

The Dormitory Authority of the State of New York Finance Committee Meeting was held by videoconference technology among DASNY's Offices in New York City, 28 Liberty Plaza, New York, New York, 6047 Transit Road, Suite 103, Buffalo, New York, and 515 Broadway, Albany, New York at 9:30 a.m. on Wednesday, April 10, 2024.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Ronski, Finance Committee Chair, at 9:34 a.m. and a quorum was declared present. The following Board Members and Staff were present:

Finance Committee Members Present – NYCO

Gerard Ronski, Esq. – Finance Committee Chair
Alfonso L. Carney, Jr. – Finance Committee Member (*Via Zoom*)

Finance Committee Members Present--Buffalo

Janice McKinnie—Finance Committee Member

Other Board Members Present – NYCO

Lisa Gomez – Board Chair
Beryl L. Snyder, Esq. – Board Member
Robert Rodriguez – Board Member
Wellington Chen – Board Member

Other Board Members Present - Albany

Joan M. Sullivan – Board Member
Kenneth Evans – Designated Representative of the Commissioner of Health, Board Member (*ex officio*)
Christina Coughlin, Designated Representative of the Commissioner of Education, Board Member (*ex officio*)

Staff Members Present

Charlie Williams, Vice President
Stephen Curro, Managing Director of Construction
Kimberly Ellis, Chief Financial Officer
Nadine Fontaine, Esq., General Counsel
Sara Potter Richards, Managing Director, Executive Direction
Matthew Moore, Deputy General Counsel
Ricardo Salaman, Deputy General Counsel
Dena Amodio, Associate General Counsel
Jenilee Flinton, Director, Internal Audit
Matthew Bergin, Director, Public Finance
Dan Brown, Senior Director, External Relations
Jeffrey Gordon, Director, Communications

Jerry Brouillette, Director, Information Services
Deborah Fasser, Director, Strategic Communications & Business Development
Craig Schreivogl, Director, Portfolio Management
Stephen Kosier, Assistant Director, Public Finance
David Ostrander, Assistant Director, Public Finance
Gregory Maisenbacher, Manager, Internal Control Analysis
Alex Sirdine, Senior Financial Analyst
Dave Byam, Senior Systems Specialist
Amanda Nazario, Confidential Legal Assistant
Lori Huelle, Executive Assistant

Bond Counsel Present:

Christopher C. Canada, Esq., Hodgson Russ LLP (*Via Zoom*)
Natalia Pearson-Farrer, Esq., Holley & Pearson-Farrer LLP (*Via Zoom*)

Members of the public also joined via Zoom.

PUBLIC SESSION

Approval of Meeting Minutes from March 13, 2024 Finance Committee Meeting

Finance Committee Chair Gerard Ronski called the meeting to order and welcomed Members and Staff. The Minutes of the March 13, 2024 Finance Committee Meeting were unanimously approved.

Columbia University – Resolution to Proceed

Mr. Ostrander stated that the Finance Committee is being asked to recommend to the full Board the adoption of a Resolution to Proceed for a financing in an amount not to exceed \$150,000,000 on behalf of Columbia University.

Mr. Ostrander informed the Members that the bond proceeds are expected to be used to finance or reimburse the University for costs associated with various construction and renovation projects at the Morningside Heights, Medical Center, and Manhattanville campuses.

Mr. Ostrander noted that Projects include a new 34-story building to house graduate students and faculty members on the southwest corner of 125th Street and Broadway in Manhattan. He added that the new facility, which is currently under construction and expected to be completed in 2024, will be comprised of approximately 180,000 square feet and include 142 apartments. He noted that this project was also financed in part with proceeds from DASNY's 2023 bonds. Mr. Ostrander added that other projects to be financed include renovation, deferred maintenance, and replacement projects located at various facilities across the Columbia system.

Mr. Ostrander stated that the outstanding obligations of the University are currently rated Aaa by Moody's and AAA by S&P and it is anticipated that the Loan Agreement will be a general unsecured obligation of

the University and no security interest in any revenues or assets of the University will be granted by the University to DASNY under the Loan Agreement.

Mr. Ostrander reported that the positive demand and enrollment trends continue and applications received have increased by 34% over the last five years, reaching 57,126 for fall 2023. Columbia reported total headcount enrollment of 34,133 for fall 2023, an increase of 2.0% over five years. For fiscal year 2023, Columbia reported operating revenues of \$6.1 billion and an operating surplus of just over \$208 million. He noted that the University's overall revenue mix is diverse, making it less vulnerable to fluctuations from a single revenue source. For fiscal year 2023, 24% of the University's total operating revenues came from net tuition and fees. Mr. Ostrander reported that with respect to financial resources, the University reported total net assets of \$18.72 billion at fiscal year-end 2023, of which \$8.38 billion were unrestricted and that total net assets have increased by \$2.69 billion, or nearly 17% since fiscal year 2019.

Upon a motion from Mr. Carney and a second from Ms. McKinnie, the Finance Committee unanimously recommended the approval of the Columbia University Resolution to Proceed by the full Board.

Pace University – Resolution to Proceed

Mr. Sirdine greeted the Members and stated that the Finance Committee is being asked to recommend that the full Board authorize one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds with a maturity not to exceed 35 years in an amount not to exceed \$330,000,000 on behalf of Pace University.

