

The Dormitory Authority of the State of New York Finance Committee Meeting was held by videoconference technology among DASNY's Offices in New York City, 28 Liberty Plaza, New York, New York; 515 Broadway, Albany, New York; and 6047 Transit Road, East Amherst, New York at 4:45 pm Tuesday, April 11, 2023.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Ronski, Finance Committee Chair, at 5:30 p.m. and a quorum was declared present.

The following Board Members and Staff were present:

Finance Committee Members Present--NYCO

Gerard Ronski, Esq., Finance Committee Chair
Alfonso L. Carney, Jr., Board Chair, Committee Member

Finance Committee Members Present--Buffalo

Janice McKinnie, Finance Committee Member

Other Board Members Present--Albany

Joan M. Sullivan, Board Member
Christina Coughlin, Designated Representative of the Commissioner of Education, Board Member (*ex officio*)
Ken Evans, Designated Representative of the Commissioner of Health, Board Member (*ex officio*)

Staff Members Present

Reuben R. McDaniel III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Nadine Fontaine, Esq., General Counsel
Kimberly A. Ellis, Chief Financial Officer
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Sara Richards, Chief of Staff
Matthew Bergin, Director, Public Finance
Craig Schreivogl, Director, Portfolio Monitoring
Steve Kosier, Assistant Director, Public Finance and Portfolio Monitoring
Alex Sirdine, Financial Analyst
Amanda Nazario, Confidential Legal Assistant

PUBLIC SESSION

Committee Chair Ronski called the Meeting to order. The Minutes of the March 1, 2023 Finance Committee Meeting were reviewed and approved.

Columbia University--Resolution to Proceed

Mr. Sirdine stated that the Finance Committee is being asked to recommend to the full Board the adoption of a Resolution to Proceed for one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds, with terms not to exceed 35 years, in an amount not to exceed \$325,000,000 on behalf of Columbia University. He informed the Committee Members that of this amount, approximately \$200 million would finance new money projects and \$125 million would be used for refinancing purposes. The new money proceeds are expected to be used to finance or reimburse the University for costs associated with various construction and renovation projects at the Morningside Heights, Medical Center, and Manhattanville campuses.

Mr. Sirdine stated that the projects include a new 34-story building to house graduate students and faculty members on the southwest corner of 125th Street and Broadway in Manhattan. He further stated that the new 177,000 square foot facility is currently under construction and will include 142 apartments and 5,000 square feet of retail space on the ground level. Mr. Sirdine informed the Committee Members that other projects to be financed may include various renovation, deferred maintenance, and replacement projects located at various facilities across the Columbia system.

With respect to the refunding component, Mr. Sirdine stated that bond proceeds will be used to refinance taxable commercial paper issued by Columbia, the proceeds of which were used to redeem the University's Series 2011A Bonds issued by DASNY. He further stated that the University is currently rated triple-A by Moody's and Standard & Poor's and therefore qualifies for an unsecured borrowing under DASNY's Financing Guidelines for Independent Institutions.

Mr. Sirdine reported that Columbia University attracts highly qualified students and is among the most selective universities in the country. Full-time Equivalent enrollment totaled approximately 32,000 for fall 2022, an increase of 9.4% over five years and a five-year high for the University; of the over 60,000 applicants for fall 2022, just 2,255 were accepted, indicating an acceptance rate of 3.7%. Mr. Sirdine stated that for fiscal year 2022, Columbia reported operating revenues of \$6.03 billion and an operating surplus of \$551.0 million. Following two years of operations that were negatively impacted by the COVID-19 pandemic, the adjusted operating margin of 10.0% for fiscal year 2022 was a five-year high for the University. Mr. Sirdine informed the Members that Columbia's overall revenue mix is diverse, making it less vulnerable to fluctuations from a single revenue source. He stated that for fiscal year 2022, 24% of the University's total operating revenues came from net tuition and fees. Mr. Sirdine reported that Columbia reported total net assets of \$18.43 billion at fiscal year-end 2022 and stated that Total Net Assets have increased by \$2.64 billion, or 16.7%, since fiscal year 2018 as a result of positive operating results, fundraising, and investment appreciation.

