and that the total amount of debt for not-for-profit institutions has decreased slightly over the past year. The percentage of unenhanced debt has grown since last year and debt with credit enhancement has declined. Ms. Lee stated that bond sales summaries are also included with the Board materials.

The President informed the Members that DASNY has been authorized to backfill positions vacated by retiring employees and that there are currently a number of open positions across DASNY. Ms. Lee noted that John Fanniff, who has significant experience from working in DASNY's Finance Unit, recently accepted a position in her group.

CONSTRUCTION PROJECTS REPORT

Mr. Curro delivered the Construction Projects Report. He updated the Members on the Javits/Moynihan project. He stated that DASNY is working with the owners team to advance the temporary approval for occupancy for the merged South expansion and transformer buildings. On the Moynihan side, DASNY continues to permit both commercial businesses including Facebook as phase 3 of the project continues.

Mr. Curro reported on various SUNY projects. He stated that phase 1 of the FIT project received a notice of substantial completion for the foundation work this past month. Mr. Curro summarized the progress on other projects including the \$15 million Smith portion of the Smith/Casey project at SUNY Cortland, the \$43 million Awosting Hall project at SUNY New Paltz, and a \$41 million Colonial Quad renovation project at SUNY Albany. He stated that 13 summer projects are currently in pre-construction and are expected to begin in mid-May.

Mr. Curro stated that project activity continues across many OMH campuses statewide, including the \$406 million mid-Hudson Forensic Psychiatric Center, the \$140 million Central New York Psychiatric Center; and the \$40 million Western New York children's hospital project. Similarly, project activity on OPWDD projects remains high, including at the Sunmount DDSO; the Broome County DDSO, and 29 Community Minor Maintenance projects.

Mr. Curro reported that the GOSR program is expected to wind down in about nine months, as all projects need to be completed by September of this year. He stated that 23 active projects are underway, and that DASNY is heavily involved with three of these projects.

With respect to the DOH Lab project, DASNY continues to work with OSC to seek approval for a reprogramming effort to align the project's cost estimate with the \$750 million appropriation.

Mr. Curro informed the Members that DASNY's mental hygiene customer agencies implemented a vaccine mandate requiring all consultant, contractor and DASNY staff stationed at or performing design and construction tasks under the direction of DASNY to have received at least one dose of the COVID vaccine in order to enter the campus and facilities. He stated that DASNY worked with OGS and OMH to prepare a declaration stating that DASNY's prime consultants, subconsultants, contractors and subcontractors were compliant with the mandate. Mr. Curro thanked Ms. Fontaine for leading this effort and coordinating with the four customer agencies that fall under this mandate as well as with OMH.

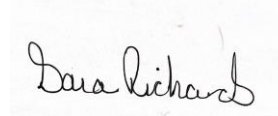
Mr. Curro updated the Members on the PM Web implementation and talent acquisition efforts to backfill vacant positions. He stated that he will be delivering a number of presentations on behalf of DASNY to various construction related organizations in the upcoming month.

The President complimented Mr. Curro and his staff for their excellent work. He noted that Mr. Curro skillfully navigates difficult situations, and his work has resulted in positive outcomes for DASNY.

ADJOURNMENT

Mr. Chen moved to adjourn the meeting. Ms. Sullivan seconded the motion and the meeting adjourned at 10:33 a.m.

Respectfully submitted,



Sara P. Richards
Assistant Secretary