

The telephonic meeting of the Finance Committee of the Dormitory Authority of the State of New York (“DASNY”) was called to order at 9:00 a.m. on April 8, 2020 by the Committee Chair, and roll call attendance was taken as follows:

**Kimberly J. Nadeau – Chief Financial Officer:**

Good morning everyone. We will now call the Roll Call. For those of you that can, please mute your phones when you are not speaking to minimize any background noise.

Finance Committee Members:

Gerard Romski, Esq., Committee Chair, Board Member - Present

Alfonso L. Carney, Esq., Jr., Committee Member, Chair to the DASNY Board - Present

Other Board Members in attendance in addition to the Finance Committee Members:

John B. Johnson, Jr., Vice Chair of the Board - Present

Beryl L. Snyder, Esq., Secretary to the Board - Present

Wellington Z. Chen, Board Member - Present

Jonathan H. Gardner, Esq., Board Member - Present

Joan M. Sullivan, Board Member - Present

Brian Cechnicki, Designated Representative SED, Board Member (ex officio) - Present

Adrian Swierczewski, Designated Representative of DOB, Member (ex officio) – Present

Russell Biggs, DOH (individually, and not as ex officio Member to the DOH)

Thank you all very much – I will turn it over to Mike Cusack.

**Michael E. Cusack, Esq. – General Counsel:**

Following the last meeting of the DASNY Finance Committee, New York Governor Andrew M. Cuomo on March 7, 2020 declared a disaster emergency in the State of New York due to the outbreak of the novel coronavirus, or COVID-19.

Pursuant to Governor Cuomo’s subsequent Executive Order 202.1, dated March 12, 2020, today’s regular meeting of the Board of Directors of the Dormitory Authority of the State of New York, or DASNY, is being conducted telephonically.

Executive Order 202.1 provides, in relevant part, that Article 7 of the Public Officers Law (known as the Open Meetings Law), is suspended through April 11, 2020 to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in public in-person access to meetings and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

The location of today’s Telephonic Meeting is designated as the DASNY Headquarters, 515 Broadway, Albany, New York, where I am located. Notice of this meeting has been posted in the

standard locations that are publicly accessible. Notice has also been posted prominently on the DASNY.org public website. In accordance with EO 202.1 and the DASNY By-Laws, an audio recording of the Meeting will be accessible from DASNY's website ([www.dasny.org](http://www.dasny.org)) not later than two business days after the close of the meeting. Today's proceedings will also be transcribed and posted as soon thereafter as is reasonable and practicable under the circumstances.

Thank you all very much and I will now turn it over to the Board Chair.

**Alfonso L. Carney, Jr. – Board Chair:**

Thank you very much, Mr. Cusack.

First of all, thank you to Chairman Ronski for allowing me to speak at his meeting. I wanted to thank all of you for being willing to join us for the Finance Committee Meeting today. These are tough times and it is great that you all would put this time aside to spend on DASNY matters. All current Members agreed to come, I'm really pleased about that and at the last minute Tracy Raleigh was called away for work - DOH COVID-related matters – and sends her regrets. It is really important, as always, that this Committee and the Board understand clearly the proposed financings being presented to us this morning, never more so than this morning. Please do not hesitate to ask questions, I would like for this to be an interactive meeting and would like all Board Members to ask questions and offer comments. Chairman Ronski, it is your meeting and I will get out of the way.

### **Minutes of the March 3, 2020 Financing Committee Meeting**

**Gerard Ronski, Esq. – Finance Committee Chair:** Thank you very much. I hope everybody is safe and well.

The first matter up is the adoption of the Finance Committee Meeting Minutes from the March 3, 2020 Finance Committee Meeting. Which is only 34 days ago, but seems like decades ago. So first up is the adoption of those meeting minutes. So can I please get a motion to move the approval of the minutes.

**Mr. Carney:** So moved.

**Mr. Ronski:** Thank you Al, I will second the motion and the minutes are approved, obviously none opposed, so that carries.

