STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at the Operating Engineers Local 324 Journeyman and Apprenticeship Training Center located at 275 East Highland Road, Howell, Michigan at 2:07pm, Monday, April 23, 2012.

Board Members Present:

Patrick Devlin (late – arrival time 2:15 pm)
Ehrlich Crain
David Trott
Carol Walters

Absent:

Marty Mercer

Authority Staff:

Debbie Roberts, Executive Director
Carol Schulz, Financial Specialist
TeAnn Smith, Financial Analyst
Stephanie Epps, Risk Management Analyst

Others Present:

Alan Lambert (Attorney General's Office)
Rachael Eubanks (R. W. Baird)

Vice Chairperson Crain called the meeting to order at 2:07 p.m. Mr. Crain gave an introduction of himself, followed by introductions of those present.

The minutes of the October 24, 2011 meeting were reviewed. Ms. Walters moved that the minutes be accepted as written. Mr. Trott supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which includes two resolutions for construction agreements for projects ready to enter into the CP program and review of the SBA's Annual Project Cost Summary Report.

Ms. Smith reviewed the CP status report and noted that the two highlighted projects have recently been added to the CP program since the last meeting in October 2011. The total CP outstanding is $69.87 million, at a rate of .19% with a maturity date of June 28, 2012.

Ms. Roberts explained the first resolution presented to the Board is for two projects to enter the Commercial Paper Program. The documents are in the same form as presented to the Board in the past. Mr. Crain asked if there was anything noteworthy of the presented resolutions. Ms. Roberts stated that they were standard construction projects. It was moved by Ms. Walters, supported by Mr. Trott, that the Board approve the Resolution of the State Building Authority Approving Construction Agreements, Conveyances of Property, Leases and Easement Agreements, if Necessary, for Certain Facilities:

- Department of State Police Bay City State Police Post
- Wayne County Community College District Northwest Campus

All were in favor and the resolution passed unanimously.

The second resolution presented to the Board is a Resolution of the State Building Authority Approving a Completion Assurance Agreement and a Lease for the Department of Technology, Management and Budget State Facility Preservation Projects-Phase I and III Group P State Surplus Facility Special Maintenance. Ms. Walters asked for clarification on what is State Surplus Facility Special Maintenance. Ms. Roberts explained that it covered the maintenance and replacement of roofs, HVAC systems, and other requirements in the facility in which state did not necessarily own but required a bill of sale and assurance that the property would remain leased to the State of Michigan throughout the replacement's useful life. It was moved by Ms. Walters, supported by Mr. Trott, that the Board approve the Resolution of the State Building Authority Approving a Completion Assurance Agreement and a Lease for the Department of Technology, Management and Budget State Facility Preservation Projects-Phase I and III Group P State Surplus Facility Special Maintenance.

All were in favor and the resolution passed unanimously.

Following the vote Mr. Devlin entered the meeting space and assumed his place as the Board leader.

Ms. Roberts handed out the SBA's Annual Project Cost Summary Report to all persons present. Ms. Roberts stated that the Report was simply being provided for the Board's review and information. Ms. Walters inquired as to what 2012 bonding would look like. Ms. Roberts answered that the Authority is not planning

on issuing any new bonds in 2012 and that they would probably wait until 2013. Mr. Crain asked if we were able to refinance. Ms. Roberts stated that it was not possible to refinance until 2013. She indicated that the SBA would likely pair a refinancing with a new money bond issue. Ms. Roberts shared that there are a number of capital outlay projects awaiting construction authorization. Ms. Walters questioned if they required legislative approval. Ms. Roberts confirmed that they require both legislative and administrative approval in addition to Board approval. Ms. Roberts stated that there is a move to make some changes to the capital outlay approval process, consolidating the three steps it requires now into a single step, thus eliminating the confusion of project approval when a new administration takes over partially approved projects. At this time there is no word on whether the streamlining will be approved or not. Mr. Devlin asked if the SBA Board was in jeopardy due to this streamlining. Ms. Roberts assured the Board that it is a legislative requirement and therefore an amendment to the statute would have to take place in order to eliminate the SBA Board. Mr. Crain inquired as to which year the largest volume of bonding for the Board had taken place. Ms. Roberts recalled that 2006 would probably have been the largest year. Ms. Walters then asked if it was a coincidence that University of Michigan and Michigan State were within one percent of their respective funding amounts. Ms. Roberts mused that it was in fact purely a coincidence.

Mr. Crain inquired if there were any other contracts coming up for approval. Ms. Roberts informed the board that there would be an RFP for Underwriters sometime in January or February of 2013.

Ms. Roberts noted that the next scheduled meeting of the Board of Trustees is July 23, 2012. Ms. Walters has a conflict with the proposed July meeting date, as did Mr. Trott. Ms. Roberts informed the Board that she did not expect to have anything to bring to a meeting, but that she would let them know if it were to be canceled. If the meeting is needed, it will be held in the Lansing area.

Mr. Devlin adjourned the meeting at 2:24 p.m.

APPROVED AND ADOPTED:

Deborah M. Roberts, Executive Director

Patrick J. Devlin, Chairperson