

A Video Conference Meeting of the Dormitory Authority of the State of New York (“DASNY”) was held on Wednesday, December 7, 2022 with proceedings commencing at 9:40 a.m.

**CALL TO ORDER / ROLL CALL**

The Meeting was called to order by Alfonso Carney, Board Chair at 9:40 a.m. and a quorum was declared present. He noted that today is Pearl Harbor Day and reflected on the sacrifices made on that day. He stated that a printed copy of DASNY’s Annual Report has been provided to each Member.

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

**Board Members Absent**

Beryl L. Snyder, Esq. – Secretary  
Jon Gardner—Board Member  
Phyllis Morris---Designated Representative of the Commissioner of Education, Board Member (ex officio)

**Staff Members Present—Via Zoom**

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  
Jenilee Flinton, Director, Internal Audit  
Dena Amodio, Esq., Assistant General Counsel  
Deborah Fasser, Director, Strategic Communications and Business Development  
Matthew Bergin, Director, Public Finance  
Craig Schreivogl, Director, Portfolio Monitoring  
Steve Kosier, Assistant Director, Public Finance and Portfolio Monitoring  
Karen E. Ehlinger, Manager, Internal Control Analysis  
Alex Sirdine, Financial Analyst  
Justin Sproul, Public Finance Fellow  
Amanda Nazario, Confidential Legal Assistant  
Iris Ramirez, Administrative Assistant

**Outside Counsel Present (via Zoom)**

Christopher C. Canada, Esq., Hodgson Russ LLP  
Charles J. Holley, Esq., Golden Holley James LLP

**PUBLIC SESSION**

The Board Chair welcomed Mr. Williams to his first Board Meeting as Managing Director of Executive Administration and stated he is looking forward to working with him.

Chair Carney informed the Members that Joan Sullivan has agreed to Chair DASNY's Audit Committee. He noted that positions on the Audit Committee were created with the departures of John B. Johnson and Jon Gardner.

Upon a motion from Mr. Chen and a second from Ms. Gomez, the Minutes of the November 9, 2022 DASNY Board Meeting were approved unanimously.

**GOLD COAST PUBLIC LIBRARY DISTRICT –ADOPTION OF DOCUMENTS**

The President introduced Steve Kosier of DASNY, Charles Holley, Esq. of Golden Holley James LLP and Christopher Canada, Esq., of Hodgson Russ, co-bond counsel on the transaction.

Mr. Kosier stated that an Amended Transaction Summary Update for this transaction was provided yesterday, which reflects the correct legal name of the Library. He reminded the Members that the Board adopted a Resolution to Proceed for this financing at the March 2021 meeting and is now being asked to authorize the issuance of bonds to finance or refinance the acquisition of a parcel of land and construction of a new library building on the site.

Mr. Kosier explained that shortly after the Board adopted the Resolution to Proceed, the transaction was placed on hold by the Library while it worked with its architect on the design relative to its budget, and with the Town of Oyster Bay in order to secure local site plan approval. He reported that the Town of Oyster Bay provided the site plan approval on November 15, 2022.

Mr. Kosier stated that the project as previously described to the Board is unchanged, except that the Library has already purchased the property. He explained that the Library used a combination of funds on hand and two bond anticipation notes (BANs), one through the Town of North Hempstead in the amount of \$560,000 and one through the Town of Oyster Bay in the amount of \$1,190,000. Therefore, the bond proceeds will be used to pay off the BANs and for construction costs. Mr. Kosier informed the Members that DASNY completed the SEQR review, and the Library and the Towns have approved the Tax Pledge and Collection Agreement. He stated that DASNY staff is requesting an amended PACB approval this month to reflect the Library's correct legal name.

