

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 10:15 a.m. on Wednesday, June 21, 2023.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Romski, Finance Committee Chair, at 10:15 a.m. and a quorum was declared present. The following Board Members and Staff were present:

Finance Committee Members Present--NYCO

Gerard Romski, 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 – NYCO

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

Other Board Members Present--Albany

Robert Rodriguez, Board Member
Joan M. Sullivan, 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
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
Charlie Williams, Managing Director, Executive Direction
Sara Richards, Chief of Staff
Ricardo Salaman, Deputy General Counsel
Dena Amodio, Associate General Counsel
Michael Clay, Senior Director, Opportunity Programs
Jeffrey Gordon, Senior Director, Communications & Marketing
Matthew Moore, Esq., Senior Director, Procurement
Geoffrey Arnold, Director, Budget & Operations

Matthew Bergin, Director, Public Finance
Jerry Brouillette, Director, Information Services
Deborah Fasser, Director, Strategic Communications & Business Development
Craig Schreivogl, Director, Portfolio Monitoring
Steve Winters Bona, Assistant Director, Financial Management
Steve Kosier, Assistant Director, Public Finance & Portfolio Monitoring
David Ostrander, Assistant Director, Public Finance & Portfolio Monitoring
Stanley Reed, Assistant Director, Investments
Karen Ehlinger, Manager, Internal Control Analysis
Dave Byam, Senior Systems Specialist
Alex Sirdine, Senior Financial Analyst
Kelly Cooper, Senior Accountant II
Brittany Stinson, Public Information Officer
Amanda Nazario, Confidential Legal Assistant
Lori Huelle, Executive Assistant

Bond Counsel Present (via Zoom)

Robert Drillings, Esq., BurgherGray LLP
Virginia Wong, Esq., Nixon Peabody LLP

PUBLIC SESSION

Committee Chair Ronski called the Meeting to order. The Minutes of the May 9, 2023 Finance Committee Meeting were reviewed and approved.

SUNY Dormitory Facilities Revenue Bond Program—Single Approval Financing

Mr. Kosier stated that the Finance Committee is being asked to recommend the full Board the issuance of an amount not to exceed \$920 million on behalf of the State University of New York Dormitory Facilities Revenue Bonds program. He informed the Committee Members that of this amount, up to \$150 million is expected to be used to finance new money projects at various SUNY campuses and the balance of up to \$770 million is expected to be available to pay the purchase price of prior bonds accepted for tender to achieve debt service savings for SUNY.

Mr. Kosier stated that prior to 2013, DASNY issued bonds under the former SUNY Dorm Lease Revenue Bond Program, which had a SUNY General Obligation and State appropriation. He explained that in 2013, DASNY began issuing bonds under the SUNY Dormitory Facilities Revenue Bond program, which relies exclusively on dormitory rentals for the payment of debt service. Mr. Kosier further explained that Bonds may not be issued under the former program, and as of December 2021, there are no longer bonds outstanding under the older program. He informed the Committee Members that DASNY has issued approximately \$2.9 billion through 11 series of bonds under the current SUNY Dorm Program, and there is currently approximately \$1.9 billion of bonds outstanding and of these outstanding bonds, there are three taxable series---the Series 2019B, Series 2020A, and Series 2021B bonds.

Mr. Kosier stated that the three taxable series have a combined amount outstanding of approximately \$1.1 billion, of which approximately \$770 million is currently eligible for tender. He explained that in order to achieve debt service savings for the benefit of SUNY Dorms, DASNY may offer the holders of these bonds the option to tender their bonds for purchase by DASNY and the purchase price of the bonds accepted for tender is expected to be funded with the issuance of tax-exempt bonds. Mr. Kosier stated that staff is requesting a not to exceed amount of \$920 million to accommodate the maximum amount of new money issuance as well as full participation in the tender, but that the actual issuance will likely be significantly lower.

Mr. Kosier stated that SUNY anticipates the 2023 new money issuance to be approximately \$120 million. He explained that the amount of issuance required to pay the purchase price of the tender, as well as the level of savings, will depend on the participation level and market dynamics. Mr. Kosier noted that, while participation in the tender is currently unknown, recent historical levels are in the range of 20% to 40%. He informed the Committee Members that the bonds issued to pay the purchase price on the tender will not extend the final maturity of the bonds being refunded. Mr. Kosier stated that SUNY is considering issuing a portion of the Series 2023 Bonds as Green Bonds.

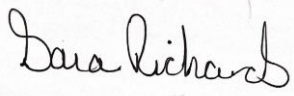
Mr. Kosier informed the Committee Members that the Residence Hall Program is a self-supporting program of SUNY, generating revenues from over 450 residence halls on 25 campuses to support its operations, maintenance, and debt service. He stated that pursuant to the Enabling Act, SUNY assigned to DASNY all rights in dormitory facilities revenues, and SUNY is required to deliver such revenues to the Commissioner of Taxation and Finance for deposit into the Dormitory Facilities Revenue Fund. Mr. Kosier explained that the moneys are used first to pay principal and interest on the SUNY Dorm Program bonds and the remaining funds vest to SUNY to be used for operations, maintenance, repair and replacement reserve funds, and any other lawful purpose of SUNY. With respect to utilization, Mr. Kosier informed the Committee Members that residence Hall utilization in the Fall of 2019 was approximately 65,000 beds but fell to approximately 39,000 beds in the Fall of 2020 due to COVID-19. He stated that utilization over the past two years averaged approximately 55,000 beds and although utilization has improved since the Fall of 2020, it remains below pre-pandemic levels due primarily to lower SUNY enrollment numbers across the system.

Mr. Kosier stated that SUNY has a debt service coverage requirement of 1.2 times. He further stated that from 2013, when the SUNY Dorm Program began, to 2020, Debt Service Coverage ranged from 1.3 times to 1.54 times. He reminded the Committee Members that uncertainty in utilization due to COVID-19 led to a July 2020 DASNY bond issuance to provide temporary debt service relief to SUNY by refunding and restructuring all the SUNY Dorms debt service due and payable in SUNY fiscal years 2021 and 2022. Mr. Kosier noted that SUNY also received Federal stimulus funds in those two years which helped offset lost revenues due to the pandemic, which led to higher-than-normal Debt Service Coverage ratios in 2021 and 2022. He reported that this year, Debt Service Coverage is projected to be approximately 1.45 times, which is in line with pre-covid levels. Mr. Kosier stated that security for the bonds includes a first lien on Dormitory Rentals that are deposited to the Commissioner of Taxation and Finance Dormitory Facilities Revenue Fund. He informed the Committee Members that Bonds issued under the SUNY Dorm Program are currently rated Aa3 by Moody's and A+ by both S&P and Fitch.

The Finance Committee Members agreed unanimously to recommend full Board approval of the PIT/Sales Tax Revenue Bond Single Approval transaction at the full Board meeting.

The Finance Committee meeting was adjourned at approximately 10:25 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Sara Richards". The signature is written in a cursive style and is centered within a light gray rectangular box.

Sara P. Richards
Assistant Secretary