

**MICHIGAN FINANCE AUTHORITY
BOARD MEETING MINUTES
October 6, 2020**

A meeting of the Michigan Finance Authority ("MFA" or the "Authority") was held on October 6, 2020, at 2:00 p.m. in the Richard H. Austin Building, 1st Floor, State Treasurers' Board Room, 430 West Allegan Street, Lansing, Michigan.

MEMBERS PRESENT: Rachael Eubanks, Chair
Bill Beekman
Timothy Hoffman
Travis Jones

MEMBERS ABSENT: Luke Forrest
Anna Heaton
Murray D. Wikol

CALL TO ORDER/ROLL CALL

Rachael Eubanks, Chair, called the meeting of the Michigan Finance Authority to order at 2:00 p.m. with Rachael Eubanks, Bill Beekman, Timothy Hoffman, and Travis Jones in attendance. Ms. Eubanks noted that a quorum was present.

PUBLIC COMMENT

Rachael Eubanks asked if there were any members of the audience who would like to speak. There were none.

APPROVAL OF MINUTES

Rachael Eubanks asked if there were any corrections, comments, or additions to the minutes as presented dated September 17, 2020. A motion was made by Bill Beekman and supported by Travis Jones to approve the minutes. A voice vote was taken and the motion passed unanimously.

RESOLUTION 2020-10

**RESOLUTION TO AMEND THE SUPPLEMENTAL RESOLUTION
AUTHORIZING THE ISSUANCE OF LOCAL
GOVERNMENT LOAN PROGRAM REVENUE BONDS**

John Barton, Bureau of State and Authority Finance, discussed the purpose of the resolution to extend the date of the original resolution through November 30, 2020 and to add projects that have now closed.

Kester So, Dickinson Wright, presented and discussed the resolution and indicated it was in the appropriate form for the board's consideration.

William Pettit, Attorney General's Office, commented that the resolution is ready for the board's consideration and approval.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Timothy Hoffman made a motion to approve the resolution supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Timothy Hoffman, and Travis Jones.

RESOLUTION 2020-8

**BOND RESOLUTION AUTHORIZING THE ISSUANCE OF STATE CLEAN WATER
REVOLVING FUND REVENUE BONDS, THE ISSUANCE OF STATE DRINKING
WATER REVOLVING FUND REVENUE BONDS, APPROVING RELATED
DOCUMENTS AND AUTHORIZING OFFICIAL STATEMENTS AND THE
PURCHASE OF MUNICIPAL OBLIGATIONS**

John Barton, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$385 million and indicated proceeds will provide additional funds for the Clean Water Revolving Fund and Drinking Water Revolving Fund to continue to pay loan draws to local units of government; refund the Clean Water Revolving Fund and Drinking Water Revolving Fund Bond Anticipation Notes, Series 2020A; refund all or a portion the Series 2013 Clean Water Revolving Fund and Drinking Water Revolving Fund Bonds and the Series 2011 Drinking Water Revolving Fund Bonds.

Kester So, Dickinson Wright, presented and discussed the resolution and indicated it was in proper form for the board's consideration.

Alan Lambert, Attorney General's Office, commented that the resolution is ready for the board's approval.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Travis Jones made a motion to approve the resolution

supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Timothy Hoffman, and Travis Jones.

RESOLUTION 2020-17

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE
MICHIGAN FINANCE AUTHORITY
SECOND LIEN DISTRIBUTABLE STATE AID REVENUE
AND REVENUE REFUNDING BONDS
(CHARTER COUNTY OF WAYNE),
SERIES 2020**

John Barton, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$275 million and indicated the proceeds will be used to refund all or a portion of the Wayne County Building Authority Bonds (Jail Facilities), Series 2010 (General Obligation – Limited Tax) (Federally Taxable – Recovery Zone Economic Development Bonds), refund all or a portion of the General Obligation Limited Tax Capital Improvement Bonds, Series 2008A (Tax Exempt), refund all or a portion of the General Obligation Limited Tax Building Improvement Bonds, Series 2009A, and provide reimbursement for prior and payment of future interest expenditures.

Noreen White, Acacia Financial Group Inc., discussed the rating from Moody's of Aa3 with a savings of a little over 20%.

Mr. Jones inquired as to the purpose of the capitalized interest included in the resolution. Mr. Barton responded this was a way to capitalize interest expenditures on the 2018 bonds issued by the MFA. Ms. White also responded there was an opportunity for the county to reimburse themselves for the interest expense associated with the 2018 bonds as well as capitalize interest on the 2018 bonds for the next few interest payment periods.

Kester So, Dickinson Wright, presented and discussed the resolution and indicated it was in the appropriate form for the board's consideration.

William Pettit, Attorney General's Office, commented that the resolution is ready for the board's consideration and approval.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Timothy Hoffman made a motion to approve the resolution supported by Travis Jones. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Timothy Hoffman, and Travis Jones.

RESOLUTIONS 2020-18 AND 2020-19

**RESOLUTION AUTHORIZING THE ISSUANCE OF
TOBACCO SETTLEMENT ASSET-BACKED REFUNDING BONDS**

Deborah Roberts, Bureau of State and Authority Finance, indicated The Authority intends to issue two series of Refunding Bonds to refund and/or exchange all or a portion of the Series 2006A/B/C, Series 2007 A/B/C and Series 2008A Bonds using proceeds of the Refunding Bonds. The intent of the current refunding transactions are to prevent an anticipated near term default for the Series 2007 bondholders.

Daniel Kozloff, PFM, indicated the market remains very favorable with a demand in the market for these types of bonds.

Kester So, Dickinson Wright, presented and discussed the two resolutions and indicated they were in the appropriate form for the board's consideration.

John Millhouse, Attorney General's Office, commented that the resolutions were in proper form for the board's consideration and approval.

Mr. Jones inquired what the cure is for the default. Ms. Roberts responded the lower rates. Ms. Eubanks responded this will potentially allow the bonds to be paid off, on time, and not default. Mr. Kozloff also responded how the structural innovation and lower rates will withstand a greater decline in tobacco consumption and still pay off versus the original structure.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Travis Jones made a motion to approve the resolutions supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Timothy Hoffman, and Travis Jones.

ADMINISTRATIVE MATTERS

Next Meeting

The next meeting date is scheduled for November 10, 2020, at 10:00 a.m.

ADJOURNMENT

Timothy Hoffman made a motion for adjournment supported by Bill Beekman. The meeting was adjourned at 2:25 p.m.