

MICHIGAN FINANCE AUTHORITY
BOARD MEETING MINUTES
December 1, 2017

A meeting of the Michigan Finance Authority ("MFA" or the "Authority") was held on December 1, 2017, at 10:00 a.m. in the Richard H. Austin Building, 1st Floor, State Treasurers' Board Room, 430 West Allegan Street, Lansing, Michigan.

MEMBERS PRESENT: Eric Scorsone, Chair, proxy for State Treasurer
Bill Beekman
Charlotte Edwards
Don Gilmer
Tim Hoffman
Travis Jones
JulieAnn Karkosak

MEMBERS ABSENT: None

CALL TO ORDER/ROLL CALL

Eric Scorsone, Chair, called the meeting of the Michigan Finance Authority to order at 10:00 a.m. with Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak in attendance. Mr. Scorsone noted that a quorum was present.

PUBLIC COMMENT

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

REVIEW OF AGENDA

Mary Martin, Bureau of State and Authority Finance, provided an overview of items on the agenda.

APPROVAL OF MINUTES

Eric Scorsone asked if there were any corrections, comments, or additions to the minutes as presented dated November 7, 2017. A motion was made by Travis Jones and supported by Bill Beekman to approve the minutes. A voice vote was taken and the motion passed unanimously.

RESOLUTION 2017-23

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF ONE
OR MORE SERIES OF MICHIGAN FINANCE AUTHORITY
HOSPITAL REVENUE AND REFUNDING BONDS
(TRINITY HEALTH CREDIT GROUP), SERIES A 2017-MI**

David Boyne, Bureau of State and Authority Finance, discussed the multi-state financing and use of proceeds indicating the proceeds of not to exceed approximately \$925 million will be used to finance improvements and additions at health care facilities in multiple locations and states and refund prior bonds. Mr. Boyne indicated that of the \$925 million approximately \$410 million of proceeds would fund new money projects and approximately \$463 million will be used to refund a portion of prior bonds which were issued by conduit issuers in other states as well as bonds issued under the previous Michigan State Hospital Finance Authority.

Dan Davis, Trinity Health, further discussed the financing and stated that it is part of a multi-state financing of a total amount of approximately \$1.0 billion. Mr. Davis also expressed appreciation to the MFA for their support.

John Renken, Hawkins, Delafield & Wood LLP, presented the resolution and indicated it is in the standard form.

William Pettit, Esq., Attorney General's Office, commented that the resolution presented was in the proper form for the board's consideration.

Eric Scorsone asked if there were any questions, comments, or additions to the resolution. Hearing none, he then requested a motion. Tim Hoffman made a motion to approve the resolution supported by Don Gilmer. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

RESOLUTION 2017-24

**RESOLUTION TO AUTHORIZE AN AMENDMENT TO BOND INDENTURE
PERTAINING TO: \$65,060,000 MICHIGAN FINANCE AUTHORITY HOSPITAL
REVENUE BONDS (CHE TRINITY HEALTH CREDIT GROUP) SERIES 2013MI-1**

John Renken presented the resolution to authorize an amendment to the bond indenture pertaining to the series 2013MI-1 bonds.

William Pettit, Esq., commented that the resolution presented was in the proper form for the board's consideration.

Eric Scorsone asked if there were any questions, comments, or additions to the resolution. Hearing none, he then requested a motion. Bill Beekman made a motion to approve the resolution supported by Charlotte Edwards. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

RESOLUTION 2017-25

RESOLUTION TO AUTHORIZE THE ISSUANCE OF MICHIGAN FINANCE AUTHORITY HIGHER EDUCATION FACILITIES LIMITED OBLIGATION REVENUE BONDS (ALMA COLLEGE PROJECT), SERIES 2017A

Kimberly Hines, Bureau of State and Authority Finance, discussed the financing and use of proceeds of not to exceed \$23 million which will be used to finance renovations at several student housing facilities. Ms. Hines further stated that the college is undertaking this construction financing in anticipation of receiving permanent financing in 2020 from USDA Rural Development.

Tim Hoffman inquired as to the outcome of the financing should the USDA loan fail to close due to budget cuts.

Susan Wyngaarden, Varnum LLP, stated the financing is a multi-modal transaction with PNC Bank as the purchaser. Ms. Wyngaarden further stated that a different mode would be selected should the USDA loan fail to close with PNC still holding the debt.

Alan Gatlin, Alma College, further discussed the financing and indicated that the USDA funding cannot be drawn until the project is completed which necessitates this financing. Mr. Gatlin expressed appreciation to the board for their consideration.

Susan Wyngaarden presented the resolution and indicated it is in the customary form.

Klein Allison, Esq., Attorney General's Office, commented that the Attorney General's Office had participated in the development of the documents presented and believe they are in the proper form for the board's consideration.

