

STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at Eastern Michigan University in Pray-Harrold Hall, 2nd Floor, Room 219, East Circle Drive, Ypsilanti, Michigan at 2:08pm, Monday, October 24, 2011.

Board Members Present:

Patrick Devlin
Ehrlich Crain
David Trott
Carol Walters

Authority Staff:

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

Others Present:

Phillip Jeffrey, DTMB
Alan Lambert (Attorney General's Office)
Wayne Workman (R. W. Baird)
Rachael Eubanks (R. W. Baird)
Andrea F. Jaeckel (Eastern Michigan University)

Chairperson Devlin called the meeting to order at 2:08 p.m. Mr. Devlin introduced Mr. Trott, Chairman of Trott & Trott, P.C. and the newest member of the SBA Board of Trustees. Mr. Trott gave a brief introduction of himself, followed by introductions of the remaining Board members. Mr. Devlin proceeded to ask everyone in the room to introduce themselves.

Ms. Roberts announced the new audit firm, Andrews Hooper and Pavlik, PLC. Their entrance meeting with the State Building Authority was conducted October 24, 2011.

The minutes of the May 4, 2011 meeting were reviewed. Ms. Walters moved that the minutes be accepted as written. Mr. Crain supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which includes an update on the 2011 Revenue and Revenue Refunding Bonds, one resolution for construction agreements for projects ready to enter into the CP program and one resolution for Executive Director Authorization allowing consent to road vacation action.

Ms. Smith reviewed the CP status report and noted that the four highlighted projects have recently been added to the CP program since the last meeting in May. The total CP outstanding is \$18.96 million, at a rate of .18% with a maturity date of November 17, 2011.

Mr. Workman reported on the 2011 Revenue and Revenue Refunding Bonds. The pricing summary was prepared by JP Morgan. The sale went exceptionally well. There were four series bonds; three fixed rate series priced on July 11, 2011, and one floating rate series priced the day before closing on July 27, 2011. Savings were above target with \$26.5 million present value savings based on par amount,

and \$19.5 million annual rent savings from 2012 through 2026. All in true interest cost (TIC) is 5.264%.

Mr. Devlin asked if the savings numbers were relayed to the Governor's Office. Ms. Roberts indicated that the numbers were provided to the Executive Office. Mr. Devlin asked if the savings would affect the bond rating. Mr. Workman stated that SBA is tied to the SOM rating and there has not been a change yet but there could be.

Mr. Crain inquired if the savings were reflected in the current budget. Ms. Roberts stated that they were not reflected in the current budget but will be reflected in the supplemental and will be applied to the general fund. Mr. Devlin asked about additional capital. Ms. Roberts answered that the capital outlay is unrelated and their savings won't affect future capital decisions.

Ms. Roberts explained the first resolution presented to the Board is for three projects to enter the Commercial Paper Program. The documents are in the same form as presented to the Board in the past. It was moved by Mr. Crain, supported by Ms. Walters, that the Board approve the Resolution of the State Building Authority Approving Construction Agreements, Conveyances of Property, Leases and an Easement Agreements, if Necessary, for Certain Facilities:

- Henry Ford Community College Science Building Improvements
- Washtenaw Community College Skilled Trades Training Program Renovations
- Western Michigan University Sangren Hall Replacement

A roll call vote was conducted with the following results:

Mr. Devlin – Yes

Mr. Crain – Yes

Ms. Trott – Yes

Ms. Walters – Yes

The second resolution presented to the Board is a resolution requesting authorization of the Executive Director to consent to road vacation action. Ms. Roberts explained that in 2007, the SBA issued bonds for the construction of the GVSU Padnos College of Engineering in Grand Rapids, MI. This building is located across US-131 from the road to be vacated. According to John Spencer, State surveyor, vacation of this portion of the road does not affect the SBA bonded parcel. Additionally, Mr. Lambert, from the State Attorney General's Office, explained that there is no standing for objection from the State since the action takes place outside the 300 foot area of effect requirement. It was moved by Ms. Walters, supported by Mr. Trott, that the Board approve the Resolution of the State Building Authority for the Executive Director to Consent to Road Vacation Action.

All were in favor and the resolution passed unanimously.

Ms. Roberts noted that the next scheduled meeting of the Board of Trustees is January 24, 2012. Ms. Walters has a conflict with a January meeting. Mr. Workman will not be able to attend if the meeting is scheduled for outside of the

Lansing, Michigan, area. If the meeting is needed, it will be held in the Lansing area.

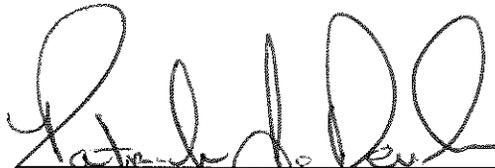
Mr. Crain asked if there were any RFPs. Ms. Roberts stated that the appraiser RFP is to be released soon. Mr. Crain requested to be notified of its release.

The meeting was adjourned at 2:25 p.m.

APPROVED AND ADOPTED:



Deborah M. Roberts, Executive Director



Patrick J. Devlin, Chairperson