STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at the Oakland University Human Health Building in Room 2045, located at 2200 North Squirrel Road, Rochester, Michigan, at 2:00pm, Monday, October 22, 2012.

Board Members Present:

Patrick Devlin
Ehrlich Crain
Kenneth Lingenfelter
Carol Walters

Absent:

David Trott

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)
Wayne Workman (R. W. Baird)

Chairperson Devlin called the meeting to order at 2:00 p.m. Mr. Devlin introduced Mr. Lingenfelter, owner of The Lingenfelter Collection and Metropolitan Motor Sports, and CEO of Lingenfelter Performance Engineering, and the newest member of the SBA Board of Trustees. Mr. Lingenfelter 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.

The minutes of the April 23, 2012 meeting were reviewed. Mr. Crain moved that the minutes be accepted as written. Ms. Walters 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 seeks approval for two carve-outs on excess property of currently bonded projects with the intended use being for two upcoming projects. Additionally, there is a consent to grade resolution for the Department of Transportation involving property deeded to the SBA. Ms. Roberts also handed out the proposed 2013 Board schedule.

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 April 2012, and there are a total of ten current projects. The total CP outstanding is $131.18 million, at a rate of .18% with a maturity date of November 15, 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 abnormal about the lease terms of the presented resolutions. Ms. Roberts stated that they were standard projects with no abnormalities. Ms. Roberts stated that these two projects were scheduled to enter into CP at the next roll if approved. It was moved by Ms. Walters, supported by Mr. Crain, 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:

- Community College District of Monroe County Technology Center Project
- Montcalm Community College Advanced Technology Center

A motion for a roll call vote was initiated by Ms. Walters and was seconded by Mr. Crain. A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. Crain – Yes
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

The second resolution presented to the board is one project to enter the Commercial Paper Program. The documents are in the same form as presented to the Board in the first resolution. Ms. Roberts stated that the project is complete and the building is currently occupied, however the University is waiting for reimbursement. Mr. Crain asked what the owed reimbursement amount is currently. Ms. Smith estimated the total project amount to be $8.8 million, with the SBA's share around $6.6 million. Ms. Roberts stated almost the entire $6.6 million amount is owed. It was moved by Ms. Walters, supported by Mr. Crain, that the Board approve the Resolution of the State Building Authority Approving a

Construction Agreement, Conveyance of Property, a Lease and Easement Agreement, if Necessary, for Ferris State University College of Pharmacy

A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. Crain – Yes
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

The third resolution presented to the Board is for approval of a conveyance of property for Northern Michigan University Student Services Center and an Amendment to Lease. Ms. Roberts explained the carve out (a carve out is excess property included in a previous project which is needed for an upcoming project) to Mr. Lingenfelter and the rest of the Board. Mr. Devlin asked if there were any questions on the resolution. It was moved by Mr. Crain, supported by Ms. Walters that the Board approves the Resolution of the State Building Authority Approving the Conveyance of Property of Northern Michigan University and an Amendment to Lease. All were in favor and the resolution passed unanimously.

The fourth resolution presented to the Board is for approval of a conveyance of property for Grand Rapids Community College Main Building Renovation and an Amendment to Lease. Ms. Roberts explained this carve out is similar to past projects and resolution for Northern Michigan University. It was moved by Ms.

Walters, supported by Mr. Crain that the Board approves the Resolution of the State Building Authority Approving the Conveyance of Property of Grand Rapids Community College and an Amendment to Lease. All were in favor and the resolution passed unanimously.

The fifth resolution presented to the Board is for consent to grade approval. Ms. Roberts explained the property was located at MSP Tower 7605. Ms. Roberts stated if the resolution was not approved it would hold up MDOT's road construction project. Mr. Crain inquired if the SBA would still hold title to the property. Ms. Roberts confirmed that the title would still be held by SBA. It was moved by Mr. Crain, supported by Ms. Walters that the Board approves the Resolution of the State Building Authority Approving the Consent to Grade Agreement. All were in favor and the resolution passed unanimously.

Ms. Roberts noted that the next scheduled meeting of the Board of Trustees is January 21, 2013. It was noted that there were differing meeting schedules presented to the Board. Mr. Lingenfelter indicated a conflict with the proposed January 21, 2012 meeting date. If the meeting is needed, it will be held in the Howell area.

Ms. Roberts informed the Board that there would be an RFP issued sometime in November 2012, with a bond deal projected for the summer of 2013 and approval of documents scheduled for April 2013.

Additionally, Ms. Roberts stated that the 2003 bonds are refundable; however she does not currently know the amount of savings.

Ms. Roberts also informed the Board that the SBA annual audit was going well and was expected to wrap up soon with an audit report available to the Board in late December 2012 or early January 2013.

Lastly, Ms. Roberts explained to the Board that the current Administration and Legislature are looking to change the capital outlay process from a three-step process to a more concise two-step process, whereby the SBA lease would be approved with construction authorization. The new process would speed up the whole capital outlay process.

Mr. Devlin adjourned the meeting at 2:20 p.m.

APPROVED AND ADOPTED:

Deborah M. Roberts, Executive Director

Patrick J. Devlin, Chairperson