Next up we need to have a motion to go into executive session to discuss the financial and credit history of particular corporations; proposed, pending or current litigation; and the employment history of particular persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal, or removal of particular person.

**Mr. Carney:** So moved.

**Mr. Romski:** I'll second – all in favor with no one opposing. Therefore, we will go into Executive Session, and I'm going to bring Kim on the line. I think we now have to get out of this call and go into another call. Is that correct?

**Ms. Nadeau:** Yes, that is correct. Those who don't have the information can remain on this line.

**RETURN FROM EXECUTIVE SESSION:**

**Mr. Romski:** Ok, thank you. First, I want to check to make sure that beyond the two Committee Members here, the other Board Members are here. So, I am here, and Al is here, Committee members are here. How about the other Board Members?

**John B. Johnson, Jr.:** I'm here.

**Jonathan H. Gardner, Esq.:** I am here.

**Beryl L. Snyder, Esq.:** Here.

**Joan M. Sullivan:** Here.

**Wellington Z. Chen:** Here.

**Adrian Swierczewski:** Here.

**Brian Cechnicki:** Here.

**Russell Biggs (individually):** Here

**Mr. Romski:** Thank you Kim and Mike on working through these technical challenges. Thank you very much for all your help and getting us through this.

Obviously, the movement of the tax collection period to July 15th and the well-established financial impacts of COVID-19, obviously make these very, very challenging times. We discussed the financial and credit history of the State, as well as the other entities that are on today's agenda. While in Executive Session, no action was taken.

Having returned from Executive Session, we are now back in Public Session and we previously adopted the Meeting Minutes from the March Meeting prior to Executive Session.

We are going to be reviewing seven resolutions today.

The first up is the Personal Income Tax Note Financing, which will be presented by Portia Lee. Portia, please proceed.

**Personal Income Tax Program Note Financing**

**Portia Lee – Managing Director of Public finance and Portfolio Monitoring:** Thank you very much. Thank you, Gerry.

So, by way of background, the Coronavirus is having a significant impact on the health and welfare of individuals in the State as well as a significant financial impact on the State.

The impact on the State includes a temporary cash flow shortfall as a result of the Federal Government's decision to extend the personal income tax filing deadline from April 15 to July 15 and the corresponding extension of the State's tax filing deadline. As a result, less revenues are coming into the State at this time and at the same time the State's response to the coronavirus is well underway and the State is spending significant sums to battle the virus.

Under recently enacted legislation contained in the budget DASNY is authorized to issue revenue anticipation notes and bond anticipation notes under the Personal Income Tax Program until December 31, 2020, to provide working capital to enable the state to meet its fiscal management needs in fiscal year 2021.

The Committee is being asked to authorize the issuance of one or more series of tax exempt and/or taxable, fixed and/or variable rate revenue anticipation notes, at one or more times and in an amount not to exceed \$8 billion, with an initial maturity of no later than March 31, 2021 under the Personal Income Tax Program for this purpose.

The notes may be sold on a competitive or negotiated basis or a combination of both under the Personal Income Tax Program. Legislation authorizes the financing of these cash flow needs as an authorized purpose under the program. The notes will be payable pursuant to the Financing Agreement between DASNY and the State Division of the Budget from the same revenues as Personal Income Tax Bonds, that is, 50% of the receipts from New York State Personal Income Taxes and 50% of the receipts from Employer Compensation Expense Taxes to be deposited into the Revenue Bond Tax Fund.

Pursuant to the PIT Subordinate Bond Resolution, the lien on such receipts and payments made pursuant to the Financing Agreement for PIT notes is subordinate to the lien associated with PIT bonds. The notes may be renewed or refunded for a period of one additional year from the date of such renewal or refunding. Under the legislation, the notes may also be taken out long term with the issuance of PIT bonds.

It's expected that these notes will be issued with a fixed rate on a tax-exempt basis in one or more negotiated transactions. The issuance of these notes will not be subject to the limitations and requirements contained in the Debt Reform Act of 2000.

