

A Video Conference Meeting of the Dormitory Authority of the State of New York (“DASNY”) was held on Wednesday, January 11, 2023 with proceedings commencing at 9:30 a.m.

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.

Ms. Richards stated that the DASNY Board is meeting via videoconference from DASNY’s three corporate offices. Ms. Richards further stated that members of the public may view or listen to the proceedings in accordance with the posted notice. An audio and video recording of today’s meeting will be accessible from DASNY’s website (www.dasny.org) as well as a transcript of the proceedings.

Ms. Richards then called the roll. The following Board Members and Staff were present:

Board Members Present (NYCO)

Alfonso L. Carney, Jr. – Chair
Gerard Ronski, Esq. – Vice Chair
Beryl L. Snyder, Esq. – Secretary
Lisa Gomez—Board Member

Board Members Present (Buffalo Office)

Janice McKinnie – Board Member

Board Members Present (Albany Office)

Joan M. Sullivan – Board Member
Ken Evans, Designated representative of the Commissioner of Health, Board Member (ex officio)
Phyllis Morris---Designated Representative of the Commissioner of Education, Board Member (ex officio)

Board Members Absent

Wellington Chen—Board Member
Adrian Swierczewski--Designated Representative of the Director of the Budget, Board Member (ex officio)
Wellington Chen—Board Member

Staff Members Present

Reuben R. McDaniel, III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Nadine Fontaine, Esq., General Counsel
Kimberly A. Ellis, Chief Financial Officer
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Charlie Williams, Managing Director, Executive Direction
Stephen Curro, Managing Director, Construction
Ricardo Salaman, Esq., Deputy General Counsel
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration
Dena Amodio, Esq., Assistant General Counsel
Jerry Brouillette, Acting Director, Information Services
Matthew Bergin, Director, Public Finance
Craig Schreivogl, Director, Portfolio Monitoring
Steve Kosier, Assistant Director, Public Finance and Portfolio Monitoring
Jenilee Flinton, Director, Internal Audit
Deborah Fasser, Director, Strategic Communications and Business Development
J. Matthew Moore, Director, Procurement
John Fanniff, Senior Financial Analyst
Alex Sirdine, Financial Analyst
Amanda Nazario, Confidential Legal Assistant
Miriam Borrero, Executive Assistant

PUBLIC SESSION

Upon a motion from Mr. Ronski and a second from Ms. Sullivan, the Minutes of the December 7, 2022 DASNY Board Meeting were approved unanimously.

Corporate Governance Committee Report

Ms. Snyder reported that the Governance Committee met yesterday to consider revising the DASNY by-laws to include the position of Managing Director of Executive Direction as an Authorized Officer. She stated that the Committee unanimously recommended that the full Board adopt the revised by-laws.

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

A RESOLUTION OF THE MEMBERS OF THE DORMITORY AUTHORITY OF THE
STATE OF NEW YORK (DASNY) APPROVING CERTAIN AMENDMENTS TO
THE DASNY BY-LAWS

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

Ms. Snyder stated that the Governance Committee also considered revisions to the Procurement Policy and Guidelines. She noted that this is the first comprehensive revision to the

Procurement Guidelines in over a decade. Ms. Snyder stated that previously, amendments were made to address specific issues, but the version before the Members represents a better organized rewrite of the Guidelines and includes applicable ethics provisions as well. She noted that the ethics provisions are not new, as they are located in other documents as well. However, incorporating them into the Guidelines themselves helps to underscore the importance of the ethical provisions. Ms. Snyder informed the Members that the Governance Committee unanimously recommended full board adoption of a Resolution to implement these changes.

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

**RESOLUTION OF THE MEMBERS OF THE BOARD OF THE
DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY)
AMENDING THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK
PROCUREMENT CONTRACT GUIDELINES**

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

The Board Chair thanked Mr. Moore for his work in drafting the comprehensive rewritten Guidelines. He stated that they are detailed, yet easy to understand.