Mr. Canada further described the transaction and presented the financing documents. He stated that the Board is being asked to adopt 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 \$10,800,000 of Gold Coast Public Library District Revenue Bonds. Mr. Canada stated that the proposed Series 2023 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. He stated that the Bond Resolution contains the basic terms of that agreement, including the conditions for issuance of bonds, security for bonds, types of funds 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. Mr. Canada noted that 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 described the provisions of the Series Resolution. He stated that the Board is being asked to adopt a series resolution under the Bond Resolution to provide funds to finance (i) the refunding of certain bond anticipation notes issued by the Town of North Hempstead and the Town of Oyster Bay, the proceeds of which were used to finance the acquisition of real property in the Town of Oyster Bay; (ii) the construction on such site of a new one-story approximately 11,000 square foot energy efficient modern library building, including furnishings, equipment, machinery, apparatus and ancillary or related site work; and (iii) costs of issuance.

Mr. Holley stated that it is expected that the Series 2023 Bonds will be issued in one fixed-rate, tax-exempt series. He explained that the Series 2023 Bonds will be special limited 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 2023 Bonds. Mr. Holley stated that payment of the Series 2023 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. He further stated that no debt service reserve fund is expected to be established for the Series 2023 Bonds.

Mr. Holley stated that the Series 2023 Resolution delegates certain responsibilities to any DASNY Authorized Officer, including the final terms of the Series 2023 Bonds, and the authority to execute and deliver various documents.

Mr. Canada then described the provisions of the Loan Agreement and Tax Pledge and Collection Agreement. He explained that DASNY and the Library will execute a Loan Agreement in connection with the issuance of the Series 2023 Bonds, which shall require the Library to make payments to the Trustee for the holders of the Series 2023 Bonds in amounts and at times sufficient to make timely debt service payments on the Series 2023 Bonds. Mr. Canada stated that 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 2023 Bonds.

Mr. Canada stated that the Loan Agreement, and the obligations of the Library to make payments under it, are general obligations of the Library. He informed the Members that a recurring annual tax levy in an amount sufficient to repay the Library's obligations under the Loan Agreement was previously authorized pursuant to a referendum of the Library, approved on December 8, 2020. Mr. Canada stated that 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. Mr. Canada further stated that 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. He explained that "Public Funds" consist of all moneys apportioned or otherwise payable to the Library by the State of New York or a political subdivision. Mr. Canada further explained that 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 referendum.

Mr. Canada informed the Members that in order to provide for the payment of debt service on the Series 2023 Bonds, the Library, the Town of Oyster Bay, the Town of North Hempstead, the Trustee and DASNY will enter into a Tax Pledge and Collection Agreement. Pursuant to the Tax Pledge and Collection Agreement, the Town of Oyster Bay and the Town of North Hempstead agree to levy and collect 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 2023 Bonds.

Mr. Ronski 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 GOLD COAST PUBLIC LIBRARY DISTRICT REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF; and

DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION AUTHORIZING UP TO \$10,800,000 GOLD COAST PUBLIC LIBRARY DISTRICT REVENUE BONDS, SERIES 2023

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

### **Presidents Report**

The President highlighted some of DASNY's accomplishments in 2022. He stated that in Fiscal Year 2021-22, DASNY completed 16 financings worth approximately \$9.0 billion and managed a portfolio of more than 1,000 construction projects totaling \$9.0 billion. The President further stated that DASNY played an important role in the completion of many key infrastructure projects and continued to play a significant role in supporting New York's minority- and women-owned business enterprises and service-disabled veteran-owned businesses.

The President thanked Kim Ellis and her staff for their work over the past year, which resulted in an unmodified opinion from DASNY's external auditors for the second year in a row. He also thanked Jeffrey Gordon for his work in producing the Annual Report. The Board Chair complimented Ms. Ellis on her work and noted that an unmodified opinion is a high achievement. Ms. Ellis thanked the Board Chair and the President, and stated that she has a very talented staff who assist her with the annual audit.

President McDaniel informed the Members that the proposed Fiscal Year 2023-24 operating budget will be provided to them before the end of the calendar year. He directed the Members' attention to the midyear financial update included in the Board materials and stated that DASNY is working to fill positions vacated primarily as a result of staff retirements. He stated that ongoing technology needs, including the replacement of JDE, implementation of a new debt management system and various cybersecurity measures will also be undertaken.

