

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 2:11 p.m., Wednesday, April 23, 2014.

Board Members Present:

Patrick Devlin
Stephen D'Arcy (arrived at 2:16 p.m.)
Kenneth Lingenfelter
David Trott
Carol Walters

Authority Staff:

Debbie Roberts, Executive Director
Carol Schulz, Financial Specialist
TeAnn Smith, Financial Analyst

Others Present:

Alan Lambert (Attorney General's Office)
Lynette Witgen (Department of Treasury)

Chairperson Devlin called the meeting to order at 2:11 p.m. Mr. Devlin introduced himself and the board members present. It was noted that a quorum was present. Ms. Roberts indicated that Stephen D'Arcy has recently been appointed to the State Building Authority Board and would be arriving shortly -- he was stuck in traffic. Ms. Roberts briefly discussed reorganization of the State Building Authority, an autonomous agency, to the Department of Treasury and further that she has been assigned additional duties related to the School Bond Loan Program.

Mr. Devlin asked if there were any comments from the public. There were none.

The minutes of the October 28, 2013, meeting were reviewed. Carol Walters moved that the minutes be accepted as written. David Trott supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which included an update of the Commercial Paper (CP) program, an update of the most recent audit, election of a vice-chair, and two resolutions for approval of six projects for inclusion in the commercial paper program.

Ms. Schulz reviewed the CP status report and noted that there are currently seven projects in the CP program. The total CP outstanding amount is \$63.5 million issued on March 20 at a rate of .08% with a maturity date of June 19, 2014. Debbie Roberts explained that the variable rates are ticking up a couple basis points and indicated that we are still below ten basis points.

Ms. Roberts discussed the results of the FY 2013 audit report indicating there were no findings. SBA accounting will continue to be handled by DTMB this fiscal year and the following fiscal year by the Department of Treasury.

Stephen D'Arcy arrived at 2:16 p.m. and introduced himself and thereafter everyone in the room introduced themselves.

Chairperson Devlin indicated a new vice-chair would be elected and requested nominations. David Trott nominated Carol Walters and Chairperson Devlin supported the nomination, which passed unanimously.

Ms. Roberts explained the first resolution presented to the Board is to allow for approval of construction agreements, conveyances of property, leases and easement agreements, if necessary, for five projects to enter the Commercial Paper Program. Mr. Devlin requested Ms. Roberts give a brief history of the selection process for projects. Ms. Roberts indicated that currently a four member committee grades the projects and presents their selected recommendations to the Governor. The Administration submits to the Legislature which ultimately makes the final decision as to which projects will receive construction authorization and participate in the program. Mr. D'Arcy inquired as to the grading process. Ms. Robert explained that for each project specific factors are taken into consideration and numbered on a scale according to the project submission. Mr. D.Arcy inquired as to the steps that can be taken if a project is moving forward and is deemed improper. Ms. Roberts indicated that the DTMB Office of Design and Construction has oversight of all the projects and that a project manager conducts site visits and maintains monthly reports. Mr. Devlin asked if there were any questions on the resolution. There were none. It was moved by Carol Walters, supported by Stephen

D'Arcy, 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 Technology, Management and Budget State Facility Preservation Projects-Phase III Group Q DNR Forest Fire Experiment Station Replacement
- Grand Rapids Community College Cook Academic Hall Renovations
- Grand Valley State University Science Laboratory, Classroom and Office Building
- Mid Michigan Community College Mount Pleasant Campus Unification
- Oakland University Engineering Center

A motion for a roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D'Arcy - Yes
- Mr. Lingenfelter – Yes
- Mr. Trott – Yes
- Ms. Walters – Yes

The second resolution presented to the board is to allow for a project to enter the Commercial Paper Program and for approval of a completion assurance agreement and a lease for the Department of Technology, Management and Budget State Facility Preservation Projects-Phases III and IV Group S Mason Building

Special Maintenance project. Ms. Roberts indicated the documents are very similar to the previous resolution, the only difference being this a completion assurance agreement versus a construction agreement. Ms. Roberts explained that the SBA will not be taking title to the building as it is a special maintenance project but will obtain a Bill of Sale. Mr. Devlin asked if there were any further questions on the resolution. It was moved by David Trott, supported by Carol Walters, 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-Phases III and IV Group S Mason Building Special Maintenance project. A motion for a roll call vote was conducted with the following results:

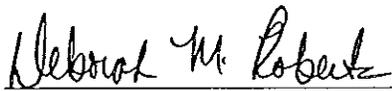
- Mr. Devlin -- Yes
- Mr. D'Arcy - Yes
- Mr. Lingenfelter -- Yes
- Mr. Trott -- Yes
- Ms. Walters -- Yes

Ms. Roberts indicated the next regular meeting scheduled for Monday, July 21, 2014, may be cancelled if there is not enough business to bring before the Board.

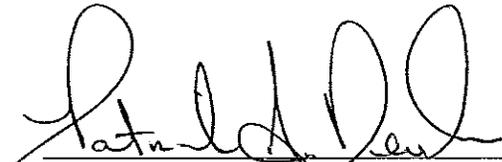
Carol Walters made a motion for adjournment supported by David Trott.

Mr. Devlin adjourned the meeting at 2:39 p.m.

APPROVED AND ADOPTED:



Deborah M. Roberts, Executive Director



Patrick J. Devlin, Chairperson