

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 9:32 a.m. on Wednesday, January 10, 2024.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Romski, Finance Committee Chair, at 9:32 a.m. and a quorum was declared present. The following Board Members and Staff were present:

Finance Committee Members Present – NYCO

Gerard Romski, Esq. – Finance Committee Chair
Alfonso L. Carney, Jr. – Finance Committee Member
Janice McKinnie—Finance Committee Member

Other Board Members Present – NYCO

Lisa Gomez – Board Chair
Beryl L. Snyder, Esq. – Board Member
Robert Rodriguez – 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*)
Adrian Swierczewski, Designated Representative of the Director of Budget, Board Member (*ex officio*)

Other Board Members Absent

Wellington Chen– Board Member

Staff Members Present

Charlie Williams, Vice President
Stephen Curro, Managing Director of Construction
Kimberly Ellis, Chief Financial Officer
Nadine Fontaine, Esq., General Counsel
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Sara Potter Richards, Managing Director, Executive Direction
Matthew Moore, Deputy General Counsel
Ricardo Salaman, Deputy General Counsel
Dena Amodio, Associate General Counsel
Dan Brown, Senior Director, External Relations

Geoffrey Arnold, Director, Budget and Operations
Matt Bergin, Director, Public Finance
Jerry Brouillette, Director, Information Services
Deborah Fasser, Director, Strategic Communications & Business Development
Jeffrey Gordon, Director, Communications
Craig Schreivogl, Director, Portfolio Monitoring
Stephen Kosier, Assistant Director, Public Finance
David Ostrander, Assistant Director, Public Finance
Alex Sirdine, Senior Financial Analyst
Karen Ehlinger, Manager, Internal Control Analysis
Brittany Stinson, Media & External Relations Officer
Amanda Nazario, Confidential Legal Assistant
Lori Huelle, Executive Assistant
Meghan Cyr, Administrative Assistant
Dave O'Neil, Manager, IS Help Desk

Other members of the public observed the meeting remotely.

PUBLIC SESSION

Finance Committee Chair Gerard Ronski called the meeting to order and welcomed Members and Staff. The Minutes of the December 6, 2023 Finance Committee Meeting were unanimously approved.

PIT/Sales Tax – Single Approval Transaction Summary

Mr. Bergin addressed the Members and stated that the Finance Committee is being asked to recommend to the Board the authorization for 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 \$3.5 billion. He stated that the State would like the flexibility to issue the proposed bonds under either the Personal Income Tax Revenue Bond Program and/or the Sales Tax Revenue Bond Program.

Mr. Bergin informed the Members that this authorization is for new money and refunding purposes. He stated that with regard to the new money portion, the proceeds of the bonds are expected to be used to finance capital projects undertaken by various State entities including the New York State Department of Corrections and Community Supervision, The City University of New York, Economic Development projects and/or grants, Environmental Initiatives, Health Care Grants, HECAP Grants, The Division of Homeland Security and Emergency Services, The Division of Military and Naval Affairs, NYCHA, The New York Power Authority, The Office of General Services, OMH, OPWDD, OASAS, and State and Municipal Facilities Grant program. Mr. Bergin further stated that in addition to the new money projects, bond proceeds will also be used to refund certain bonds issued under various State supported debt programs.

Mr. Bergin stated that security for the Personal Income Tax Revenue Bond program 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 the pass-through entity tax which are deposited into the Revenue Bond Tax Fund. He further stated that for the Sales Tax Revenue Bond Program, security includes a set aside of two cents of the State's 4% sales tax, which is deposited into the Sales Tax Revenue Bond Tax Fund.

Mr. Bergin stated that for this fiscal year ending March 31, 2024, the debt service coverage on all outstanding State Personal Income Tax bonds is projected to be 7.5 times total debt service and the debt service coverage on all outstanding Sales Tax bonds is projected to be 8.1 times total debt service. He noted that the expected ratings of either program are Aa1/AA+\AA+.

Upon an inquiry from Mr Rodriguez, Ms. Lee informed the Members that the determination as to whether the bonds will be issued on a competitive or negotiated basis is expected to be made within the next month, as well as whether the bonds will be issued as PIT or Sales Tax bonds. She noted that DASNY has never issued bonds under both programs simultaneously.

The Finance Committee Members unanimously agreed to recommend the approval of the Personal Income Tax Revenue Bond Program and/or the Sales Tax Revenue Bond Program issuance to the full Board.

InterAgency Council- Transaction Summary

Mr. Sirdine stated that the Finance Committee is being asked to recommend to the full Board the adoption of a Resolution to Proceed with the issuance of one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds with a maturity not to exceed 30 years in an amount not to exceed \$5,500,000 on behalf of the InterAgency Council of Developmental Disabilities.

Mr. Sirdine informed the Committee Members that the proceeds from the Series 2024 Bonds are expected to be used to refinance existing bank loans and reimburse certain institutions for cash expenditures used to renovate or acquire certain properties to provide services for the developmentally disabled.

