

A Video Conference Meeting of the Finance Committee of the Dormitory Authority of the State of New York (“DASNY”) was held on Tuesday, May 10, 2022 with proceedings commencing at 4:00 p.m.

**Call to Order / Roll Call**

The Meeting was called to order by Gerry Ronski, Finance Committee Chair at 4:00 p.m. and a quorum was declared present.

The following Board Members and Staff were present:

**Committee Members (joining via Zoom):**

Gerry Ronski, Finance Committee Chair  
Alfonso Carney, Committee Member  
Janice McKinnie, Committee Member

**Board Members (joining via Zoom):**

John B. Johnson, Board Vice Chair  
Beryl L. Snyder, Esq., Board Secretary  
Jonathan Gardner, Esq. – Board Member  
Joan M. Sullivan – Board Member  
Ken Evans, Board Member, Designated Representative of the Department of Health (ex officio)

**Staff (joining via Zoom):**

Reuben R. McDaniel, III, President and Chief Executive Officer  
Paul G. Koopman, Vice President  
Kimberly A. Ellis, Chief Financial Officer  
Nadine Fontaine, Esq., General Counsel  
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring  
Ricardo Salaman, Esq., Deputy General Counsel  
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration  
Kathy Ebert, Senior Director, Internal Audit  
Craig Schreivogl, Director, Portfolio Monitoring  
Matthew Bergin, Director, Public Finance  
David Ostrander, Assistant Director, Public Finance  
Jenilee Flinton, Assistant Director, Internal Audit  
Nicholas A. Palas, Assistant Director, Internal Audit  
Dena Amodio, Esq., Assistant General Counsel  
Jeffrey Gordon, Senior Director, Communications & Marketing  
Deborah Fasser, Director, Strategic Communications and Business Development  
Karen E. Ehlinger, Manager, Internal Control Analysis  
Alex Sirdine, Financial Analyst  
Amanda Nazario, Confidential Legal Assistant

**APPROVAL OF APRIL 5, 2022 FINANCE COMMITTEE MEETING MINUTES**

Upon a motion by Ms. McKinnie and a second by Mr. Carney, the Minutes of the DASNY April 5, 2022 Finance Committee Meeting were approved unanimously.

**BARNARD COLLEGE—SINGLE APPROVAL**

Mr. Sirdine presented the Single Approval Transaction Summary for Barnard College. He stated that the Finance Committee is being asked to recommend to the full board the authorization of the issuance of one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds with a maturity not to exceed 30 years in an amount not to exceed \$150,000,000 on behalf of Barnard College. He further stated that proceeds from the Series 2022 Bonds are expected to be used to refund and restructure the DASNY Barnard College Revenue Bonds, Series 2015A in anticipation of a new money issuance in 2023, and to refund the Series 2020B variable rate bonds with fixed rate bonds.

Mr. Sirdine informed the committee that the restructuring portion of the issuance will provide the College with approximately \$15 million of debt service relief between fiscal years 2024 and 2028, or \$3.0 million annually. He noted that Barnard is contemplating a new money transaction for fiscal year 2023, and that the first five years of debt service for the new money transaction are expected to equal the amount of debt service being reduced through this restructuring.

Mr. Sirdine explained that this transaction enables the College to issue the new money debt in 2023 with no increase in debt service between 2024 and 2028, while also leveling out the College's aggregate debt service on all outstanding debt. He stated that the principal on the proposed refunding bonds is anticipated to mature between 2034 and 2039. He noted that the restructuring is not expected to produce savings on a net present value basis.

Mr. Sirdine stated that proceeds from DASNY's 2020 issuance provided funding for design and up-front enabling work of the College's science building, Altschul Hall. He further stated that the 2023 new money issuance will be brought to the Board for approval at a later date. It is expected that the new money financing will fund the renovation and expansion of Altschul Hall, increasing the size of the facility from 118,000 square feet to 175,000 square feet and providing additional space for new and existing science programs and STEM education. Mr. Sirdine informed the committee that the new facility will be renamed the Roy and Diana Vagelos Center following the receipt of a \$55 million donation, more than double the size of the largest donation in the College's history.

Mr. Sirdine stated that the College is seeking to reduce its variable rate debt exposure by refunding the 2020B Bonds with publicly offered fixed rate Bonds. He further stated that the Loan Agreement will be a general obligation of the College and no security interest in any revenues or assets of the College will be granted by the College to DASNY under the Loan Agreement.

Mr. Sirdine summarized additional information about the College. He stated that applications have increased by approximately 35% over the last five years, from just over 7,700 applicants in Fall 2017 to over 10,000 in Fall 2021. Of this number, the College accepted approximately 1,200 applicants or 11.5%. Mr. Sirdine stated that total FTE enrollment for Fall 2021 was just over 3,000 students. He informed the committee that operating margins remain low or negative, mainly due to increased capital spending beginning in fiscal year 2019 and the impact of the COVID-19 pandemic in fiscal years 2020 and 2021. Mr. Sirdine stated that the College increased capital spending, beginning in fiscal year 2019, to enhance its program offerings by investing in technology and the modernization of some of its facilities.