Eric Scorsone asked if there were any questions, comments, or additions to the resolution. Hearing none, he then requested a motion. JulieAnn Karkosak made a motion to approve the resolution supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

RESOLUTION 2017-26

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF
MICHIGAN FINANCE AUTHORITY PUBLIC SCHOOL ACADEMY
LIMITED OBLIGATION REVENUE BONDS (CORNERSTONE SCHOOLS
ASSOCIATION) SERIES 2017A (TAX-EXEMPT)
AND
MICHIGAN FINANCE AUTHORITY PUBLIC SCHOOL ACADEMY
LIMITED OBLIGATION REVENUE BONDS (CORNERSTONE SCHOOLS
ASSOCIATION) SERIES 2017B (FEDERALLY TAXABLE)**

David Boyne discussed the financing and use of proceeds issued under Act 270 of 1984, Michigan Strategic Act, of not to exceed \$3.4 million with an estimated interest rate of not to exceed 8% tax exempt and 10% taxable for an estimated term of 25 years.

Jill Bachle, Cornerstone Education Group, further discussed the financing and the use of proceeds which will be used to pay costs of energy efficiency improvements, including HVAC and lighting upgrades and window replacements, to owned and leased facilities. Ms. Bachle further stated that the bonds will be secured by a Property Assessed Clean Energy (PACE) special assessment and that lease payments from the tenants will initially satisfy the debt service requirements on the bonds; however, in the event of a shortfall, Wayne County will levy a special assessment on the property sufficient to pay debt service on the bonds.

Craig Hammond, Dickinson Wright PLLC, presented the resolution and indicated it is in the customary form.

William Pettit, Esq., commented that the documents presented are in the proper form for the board's consideration.

Eric Scorsone asked if there were any questions, comments, or additions to the resolution. Hearing none, he then requested a motion. Travis Jones made a motion to approve the resolution supported by Charlotte Edwards. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

RESOLUTION 2017-27

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF
MICHIGAN FINANCE AUTHORITY STUDENT LOAN REVENUE
REFUNDING BONDS, SERIES 22-B IN THE AGGREGATE PRINCIPAL
AMOUNT OF NOT TO EXCEED \$80,000,000 (the "BONDS")**

Mary Martin discussed the financing and use of proceeds of not to exceed \$80 million which will be used to refund a portion of the outstanding series 22-A bonds.

Benjamin McGuire, FirstSouthwest, further discussed the financing and commented on the need to refund the bonds as the letter of credit is set to expire September 28, 2018.

Jarrold Smith, Dykema Gossett PLLC, presented the resolution and indicated the sunset date is February 28, 2018, and commented that it was in order for the board's consideration.

Molly Jason, Esq., Attorney General's Office, commented that the resolution was in order for the board's consideration.

Eric Scorsone asked if there were any questions, comments, or additions to the resolution. Hearing none, he then requested a motion. Don Gilmer made a motion to approve the resolution supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

RESOLUTION 2017-28

BOND RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF STATE CLEAN WATER REVOLVING FUND REVENUE REFUNDING BONDS, APPROVING DOCUMENTS, AND A DIRECT PURCHASE AGREEMENT FOR THE SALE OF THE BONDS

John Barton, Bureau of State and Authority Finance, discussed the financial structure of the transaction and indicated that the proceeds in the amount of not to exceed \$150 million will be used to refund all or a portion of the series 2011 and 2012 CWRP bonds.

Anne Burger, FirstSouthwest, (via telephone) further discussed the financing and expressed urgency to move forward quickly to optimize savings due to potential tax law changes.

Ian Koffler, Miller, Canfield, Paddock, and Stone, P.L.C., presented the resolution and indicated it is in the customary form.

Alan Lambert, Esq., Attorney General's Office, commented that the resolution was in order for the board's consideration.

Eric Scorsone asked if there were any questions, comments, or additions to the resolutions. Hearing none, he then requested a motion. Tim Hoffman made a motion to approve the resolution supported by Travis Jones. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

ADMINISTRATIVE MATTERS

John Barton provided a summary of bond issues that have been completed and upcoming projects.

Next Meeting

The next meeting scheduled for Tuesday, December 12, 2017, at 10:00 a.m. is cancelled. The next meeting will be scheduled in 2018.

Tim Hoffman inquired as to what impact the House and Senate proposed tax legislation would have on these deals.

John Barton indicated the proposed legislation contains an effective date of December 31, 2017, and therefore each of the transactions will close before then.

ADJOURNMENT

Bill Beekman made a motion for adjournment supported by Charlotte Edwards. The meeting was adjourned at 10:45 a.m.

APPROVED at the MFA Board Meeting on May 17, 2018