Finance Committee Report

Mr. Ronski reported that the Finance Committee met yesterday and after approving the minutes from the November meeting, considered the TELP transaction for Episcopal Health Services Inc. d/b/a St. John's Episcopal Hospital, South Shore Division. He stated after discussion, the Committee unanimously recommended that the full Board approve the transaction.

TELP--Episcopal Health Services Inc. d/b/a St. John's Episcopal Hospital, South Shore Division

Ms. Lee stated that before the Members for their consideration is a TELP transaction on behalf of St. John's Episcopal Hospital in the Far Rockaways in an amount not to exceed \$26.25 million for various HVAC and other equipment. She directed the Members' attention to the equipment list included in the Board materials, which includes items such as steam to hot water conversion equipment, air handling units, and equipment for water system upgrades. Ms. Lee stated that this is the first transaction under the Energy Performance Contracting initiative between DASNY's Public Finance and Construction divisions to assist private clients in undertaking energy performance contracting.

Ms. Lee informed the Committee Members that St. John's Episcopal has been a going concern since 2016 and remains financially challenged. She reported that the payor mix for the entity is 45% Medicare, 45% Medicaid and 10% commercial and other payors. Ms. Lee stated that St. John's Episcopal worked with DOH and DASNY to obtain a healthcare restructuring pool loan in the amount of \$17.9 million. She explained that the security package associated with this

transaction is more extensive than that in other TELP transactions and includes a first lien on the revenues, (limited to maximum annual debt service on the TELP loan), including on the special revenue account through which debt service will be paid, and a first mortgage lien on the hospital campus. Ms. Lee noted that the lien will be on parity with the mortgage that secures the health care restructuring pool loan. She further noted that there will also be a lease payment reserve fund in the amount of \$750,000 which functions as a debt service reserve fund. Ms. Lee stated that the healthcare restructuring pool loan will be subordinate to the TELP lease.

Ms. Lee reported that energy savings are expected to be about \$1 million a year and will help to offset the debt service, which is expected to be about \$2.8 million a year. She reminded the Committee Members that the TELP program is a private placement. Ms. Lee explained that this transaction provides financial flexibility to the borrower by enabling a private lender to make financing available for necessary improvements.

Ms. Lee asked Mr. Evans to address the Board. Mr. Evans stated that St. John's Episcopal is a critical hospital and an essential provider in the community. He further stated that DOH has been working with St. John's Episcopal for nearly a decade to assist the hospital fulfill its mission by providing financial assistance and by helping them develop a transformation plan so that they can become financially sustainable. Mr. Evans informed the Members that DOH views this transaction as an opportunity for the Hospital to make improvements to the facility that are privately financed through the TELP transaction with M & T. He stated that DOH is working with DASNY on the financing structure as it relates to the health restructuring pool loan, and indicated that DOH and DASNY closely monitor the status of the borrowers with such loans. Mr. Evans stated that DOH is very supportive of this transaction.

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

RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO TAKE THE NECESSARY
ACTIONS TO PREPARE, AND DASNY TO EXECUTE, ONE OR MORE MASTER LEASE
AND SUBLEASE AGREEMENTS AND ANY OTHER APPROPRIATE DOCUMENTS
TO MAKE EQUIPMENT AVAILABLE TO EPISCOPAL HEALTH SERVICES INC.
D/B/A ST. JOHN'S EPISCOPAL HOSPITAL, SOUTH SHORE DIVISION
UNDER THE TAX-EXEMPT LEASING PROGRAM

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

Presidents Report

President McDaniel thanked the Board Members for creating the new position of Managing Director of Executive Initiatives. He stated that this is an important position to DASNY and represents an expansion of the responsibilities previously undertaken by the former Chief of Staff. The President welcomed DASNY's first Managing Director of Executive Direction Charlie Williams to DASNY.

The President thanked Matthew Moore and his staff for their work in reworking the Procurement Policy and Guidelines. He stated that the Procurement function is incorporated in much of the

work that DASNY does, so it is important that the Guidelines are complete and easy to read and understand.

