

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 4:40 p.m. on Tuesday, April 9, 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 Ronski, Esq., Finance Committee Chair
Alfonso L. Carney, Jr., Board Chair, Committee Member
John Valitutto, Designated Representative of the Commissioner of Health, Member (ex officio), Committee Member

Other Members Present

John B. Johnson, Board Vice-Chair
Jonathan Gardner, Member

Other Members – via Audio

Paul Ellis, Member
Beryl Snyder, Member

Dormitory Authority Staff Present

Gerrard P. Bushell, President
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
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
Matthew T. Bergin, Assistant Director, Public Finance and Portfolio Monitoring

PUBLIC SESSION

Committee Chair Ronski called the Meeting to order. The Minutes of the March 6, 2019 Finance Committee Meeting were reviewed and approved.

Brooklyn Law School

Mr. Bergin presented the Single Approval Transaction Summary for Brooklyn Law School. He stated that the Committee Members are being asked to recommend the adoption of a Resolution

authorizing the issuance of one or more series of tax-exempt and/or taxable, fixed or variable rate bonds in an amount not to exceed \$40,000,000 for a term not to exceed 15 years. Mr. Bergin informed the Committee Members that the proceeds of the Bonds will be used to refund DASNY's Series 2009 and 2012A Bonds that were issued on behalf of Brooklyn Law School.

Mr. Bergin stated that the security features for the Series 2019 Bonds are expected to include a pledge of tuition and fees equal to maximum annual debt service and a negative pledge on encumbering the Law School's main facilities. He further stated that the transaction is expected to receive a rating of Baa1 from Moody's.

Mr. Bergin informed the Committee Members that Brooklyn Law School was founded in 1901 and is one of the oldest and largest independent law schools in the United States. He stated that the Law School operates under a charter granted by the Board of Regents of the State of New York, is accredited by the American Bar Association, and is a member of the Association of American Law Schools. Mr. Bergin further stated that the Law School offers certificates in entrepreneurship law, business law, criminal law, intellectual property, media and information law, international law and real estate law.

Mr. Bergin reported that the Law School's ratios with respect to its balance sheet compare well to DASNY Medians, especially in terms of balance sheet liquidity and financial resources. He explained that the Law School's expendable resources to long term debt ratio is over 4:1. Mr. Bergin further explained that this ratio is calculated as unrestricted net assets plus temporarily restricted net assets, less fixed assets, divided by long-term debt. He stated that this ratio exceeds 4:1. Mr. Bergin further stated that the Law School's total cash and investments to total debt ratio is also over 4:1. He noted that operationally, the Law School has reported losses from operations in four of the last five years and has relied on its endowment to fund operations.

Mr. Bergin informed the Committee Members that the Series 2009 Bonds will be current refunded on a tax-exempt basis, and that the advance refunding of the Series 2012A Bonds will be undertaken as a taxable refunding. Mr. Bergin stated that when considered in the aggregate, a net present value savings of approximately \$4,000,000 is anticipated. He noted that the Law School is aware that the advance refunding of the Series 2012A Bonds results in approximately \$400,000 of net present value dissavings. Mr. Bergin stated that DASNY has previously issued six series of bonds on behalf of the Law School, and that the Law School has met all required debt service obligations on time and in full.

Mr. Ronski observed that Brooklyn Law School is one of only a few law schools to offer a night school option as well as daytime courses.

In response to a question from Mr. Johnson, Mr. Bergin stated that on average, over the last five years, approximately 22% of the Law School's operating funds were funded from the endowment. Mr. Valitutto asked what the implications of the negative pledge are. Mr. Bergin explained that if the Law School grants a mortgage to any other lender, the Law School would need to grant the same security to the holders of the Series 2019 Bonds.

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. Mr. Valitutto seconded the motion and the Meeting was adjourned at approximately 4:45 p.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary