

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 4:15 p.m. on Tuesday, January 10, 2023.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Ronski, Finance Committee Chair, at 4:20 p.m. and a quorum was declared present.

The following Board Members and Staff were present:

Finance Committee Members Present

Gerard Ronski, Esq., Finance Committee Chair (NYC Office)
Alfonso L. Carney, Jr., Board Chair, Committee Member (NYC Office)
Janice McKinnie, Committee Member (Buffalo Office)

Other Board Members Present

Beryl L. Snyder, Esq., Board Secretary (NYC Office)
Joan M. Sullivan, Board Member (Albany Office)

Staff Members Present

Reuben R. McDaniel, III, President and Chief Executive Officer (NYC)
Paul G. Koopman, Vice President (Albany)
Nadine Fontaine, Esq., General Counsel (Albany)
Kimberly A. Ellis, Chief Financial Officer (Albany)
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring (Albany)
Charlie Williams, Managing Director, Executive Administration (Albany)
Ricardo Salaman, Esq., Deputy General Counsel (NYC)
Sara Richards, Managing Senior Director of Governance and Administration (Albany)
Jeffrey Gordon, Senior Director, Communications & Marketing (Zoom)
J. Matthew Moore, Director, Procurement (Albany)
Jenilee Flinton, Director, Internal Audit (Albany)
Dena Amodio, Esq., Assistant General Counsel (Albany)
Deborah K. Fasser, Director, Strategic Communications and Business Development (Zoom)
Matthew Bergin, Director, Public Finance (Zoom)
Craig Schreivogl, Director, Portfolio Monitoring (Zoom)
Jerry Brouillette, Acting Director, Information Services (Albany)
John Fanniff, Senior Financial Analyst (Zoom)
Alex Sirdine, Financial Analyst (Zoom)
Amanda Nazario, Confidential Legal Assistant (Zoom)

PUBLIC SESSION

Committee Chair Ronski called the Meeting to order. The Minutes of the November 8, 2022 Finance Committee Meeting were reviewed and approved.

TELP (Tax Exempt Leasing Program)-- Episcopal Health Services Inc. d/b/a St. John's Episcopal Hospital, South Shore Division

Ms. Lee stated that the Committee Members are being asked to recommend to the full Board the approval of a TELP transaction on behalf of St. John's Episcopal Hospital in the Far Rockaways in an amount not to exceed \$26.25 million for various HVAC and other equipment. She directed the Members' attention to the equipment list included in the Board materials, which includes items such as steam to hot water conversion equipment, air handling units, and equipment for water system upgrades. Ms. Lee stated that this is the first transaction under the Energy Performance Contracting initiative between DASNY's Public Finance and Construction divisions to assist private clients in undertaking energy performance contracting.

Ms. Lee informed the Committee Members that St. John's Episcopal has been a going concern since 2016 and remains financially challenged. She reported that the payor mix for the entity is 45% Medicare, 45% Medicaid and 10% commercial and other payors. Ms. Lee stated that St. John's Episcopal worked with DOH and DASNY to obtain a healthcare restructuring pool loan in the amount of \$17.9 million. She explained that the security package associated with this transaction is more extensive than that in other TELP transactions and includes a first lien on the revenues (limited to maximum annual debt service on the TELP loan), including on the special revenue account through which debt service will be paid, and a first mortgage lien on the hospital campus. Ms. Lee noted that the lien will be on parity with the mortgage that secures the healthcare restructuring pool loan. She further noted that there will also be a lease payment reserve fund in the amount of \$750,000 which functions as a debt service reserve fund. Ms. Lee stated that the healthcare restructuring pool loan will be subordinate to the TELP lease.

Ms. Lee reported that energy savings are expected to be about \$1 million a year and will help to offset the debt service, which is expected to be about \$2.8 million a year. She reminded the Committee Members that the TELP program is a private placement. Ms. Lee explained that this transaction provides financial flexibility to the borrower by enabling a private lender to make financing available for necessary improvements.

Ms. Lee informed the Committee Members that DOH supports this transaction and will provide comments to the full Board at tomorrow's meeting.

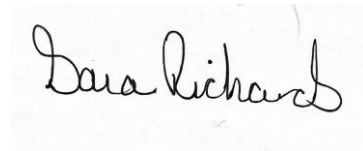
Mr. Ronski disclosed that he is a member of a local healthcare task force in the Rockaways but does not believe this presents a conflict of interest. The Committee Members agreed. He indicated that he is supportive of this transaction and stated that the institution provides necessary services to the community. Mr. Ronski observed that the equipment listing is general in nature and inquired whether the specific items will be reviewed prior to the disbursement of funds. Ms. Lee replied in the affirmative. She stated that M & T is the private placement lender and that more details will be available as the transaction moves forward.

Mr. Carney asked about the community served by St. John's Episcopal. Mr. Ronski stated that the catchment area of the Rockaways represents a broad socio-economic spectrum. He stated that there used to be two main hospitals in the area, but Peninsula Hospital has closed. As a result, St. John's is now the only hospital for the area. Mr. Ronski stated that the percentage of private payors is relatively small, which is consistent with other hospitals in Brooklyn. He informed the Committee that the Hospital does a very good job under difficult circumstances.

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. Ms. Sullivan seconded the motion and the Meeting was adjourned at approximately 4:30 p.m.

Respectfully Submitted,

A handwritten signature in black ink, reading "Sara Richards", is centered on a light gray rectangular background.

Sara Richards
Assistant Secretary