

A Telephonic Meeting of the Finance Committee of the Dormitory Authority of the State of New York (“DASNY”) was held on July 14, 2020 with proceedings commencing at 4:07 p.m.:

Gerard Romski, Esq. – Finance Committee Chair: Thank you and welcome to the July meeting of the Finance Committee. I think the first matter up is the adoption of the meeting minutes from the May meeting of the Finance Committee. We didn't have a Finance Committee meeting in June, and I don't believe, unless Michael will correct me, that we actually adopted the meeting minutes from May.

Alfonso L. Carney, Jr., Esq. – Committee Member, Chair of the DASNY Board: Gerry, I think Mike needs to read the required notification for the meeting, and then we can deal with the transcript.

Mr. Romski: Go ahead, Mike.

Michael E. Cusack, Esq. – General Counsel: Thank you, Mr. Chairman. On March 7, 2020, Governor Cuomo 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, as extended by Executive Orders 202.14, 202.28, 202.38 and 202.48, today's meeting of the Finance Committee of the Dormitory Authority of the State of New York, or DASNY, is being conducted telephonically and by video conference.

Executive Order 202.1, as extended, provides, in relevant part, that Article 7 of the Public Officers Law, known as the Open Meetings Law, is suspended through August 5, 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 Conference Call and Video Conference Meeting of the DASNY Finance Committee is designated as the DASNY Headquarters, 515 Broadway, Albany, New York, where I and several other members of DASNY are located. Notice of this meeting has been posted in the standard locations that are publicly accessible. Notice has also been prominently posted on the DASNY.org public website. In accordance with EO 202.1 (as extended) and the DASNY Bylaws, an audio and video recording of the meeting will be accessible from DASNY's website (www.dasny.org) not later than two business days after the close of this meeting, and today's proceedings will also be transcribed and posted as soon thereafter as is reasonable and practicable under the circumstances.

I will now turn the meeting over to my colleague Kim Nadeau, Chief Financial Officer, who will conduct a Roll Call. Thank you, Mr. Chairman.

Kimberly J. Nadeau – Chief Financial Officer: Thank you Mike. With us today we have the following:

Finance Committee Members:

Gerard Romski, Esq., Finance Committee Chair, Board Member – Present

Alfonso L. Carney, Jr., Esq., Committee Member, Chair of the DASNY Board – Present

Tracy Raleigh, Committee Member, Designated Representative of DOH, Board Member (*ex officio*) – Present

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

Joan M. Sullivan, Board Member – Present

Mr. Carney: Outstanding. Thank you, Board Members, for being here.

Mr. Romski: Thank you, and thank you Mike. Welcome back and welcome everyone again to the Finance Committee meeting for July 2020. The first matter up is the adoption of the meeting minutes from the May meeting of the Finance Committee. Can I please get a motion to approve those meeting minutes?

Mr. Carney: I move approval of the transcript.

Tracy Raleigh – Committee Member: Second.

Mr. Romski: Thank you. All in favor?

Committee Members: Aye.

Mr. Romski: Any opposed? Hearing none, that motion carries.

We have two financings to address today. First up is St. Joseph's College. I'll turn it over to you, Steve.

Stephen J. Kosier, Senior Financial Analyst: Thank you Mr. Chairman. The Finance Committee is being asked to recommend to the full Board, the adoption of documents for fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$17 million, with maturities not to exceed 31 years on behalf of St. Joseph's College.

At the January Finance Committee meeting, Staff presented a financing on behalf of the College with an amount not to exceed \$32 million to refund the College's Series 2010 bonds and to finance a portion of the cost of constructing a new student center. The full Board adopted a Resolution to proceed at the January 8, 2020 Board meeting.

Subsequently, at the March 4, 2020 Board meeting, Staff reported that the student center required local approvals that were going to delay the new money issuance. Rather than waiting until these approvals were in place to do the refunding and new money issuance together, the College bifurcated the transaction. The Board adopted financing documents for the Series 2020A refunding bonds at the March 4 meeting.

The refunding bonds priced on June 9, 2020 with a par amount of \$17,175,000 and the bonds closed on June 18, 2020. The local approvals for the new money project have now been granted and the DASNY SEQR action is completed.

At the March 4 Board meeting, Staff indicated to the Board that we expected the new money amount would not exceed \$10.5 million. Since then, the College has elected to include, as part of the proposed financing, the construction and equipping of a pump station and sanitary sewer collection system project at the Long Island campus. This additional project is expected to cost approximately \$4 million.

