

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, February 14, 2024.

**CALL TO ORDER / ROLL CALL**

The Meeting was called to order by Gerard Romski, Finance Committee Chair, at 9:35 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 (*Via Zoom*)  
Alfonso L. Carney, Jr. – Finance Committee Member

**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

**Other Board Members Present**

Joan M. Sullivan – Board Member (*Via Zoom*)  
Kenneth Evans – Designated Representative of the Commissioner of Health, Board Member (*ex officio*)  
Adrian Swierczewski, Designated Representative of the Director of Budget, Board Member (*ex officio*)

**Board Members Absent**

Wellington Chen– Board Member  
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  
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  
Matt Bergin, Director, Public Finance  
Jenilee Flinton, Director, Internal Audit  
Jerry Brouillette, Director, Information Services  
Deborah Fasser, Director, Strategic Communications & Business Development  
Jeffrey Gordon, Director, Communications  
Stephen Kosier, Assistant Director, Public Finance  
David Ostrander, Assistant Director, Public Finance  
Alex Sirdine, Senior Financial Analyst  
Karen Ehlinger, Manager, Internal Control Analysis  
Gregory Maisenbacher, Senior Internal Auditor  
Amanda Nazario, Confidential Legal Assistant  
Lori Huelle, Executive Assistant  
Meghan Cyr, Administrative Assistant

**Bond Counsel Present:**

Neil Kaplan, Esq., Hawkins Delafield & Wood  
Laurie Hall, Esq., Hawkins Delafield & Wood  
Doug Seaton, Esq., D. Seaton and Associates  
Virginia Wong, Esq., Nixon Peabody LLP  
Chris Reitzel, Esq., Nixon Peabody LLP

Several members of the public joined the meeting remotely.

**PUBLIC SESSION**

Finance Committee Chair Gerard Ronski called the meeting to order and welcomed Members and Staff. The Minutes of the January 10, 2024 Finance Committee Meeting were unanimously approved.

**City University System Consolidated Fifth General Resolution Revenue Bonds**

Mr. Bergin stated that the Finance Committee is being asked to recommend to the full Board the authorization for the issuance of up to \$300 million City University System Consolidated Fifth General Resolution Revenue Bonds for a term of up to 5 years. He explained that the proposed bond issue is anticipated to reimburse the State for amounts spent to fund various capital projects for CUNY Senior Colleges.

Mr. Bergin stated that CUNY is a nonprofit, primarily nonresidential, co-educational public institution of higher learning established in 1961 by combining existing educational institutions into one University. He further stated that CUNY currently serves more than 225,000 degree seeking students each year. Mr. Bergin informed the Members that the State provides payment for 100% of the CUNY Senior College Facilities debt service and 50% of the CUNY Community College Facilities debt service, while the City

supports the remaining 50% of the CUNY Community College Facilities debt service. He noted, however, that this financing is specifically for CUNY's Senior Colleges, and therefore the State will provide payment equal to the full amount of the annual debt service.

Mr. Bergin reported that DASNY's financing history with CUNY dates back to 1965, with bonds issued for both Senior Colleges and Community Colleges. He stated that the only remaining bonds outstanding are the City University System Consolidated Fifth General Resolution Revenue Bonds Series 2005A, which have a final maturity of July 1, 2024. Mr. Bergin noted that since the creation of the Personal Income Tax Revenue Bond Program and the Sales Tax Revenue Bond Program, the State has elected to finance its allocable share of CUNY new money projects through these Programs.

Mr. Bergin informed the Committee Members that pursuant to the Agreement and Lease relating to the Fifth General Resolution, DASNY procures and maintains insurance on various properties throughout the City University System, as long as there are bonds outstanding under the Fifth General Resolution. He noted that DASNY is reimbursed for these costs. Mr. Bergin explained that with the Series 2005A bonds maturing on July 1, 2024, this financing will allow for a longer transition period for stakeholders to consider the future responsibility of procuring and maintaining insurance and related policy matters as the Series 2024 bonds will also be issued under the Fifth General Resolution.

With respect to security features, Mr. Bergin stated that there are State appropriations for CUNY Senior Colleges, and State and City appropriations for CUNY Community Colleges to the City University Construction Fund. He further stated that there is an intercept of operating aid to CUNY and per capita aid to the City in the event of non-appropriation by the State or City. Mr. Bergin informed the Members that as this financing is for CUNY Senior Colleges, the State will make direct payments to the City University Construction Fund from annual appropriations equal to the full amount of the annual Debt Service payments. He noted that the expected bond ratings are AA\AA.

In response to an inquiry from Chair Ronski, Mr. Bergin stated that DASNY's Risk Management Unit is responsible for verifying that the proper insurance is in place. Mr. Ronski encouraged strict oversight of this function given the risks involved.

Upon a motion by Ms. McKinnie and a second from Mr. Carney, the Finance Committee unanimously recommended approval of the issuance of bonds pursuant to the City University System Consolidated Fifth General Resolution.