Staff request the Finance Committee recommend to the Board and the Board authorize and adopt the necessary documents for the issuance of one or more series of tax exempt and/or taxable, fixed and/or variable rate notes to be issued at one or more times.

This transaction qualifies as a single approval, because it's a transaction for one of DASNY's public programs which is already in DASNY's portfolio and for which notes are issued pursuant to a previously adopted general resolution.

Mr. Chairman.

**Mr. Romski:** Thank you very much Portia. Any questions or concerns? This is open to all the Board Members, as I know everyone is on the call.

**Mr. Carney:** Mr. Chair. After having had significant conversations with Portia and with Reuben about this proposed transaction and others, actually, I don't believe I have any questions. I know that this is a very material transaction, but I've learned a great deal about what it represents and about how necessary it is for the State right now, and I take that very seriously.

So, no questions, Mr. Chairman, I'm actually prepared vote.

**Mr. Romski:** Thank you very much Al. As noted initially we did discuss the financial and credit history of the State during the Executive Session and actually I agree with you, I mean these are very challenging times. I think we have an obligation to assist the State through these challenging times and as always we will stand behind the State so unless anybody else has any questions or concerns I'm willing to put this up for a vote right now with you and I to recommend approval to the full Board.

**Mr. Carney:** I move the adoption and the recommendation.

**Mr. Romski:** OK and I will second that - any objection, questions or concerns? With none heard, we will recommend to the full Board the adoption of this resolution at today's full Board meeting.

Now we're going to move to the next item on the Agenda, the matter regarding the State which is the Line of Credit financing. Please proceed, Portia.

### **Line(s) of Credit Financing**

**Ms. Lee:** Great, thank you Gerry. The Line of Credit financing was also authorized under the recently enacted legislation in the Budget to address the State's budgetary needs that I highlighted earlier in connection with the Personal Income Tax note financing. DASNY is authorized to negotiate on behalf of the State and enter into line of credit facilities with financial institutions in order to provide temporary liquidity to the State.

The Board will be asked, and we are bringing this to the Committee now, to authorize DASNY to enter into one or more lines of credit with financial institutions in an aggregate principal amount outstanding at any one time not to exceed \$3 billion for a term of up to one year. The lines of credit are being entered into in order to provide working capital to enable the State to meet its fiscal management needs in fiscal year 2021. DASNY is authorized to, at the direction of the Director of Budget, draw down amounts available under the lines at one or more times during fiscal year 2021 for deposit into the General Fund.

The lines of credit will be secured by a State Service Contract and payments made by the State under the Contract will be pledged by DASNY for any related payment obligation to the banks.

The State Service Contract is backed by an appropriation by the State Legislature sufficient to provide for the repayment of all amounts authorized to be drawn from such lines of credit. DASNY will have no liability for the repayment of draws under such credit facilities, other than from payments received under the State Service Contract.

The lines of credit may be subject to extension or renewal for up to two additional one-year terms. Under the legislation, any borrowings under the line of credit facilities are authorized to be refinanced on a long-term basis with State Personal Income Tax bonds or State Service Contract bonds. The line or lines of credit will not be subject to the limitations and requirements contained in the Debt Reform Act of 2000.

Staff is requesting that the Committee recommend to the Board authorizing the adoption of the necessary authorizing resolution to enter into one or more lines of credit given the challenges associated with the coronavirus, Staff is also requesting that the Board adopt the authorizing resolution as an exception to its Single Approval Guidelines.

**Mr. Romski:** Thank you very much, Portia. I just would first note, and this actually applies also to the to the PIT Resolution that we just did, that the authority to proceed like this is set forth in ELFA legislation sections 49-a, -b and -c which is the DASNY COVID-19 bonding authority. Do I have that right, Mike?

**Mr. Cusack:** You are correct. Legal authorization is in part JJ of Chapter 56 of the Laws of 2020.

**Mr. Romski:** Thank you very much. Just getting that on the record.

Are there any other questions or concerns regarding this other than what we heard about the financial status of the State. Any other concerns, Al?

