

A Special Telephonic Meeting of the Board of Directors of the Dormitory Authority of the State of New York (“DASNY”) was held on June 3, 2020 with proceedings commencing at 12:35 p.m.:

Alfonso L. Carney, Jr., Esq. - Chair: Welcome to the to this Special Meeting of the Dormitory Authority. We have one Agenda Item today. I'm going to turn to Kim Nadeau and ask her to call the roll of members to see who's present.

Kim Nadeau, Chief Financial Officer: Thank you Al. In attendance we have:

Alfonso L. Carney, Jr., Esq., Chair of the DASNY Board – Present
John B. Johnson, Jr., Vice-Chair of the DASNY Board – Present
Beryl L. Snyder, J.D., Secretary of the Board – Present
Jonathan H. Gardner, Esq., Board Member – Present
Wellington Z. Chen, Board Member – Present
Joan M. Sullivan, Board Member – Present
Gerard Romski, Esq., Board Member – Present
Brian Cechnicki, Designated Representative of SED, Board Member (*ex officio*) – Present
Adrian Swierczewski, Designated Representative of DOB, Member (*ex officio*) – Present
Tracy Raleigh, Designated Representative of DOH, Board Member (*ex officio*) - Absent

Mr. Carney: Terrific. We have a full house today. That's terrific news for a Special Meeting. I'll now turn to Mike Cusack and ask him to give us the notice that is required when we do not follow normal Board procedure.

Michael 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, COVID-19. Pursuant to Governor Cuomo’s subsequent Executive Order 202.1 dated March 12, 2020, as extended by Executive Orders 202.14 and 202.28, 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, as extended, provides, in relevant part, that Article 7 of the Public Officers Law, known as the Open Meetings Law, is suspended through June 7, 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 Special 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. I will note for the record that we made an adjustment to the dasny.org website posting this morning to account for a change in Zoom technology requiring the use of passwords on all conference calls, and that we did defer the time of our public proceedings to begin at 11:30 this morning for Finance Committee, and now for the Board, to allow time for people to make adjustments and dial in.

In accordance with EO 202.1, as extended by Executive Orders 202.14 and 202.28, and the DASNY Bylaws, an audio recording of the Meeting will be accessible from DASNY's website (www.dasny.org) not later than two business days after the close of the meeting, and today's proceedings will also be transcribed and posted as soon thereafter as is reasonable and practicable under the circumstances. Thank you, Mr. Chair.

Mr. Carney: Thank you very much. As Mike and I have pointed out, this is a special meeting of the Board. It is just terrific that all the Board Members have been present here today for this special meeting under what are very clearly special circumstances. There's a lot to be said about the special circumstances that we are all living in right now, but I don't want to take a lot of time. I think we all know what they are. But my favorite word today seems to be "confluence", and what is happening in in this country, at least in many locations, is that dealing with COVID-19 and dealing with demonstrations and protests life had changed remarkably in the last few months. I know you are all aware of it, just be safe, and be careful.

This Board has the ability to demonstrate and it is exercising that ability that we can meet the needs of our clients. And I think that that's a very important thing to note at the very beginning of this meeting. This special meeting is being held, because a client has expressed a special need and we are meeting that need as best we can, by holding these meetings. Thank you all very much for taking the time to do that. It is a special meeting, and therefore we're not going to have minutes or transcripts to adopt until the June 24th meeting. And with that, I'll ask the Chairman of the Finance Committee to give the Finance Committee Report, please.

Gerard Romski, Esq. – Finance Committee Chair: Thank you, Mr. Chair. The Finance Committee met today at a special Committee Meeting and discussed the proposed offering for the State University of New York Dormitory Facilities. After some discussion, we unanimously recommend that this be approved at today's Board meeting, and unless anyone has any questions, that concludes my report, Mr. Chair.

Mr. Carney: Thank you very much, Gerry. Are there any questions for Gerry? Hearing none, Mr. President, will you will introduce the principal agenda item for the day?

Reuben R. McDaniel, III – Acting President and Chief Executive Officer: Thank you, Mr. Chairman, and thank you Finance Committee Chairman Romski, we appreciate everyone's participation today. Behind Tab 2 you will find the State University of New York Dormitory Facilities Transaction Summary and Staff Report. Portia Lee and Steve Kosier will be presenting for DASNY, and co-bond counsel, Virginia Wong, Esq. and Douglas Seaton, Esq., will be presenting from bond counsel side.

I just want to take a point of privilege to say that Portia Lee and her team have done a yeoman's job working through this transaction with SUNY in very real time, while still completing transactions for the State and other clients. So just for the Board's perspective, I cannot tell you how many hours and calls and meetings and emails have gone back and forth on this transaction. I'll just highlight again the excellence of our staff stepping up and doing what we need to do. With that I will turn it over to Portia and co-bond counsel.

Portia Lee, Managing Director, Public Finance and Portfolio Monitoring: Thank you so much. In response to the COVID-19 pandemic, SUNY campuses transitioned from in-person classroom instruction to distance learning during this Spring semester. Most students left campus and were discouraged from returning to campus until further notice.