President McDaniel reported that he attended Governor Hochul's State of the State address and that DASNY will benefit from several of the Governor's initiatives, including a \$200 million capital program for the SUNY Stony Brook and Buffalo campuses. He stated that the Governor made a substantial commitment to addressing the mental health crisis in New York State and that DASNY may become involved in the effort to provide another 3,500 mental health beds in the State. On the hospital side, the Governor announced \$2.4 billion for health care capital infrastructure, including the Wadsworth Lab consolidation project. The President explained that this funding will assist DASNY's clients in providing necessary capital infrastructure and may result in additional DASNY projects.

The President informed the Members that the draft budget is included in the Board materials for review. He stated that together with Mr. Koopman, Mr. Williams, and Ms. Lee, he had spoken to DOB about the CUNY programmatic deficit and the parties are working towards a solution that will be included in the final budget.

President McDaniel reported that once again, DASNY has received an A+ for its MWBE program. He thanked Michael Clay, Mr. Curro, and Mr. Moore for their work in construction and procurement to create opportunities for MWBE firms. The President stated that their efforts have been critical in providing MWBE firms with the support they need to succeed. He reported that several highly qualified MWBE underwriter firms have been empaneled to work with DASNY as a result of the RFP process that was recently concluded. The President noted that a number of MWBE firms are also empaneled by Counsel's Office to provide legal services.

Financial Report

Ms. Ellis delivered the Financial Report. She directed the Members' attention to the Proposed Operating Budget in the Board materials. Ms. Ellis stated that in accordance with the Public Authorities Accountability Acts of 2005 and 2009, DASNY posted the 2023-24 Proposed Budget and Financial Plan on December 28th, meeting the requirement to file 90 days in advance of the beginning of the fiscal year.

Ms. Ellis informed the Members that the total 2023-24 proposed internal budget is down 2% from the adopted budget. She stated that the overall proposed 2023-24 operating budget, including pass-through expenses, is up 11.4%. Ms. Ellis explained that the increase is a result of an increase in pass-through expenses, including a \$4 million increase for insurance as property and general liability insurance costs continue to rise. She further explained that OPEB expenses have increased by \$11 million, which reflects a higher portion of DASNY's work to support its public clients.

Ms. Ellis stated that, consistent with prior years, the budget was prepared without insight into the State's budget and DASNY has assumed continued historic levels of support. She explained that Staff will review the State budget when it is released and will advise the Members of any impact to the proposed budget when it is presented for approval at the March meeting. Ms. Ellis stated

that salaries are projected to increase slightly from the 2022-23 projected levels and includes contractually obligated step advances but is down from the 2022-23 adopted budget due to retirements and slower than anticipated recruitments. She noted that the number of full-time employees is expected to remain at 490, as in the adopted 2022-23 budget. Ms. Ellis stated that employee benefits are projected to increase by \$1.3 million, driven by a \$1.4 million increase in health insurance and a \$500,000 increase in retirement contributions, offset by lower social security taxes as a reflection of the decreased salaries. She informed the Members that health insurance increased by 6% due to higher rates and higher contributions associated with additional retirees, and that retirement contributions are projected to increase based on projected increases to contribution rates received from the NYS Employees' Retirement System. Ms. Ellis noted that miscellaneous benefits costs are down due to amounts included last year for employee COVID testing.

Ms. Ellis reported that maintenance and operations are projected to increase slightly as staff resume more normal travel and training activities. She stated that overall, a \$2.1 million surplus is anticipated for the year, primarily driven by the allocation of post-employment benefits and anticipated increases to available appropriations for certain construction clients.

Mr. Ronski observed that in the current interest rate environment, financings may slow down and DASNY may expect decreased revenues while at the same time, expenses continue to increase. Ms. Ellis responded that staff takes these things into consideration at the time the budget is initially drafted, but that changes will be made prior to the adoption of the final budget in March. Ms. Sullivan inquired whether DASNY works with its client agencies when developing the budget. Mr. Koopman replied that DASNY is often aware of construction projects and other initiatives to be undertaken by its client agencies but does not always have advance notice of new programs. The President stated the Governor's commitment to public health will be good for DASNY.