The President reported that at its November meeting, the Cannabis Control Board awarded 28 licenses to individuals and 8 licenses to nonprofit organizations, authorizing them to operate Conditional Adult-Use Cannabis Retail Dispensaries. The President stated that DASNY continues to identify properties throughout the State and work with landlords to develop leases. He announced that DASNY signed the first lease last evening for an approximately 2800 square foot space on 248 West 125<sup>th</sup> street, across from the Apollo theatre in Harlem. President McDaniel stated that construction will commence soon. Ms. Gomez inquired whether the retail operators may design the facilities themselves. President McDaniel replied that they have limited

input, as the dispensaries will be generally consistent in appearance. He reported that DASNY is in discussions with landlords at many locations and a number of leases are close to finalization.

President McDaniel welcomed Charlie Williams, Manager Director of Executive Direction, to DASNY.

He stated that Mr. Williams' fits DASNY's needs exceptionally well. The President informed the Members that Mr. Williams served most recently as Deputy Budget Director for the Division of Budget, where he managed approximately 125 state agency and public authority budgets, including DASNY's. He stated that Mr. Williams understands DASNY, the State, and has a great deal of operational and management experience. The President informed the Members that at the January Meeting, they will be asked to approve a change to DASNY's By-laws to include Mr. Williams as an authorized officer of DASNY.

Mr. Williams thanked President McDaniel and DASNY Staff for the warm welcome he has received. He stated that he has 15 years of public sector experience and 15 years of experience in the private sector. Mr. Williams stated that he is excited to be working at DASNY.

The President introduced Justin Sproul, who is currently working as a DASNY Fellow. He stated that Mr. Sproul is a May 2022 graduate of SUNY Albany, where he earned a B.S. in Business Administration in three years, with a concentration in Finance and Entrepreneurship. The President further stated that Mr. Sproul will be assisting Public Finance and Portfolio Monitoring with financial statement review and analysis and is learning DASNY's financing process. The Board Chair welcomed Mr. Sproul to DASNY. Mr. Sproul thanked the President and the Board Chair and stated that he is pleased to be working at DASNY. President McDaniel stated that DASNY will also be hiring interns this summer, as it has done in the past. Mr. Curro noted that many of DASNY's former construction interns are currently employed by DASNY and doing very well.

### **Financial Report**

Ms. Ellis delivered the Financial Report. She informed the Members that the Quarterly Treasurer's Report is included with the monthly report in the Board Materials. Ms. Ellis directed the Members' attention to the Quarterly Investment Report. She stated that the investment portfolio declined by approximately 50% primarily due to the use of amounts previously provided by the State to defease bonds. She noted that the total investment portfolio is now within a normal range of approximately \$5.6 billion.

Ms. Ellis stated that the projected deficit for this fiscal year has improved from \$1.6 million to a projected deficit of approximately \$800,000. She explained that the change in the projected deficit is primarily because the projected overrun for the CUNY program is approximately \$1.5 million less than what was assumed in the adopted budget. Ms. Ellis stated that this is offset by updated projections for private clients and public-school districts that show slight deficits or reductions in the projected surpluses.

Ms. Ellis stated that while total operating expenditures are projected to come in \$4.2 million under budget, most operating costs are allocated to public clients, which generally have revenue to match projected costs. She noted that this limits the impact on the surplus/deficit from operations. Ms. Ellis informed the Members that salaries continue to be under budget and are projected to remain so, as the pace of hiring continues to be slower than expected. She noted that there have also been departures that have offset new hires. Ms. Ellis stated that health insurance is projected to be approximately \$500,000 over budget, primarily due to increased participation on the retiree side. However, retirement and social security is projected to be under budget and will offset the health insurance premium.

