

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 9:15am Wednesday, March 1, 2023.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Ronski, Finance Committee Chair, at 9:20a.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
Alfonso L. Carney, Jr., Board Chair, Committee Member

Other Board Members Present

Beryl L. Snyder, Esq., Board Secretary
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*)

Finance Committee Members Absent

Janice McKinnie, Committee Member

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
Charlie Williams, Managing Director, Executive Administration
Ricardo Salaman, Esq., Deputy General Counsel
Sara Richards, Managing Senior Director of Governance and Administration
Jeffrey Gordon, Senior Director, Communications & Marketing
Jenilee Flinton, Director, Internal Audit
Dena Amodio, Esq., Assistant General Counsel
Geoffrey Arnold, Director, Budget & Operations
Deborah K. Fasser, Director, Strategic Communications and Business Development
Matthew Bergin, Director, Public Finance

Craig Schreivogl, Director, Portfolio Monitoring
Jerry Brouillette, Director, Information Services
David Ostrander, Assistant Director, Public Finance & Portfolio Monitoring
Alex Sirdine, Financial Analyst
Amanda Nazario, Confidential Legal Assistant

PUBLIC SESSION

Committee Chair Romski called the Meeting to order. The Minutes of the January 10, 2023 Finance Committee Meeting were reviewed and approved.

InterAgency Council of Developmental Disabilities Agencies, Inc.—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 fixed and/or variable rate tax-exempt and/or taxable bonds, with a term not to exceed 26 years, in an amount not to exceed \$28,000,000 on behalf of InterAgency Council of Developmental Disabilities Agencies, Inc. He noted that this will be the 16th financing for the InterAgency Council program.

Mr. Sirdine informed the Committee that proceeds from the Bonds are expected to be used to refinance existing bank loans and reimburse certain institutions for cash expenditures used to renovate or acquire certain properties used to provide services for the developmentally disabled. Mr. Sirdine explained that this will be a pooled financing on behalf of 7 participants with 17 projects, all of which have Prior Property Approvals (PPAs). He further explained that each borrower will have its own loan agreement, and security features include a pledge of all Public Funds attributable to each financed project; a standby intercept of all Public Funds attributable to each financed project; a 6 month Debt Service Reserve Fund; and mortgages on real property acceptable to DASNY, where available.

Mr. Sirdine stated that the 7 borrowers in this pool are all 501(c)(3) organizations that have a history of providing essential, State-mandated services to NYS residents who have developmental disabilities. He explained that in order to initiate the development of a project, the Not-for-Profit provider is required to complete a CON (Certificate of Need) which is reviewed by OPWDD for compliance and need before approving the Prior Property Approval (PPA), which evidences OPWDD's commitment to funding the project. Mr. Sirdine further explained that the State commits to supporting the development and operation of the project if completed in conformance with the PPA.

Mr. Sirdine informed the Committee Members that the projects are supported through contracts and reimbursement arrangements with OPWDD and are expected to have a replacement operator component. He stated that a rating of Aa2 from Moody's is anticipated for this transaction.

The Board Chair asked Mr. Sirdine to provide additional details on the debt service reserve fund. Mr. Sirdine explained that each borrower will fund its own portion of the debt service reserve fund, which will be funded in the amount of 6 months of annual debt service.

Mr. Ronski asked whether some of the mortgages would be subordinate to the first mortgage and Mr. Sirdine responded in the affirmative.

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

New York State School Districts Revenue Bond Financing Program—Single Approval

Mr. Ostrander stated that the Finance Committee is being asked to recommend to the full Board the issuance of multiple series of tax-exempt and/or taxable bonds in negotiated offerings, with a term not to exceed 31 years, in an amount not to exceed \$1,500,000,000 on behalf of various New York State school districts. He stated that proceeds from this issuance may be used to refinance bond anticipation notes (BANs) of various New York State districts; finance new money projects on behalf of these districts; or refund bonds issued by DASNY through the school districts program.

Mr. Ostrander stated that as in prior years, Staff is requesting authorization to meet current demand from school districts for a new money and BAN refinancing pool closing in June, as well as to accommodate additional demand that could occur later in the year. He further stated that school district participation in the DASNY pool is primarily rate-driven. Mr. Ostrander explained that when school districts issue bonds, they can receive building aid reimbursement from the State in one of two ways: issue general obligation bonds on their own or participate in a DASNY issuance. He further explained that when a school district issues its own general obligation bonds, the district receives building aid based on the statewide average interest rate from the previous year. Mr. Ostrander stated that school districts may also issue through DASNY and receive building aid based on the actual cost of borrowing. He further stated that since the reimbursement rate from the State lags behind current interest rates, more districts issue on their own in a declining interest rate environment. Conversely, in a rising interest rate environment, more districts tend to issue through DASNY.

Mr. Ostrander informed the Committee Members that DASNY has issued over \$7.7 billion in bonds under the program on behalf of 325 school districts since the first School Districts financing in 2002. He stated that the \$759.1 million new money issuance last year was the largest ever for the program and provided financing for 66 school districts. Mr. Ostrander further stated that based upon initial feedback from the school district's financial advisors, the new money pool for 2023 is expected to exceed the 2022 pool due to rising interest rates.

Mr. Ostrander stated that the structure and security features for the issuance will remain the same as in previous school district pools, including semi-annual payments to be made pursuant to financing agreements that are backed by the full faith and credit, general obligation bonds of the participating districts; statutory intercepts through the State comptroller of any State aid due to those participating districts for debt service on DASNY bonds as well as bond insurance, if available and economically advantageous.

The Board Chair stated he is pleased that DASNY can assist school districts in a rising interest rate environment. He thanked Staff for their efforts on this program. Mr. Ronski agreed.

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

Finance Committee Charter—Annual Review

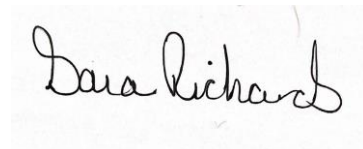
Ms. Richards informed the Finance Committee Members that the Committee must review the Finance Committee Charter on an annual basis. She stated that staff is not recommending any changes to the Finance Committee Charter at this time. Ms. Richards noted that the full Board does not need to approve the Charter.

The Finance Committee Members agreed that no changes are necessary for the Finance Committee Charter at this time.

Ms. Richards stated for the record that due to weather-related travel delays yesterday afternoon, all of the scheduled Committee Meetings for DASNY and its subsidiaries had to be canceled. Therefore, the Finance Committee meeting was rescheduled to this morning and the other DASNY and subsidiary committee meetings scheduled for yesterday afternoon will instead be rescheduled to April.

The Finance Committee meeting was adjourned at approximately 9:35 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 Richards
Assistant Secretary