Mr. Sirdine stated that in response to the COVID-19 pandemic, the College transitioned from in-person instruction to fully remote beginning in Spring 2020 and returned to in-person/hybrid instruction in Fall 2021. As a result, Auxiliary Revenue, which includes student housing, bookstore, dining halls and similar services, declined by approximately 74% in fiscal year 2021. Notwithstanding this decline, the College's financial resources have grown over five years; total Cash and Investments increased by \$127.3 million, or 33.6%, over the five-year period, mainly due to investment gains and gifts.

Mr. Sirdine explained that Barnard's long-standing academic affiliation with Columbia University provides the College with a unique market advantage over its primary competitors. He stated that although the College is fully independent from Columbia University, Barnard students can cross enroll in Columbia classes, use Columbia's facilities and participate in the athletic consortium between the schools. He further stated that the College is currently rated A2 by Moody's.

The Board Chair thanked Mr. Sirdine for his presentation and stated that he is grateful to have Barnard as a client. He noted it is a very strong institution and he is happy that DASNY can help the College achieve its goals. Mr. Ronski concurred and noted that Barnard College is a long-standing client and important to the fabric of New York City.

Mr. Carney moved to advance the financing to the full Board at the May 11, 2022 Board Meeting. The motion was seconded by Ms. McKinnie and approved unanimously.

### **MEMORIAL SLOAN KETTERING CANCER CENTER--SINGLE APPROVAL**

Mr. Bergin presented the Single Approval Transaction Summary for the Memorial Sloan Kettering Cancer Center. He explained that the Finance Committee is being asked to recommend to the full Board the issuance of one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds at one or more times, with a maturity not to exceed 30 years in an amount not to exceed \$500,000,000 on behalf of Memorial Sloan Kettering Cancer Center. Mr. Bergin further stated that the bonds may be issued through a negotiated offering, on a competitive basis and/or private placement. He informed the committee that the current plan of finance anticipates the Series 2022 bonds to be privately placed or directly purchased.

Mr. Bergin stated that the proceeds of the bonds will be used to purchase all or a portion of 2 office buildings in Manhattan to be used for academic and corporate office space; the purchase

of residential units to be used for employee housing on Roosevelt Island in Manhattan; the funding of renovations, improvements and equipment purchases at the Memorial Hospital for Cancer and Allied Diseases in Manhattan; and the funding of clinical improvements including equipment purchases at its ambulatory care facilities in Manhattan. He noted that Memorial Sloan Kettering will allocate the bond proceeds to these projects as it deems appropriate.

Mr. Bergin informed the committee that the Bonds will be secured by a General Obligation of the Center Corporation and guarantees from Sloan-Kettering Institute for Cancer Research and S.K.I. Realty Inc. He stated that the bonds are expected to receive ratings of AA- from S & P and AA from Fitch.

Mr. Bergin provided some background information on operations. He stated that for the year ended December 31, 2021, clinical volumes have increased compared to the same period in 2020, as patient activity started to recover from the COVID-19 outbreak. For 2021, the Hospital reported increases in outpatient visits, increases in surgical cases, and admissions.

Mr. Bergin stated that Memorial Sloan Kettering Cancer Center is a multibillion dollar corporation with over \$14.9 billion in total assets, approximately \$5.1 billion in total liabilities and over \$9.8 billion in total net assets. He further stated that in 2021, total contributions raised through fundraising efforts were over \$576 million.

In response to a question from Mr. Carney, Mr. Bergin addressed the reasoning behind MSK's decision to purchase various real estate. He explained that the Center Corporation currently leases the entire building at 321 East 61st Street and the Corporation believes it will be economically advantageous to purchase that building and pay debt service on the loan instead of continuing to lease it. Mr. Bergin further explained that the property at 885 Third Avenue is not currently occupied by the Center Corporation, but they want to consolidate academic and corporate spaces from various other buildings into the 885 Third Avenue location.

Mr. Bergin stated that with respect to Roosevelt Island, the Center Corporation believes that there will be a need for employee housing in the near future. He explained that the property is not yet under construction, but by the time it is completed in 2024, there will be a need to offer this housing to MSK employees.

Mr. Ronski inquired whether the entire building on Roosevelt Island will be purchased. Mr. Bergin responded that there are 365 residences planned for the entire building and Center Corporation anticipates purchasing 104 of those residences. Mr. Bergin stated these will be condominium units.

Ms. McKinnie moved to advance the financing to the full Board at the May 11, 2022 Board Meeting. The motion was seconded by Mr. Carney and approved unanimously.

### **Adjournment**

Mr. Carney moved to adjourn the meeting. The motion was seconded by Ms. McKinnie and the meeting adjourned at 4:20 p.m.

Respectfully submitted,

Sara P. Richards  
Assistant Secretary

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