Ms. Ellis reported that minor projected overruns and shortfalls in certain expense categories are expected in management and operations, but the category is mostly on budget. She stated that pass-through expenses are up significantly, primarily due to the post-employment benefits projection. Ms. Ellis explained that at the time the budget was adopted, DASNY relied upon the most recent actuarial valuation; however, the valuation received in May 2022 was significantly different. She stated that nearly all of this expense gets allocated to public clients and is carried as a receivable on DASNY's balance sheet, so it does not significantly impact the surplus/deficit.

### **Public Finance Report**

Ms. Lee delivered the Public Finance Report. She stated that since the last Board meeting, DASNY priced the Rochester Institute of Technology transaction. Ms. Lee informed the Members that the transaction priced into a strong market and was heavily oversubscribed. She stated that the pricing went very well and RIT was pleased with the execution. Ms. Lee stated that she and Reuben received a very nice note from the banker complimenting DASNY for improved efficiency and good customer service. She thanked the staff who worked on the RIT transaction.

Ms. Lee provided a brief market update. She reported that the Federal Open Market Committee is expected to raise rates by 50 basis points at its meeting next week. Ms. Lee stated that total year-to-date new issue volume for 2022 is approximately \$369 billion, down 18% from last year's comparable volume. She further stated that this week's supply is expected to be in-line with recent averages at about \$6.4 billion. Ms. Lee informed the Members that tax-exempt bond yields were lower on Tuesday with the 10-year decreasing by two basis points to close at 2.55%, while the 30-year AAA MMD was unchanged at 3.48%.

Ms. Lee reported that U.S. government bond yields were lower, with the 10-year yield decreasing by nine basis points to 3.51% and the 30-year Treasury yield decreasing by ten basis points to 3.52%. Municipal bond funds reported outflows again last week. Ms. Lee stated that since the November 9 Board meeting there was good news with regards to rates: the one-year MMD rate has decreased by 71 basis points, the 10-year MMD has decreased by 75 basis points, and the 30-year MMD has decreased by 58 basis points. During that same period, the 10-year Treasury yield has decreased by 63 basis points and the 30-year Treasury yield has decreased by 76 basis points.

Ms. Lee reminded the Members that DASNY released a Request for Proposals for Underwriters at the end of October. She stated that proposals have been received, and that any inquiries

received regarding the RFP should be directed to the Procurement Office. Ms. Lee stated that the RFP process is expected to be concluded by the end of the year.

### **Construction Division Report**

Mr. Curro delivered the Construction Division Report. He stated that two projects have been added to DASNY's construction portfolio since the last Board Meeting: a \$20 million interior and bathroom renovation project at CUNY's York College and a \$5.2 million renovation project at Clement Hall at the University of Buffalo. Mr. Curro reported that the \$25 million HVAC upgrade at the South Beach Psychiatric Center has been completed.

Mr. Curro stated that construction expenditures for the period ending October 2021 were \$264 million, while expenditures for the period ending October 2022 were \$360 million, a net increase of \$96 million over last year.

Mr. Curro provided a summary of several construction projects. He reported that the capital projects at the University at Albany, SUNY New Paltz and FIT continue to progress according to schedule and budget, with only minor delays known at this time. Mr. Curro stated that Phases IIIB & C have commenced at Alfred's MacKenzie Hall, and the project is expected to be completed by August 2023 (Phase III B) and December 2023 (Phase III C). Mr. Curro informed the Members that 22 SUNY Summer projects with a total value of \$36 million are planned for summer 2023 at Albany, Alfred, Buffalo University, Delhi, Geneseo, New Paltz, Oneonta and Purchase.

Mr. Curro stated that he and President McDaniel had a productive meeting with CUNY facilities executive staff on Wednesday, November 30 and discussed a number of items including DASNY's construction contracting procurement process, project planning for scope, budget and schedule, data transfer between project management systems and incorporating building efficiencies into DASNY's project delivery from start to finish.

Mr. Curro reported that work for OMH has increased significantly, as new projects have been 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.