Mr. Sirdine reported that proceeds from the Series 2024 Bonds are expected to be used to finance costs associated with various construction and renovation projects at the University's One Pace Plaza building, the University's primary building on its New York City campus, as well as to refund all or a portion of the University's Series 2013A Bonds, issued by DASNY, and the Series 2014A and 2014B Bonds issued by the Westchester County Local Development Corporation.

Mr. Sirdine noted that the University is currently implementing its New York City Master Plan and thus far has completed 3 out of the 4 phases. He stated that phase 4 of the Master Plan involves the renovation and transformation of the east portion of One Pace Plaza which includes the construction of a 100,000-square-foot performing arts center with various theaters, shops, studios, and public spaces and the renovation and expansion of a 12-story residential hall with approximately 500 beds.

Mr. Sirdine stated that this transaction will also include a partial or complete refunding of the University's fixed rate Series 2013A and 2014A bonds. He further stated that a full refunding of these bonds is currently expected to produce net present value savings of approximately \$5 million, or 3.7%, of the refunded bonds. He noted that the University's variable-rate 2014B bonds are also expected to be refunded and replaced with a new series of variable-rate bonds for the purpose of simplifying the University's bond documents by bringing all outstanding bond series under one Resolution. Mr. Sirdine noted that after the Series 2024 Bonds are issued, the University will only have DASNY bonds outstanding

Mr. Sirdine informed the Committee Members that the new money portion of this transaction is approximately \$160 million, while the refundings, if fully executed, total approximately \$155 million. He

stated that the Loan Agreement will be secured by a pledge of revenues and a mortgage. Mr. Sirdine further stated that the University's outstanding obligations are currently rated BBB- by S&P.

Mr. Sirdine reported that the University has maintained positive operating margins and has increased its operating revenues by 9% over the last five years. He further reported that the University's net assets have grown by over 50% since 2019, and at fiscal year-end 2023, it reported total net assets of approximately \$460 million, of which \$194.0 million were unrestricted.

Mr. Sirdine added that this growth can be attributed to sustained positive operating results and growth in the University's investment portfolio and real estate assets. He reported that long-term debt has decreased steadily over the five-year period as the University has not issued bonds since 2014. During that time, the University made significant capital improvements to modernize and replace aging facilities under its Westchester and New York City Master plans through University equity and fundraising.

Mr. Sirdine stated that the University's total headcount enrollment increased by 3.5% over five years, from approximately 13,600 students in fall 2019 to 14,100 in fall 2023, driven in large part by an almost 22% increase in total graduate enrollment. He further added that Construction costs for the first three phases totaled approximately \$170 million and were completely funded through the University's operating cash, private gifts, and the sale of underutilized properties. Mr. Sirdine reported that the total cost of Phase 4 is presently estimated at \$268 million, which will be partly funded with proceeds from the Series 2024 Bonds.

In response to an inquiry from Mr. Carney, Mr. Sirdine stated that the University has increased its enrollment by 3.5%, and that the University has made a strategic decision to focus on graduate enrollment given the more difficult environment for undergraduate enrollment.

Mr. Sirdine informed the members that, while Pace is rated BBB- by S&P, they have a stable outlook in that they are increasing their enrollment, maintaining positive operating margins and increasing revenue.

Upon a motion from Ms. McKinnie and a second from Mr. Carney, the Finance Committee unanimously recommended approval of the Pace University Resolution to Proceed by the full Board.

Shelter Island Public Library Society – Resolution to Proceed

Mr. Kosier greeted the Members and stated that the Finance Committee is being asked to recommend to the full board, the adoption of a resolution to proceed for 31-year, tax-exempt and/or taxable, fixed- and/or variable-rate bonds in an amount not to exceed \$9.5 million for Shelter Island Public Library Society.

Mr. Kosier reported that the Library is a new DASNY client, having been added to the DASNY statute in 2023. He stated that the Library is located on Shelter Island, a 6.7 square-mile island community between the north and south forks of eastern Long Island. He added that the Library District, the Town of Shelter Island, and Shelter Island Union Free School District are coterminous and make up the entirety of the island.

Mr. Kosier stated that the Bond proceeds will be used to construct additions, alterations, and improvements to the Library building. He further stated that voters approved the \$9.5 million referendum on June 17th,

2023. Mr. Kosier informed the Members that funding for the Library comes from real property tax revenues levied by the School District and collected by the Town tax receiver. Tax receipts for both the School District and the Library are then delivered by the Town tax receiver to the School District. Any changes to the tax levy are submitted to the voters for approval, and once approved by the voters, the Library's tax levy is considered an annual appropriation. He noted that 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.

Mr. Kosier informed the Members that the bonds are expected to be rated Aa3 or better by Moody's. He stated that security will include a pledge of revenues and a lockbox, and that the lockbox requires the Library to fund, in advance, a debt service account as tax collections are received. He added that the School District will send all tax receipts due to the Library 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.

Upon a motion from Mr. Carney and a second from Ms. McKinnie, the Finance Committee unanimously recommended the approval of the Shelter Island Public Library Society Resolution to Proceed by the full Board.

Upon a motion from Mr. Carney and a second from Ms. McKinnie, The Finance Committee meeting was adjourned at approximately 9:52 a.m.

Respectfully submitted,

Sara P. Richards
Assistant Secretary