### **New York University Commercial Paper Program**

Mr. Ostrander stated that the Finance Committee is being asked to recommend to the full Board the authorization of multiple series of Commercial Paper Notes on behalf of New York University. He noted that this will be DASNY's first issuance of Commercial Paper Notes on behalf of NYU.

Mr. Ostrander explained that Commercial Paper Notes (CP Notes), are short-term promissory notes with maturities of 270 days or less that are issued periodically to finance capital projects, and often serve as a bridge to long-term financing. He further explained that the CP Notes are issued on either a tax-exempt or taxable basis and are offered to investors in minimum denominations of \$100,000. Interest rates are set when each Note is issued and are fixed through the CP Note maturity. Mr. Ostrander stated that once the Note matures, it may be paid off or re-financed. He explained that CP Notes are often rolled to a new

maturity one or more times before ultimately being paid off or refunded with long-term debt. Mr. Ostrander stated that Commercial Paper Notes may be supported by a liquidity facility from a credit provider or by self-liquidity for highly rated borrowers to pay amounts due at maturity of the Note in the event that refunding notes or bonds are not available.

Mr. Ostrander stated that the Board is being asked to authorize the issuance of multiple series of CP Notes on behalf of NYU up to a maximum of \$250 million outstanding at any one time, to finance certain capital projects as described in the Transaction Report. He informed the Committee Members that with the rise in short term interest rates, the issuance of tax-exempt CP Notes will provide NYU with a tax-exempt alternative to its taxable lines of credit which are typically utilized as bridge financing to fund capital projects in the first instance before refinancing at a later date with the issuance of long-term bonds. Mr. Ostrander noted with the ability to roll the CP Notes over time, the University will have additional flexibility to determine if or when to refinance and lock in long-term rates.

Mr. Ostrander stated that the issuance of CP Notes will also allow the University to move more quickly to access funds when needed and time the Note issuance to coincide with the need for funding. He added that this can be advantageous when projects are financed in phases. For example, several projects in this financing involve the acquisition of real estate and the subsequent renovation of the capital asset over time. Mr. Ostrander explained that rather than issuing long-term bonds now for the full amount of the costs for multiple phases, the University can instead issue CP Notes as the costs are incurred and then refinance all of the CP Notes at a later date with long-term bonds.

Mr. Ostrander informed the Committee Members that the CP Notes are short-term, and that each maturity will not exceed 270 days. In addition, the CP Notes can be rolled for a period of up to 30 years from the date of the first issuance. He stated that the CP Notes are expected to be sold publicly from time to time through up to 4 dealers selected by the University.

Mr. Ostrander indicated that NYU currently intends to finance various capital projects as described in the Financing Details section of the Transaction Report. He explained that all DASNY financed projects are subject to an environmental review in accordance with the State Environmental Quality Review Act (“SEQRA”) prior to final Board approval of a bond financing. Mr. Ostrander informed the Committee Members that all of the projects described in the transaction report have been subject to a SEQRA review, just as with a bond issuance. He explained, however, that since CP Notes are recycled over time, the projects to be financed by NYU in the future will likely change. Therefore, in order to ensure ongoing compliance with SEQRA, DASNY Board approval will be required for any future issuance of CP Notes to finance additional projects, unless the project has previously undergone a SEQRA review or in the event the project is a Type II action not subject to SEQRA, such as most interior renovation projects.

Mr. Ostrander informed the Committee Members that the Loan Agreement will be a general unsecured obligation of the University and that no security interest in any of the revenues or assets of the University will be granted to DASNY under the Loan Agreement. He stated that the Notes are expected to be assigned a short-term rating of P-1 from Moody’s and A-1 from S&P, which is the highest rating for short-term debt, and that NYU will act as its own liquidity facility provider to pay the principal and interest on the Notes when due at maturity, if necessary.

Mr. Ostrander informed the Committee Members that for the Fall 2023 semester, NYU reported total FTE enrollment of over 52,000, an increase of 9.3% over 5 years. He stated that despite the impact of the COVID pandemic, demand continued to increase each fiscal year between fall 2019 and fall 2023. During that time, the University received over 113,000 applications for first-time full-time freshman, and marked the sixteenth consecutive year of record applications.

Mr. Ostrander stated that the operating revenues of the University are diverse, with net tuition and fees accounting for just 27% of total revenue. He further stated that total net assets increased by over \$2 billion since 2019, reaching \$8 billion at fiscal year-end in 2023, which is mainly the result of fundraising and positive investment returns. He noted that NYU's unrestricted net assets have increased by 48%.

Mr. Ronski thanked Mr. Ostrander for his thorough explanation of the Commercial Paper Program. Mr. Ostrander confirmed that staff is not aware of any community opposition to any of the projects to be financed with the CP Note issuance.

Upon a motion from Ms. McKinnie and a second from Mr. Carney, the Finance Committee unanimously recommended the approval of the NYU CP Notes transaction by the full Board.

The Finance Committee meeting was adjourned at approximately 9:50 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sara Richards".

Sara P. Richards  
Assistant Secretary