**Mr. Carney:** No concerns and no questions. I've had the opportunity again to talk to several of the people who were involved in putting this transaction together. I believe that it is buttoned up as tight as it can be. I am comfortable that the State requires this, that it is absolutely necessary. I'm actually proud that DASNY has been given an opportunity to help with this, and I think we're going to do a great job. So, no Sir, I have none. I will move, unless you have questions yourself, I will move the decision to recommend this to the full board for its approval.

**Mr. Romski:** Well thank you Mr. Chair and obviously these are very difficult times and I agree with you that the staff as well as the State they've done a remarkable job under very difficult, trying circumstances to advance with this and obviously this is a very important matter for the State as well as the country, frankly. So unless any other Board Members have any questions or concerns, I will ask that you or I will make a motion to proceed with the resolution at today's full board meeting. So any other questions concerns I am missing? None, okay.

**Mr. Carney:** So moved.

**Mr. Romski:** Second. Any opposing? Hearing none the motion carries and the Finance Committee recommends that this matter be approved at the full Board meeting, which will be held following the Finance Committee.

Thank you very much. Now we're going to advance to the Memorial Sloan Kettering transaction and Matt Bergin will present.

### **Memorial Sloan Kettering Cancer Center**

**Matthew T. Bergin** – Director, Public Finance: Thank you Mr. Chairman and good morning everyone. The Finance Committee is being asked to recommend to the full the Board the financing on behalf of the Memorial Sloan Kettering Cancer Center. The staff report provided the Members presents a 40-year term for a bond issue in an amount not to exceed \$400 million on behalf of Memorial Sloan Kettering Cancer Center which is located in Manhattan.

As noted in the materials, we are seeking authorization so that the bonds may be issued in one or more series at one or more times and the bonds may be issued as fixed and/or variable rate as well as either tax-exempt and/or taxable. The bonds may also be issued through a negotiated offering, on a competitive basis and/or a private placement.

The Projects that you are considering this morning include a portion of the costs which were used to construct an ambulatory care center in Manhattan. This is the David H. Koch Center for Cancer Care at East 74th Street. This is a 760,000 square foot building and it will include clinic space for multiple oncology services, infusion rooms for standard chemotherapy, various consultative services, radiation oncology program, a diagnostic imaging program and in addition, the proposed bond issue will finance equipment purchases at various locations, an interventional radiology program, various clinical support services, a conference center, and various academic and administrative offices. In addition, that proposed bond issue will finance equipment purchases at various locations, including the new ambulatory care center, as well as the Memorial Hospital for Cancer and Allied Diseases, and for facilities located at 417 East 68th Street, 430 East 67th Street, as well as at a facility located in Commack, New York.

Security features will include a General Obligation of the Center Corporation; Guarantees from Sloan-Kettering Institute for Cancer Research and S.K.I. Realty Inc.; and expected ratings are Aa3/AA-/AA.

Regarding Memorial Sloan-Kettering, this is a multibillion corporation with nearly \$10.8 billion in total assets, nearly \$3.9 billion in total liabilities and over \$6.9 billion in total net assets.

**Mr. Romski:** The building is already almost completed, right?

**Mr. Bergin:** That's correct. The only construction going on is just on the exterior where they are finishing up some things on the exterior.

**Mr. Romski:** Thank you. Any questions or concerns?

**Mr. Carney:** I pose a question to the other Board Members just to see whether or not there are matters to be considered. Are there other matters that they may want to have Matt respond to?

I have no concerns here at all. I've had a chance to speak with Mr. Bergin. We've spent some time together on this. I understand the deal, this is Memorial Sloan-Kettering. They may be one of the finest institutions in the world, and it's absolutely important that they get this done. I'm pleased DASNY's been given a chance to help with it.

**Mr. Romski:** I would agree. I mean hopefully in the not too distant future we will be through the current challenges and obviously other medical issues, besides COVID-19 and Memorial Sloan-Kettering obviously is at the forefront of that and a great client of DASNY. So, I certainly have no other questions. In hearing none from any of the Board Members I'm going to ask that you make a motion to authorize the full Board to proceed with this at the Board meeting later on today.