Mr. Carney stated that Columbia University has a long financing history with DASNY and he is very pleased to have Columbia as a returning client. Mr. Ronski confirmed that the renovation, deferred maintenance, and replacement projects located at various facilities across the Columbia system are improvements to existing structures, while the project at 125th Street is new construction.

The Finance Committee Members decided unanimously to recommend the proposed financing to DASNY's full Board for approval.

Greater Southern Tier BOCES---Resolution to Proceed

Mr. Kosier stated that the Finance Committee is being asked to recommend to the full Board the adoption of a Resolution to Proceed for a bond financing in an amount not to exceed \$20,000,000 on behalf of Greater Southern Tier BOCES. He informed the Committee Members that the State's Board of Cooperative Educational Services (BOCES) program was established in 1948 by legislation to enable school districts to combine their resources to provide services that otherwise would be uneconomical, inefficient, or unavailable. Mr. Kosier explained that BOCES offers a wide range of services and programs that school districts can choose to participate in, including special education, career and technical education, staff development, and technology support. He stated that there are 37 BOCES in the State serving approximately 700 school districts.

Mr. Kosier stated that since 2001, DASNY has issued approximately \$458 million in bonds through 26 bond series on behalf of ten separate BOCES borrowers, and as of December 31, 2022, approximately \$110 million was outstanding on behalf of nine separate BOCES borrowers. He further stated that this proposed issuance will be the first DASNY bond issue on behalf of Greater Southern Tier BOCES, whose full legal name is Greater Southern Tier Board of Education of the Board of Cooperative Educational Services, Sole Supervisory District, Schuyler, Steuben, Chemung, Tioga, and Allegany Counties, New York. Mr. Kosier reported that Greater Southern Tier BOCES provides shared services to 21 component school districts in the Southern Tier of New York that cover over 2,100 square miles and serve approximately 30,000 students. The Greater Southern Tier BOCES administrative offices are in the village of Painted Post, and it has three campuses: the Bush Campus in Elmira; the Wildwood Campus in Hornell; and the Coopers Campus in Painted Post.

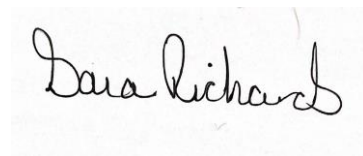
Mr. Kosier informed the Committee Members that on March 22, 2022, voters approved \$20,000,000 in financing for capital projects including improvements and replacement of natural gas, electric, water, and network fiber lines at each of the three Greater Southern Tier BOCES campuses. In addition, the Wildwood and Coopers campuses will also replace sewer lines and construct gymnasium and auditorium additions. He explained that BOCES are funded by payments made to them by the component school districts based on their allocable share of program services and administrative and facilities expenses, and the component school districts pay for these expenses through real property tax levies. Mr. Kosier further explained that the component school district boards vote on the BOCES administrative budget each spring; however, the portion of the budget allocated to payments to DASNY is not subject to such a vote.

Mr. Kosier reported that the State has made appropriations to the BOCES program each year since 1949 to partially offset BOCES expenses, and the State appropriations to BOCES are available to be applied to pay debt service. He stated that the State Comptroller is required by law to deduct amounts due and payable to pay the DASNY Rentals, including debt service, from any State Aid due to the BOCES and pay it to or upon the order of DASNY. Mr. Kosier informed the Committee Members that the Bonds will be secured by annual rental payments to be made pursuant to a Lease Agreement with Greater Southern Tier BOCES; a direct intercept, through the State Comptroller, of any State Aid due to Greater Southern Tier BOCES for rental payments on the DASNY Lease Agreement; a pledge of public funds apportioned by the State due to Greater Southern Tier BOCES in an amount sufficient to pay such rental payments; and a one-half year Debt Service Reserve Fund or Reserve Fund Facility. He noted that bond insurance may also be considered depending on its economic efficiency. Mr. Kosier stated that the bonds are expected to be rated Aa2 by Moody's.

The Finance Committee Members decided unanimously to recommend the proposed financing to DASNY's full Board for approval.

The Finance Committee meeting was adjourned at approximately 5:45 p.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sara Richards". The signature is written in a cursive style and is centered on a light-colored rectangular background.

Sara Richards
Assistant Secretary