Mr. Sirdine reported that this will be the 17th financing for the InterAgency Council Loan program. He informed the Committee Members that it will be a pooled financing on behalf of three (3) participants with seven (7) projects, six (6) of which currently have Prior Property Approvals, or PPAs. He added that the final PPA is expected to be in place before pricing in March. Mr. Sirdine noted that each borrower in the pool will have its own loan agreement.

Mr. Sirdine stated that security features include a pledge of all public funds attributable to each financed project, a standby intercept of the public funds attributable to each project, a 6 month Debt Service Reserve Fund, and mortgages on real property acceptable to DASNY, where available.

Mr. Sirdine added that the 3 participants in this pool are 501(c)(3) organizations that have a history of providing services to NYS residents who have developmental disabilities. He noted that the three borrowers in this pool have had a history of providing State-mandated essential services to developmentally disabled New Yorkers.

Mr. Sirdine provided the Committee Members with some background on the significance of PPAs (Prior Property Approvals). He explained that in order 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 before approving the PPA. He added that the PPA evidences OPWDD's commitment to fund the project and that ultimately the projects are supported through contracts and reimbursement arrangements with OPWDD.

Mr. Sirdine informed the Committee Members that all seven projects are expected to be funded through a PPA and added that the projects are expected to have a replacement operator component. He noted that a rating of Aa2 from Moody's is anticipated. Mr. Sirdine stated that the State commits to

supporting the development and operation of the project if it is completed and in conformance with the PPA.

Mr. Sirdine recognized a typo relating to the Original Issue Premium set forth in the Sources and Uses Table. He stated that the total sources figures are accurate in the Report and will be corrected for the Transaction Summary Update. In response to a question from Mr. Carney, Mr. Sirdine stated that OPWDD regulates and oversees these agencies/providers.

The Finance Committee Members unanimously agreed to recommend approval of a Resolution to Proceed to the full Board.

New York Institute of Technology- Transaction Summary

Mr. Ostrander stated that the Finance Committee is being asked to recommend to the full Board the adoption of a Resolution to Proceed with a Bond issuance in an amount not to exceed \$105,000,000 on behalf of New York Institute of Technology (NYIT). He further stated that this will be DASNY's fourth series of bonds issued on behalf of NYIT, with the most recent being a refunding in 2020.

Mr. Ostrander informed the Members that the Bond proceeds will be used to finance the costs associated with various construction and renovation projects located on NYIT's Long Island campus situated on 220 acres in Old Westbury, as well as NYIT's Manhattan campus, consisting of two buildings on 61st and Broadway in Manhattan.

Mr. Ostrander stated that the largest project to be financed with bond proceeds is an interior renovation of the existing School of Health Professions facility on the Long Island campus to create a new 20,000 square-foot biomedical research facility with collaborative laboratories and imaging equipment. He further stated that other projects include renovations to classroom space, labs, athletic space, and offices, as well as roof replacements and façade repairs. Mr. Ostrander noted that the financing will be used to support NYIT's \$200 million, multi-year capital and information technology revitalization plan.

Mr. Ostrander stated that NYIT is currently rated Baa2 by Moody's and BBB+ by S&P. He further stated that the Series 2024 Bonds will include security as determined by existing market conditions for similar credits rated in the BBB category. Mr. Ostrander noted that for this issuance, it is expected that the Loan Agreement will be secured by a Pledge of Revenues and it is not anticipated that a mortgage on any portion of NYIT's campus will be required to market the bonds.

Mr. Ostrander reported that NYIT offers more than 90 undergraduate, graduate, and professional degrees through its six colleges and schools, adding that the demand for the Institute's undergraduate programs has increased in recent years despite disruptions caused by the pandemic. He stated that freshman applications increased to over 11,000 for both fall 2022 and fall 2023, which management attributes to broader brand awareness, growing academic reputation, and increased offerings in student services and experiences. Mr. Ostrander added that freshman enrollment exceeded pre-pandemic levels in each of the past three years and were the highest levels in a decade.

Mr. Ostrander informed the Members that NYIT posted operating surpluses in each of the last five years, averaging \$12.7 million annually, highlighting the Institute's history of effective fiscal management and ability to adjust operating expenses based on fluctuating enrollment and revenues. He stated that, similar to other Colleges and Universities in the BBB category, NYIT's revenues are highly dependent on student

enrollment, noting that for fiscal year 2023, net tuition and fee revenue accounted for 85% of NYIT's operating revenues.

Mr. Ostrander stated that positive operating margins over the years have contributed to continuous net asset growth and stated that NYIT reported a 55.0% increase in net assets over five years, reaching nearly \$235.0 million as of fiscal year-end 2023. He added that cash and investments grew by nearly 28% over five years, allowing the Institute to pay off its long-term debt, reduce accounts payable balances, and fund ongoing capital projects.

