

The Dormitory Authority of the State of New York Finance Committee Meeting was held at DASNY's Albany Office, 515 Broadway, Albany, New York at 4:00 p.m. on Tuesday, June 18, 2019.

The Meeting was called to order by the Finance Committee Chair. Roll call was taken and a quorum was present. Those Finance Committee Members present and absent were as follows:

Members Present

Gerard Romski, Esq., Finance Committee Chair  
Alfonso L. Carney, Jr., Board Chair, Committee Member  
Tracy Raleigh, Designated Representative of the Commissioner of Health, Member (ex officio), Committee Member

Other Members Present

Jonathan H. Gardner, Esq., Member  
Joan Sullivan, Member

Dormitory Authority Staff – Via Phone

Gerrard P. Bushell, President

Dormitory Authority Staff Present

Michael T. Corrigan, Vice President  
Michael E. Cusack, Esq., General Counsel  
Kimberly J. Nadeau, Chief Financial Officer  
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring  
Caroline V. Griffin, Chief of Staff  
Ricardo Salaman, Esq., Managing General Counsel  
Sara P. Richards, Esq., Associate General Counsel  
Larry N. Volk, Senior Director, Portfolio Management  
Deborah K. Fassar, Director, Communications and Marketing  
Stephen J. Kosier, Senior Financial Analyst

**PUBLIC SESSION**

Committee Chair Romski called the Meeting to order. The Minutes of the May 8, 2019 Finance Committee Meeting were reviewed and approved.

**Rochester Institute of Technology**

Mr. Kosier presented the Transaction Summary for the Rochester Institute of Technology. He stated that the Committee Members are being asked to recommend the adoption of a Resolution to Proceed for the issuance of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$230,000,000 on behalf of the Institute. Mr. Kosier informed the Committee

Members that the Institute has been a DASNY client for over 50 years and has always met its obligations on time and in full. He stated that the Institute expects to use up to \$150 million of the bond proceeds for new money projects, including the creation of an Innovative Maker and Learning Complex, a new student musical theatre, renovations to student housing, and an updated athletic stadium. Mr. Kosier further stated that approximately \$23 million will be used to refinance a taxable bank loan, the proceeds of which were used for various capital projects on the RIT campus.

Mr. Kosier informed the Committee Members that approximately \$57 million of bond proceeds will be used to refund all or a portion of DASNY's Series 2010 bonds issued on behalf of the Institute. Mr. Kosier stated that the refunding is anticipated to result in net present value savings of approximately \$6.4 million, or 11.4% of the bonds being refunded. He further stated that the 2010 bonds are callable on July 1, 2020, and that as a result, the refunding will have a forward delivery. Mr. Kosier explained that the refunding bonds are expected to be priced together with the bonds issued to finance the new projects and the bank loan refinancing. He further explained that the refunding bonds will close on or after April 3, 2020 when the issue qualifies as a current refunding. Mr. Kosier stated that there will be no extension of the final maturities of the bonds being refunded. He informed the Committee Members that the bonds are expected to receive a rating of A1 from Moody's. Mr. Kosier noted that the bonds are expected to be a general obligation of the Institute.

Mr. Kosier reported that enrollment at the Institute has increased over the past five years, reaching an all-time high of over 19,000 students in the fall of 2018. He stated that the mean SAT score for 2018 freshman was 1297, which is also an all-time high. Mr. Kosier further stated that in 2018, 52% of the Institute's total operating revenue was derived from net tuition and fees. He informed the Committee Members that operating results have been positive over the last five years, with an average change in net assets from operations of approximately \$15 million. Mr. Kosier reported that the Institute's net assets increased from \$1.1 billion in 2014 to \$1.4 billion in 2018 and the Institute's liquidity ratios compare favorably to the DASNY medians. He stated that the Institute's debt service coverage was 3.4:1 in 2018 and is projected to exceed 3:1 following the proposed issuance.

In response to a question from the Board Chair, Mr. Kosier stated that auxiliary charges consist of non-tuition student-related revenues such as dining, residential, and other such items. In response to a question from Ms. Raleigh, Mr. Kosier explained that due to changes in federal tax law, advance refundings are no longer permitted. He stated that as a result, the refunding bonds will price simultaneously with the new money and refinancing bonds and will close at a later date when the Series 2010 Bonds are callable. Mr. Ronski noted that the savings are spread out over the life of the issuance. He stated that he is pleased that DASNY can assist a long-time client with its financing needs.

The Finance Committee Members decided unanimously to recommend the proposed financing to DASNY's full Board for approval.

### **Montefiore Medical Center - TELP**

Ms. Lee presented a Memorandum recommending a lease of equipment pursuant to DASNY's Tax Exempt Leasing Program I ("TELP I") in a total amount not to exceed \$32,988,567

for Montefiore Medical Center. She reminded the Members that the current policy of the Public Authorities Control Board (“PACB”) requires that TELP I leases which exceed \$10 million in a 12-month period be presented to both the DASNY Board and the Public Authorities Control Board (“PACB”) for approval. Ms. Lee stated that the lease proceeds are expected to be used for medical imaging and other equipment. In response to a question from Mr. Ronski, Ms. Raleigh explained that a Certificate of Need is not required for certain replacement equipment, and that notification to DOH is sufficient.

The Finance Committee Members decided unanimously to recommend the proposed financing to DASNY’s full Board for approval.

The Board Chair moved that the meeting adjourn. Ms. Raleigh seconded the motion and the Meeting was adjourned at approximately 4:15 p.m.

Respectfully submitted,

Michael E. Cusack  
Assistant Secretary