The College would also like the flexibility to finance a larger portion of its new student center project than originally anticipated. An estimate of the sources and uses of funds for the Series 2020B new money bonds is attached to the Transaction Summary Update. The par issuance is estimated to be approximately \$14.9 million. When combined with the \$17,175,000 refunding that was completed last month, the aggregate par may be in excess of the original \$32 million authorization, which is why Staff has brought this back to the Finance Committee.

Staff is requesting the Finance Committee to recommend the proposed financing to the full Board in an amount not to exceed \$17 million to ensure there are sufficient funds to complete the student center and pump station/sanitary sewer projects. Mr. Chair.

Mr. Romski: Thank you. Any questions or concerns for Steve?

Mr. Carney: Thank you, Mr. Chairman. None here.

Mr. Romski: I just have one or two. Every day, you see another reference to higher education and the impacts of COVID-19 and I realize that absolutely no one has a crystal ball, but certainly that sector is going through a rather choppy flight right now, so I have to ask the question. I'm assuming their Board has thought this through as well and they believe that this student center is required, and I understand why they need the pump system, it probably goes hand in hand with the student center, and I get all that. So, I guess I'll just ask that question - have you spoken to them? Their rating is not exactly the best, but I gather they are a good client of the Authority. So just give me a little input on that, Steve.

Mr. Kosier: Like most higher ed institutions, the College moved to online classes back in March and business operations continued to function with skeleton crews in essential areas, but as a commuter school the College is not impacted to the same extent as other higher education institutions that have a meaningful residential component. The College expects fall 2020 enrollment to be strong due to being in a densely populated area. Rising unemployment increases the number of prospective students, and many prospective students are deciding to remain closer to home and save on room and board while COVID may continue to disrupt residential components at other institutions. Currently, freshman deposits are up approximately 3% from the prior year. Online registrations are up approximately 13% and graduate registrations are up approximately 12% from a year ago. So the College is in a pretty good position relative to other higher education institutions. They received approximately \$3.8 million in CARES Act funding.

On the expense side, the College is closely monitoring staffing levels, restricting travel, and suspending new construction projects with the exception of the project before you today. As a commuter school, they are in a little different situation than some of the others.

Mr. Carney: Mr. Chairman, I applaud Steve's research and his conclusions. What we're seeing here is an opportunity to support a higher ed institution that finds itself in an extraordinarily good place given who they are and what they are. They are an excellent college and their reputation is well known, but more importantly what they have demonstrated is that there is a model that may work going forward. We need to look at all the things that St. Joseph's brings to the table that make it work amid COVID-19 that may well affect other higher ed institutions in more negative ways. They are the model that proves the point that if you are what they are, it works. If you are not what they are, then we've got to look hard. So my point, it seems to me that this is a terrific opportunity for DASNY to support an institution which it has supported in the past, but it also gives us touchstones that we can use to look at other higher ed institutions that are not in the place that this institutions occupies. I had the opportunity to talk to Steve about this. I'm very comfortable. This is a great idea. And they have more than demonstrated that this is a good financing.

Mr. Romski: And I was going to add it was a great answer, Steve. So thanks.

Mr. Carney: It was a great answer Steve, you get points, but do you get extra money for it is my question.

Mr. Kosier: I don't think so.

Mr. Romski: Are there any other questions or concerns?

Ms. Raleigh: I have none, I would imagine the option to finance more of the project is driven by the market being favorable.

Mr. Kosier: I think it's two things. I think it's the market, and I think just given all the unknowns or potential extra costs of COVID, they just want to maintain their balance sheet.

Ms. Raleigh: It does make sense and I echo the comments made. So no, I have no further questions.

Mr. Romski: Thank you. So hearing no other questions, can I please get a motion to recommend approval of this transaction at tomorrow's full Board meeting?

Mr. Carney: So moved, Mr. Chairman.

Ms. Raleigh: I second.

Mr. Romski: Thank you. All in favor?

Committee Members: Aye.

Mr. Romski: Any opposed? Hearing none, that motion carries.

I understand that Steve stays on the line and we're going to go to the Oceanside Library transaction.

Ms. Nadeau: Before you start, I just want to let you know, Gerry, we have somebody in the waiting room. Renwick Paige. Is anyone familiar?

Mr. Carney: Not a name familiar to me.

Ms. Nadeau: So I will admit him as a member of the public.

