

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 9:30 a.m. on Wednesday, July 26, 2023.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Ronski, Finance Committee Chair, at 9:35 a.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. – Finance Committee Member

Finance Committee Members Present--Buffalo

Janice McKinnie, Finance Committee Member

Other Board Members Present – NYCO

Lisa Gomez, Board Chair
Beryl L. Snyder, Esq., Board Member

Board Members Present (Albany Office)

Christina Coughlin, Designated Representative of the Commissioner of Education, Board Member (*ex officio*)
Patrick Ryan, Designated Representative of the Director of Budget, Board Member (*ex officio*)

Board Members Absent

Wellington Chen—Board Member
Joan M. Sullivan – Board Member
Robert Rodriguez – Board Member
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
Charlie Williams, Vice President
Nadine Fontaine, Esq., General Counsel
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Sara Potter Richards, Esq., Managing Director, Executive Direction
Ricardo Salaman, Esq., Deputy General Counsel

Dena Amodio, Associate General Counsel
Geoffrey Arnold, Director, Budget & Operations
Matt Bergin, Director, Public Finance
Deborah Fasser, Director, Strategic Communications & Business Development
Jenilee Flinton, Director, Internal Audit
Chad Pirro, Director, Financial Administration
Lorna Plunkett, Director, Human Resources
Craig Schreivogl, Director, Portfolio Monitoring
Allison Thomas, Deputy Director, Human Resources
David Ostrander, Assistant Director, Public Finance & Portfolio Monitoring
Dave Byam, Senior Systems Specialist
Alison Hernandez, Senior Human Resource Specialist
Tamika Dunnaway, Senior Human Resource Specialist
Danielle Crothers, Senior Benefits Administrator
Brittany Stinson, Public Information Officer
Amanda Nazario, Confidential Legal Assistant
Lori Huelle, Executive Assistant

Outside Counsel Present (via Zoom)

John Renken, Esq., Hawkins Delafield & Wood

Jeffrey Perlman, Esq., D. Seaton & Associates

Member of the Public Present

Matt Potter, New York State Department of Health

PUBLIC SESSION

Committee Chair Ronski welcomed the Members and Staff to the meeting. Upon a motion by Mr. Carney and a second by Ms. McKinnie, the Minutes of the June 21, 2023, Finance Committee Meeting were unanimously approved.

The New York and Presbyterian Hospital Obligated Group

Mr. Bergin stated that the Finance Committee is being asked to recommend to the full Board the issuance of bonds in an amount not to exceed \$400,000,000 on behalf of The New York and Presbyterian Hospital Obligated Group for a term not to exceed 20 years. He further stated that the proceeds of the Bonds will be used to refinance The New York and Presbyterian Hospital's 2013 taxable FHA-Insured Mortgage Loan.

Mr. Bergin stated that the New York and Presbyterian Hospital (NYPH) is the sole member of The New York and Presbyterian Hospital Obligated Group and operates 3,402 certified beds at eight campuses in Manhattan, Brooklyn, and Westchester County. Mr. Bergin directed the Members' attention to the organizational chart and DOH recommendation memo included in the Board materials. He noted that none of the subsidiaries or affiliates are currently members of the Obligated Group.

Mr. Bergin informed the Committee Members that NYPH entered into a Master Trust Indenture (MTI) in 2015. He explained that the MTI establishes the parity nature of existing and future indebtedness and the conditions under which the Obligated Group incurs and secures debt. Each time the Obligated Group incurs debt, an Obligation is issued pursuant to the MTI to evidence the obligation with respect to repayment. Mr. Bergin stated that as sole member of the Obligated Group, NYPH is solely liable for repayment of such Obligations. He further stated that the proposed bonds will be secured by an Obligation issued under the MTI that will secure NYPH's payments under the Loan Agreement. Mr. Bergin stated that the Loan Agreement and the Obligation are general obligations of NYPH and the Obligated Group.

Mr. Bergin informed the Committee Members that under current market conditions, the refinancing is estimated to provide a net present value benefit of approximately \$33.3 million, or approximately 9.2% of the debt being refinanced. He stated that NYPH would like to structure the refinancing to amortize primarily between the years 2028 through 2038 to provide for a more level aggregate debt service profile. Mr. Bergin further stated that although the current plan of finance is to keep the existing maturity, NYPH has requested flexibility to extend the existing maturity by 5 years. He noted that any potential extension would be subject to tax counsel review.

Mr. Bergin reported that NYPH's operating gain has averaged approximately \$313 million or 4.37%, in recent years, excluding the negative results in 2020 caused by the pandemic. He stated that for the three-month period ending March 31, 2023, NYPH recorded operating income of \$124.9 million; an operating margin of 5.3%; and an increase of approximately \$270 million in net patient service revenue, or 14%, compared to the same time period in 2022. Mr. Bergin explained that this increase was primarily driven by increases in both inpatient and outpatient volumes and increases in payments rates. Mr. Bergin stated that the expected ratings on the bonds are Aa2/AA.

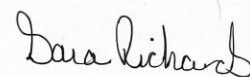
Chair Ronski thanked Matt and noted that the Department of Health recommends approval of the transaction. Mr. Bergin stated that Matt Potter from DOH is present in Albany today to answer any questions.

In response to a question from Mr. Carney, Mr. Bergin stated that in 2022 the New York Presbyterian-Brooklyn Methodist Hospital was merged into NYPH and became NYPH's eighth campus. This resulted in an increase of 590 beds as well as an increase in utilization and employees. Chair Ronski stated that NYPH has been in the DASNY portfolio for many years and has been a great client.

The Finance Committee Members agreed unanimously to recommend Board approval of The New York and Presbyterian Hospital Obligated Group transaction at the next full Board meeting.

The Finance Committee meeting was adjourned at approximately 9:42 a.m.

Respectfully submitted,



Sara P. Richards
Assistant Secretary