Public Finance Report

Ms. Lee presented the Public Finance Report. She reported DASNY completed 16 bond transactions totaling \$5.9 billion in 2022. Ms. Lee noted that this includes the Raise the Age financing in the amount of \$16.2 million, which priced and closed after the last Meeting.

Ms. Lee provided a brief market update. She stated that total long-term new issue supply for 2022 finished at \$360.9 billion, down approximately 21% from the previous year. Ms. Lee stated that this week's supply is expected to be relatively light at about \$4.5 billion. She reported that tax-exempt bond yields were both lower and unchanged on Tuesday with the 10-year decreasing by 2 basis points to close at 2.41% and 30-year AAA MMD remaining at 3.35%. Ms. Lee informed the Members that U.S. government bond yields were higher with the 10-year Treasury yield increasing by 11 basis points to 3.63% and the 30-year Treasury yield increasing by 9 basis points to 3.76%.

Ms. Lee reported that municipal bond funds reported outflows for the week ending January 4th after outflows the prior year. She stated that since the December 7th Board meeting, the one-year MMD rate has increased by 13 basis points, the 10-year MMD has decreased by 14 basis

points, and the 30-year MMD has decreased by 13 basis points. During that same period, the 10-year Treasury yield has increased by 12 basis points and the 30-year Treasury yield has increased by 24 basis points.

Ms. Lee informed the Members that the Underwriter RFP process has concluded and that 14 Senior Managers, including 3 MWBE firms, have been empaneled. She noted that this is the same complement as the prior empanelment. Ms. Lee stated that approximately 20 co-managers have been empaneled, including 10 MWBE and/or SDVOB firms.

In response to a question from the Board Chair, Ms. Lee stated that the RFP process took approximately 8-10 weeks. President McDaniel informed the Members that the RFP process was simplified through the use of a portal that was created by Mr. Brouillette, Acting Director, Information Services and the IS Team. He thanked Mr. Brouillette for his efforts and stated that the use of the portal made the process more efficient for applicants and DASNY staff.

Construction Division Report

Mr. Curro delivered the Construction Division Report. He stated that an \$18.9 million Nursing Center renovation project for the Office of Mental Health at the Rockland Psychiatric Center has been added to the DASNY portfolio since the last Board Meeting. He further stated that DASNY completed the \$4.4 million North Building Radionuclide Lab renovation project at Hunter College. Mr. Curro reported that construction expenditures for the period ending November 2021 were \$320 million, as compared to \$402 million for the period ending November 2022, a net gain of \$82 million.

Mr. Curro thanked Robin Martinez, Assistant Director, Construction Finance and Administration, and Katie Hoffman, Construction Program Analyst for their work in preparing the monthly Construction Division reports. He then highlighted several construction projects. Mr. Curro reported that capital projects at UAlbany, SUNY New Paltz and FIT continue to progress and that he visited both UAlbany and New Paltz in late December. He informed the Members that while the UAlbany Colonial Quad project remains on schedule, New Paltz's Awosting Hall is roughly 30 days behind schedule. Mr. Curro stated that DASNY Upstate Design & Construction Staff met with the project's general contractor last week to discuss the schedule. He further stated that the general contractor will begin a campaign of extended work hours and weekends to recover the lost time in order to meet the project's substantial completion date of July 2023.

Mr. Curro reported that there are 20 SUNY Summer 2022 projects totaling over \$30 million scheduled for the campuses at Albany, Alfred, Binghamton, Delhi, Geneseo, New Paltz and Purchase and that pre-construction work is already underway. He stated that onsite work will start in May, once the students leave for summer break. He noted that several campuses have already submitted requests for summer 2024 projects. Mr. Curro stated that Alfred's MacKenzie Hall Phase IIIA work was advanced by the project surety's replacement contractor who delivered a TCO in July for Phase IIIA. He further stated that he visited the site in mid-December, and that Phase IIIB & C have commenced. Fall 2023 and Spring 2024 occupancy respectively is anticipated.