**Mr. Carney:** So moved.

**Mr. Romski:** Seconded. With none opposing, the Motion carries. Thank you, Matt.

Next we have the School District Financing Revenue Bond Program with Dave Ostrander presenting.

### **School District Financing Revenue Bond Program**

**David P. Ostrander** – Assistant Director, Public Finance and Portfolio Monitoring: Thank you and good morning. At last month's meeting on March 4th, the Board authorized and adopted the necessary documents for the issuance of bonds on behalf of various New York State school districts. Staff requested an amount not to exceed \$500,000,000, which was expected to be sufficient to accommodate a June new money and BAN refinancing pool based on school district demand at that time. At that time, staff had received interest from approximately 30 districts totaling less than \$300 million.

Due to the recent disruption in the municipal bond market, a sharp rise in interest rates in the weeks following the Board approval, along with continued volatility in the market, has resulted in increased demand from school districts to participate in the DASNY pool. To date, staff has now received responses from nearly 60 districts who wish to participate. Based on the aggregate new money and BAN refinancing needs for all participating districts, the total par amount of bonds is now likely to exceed \$500,000,000.

To accommodate the current demand for a June 2020 pool, staff is requesting that the Committee recommend to the full Board to authorize the necessary amendments to the documents adopted at the March 4, 2020 meeting to increase the not to exceed amount from \$500,000,000 to \$750,000,000. Mr. Chairman.

**Mr. Romski:** Thank you, Dave. Any questions?



**Mr. Carney:** I've had a chance to talk about this as well with Dave. Mr. Chairman it is an increase of a quarter billion dollars but the fact of the matter is that it is necessary and it is reasonable in the circumstances with the rise in interest rates, we've become popular. It's a good place to be in. David, thank you very much. I have no questions.

**Mr. Ronski:** And I would agree with you Mr. Chair, it is just another example of how DASNY will help the State get through this current crisis. Obviously, the school districts are a very important part of the State. They're going to have their own issues and I think that this transaction will actually assist the school districts in dealing with it. So, I wholeheartedly agree and recommend that it be both. I guess you have to make the motion to recommend it.

**Mr. Carney:** So moved.

**Mr. Ronski:** Seconded. Are there any objections? Hearing none, the motion carries. Thank you very much, Dave.

Next up is the Touro College Obligated Group and Matt Bergin will present.

### **Touro College Obligated Group**

**Mr. Bergin:** The Committee Members are being asked to recommend to the full Board a financing for Touro College Obligated Group. The staff report provided presents a 32-year term in an amount not to exceed \$60,000,000 on behalf of Touro College Obligated Group. The project that you are considering is a new money financing for the purchase and renovation of a two-story condominium in a building in Manhattan to be used for administrative purposes as well as for renovations and equipment purchases at the New York Medical College campus.

With regard to the purchase and renovations of the two-story condominium, Touro College is currently paying on an operating lease in Manhattan to accommodate these same administrative functions. It is anticipated that they will move these administrative functions from the current leased building into the new condominium. The expectation is that there will be annual savings associated with the financing of the new administrative space as opposed to remaining at the current location and continuing the lease payments.

In addition, the various campus renovations and equipment purchases at the New York Medical College are mostly for energy efficiency improvements including lighting and control system upgrades, boiler plant replacements, and other mechanical and electrical upgrades that will result in potentially significant utility savings.

Looking at the staff report, with regard to their financials, this is the third consecutive year the net operating margin and the net income margin were both positive as its newer programs have developed and expanded as well as the tuition increases, hiring freezes and careful cost control measures which further contributed to the improved results. For 2019, Touro is reporting a 1.3% operating margin and a net income margin of 1.4%.

When looking at the staff report, we look at Touro in its entirety, as does the rating agency. With regard to non-designated enterprises, even though there is financial assistance provided, these non-designated enterprises do provide financial assistance in terms of fundraising and are also looked at as “feeder” schools as they provide students that enter other areas of Touro.