SUNY recognizes that it is important and indeed prudent to exercise strategic forward-looking risk management that places the SUNY residence hall program in the best financial position should the COVID-19 pandemic have a prolonged existence. While revenues are anticipated to be impacted due to the COVID-19 pandemic, the impact on the SUNY Dorm program's operations are not known at this time.

Today, staff is requesting that the Board adopt documents on behalf of the State University of New York Dormitory Facilities Revenue Bond Program to refund and restructure certain SUNY Dorm bonds, including bonds issued under the old State University Dormitory Facilities Lease Revenue Bond program and the new SUNY Dorm program, to provide two years of debt service relief. The bonds will be issued in one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$365 million, to be undertaken on a public or private negotiated basis at one or more times. The proposed restructuring will provide additional liquidity to assist SUNY during this time of uncertainty. The restructuring is expected to provide aggregate debt service relief of approximately \$325 million in fiscal year 2021 and fiscal year 2022, but does not provide aggregate savings on a net present value basis. The proceeds are expected to be deposited into an escrow to be used to pay debt service in fiscal years 2021 and 2022. The bonds are expected to be issued on a taxable basis and there may be a small tax-exempt issuance as well.

The SUNY Residence Hall program operates on 25 campuses throughout the State and has served over 65,000 students on an annual basis. As you know, the Residence Hall Program is a self-supporting program of SUNY, generating revenues to support its operations, annual maintenance and debt service. The program is supported by rents, fees and charges of the dormitory rentals. Given the uncertainty at this time, SUNY is seeking this financial flexibility.

In the last fiscal year (2019) the SUNY Dormitory Facilities generated total revenues of approximately \$618 million and total expenditures of approximately \$375 million, which resulted in a debt service coverage ratio of approximately 1.5:1. As you know, SUNY executed an assignment to DASNY of all rights in dormitory facilities revenues. SUNY is required to immediately deliver such revenues, without appropriation, to the Commissioner of Taxation and Finance for deposit into the Dormitory Facilities Revenue Fund. Moneys are used first to pay the debt service on the old SUNY Dormitory bonds and then debt service on bonds issued under the new program. The amount remaining in the Fund after payment of debt service, operations and maintenance reserves, repair and replacement reserves and fees on the old SUNY Dorm bonds and the new SUNY Dorm bonds is released free and clear of the lien of the indenture, for SUNY to use for any lawful purpose. Since debt service will be provided for two years, this restructuring will enable the rents, fees and charges, net of DASNY and other fees, to flow back to SUNY to be used for any lawful purpose including operations of the dorm facilities.

This will be the seventh financing under the new SUNY Dorms program.

It should be noted that in March, the DASNY Board adopted documents on behalf of the State University of New York Dormitory Facilities Revenue Bonds program for a taxable advance refunding. That authorization will remain outstanding in the event that market conditions are such that SUNY can proceed with the refunding for savings. Mr. Chairman.

Mr. Carney: Thank you very much. Portia. Virginia is here, Doug is also here, are you on the phone now?

Virginia Wong, Esq. – Nixon Peabody, LLP: I am.

Douglas Seaton, Esq. – D. Seaton and Associates: Good afternoon, everyone.

Mr. Carney: Yes, we can. We've just heard from Portia, you are going to tell us about the transaction itself. Please, go ahead.

Mr. Seaton - Before you for consideration is the adoption of a Series Resolution authorizing the issuance of Bonds under DASNY's State University Dormitory Facilities Revenue Bond Resolution, adopted on May 15, 2013. The Series Resolution authorizes the issuance of up to \$365 million of Authorized Bonds as fixed rate or variable rate, tax-exempt or taxable bonds. The proceeds of the Authorized Bonds are expected to be used to refund or refinance all or a portion of the debt service due and payable in any two consecutive fiscal years between July 1, 2020 and July 1, 2022 on the outstanding bonds previously issued by DASNY for SUNY Dormitory Facilities. The Series Resolution delegates to various officers of DASNY the power to make the determinations described in our letter and to do all things necessary or convenient in connection with the sale and issuance of the Bonds.

The General Resolution constitutes the agreement between DASNY and the holders of the bonds issued under it and contains the basic terms of that agreement. The bonds issued under the General Resolution will all be on a parity with each other. However, such bonds are subordinate to the outstanding bonds issued under the Prior SUNY Bond Resolution. The bonds issued under the General Resolution will be "special obligations" of DASNY payable solely out of and secured by the Dormitory Facilities Revenue Fund and the money and investments on deposit in the Fund and the accounts within it from time to time. The General Resolution permits the issuance of additional bonds to be issued pursuant to it only if the Dormitory Facilities Revenues collected during each of the preceding SUNY fiscal years satisfy the test described in our letter (except in the case of refunding bonds). I'll now turn it over to Virginia.