Mr. Carney: Thank you.

Ms. Nadeau: Good afternoon. Renwick, could I ask you to please identify yourself and who you're representing?

Renwick Paige, if you could please identify yourself and who you're representing? We will have to ask you to depart if you do not identify yourself.

I believe Renwick has departed. My apologies for the interruption.

Mr. Romski: Steve.

Mr. Kosier: The Finance Committee is being asked to recommend to the full Board the adoption of a Resolution to Proceed for 30-year, tax-exempt and/or taxable, fixed- and/or variable-rate bonds in an amount not to exceed \$35 million for Oceanside Library. The Library is an association library which has been serving the residents of Oceanside Union Free School District for over 80 years. This will be DASNY's third issuance on behalf of the Library. DASNY first issued bonds for Oceanside Library in 1995 and the Library refunded those bonds, through DASNY, in 2005.

The Series 2020 bonds will be used to expand and renovate the library building to accommodate the modern use of the facility and to acquire an adjacent parcel of property which will be converted into additional parking. Bond proceeds may also be used to current refund the Library's Series 2005 bonds, of which there is \$1,370,000 outstanding. The refunding is expected to result in net present value savings of approximately \$103,000 or 7.5% of the bonds being refunded. The term of the refunding bonds will not exceed that of the bonds being refunded.

Authorizations to pledge funds raised by taxes for amounts required under DASNY loan agreements were approved by voter referenda held on November 30, 1994 and June 16, 2020. Funding for the Library comes from real property tax revenues levied by and collected by the Town of Hempstead. Taxes collected by The Town of Hempstead for the benefit of the Library are paid as received to the School District. The School District sends to the Library its full tax levy, in equal monthly installments. Any changes to the tax levy are submitted to the voters for approval. Once approved by the voters, the Library's tax levy is considered an annual appropriation. 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. The bonds are expected to be rated Aa3 or better by Moody's.

Security will include a pledge of revenues and a lockbox. The lockbox requires the Library to fund in advance, a debt service account as tax collections are received. The School District will send all tax receipts 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.

In summary, the Library has a predictable revenue stream and the debt service fund will be funded through the lockbox mechanism ahead of bondholder payments. Therefore, Staff requests the Finance Committee to recommend approval of a Resolution to Proceed for a bond issue in an amount not to exceed \$35 million, on behalf of Oceanside Library. Mr. Chairman.

Mr. Romski: Thank you, Steve. Any questions or concerns?

Mr. Carney: None here, Mr. Chairman. Thank you.

Ms. Raleigh: None here.

Mr. Romski: I have none myself. So, can I please get a motion to recommend approval to the full Board tomorrow?

Ms. Raleigh: So moved.

Mr. Carney: Second.

Mr. Romski: Thank you. All in favor?

Committee Members: Aye.

Mr. Romski: Any opposed? None.

That concludes that matter. And unless there's something else for this Committee, I'll ask for a motion to adjourn.

Mr. Cusack: Gerry, one item. Just to clarify, we also had the transcript of the June 3, 2020 Special Finance Committee meeting for the SUNY Dorms proposal and it would be good if we could get a confirming Motion to approve that transcript as well.

Mr. Romski: As always, Mike, thank you for catching that. I thought I had the May one, but then I forgot the June one. So anyway, thank you. May I have a motion?

Mr. Carney: So moved.

Ms. Raleigh: I will second that motion.

Mr. Romski: Thank you very much. All in favor indicate with Aye.

Committee Members: Aye.

Mr. Romski: Any opposed? Hearing none, the motion carries.

I'll go back and again request a motion to adjourn.

Ms. Raleigh: So moved.

Mr. Carney: I will second that motion.

Mr. Romski: All in favor, Aye. None opposed.

And Tracy, by the way, thank you for all you do with the Department Health. I know you must have had a very, very rocky path.

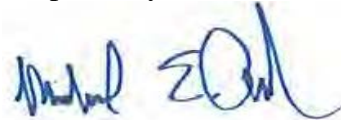
Mr. Carney: Tracy, I can't imagine how hard you're working right now. Thank you for finding the time to join our half-hour meeting. I really appreciate it.

Ms. Raleigh: I'm glad to be back. And it's been a whole learning experience.

Mr. Romski: We passed that motion to adjourn.

The Finance Committee Meeting adjourned at 4:28 p.m.

Respectfully submitted,



Michael E. Cusack
Assistant Secretary