Mr. Ostrander reported that in September of last year, NYIT redeemed its 2016 and 2020 DASNY bonds and currently has no long-term debt outstanding. He added that NYIT has identified approximately \$200 million of capital improvements between 2023 and 2026 and that the projects are expected to be funded with a combination of capital reserve funds, working capital, and a small amount of fundraising, along with the proceeds from the proposed bond issuance. Mr. Ostrander informed the Members that the 2024 Bonds will allow NYIT to further its strategic plan by upgrading and enhancing its capital facilities, financing new technologies to grow and enhance its research programs, and investing in new student programs and services that drive enrollment.

The Finance Committee Members unanimously agreed to recommend approval of a Resolution to Proceed to the full Board.

Orange Ulster BOCES –Transaction Summary

Mr. Kosier stated that the Committee Members are being asked to recommend to the full Board the adoption of a Resolution to Proceed for a bond financing in an amount not to exceed \$158,825,054 on behalf of the Orange-Ulster BOCES.

Mr. Kosier informed the Committee Members that the State's Board of Cooperative Educational Services (BOCES) program was established in 1948 by legislation to enable school districts to combine resources to provide services that otherwise would be uneconomical, inefficient, or unavailable. He stated that BOCES offers a wide range of services and programs that school districts can choose to participate in, including special education, career and technical education, staff development, and technology support. Mr. Kosier added that there are 37 BOCES in the State serving approximately 700 school districts.

Mr. Kosier reported that BOCES are funded by payments made to them by the component school districts based on their allocable share of program services and administrative and facilities expenses, and that the component school districts pay these expenses through real property tax levies. He explained that the component school district boards vote on the BOCES administrative budget each spring; however, the portion allocated to the DASNY Rentals (which includes debt service) is not subject to the vote.

Mr. Kosier informed the Members that the State has made appropriations to the BOCES program each year since 1949 to partially offset BOCES expenses and the State appropriations to BOCES are available to be applied to pay debt service through a direct intercept. He noted that The State Comptroller is required by law to deduct amounts due and payable to pay the DASNY Rentals from any State Aid due to the BOCES and pay it to or upon the order of DASNY.

Mr. Kosier informed the Members that since 2001, DASNY has issued approximately \$478 million in bonds through 27 bond series on behalf of 11 separate BOCES borrowers and as of September 30, 2023, \$116.4 million was outstanding on behalf of 8 separate BOCES borrowers.

Mr. Kosier stated that the proposed issuance will be the first DASNY bond issue on behalf of Orange-Ulster BOCES and added that Orange-Ulster BOCES provides shared services to 17 component school districts in Orange and Ulster counties that cover approximately 838 square miles and serve approximately 40,000 students. He further stated that the Borrower's main campus is the Amy Bull Crist Area Education Center located on Gibson Road in Goshen and services are also provided at the Regional Education Center at Arden Hill in Goshen and the Newburgh Adult Learning Center located on the SUNY Orange campus in Newburgh.

Mr. Kosier stated that on October 25, 2022, voters approved \$158,825,054 in financing for capital projects at the Career and Technical Education Center and at the Emanuel Axelrod Education Center, each on the Borrower's Gibson Road Campus, as well as capital projects at the Arden Hill Campus. He noted that the Project has been split into seven separate phases, two at the Gibson Road Campus and five at the Arden Hill Campus, each requiring separate approvals from the New York State Education Department.

Mr. Kosier reported that currently, the Borrower anticipates bifurcating the financing into two issuances: Series 2024A would fund phases one through three in the first half of 2024, and Series 2024B would fund phases four through seven in the second half of 2024. He stated that SED approval has been received for phase one, and SED approvals for phases two and three are expected in the next few weeks. He added that it is anticipated that staff and bond counsel will request the DASNY Board adopt documents to finance these first three phases at either the February or March meetings and staff and bond counsel will return to the DASNY Board again to adopt documents to finance phases four through seven at a subsequent meeting, sometime later in 2024.

Mr. Kosier stated that the Bonds will be secured by a Direct Intercept, through the State Comptroller, of any State Aid due to Orange-Ulster BOCES specifically allocated for rental payments on the DASNY Lease Agreement, a pledge of all other public funds apportioned by the State due to Orange-Ulster BOCES in an amount sufficient to pay such rental payments, and a one-half-year Debt Service Reserve Fund or Reserve Fund Facility. He reported that the bonds are expected to be rated Aa2 by Moody's.

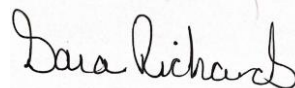
Upon an inquiry from Mr. Carney, Mr. Kosier stated that SED approval must be obtained prior to the adoption of documents by the DASNY Board. He further stated that BOCES is anxious to begin the projects and separate bond series will help to meet that timeline.

The Finance Committee Members unanimously agreed to recommend to the full Board the adoption of a Resolution to Proceed with a bond issuance on behalf of the Orange-Ulster BOCES.

Finance Committee Chair Ronski and Board Chair Gomez commended Portia Lee and her team on the new format for the Transaction Summaries.

The Finance Committee meeting was adjourned at approximately 9:55 a.m.

Respectfully submitted,



Sara P. Richards
Assistant Secretary