Ms. Wong – Thank you Douglas. In connection with the initial issuance of Bonds under the General Resolution, DASNY entered into two agreements. The Financing and Development Agreement by and between SUNY and DASNY sets out the respective obligations of DASNY and SUNY in the construction, rehabilitation, renovation and improvement of Dormitory Facilities. It imposes on SUNY obligations, among others, to: operate, maintain and repair the Dormitory Facilities; establish fees and charges that, during each SUNY Fiscal Year, will be at least sufficient to pay the debt service on all outstanding bonds under the Prior Resolution and the General Resolution; and to fund the reserve for operations and maintenance, the reserve for repair and

rehabilitation, the fees and expenses of DASNY, and all expenses for the operation and maintenance of Dormitory Facilities.

The Dormitory Facilities Revenue Fund Administration Agreement by and among DASNY, SUNY and the State's Commissioner of Taxation and Finance, establishes procedural requirements that govern deposits to, and transfers and payments from, the Dormitory Facilities Revenue Fund.

The Bonds are authorized to be sold in a private placement and/or in one or more negotiated public sales to a syndicate of underwriters pursuant to a Private Placement Agreement and/or Bond Purchase Agreement, as applicable, containing customary terms and conditions. It is expected that the representative of the syndicate of underwriters in connection with a negotiated public sale of the Bonds would be Siebert Williams Shank & Co., LLC. To enable the underwriters to purchase and offer the Bonds consistent with the provisions of Rule 15c2-12, the Series Resolution authorize DASNY to enter into an agreement to provide continuing disclosure.

This concludes our presentation, please let us know if you have any questions. Thank you.

Mr. Carney: Thank you, Douglas and Virginia. Are there questions? [Pause] I have one. Portia has pointed out that in the event that the bond proceeds are not used for the purposes which they are currently intended, that SUNY has the opportunity to apply the remaining funds to any lawful purpose. Do the agreements provide that SUNY has to give us some indication of what the funds are being used for?

Ms. Wong: This is Virginia, I'm happy to answer that. Once the Dormitory Facilities revenues are no longer needed for the payment of debt service, they are treated as a residual dormitory facilities revenues, and are released to SUNY free and clear of the indenture, and can be used by SUNY for any lawful purpose, but there is no requirement in the documents that they provide and report as to what those purposes are.

Mr. Carney: Thank you very much, Virginia. Thank you very much Douglas. Before we take a vote, Virginia, I wanted to ask you to thank your partner, Bruce Serchuk, who was kind enough to come over to my house yesterday to deliver the documents that we're using today. Please convey my thanks to him.

Ms. Wong: Will do. Thank you, Mr. Carney.

Mr. Carney: Again, are there any questions. Hearing none, may have a motion please to approve the transaction.

Mr. Ronski: I'll make it.

Mr. Carney: OK, Gerry, thank you. Is there a second?

John Johnson, Vice Chair, Board Member: John Johnson here, second.

Mr. Carney: There were three people that spoke. John Johnson, thank you very much for the second. All in favor, please indicate with "Aye."

Members: Aye.

Mr. Carney: Is there any opposition? Hearing none, then the motion carries unanimously.

The following Resolution was therefore adopted:

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES 2020A
RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF STATE UNIVERSITY
OF NEW YORK DORMITORY FACILITIES REVENUE BONDS**

Virginia and Douglas, thank you both very much for being with us on the phone.

Mr. Seaton: Thank you.

Ms. Wong: Thank you.

Mr. Carney: Thanks very much. The next regular meeting is scheduled for June the 24th. We're looking forward to it. It will probably be a Zoom meeting.

Is there, is there any further business coming for the Board?

Mr. McDaniel: Mr. Chairman, I'd like to say I really appreciate the Board members getting together on short notice, spending the time necessary to understand this transaction. Hopefully, as we move to the Fall, we will be able to get our transactions done without special meetings. I just want to say, we really appreciate the Board's attentiveness and assistance. This is critically important to SUNY, as we move forward, and the timing was such that we have to go to PACB later this month and need to get the market as soon as possible. We just had to call a Special Board Meeting, but we don't take your time for granted, we certainly appreciate it.

Mr. Carney: Mr. President, just so you have heard me say -- and I think I speak for the Board -- this Board has demonstrated its willingness to be facile in times past. This is yet another example, as I said earlier, of the commitment of the Members of this Board to the work that must get done. Thank you very much for thanking us, but we thank you, and will do it over and over again for the quality of the work that you all are doing. I thank Portia and her group for pulling this together in the midst, as you pointed out, of all the other things to do. We're glad to be able to do it. I'm very proud that this Board has actually come together as it has in special circumstances for special meetings. So thank you very much for saying that.

If there is no further business to come before the Board may have motion please adjourn?

Beryl Snyder, Secretary, Board Member: I'll make the motion.

Mr. Carney: Thank you Beryl, and a second?

Wellington Chen, Board Member: I will second.

Mr. Carney: Thank you Wellington. Thank you all very much. All in favor indicate with "Aye."

Members: Aye.

Mr. Carney: Any opposed? Hearing none, the motion carries unanimously. Thank you.

The meeting adjourned at 12:55 p.m.

Respectfully submitted,



Michael E. Cusack
Assistant Secretary