

**New York State Bridge Authority Finance Committee
Meeting Minutes of June 9, 2020**

The New York State Bridge Authority's Finance Committee met via teleconference/zoom, New York, at 11:13am on June 9, 2020.

In addition to Finance Committee Chairman Roderick Dressel and Committee members Richard Gerentine and Diane Jablonski, those in attendance were as follows:

Roger Higgins
Henry Stanton
Tara Sullivan
Brian Bushek
Carl G. Whitbeck, Jr., Esq.

Upon a motion made by Mr. Gerentine and seconded by Ms. Jablonski the minutes of the March 20, 2020 Committee of the Whole meeting were approved unanimously.

Mr. Bushek reviewed the executive summary of NYSBA's financing plan and the resolution of intent. Mr. Bushek has been in consultation with the Authority's financial advisor Acacia Financial Group, Inc. and Stantec, the Authority's Traffic Engineer regarding the options for a plan of financing the upcoming significant project awards in light of the COVID-19 pandemic. In particular, they have considered the availability potential options of bond financing to support costs of the significant contract for reconstruction of the Newburgh-Beacon Bridge north span, the Mid-Hudson Bridges curb and railing project, and the AET Conversion project.

The following were noted to the Committee

- **Reduced Revenues:** Mr. Bushek has reported that March, April and May revenues are substantially below budgeted 2020 amounts. Reduced revenues affect:
 - the moneys available for the pay-go portion of capital projects
 - moneys to support bonds to finance the larger projects
 - the ability to meet the ongoing toll covenant now and in the future
- **Capital Plan Adjustments:** Mr. Wright has proposed substantial changes to the capital plan to reduce current and next year expenditures to assist in addressing the revenue impacts.
- **Financing Plan:** Acacia assisted with the review of possible funding scenarios assuming substantial recovery over the remainder of the year to 95% of budget by year end and approval of the proposed capital plan adjustments.

*Note that all scenarios depend on actual results this year.

- Scenario 1—Modified version of the original plan with \$40M short term subordinate notes issued in early 2021 and \$50M in 2022, likely paired with a refinancing of the 2012 to extend the maturity and reduce current payments. Subordinate debt requires a 1x coverage for new obligations plus 1.75 on existing.
- Scenario 2—Up front issuance of the entire 90M, likely paired with a refinancing. Unlikely to be feasible unless revenues recover very quickly.
- Scenario 3—Break the capital plan down further with the NBBN project broken into phases to reduce contracted obligations and issue subordinate notes to fund a smaller amount.
- Feasibility of financing at the time of issuance will depend in actual revenues during the remainder of this year, other demands on cash, capital project cash flow requirements, financial markets, traffic engineer projections in the face of COVID uncertainty, toll schedules in place, and rating impacts.

In addition, as part of the overall financing plan discussion Mr. Bushek brought the resolution of intent to the committee. The resolution of intent is necessary for tax purposes. It allows for the reimbursement of the Maintenance Reserve Funds from the proceeds of Federal tax exempt bonds to be issued at a future date.

Upon a motion made by Mr. Dressel, seconded by Mr. Gerentine, the Capital Program Financing was accepted unanimously and the resolution of intent will be sent to the full Board with the Committee's recommendation for adoption.

The Committee would like to discuss further at the regular Board meeting. Upon a motion made by Mr. Dressel, seconded by Ms. Jablonski the Capital Program Financing was accepted unanimously and will be sent to the full Board with recommendation for adoption.

Having no other business, the meeting adjourned at 11:14 am.