In looking at the Obligated Group, it includes Touro College, Touro University, Touro University Nevada and New York Medical College and was created in 2014. Historically, only certain divisions of Touro College have had their revenues and certain mortgages pledged. These designated enterprises of Touro College, Touro University, Touro University Nevada and New York Medical College make up approximately 77% of the total revenues, 82% the total assets and 78% of total liabilities.

As this is an Obligated Group structure, Obligations issued under the Master Trust Indenture will be joint and several obligations of each member of the Obligated Group and will be further secured by a lien on certain Gross Receipts, and mortgages on certain real property. In addition, it is anticipated that there will be a Debt Service Reserve Fund.

The Expected Ratings are BBB- from Fitch. Touro College has met all its required ratios and made all its debt service payments on time and in full. Mr. Chairman.

**Mr. Romski:** Thank you, Matt. Any questions or concerns, Mr. Chair?

**Mr. Carney:** I have none, let’s check with other Board Members.

**Mr. Romski:** I have a couple of comments, but do any of the Board Members present have any comments?

**Mr. Carney:** I've had a chance to speak with Matt about this. It's clear that staff is requesting our approval to prepare documents for the transaction. It means that it may come back to us for final approval shortly or it may come back for final approval months from now as the current economy sorts itself out. As we deal with questions that are raised by the vicious coronavirus, I think this is one that should go forward and I would move to approve it, after you've made comments. Thank you.

**Mr. Romski:** You know these are very uncertain times economically and clearly the higher education sector will have substantial challenges. Hopefully they'll be able to work through them. I recognize that the transaction is going to come back to the Board for further consideration, as matters develop. Once it does come back to the Board, hopefully things will have stabilized by that point. I guess time will tell, but with that sort of caveat, I will also agree to let this matter proceed to the full Board. May I have a motion to recommend to the full Board?

**Mr. Carney:** So moved.

**Mr. Romski:** I'll second and it sounds like, with no objections, the motion carries.

Next up we have two TELP Financings. Portia will present.

### **Mary Imogene Basset Hospital**

**Ms. Lee:** Yes, thank you Mr. Chairman. So before the Committee for consideration is the TELP financing on behalf of Mary Imogene Bassett Hospital in an amount not to exceed \$11.8 million. The current policy of the Public Authorities Control Board requires that TELP leases which exceed \$10 million in a 12-month period be presented to both the DASNY Board and PACB for approval. The financing is for the equipment included on the equipment list that was mailed to the Board, including various IT and other equipment, Mr. Chairman.

**Mr. Romski:** Thank you. Any questions or concerns? Hearing none, I'm going to ask you to make the motion to approve.

**Mr. Carney:** So moved.

**Mr. Romski:** Seconded, and with no objections the motion carries.

Portia will now present the SUNY University Hospital at Syracuse TELP transaction.

### **SUNY University Hospital at Syracuse**

**Ms. Lee:** The second TELP financing before the Board for consideration is the financing for SUNY University Hospital at Syracuse in an amount not to exceed \$23.7 million.

As stated previously, current policy, the Public Authorities Control Board requires that TELP leases which exceed \$10 million in a 12-month period be presented to both the DASNY Board and the PACB for approval. This TELP transaction will finance the equipment as shown on the attached equipment list, including various radiology, cardiac and other equipment. Thank you, Mr. Chairman.

**Mr. Romski:** Thank you Portia. I have no questions, Al would you make a motion?

**Mr. Carney** So moved.

**Mr. Romski:** I second the motion, with no objections the motion carries.

I believe this concludes the Finance Committee's Agenda. I again wanted to thank all for all of their great efforts in helping us through these very challenging times, and everyone hopefully will stay safe. Unless anybody has any other comments. Hearing none, I'm going to look for a motion to adjourn.

**Mr. Carney:** So moved.

**Mr. Romski:** Seconded, with none opposed I adjourn the Finance Committee Meeting.

Whereupon, the telephonic meeting of the DASNY Finance Committee was adjourned at 11:35 a.m. on April 8, 2020.

Respectfully submitted,

Michael E. Cusack  
Assistant Secretary