Regarding the CUNY Program, Mr. Curro reported that the \$98 million Lehman School of Nursing project is advancing toward substantial completion during the second quarter of 2023. He stated that renovations to the Performing Arts Center at Queensborough Community College are expected to be substantially complete in the second quarter of 2023 following contractor delays. At the Queens Louis Armstrong Museum, the project is advancing toward substantial completion in the first quarter of 2023 following long delays associated with the general contractor's performance.

Mr. Curro informed the Members that DASNY continues to work on robust portfolios at Queens College, Hunter College, York College, College of Staten Island, NYC College of Technology, City College, and others. He stated that DASNY continues to work with CUNY facilities staff on advancement of the program and project efficiencies. Mr. Curro reported that DASNY recently offered a recent suggestion associated with aligning DASNY and CUNY senior management staff for CUNY's consideration. He stated that CUNY will be initiating campus meetings to discuss new DASNY-managed projects and working on scope / budget / schedule definitions.

With respect to the OMH portfolio, Mr. Curro reported a heavy project load with new projects added at Rockland Psychiatric Center, St. Lawrence Psychiatric Center and Mohawk Valley Psychiatric Center, in addition to large capital projects underway at Capital District Psychiatric Center, Central New York Psychiatric Center, Western New York Children's Psychiatric Center and Mid-Hudson Psychiatric Center. He stated that he visited several of these sites last week and that there is progress on all active projects. In response to a question from Mr. Ronski, Mr. Curro stated that these are all renovation projects. He noted that the Governor highlighted new initiatives for the OMH in her State of the State address, and the Division will begin preparing for those. Mr. Curro noted that the monthly project status meeting with OMH took place yesterday.

Mr. Curro reported that the Construction Division is currently recruiting for over 20 open positions. He informed the Members that several new projects are on the horizon, including a large project for the Office of Court Administration on Staten Island and work at the sites vacated as a result of the Staten Island Courthouse consolidation. In addition, OCA inquired with DASNY about a security system upgrade at various locations including the Bronx Superblock, a project DASNY originally constructed in the mid-2000's.

Mr. Curro stated that DASNY has been asked to work on several other new projects including a project at the Harlem Branch of the New York Public Library following the Governor's public appearance and announcement; various capital projects for the Office of Children and Family Services; projects with Ulster County; a SUNY Residence Hall emergency work program; a lecture hall renovation project at Mohawk Valley Community College; sitework projects at Fulton Montgomery Community College; and a \$7 million interior renovation project at the Bronx Community Health Network.

Mr. Ronski inquired whether there were any updates regarding the large DOH Wadsworth Lab consolidation project. Mr. Curro stated that in her State of the State address, the Governor indicated that additional funding may be available for the project. He noted that the design/build

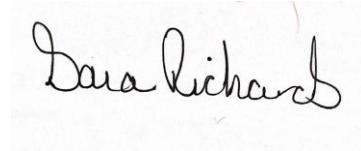
team was working on aligning the project to the \$750 budget and is currently awaiting additional information on available funding and will then proceed accordingly.

President McDaniel complimented Mr. Curro on the reorganization of the Construction Division. He informed the Members that it was a significant undertaking that will result in many efficiencies. The President stated that Mr. Curro utilized the post-pandemic period to make changes that will result in positive outcomes for DASNY and its clients. He noted that Mr. Curro is working closely with DASNY's HR department, which has been very helpful in identifying qualified candidates for open positions. President McDaniel reported that several women have been promoted into higher level construction positions. He noted that this is a significant move, as the construction industry has historically been male dominated.

The next Board meeting will be held on February 1, and the subsidiary meetings will be in March and April.

Ms. Snyder moved that the meeting adjourn. Mr. Ronski seconded the motion and the meeting was adjourned at 10:20 a.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sara Richards". The signature is written in a cursive style and is centered on a light-colored rectangular background.

Sara Richards
Assistant Secretary