Mr. Curro informed the Members that there are currently over 20 open positions in the Construction Division, including engineers, architects, project managers and field representatives. He complimented DASNY's Human Resources Department for their efforts in recruiting qualified staff. Mr. Curro noted that 32 people have been hired in the Construction Division so far this year, and that 17 Construction employees have retired. He stated that DASNY has hired Joseph Christian to fill the Senior Managing Director, Project Support Services – Technical position. Mr. Curro further stated that Mr. Christian is a New York State Licensed Professional Engineer and Attorney who was a Project Manager at DASNY for 15 years. Mr. Christian left DASNY in 2001 to pursue opportunities in the private sector, including with Caterpillar and General Electric. Mr. Curro explained that Mr. Christian's responsibilities will



include overseeing Code Compliance, Interior Design, Project Controls, Safety and Sustainability, Energy and Environmental Programs. Ms. Gomez remarked that Mr. Christian seems like a very good fit for DASNY, and Mr. Curro agreed. Mr. Curro stated that with the addition of the position of Senior Managing Director, Project Support Services – Technical, the reorganization of the Construction Division has been completed. He explained that two support tracts--Project Support Services – Administrative and Technical--will support DASNY's Downstate, Upstate and Western New York design and construction operations groups.

Mr. Ronski inquired about the progress on the DOH Wadsworth Lab project in Albany. Mr. Curro replied that the funding for the project had increased from \$750m to just over \$1B. As a result, the design-build team will be asked to work in the additional funding scope (adding the relocation of the Biggs Lab into the new build project) into their planning / programming efforts. The Board Chair noted that he had the opportunity to tour Fiterman Hall recently and complimented Mr. Curro on the finished project.

Mr. Chen moved that the Members go into Executive Discussion to discuss the financial and credit history of a particular corporation, and matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal, or removal of a particular person or corporation. Ms. Gomez seconded the motion and the Members went into Executive Session.

### **EXECUTIVE SESSION**

While in Executive Session, no decisions were made other than that to return to Public Session.

### **PUBLIC SESSION**

The Board Chair stated that the last item on the agenda is the retention of Special Independent Counsel for the DASNY Board. He stated that a Memorandum has been drafted for distribution to the Members regarding the retention of the firm of Friedman Kaplan Seiler Adelman LLP, as well as a Resolution approving the retention of the firm. Chair Carney emphasized that the retention of Friedman Kaplan is to provide the Board with additional Counsel should circumstances so require. He stated that DASNY Legal staff is doing great work, and that Independent Board Counsel will be retained only upon notification to staff and only if needed.

President McDaniel explained that DASNY's Procurement Guidelines set forth the process to be followed in order for special counsel to be retained. He stated that he and Ms. Fontaine determined that it is appropriate for Friedman Kaplan to be retained by means of a single source procurement in order to avoid any actual, potential, or appearance of a conflict of interest among firms currently empaneled by DASNY.

Mr. Evans asked how the Board Members would determine whether to utilize the services of Friedman Kaplan. The Board Chair stated that any Member may request the services of Independent Counsel and the Chair would then determine, upon consultation with other Members as may be necessary, whether to engage the firm. Ms. Gomez asked if their representation would be limited to litigation, and the Chair replied that it would not be limited, but rather would be

available in other situations, such as if the Members have questions about their roles with respect to DASNY's work with the cannabis initiative.

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

RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK ("DASNY") APPOINTING FRIEDMAN KAPLAN AS SPECIAL COUNSEL TO THE DASNY BOARD AND AUTHORIZING THE EXECUTION OF AN ENGAGEMENT LETTER IN CONNECTION THEREWITH

Mr. Chen seconded the motion and the Resolution was unanimously adopted with the exception of Mr. Swierczewski, who abstained from voting.

Mr. Chen moved that the meeting adjourn. Ms. Gomez seconded the motion and the meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sara Richards". The signature is written in a cursive style with a large initial 'S'.

Sara Richards  
Assistant Secretary