

**MICHIGAN FINANCE AUTHORITY**  
**BOARD MEETING MINUTES**  
**December 13, 2018**

A meeting of the Michigan Finance Authority ("MFA" or the "Authority") was held on December 13, 2018, at 10:00 a.m. in the Richard H. Austin Building, 1<sup>st</sup> Floor, State Treasurers' Board Room, 430 West Allegan Street, Lansing, Michigan.

**MEMBERS PRESENT:** Anne Wohlfert, 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**

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

**PUBLIC COMMENT**

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

**REVIEW OF AGENDA**

Debbie Roberts, Executive Director, provided an overview of items on the agenda.

**APPROVAL OF MINUTES**

Anne Wohlfert asked if there were any corrections, comments, or additions to the minutes as presented dated November 15, 2018. A motion was made by Tim Hoffman and supported by Bill Beekman to approve the minutes. A voice vote was taken and the motion passed unanimously.

**RESOLUTION 2018-15**

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF  
ONE OR MORE SERIES OF MICHIGAN FINANCE AUTHORITY  
HOSPITAL REVENUE AND REFUNDING BONDS  
(TRINITY HEALTH CREDIT GROUP), SERIES 2019MI**

David Boyne, Bureau of State and Authority Finance, discussed the multi-state financing and use of proceeds in the amount of not to exceed approximately \$400 million and indicated proceeds in the approximate amounts of \$165 million used to refinance projects in other states; \$50 million to refund bonds issued in other states; \$80 million for the potential refunding of the Series 2016MI-2 bonds; and \$105 million will be used to finance improvements and additions at health care facilities in multiple locations in Michigan.

Dan Davis, Trinity Health, further discussed the financing and indicated that the refundings would produce \$16.5 million in total net present value savings. Mr. Davis further indicated all ratings for Trinity Health Credit Group have been confirmed with stable outlooks and the closing date for the transaction is anticipated to be mid-February.

Kristine Flynn, Hawkins, Delafield & Wood LLP, presented the resolution indicating it was in the proper form for the board's consideration.

William Pettit, Esq., Attorney General's Office, commented that the Attorney General's Office has reviewed the documents which have been modeled on previous years' documents and believe they are in substantially final form.

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

**RESOLUTION 2018-16**

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF  
MICHIGAN FINANCE AUTHORITY HIGHER EDUCATION FACILITIES  
LIMITED OBLIGATION REVENUE AND REVENUE REFUNDING BONDS  
(ANDREWS UNIVERSITY PROJECT), SERIES 2018**

Graham Davidson, Bureau of State and Authority Finance, described the university which was founded in 1874 and currently enrolls over 3,300 students across multiple undergraduate and graduate programs. Mr. Davidson also discussed the financing and use of proceeds in the amount of not to exceed approximately \$15.5 million and indicated proceeds in the amount of \$1.5 million will be used to finance costs of construction, renovation, expansion, and furnishing

of various buildings and approximately \$14 million in bond proceeds will be used to refund the outstanding Michigan Higher Education Facilities Authority Variable Rate Series 2010 Bonds, refinance an outstanding taxable commercial bank loan, and to pay all or a portion of the costs of issuing the bonds. In addition to the proposed tax-exempt bonds to be issued through the MFA, the University is also borrowing \$10 million through a taxable commercial loan.

Larry Schalk, Andrews University, further described the university and additional details of financing and indicated that 90% of this transaction is for refinancing with a small portion for new money projects.

Tom Colis, Miller, Canfield, Paddock, and Stone, P.L.C., presented the resolution and indicated it is in the standard form.

Jon Stuckey, Esq., Attorney General's Office, commented that the resolution presented was in substantially acceptable form for the board's consideration.

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

### **RESOLUTION 2018-17**

#### **RESOLUTION TO AUTHORIZE THE ISSUANCE OF MICHIGAN FINANCE AUTHORITY HIGHER EDUCATION FACILITIES VARIABLE RATE LIMITED OBLIGATION REVENUE REFUNDING BONDS (UNIVERSITY OF DETROIT MERCY PROJECT), SERIES 2019A**

Patrick Price, Bureau of State and Authority Finance, discussed the financing and the use of proceeds for both the proposed Series 2019A and Series 2019B Bonds in the amount of not to exceed approximately \$37.8 million which will be used to refund the Michigan Higher Education Facilities Variable Rate Bonds, Series 2007, and the Michigan Finance Authority Variable Rate Bonds, Series 2011.

Vincent Abatemarco, University of Detroit Mercy, further discussed the financing and indicated it is a straightforward refinancing of two issues described by Mr. Price.

Travis Jones inquired regarding the amount of the net present value savings associated with the refundings. Vincent Abatemarco indicated the savings were not significant and the purpose of the financing is to move from letter of credit backed transactions to direct bank purchases.

Tom Colis presented the resolution and indicated the proceeds of the transaction would strictly be used to refund par amounts of the prior bonds.

Banu Colak, Esq., Attorney General’s Office, commented that the resolution presented was in the proper form for the board’s consideration.

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

**RESOLUTION 2018-18**

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF  
MICHIGAN FINANCE AUTHORITY HIGHER EDUCATION FACILITIES  
VARIABLE RATE LIMITED OBLIGATION REVENUE REFUNDING BONDS  
(UNIVERSITY OF DETROIT MERCY PROJECT), SERIES 2019B**

Tom Colis presented the resolution.

Banu Colak, Esq., commented that the resolution presented was in the proper form for the board’s consideration.

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

**RESOLUTION 2018-19**

**RESOLUTION OF THE MICHIGAN FINANCE AUTHORITY  
State Water Pollution Control Revolving Fund  
Purchase of Municipal Obligations**

**RESOLUTION 2018-20**

**RESOLUTION OF THE MICHIGAN FINANCE AUTHORITY  
State Drinking Water Revolving Fund  
Purchase of Municipal Obligations**

**RESOLUTION 2018-21**

**RESOLUTION OF THE MICHIGAN FINANCE AUTHORITY  
Strategic Water Quality Initiatives Fund (SWQIF)  
Purchase of Municipal Obligations**

**RESOLUTION 2018-22**

**RESOLUTION OF THE MICHIGAN FINANCE AUTHORITY  
Strategic Water Quality Initiatives Fund  
Stormwater, Asset Management, and Wastewater (SAW) Program  
Purchase of Municipal Obligations**

**RESOLUTION 2018-23**

**RESOLUTION OF THE MICHIGAN FINANCE AUTHORITY  
Strategic Water Quality Initiatives Fund  
Wetland Mitigation Banking Fund (WMBF) Program  
Purchase of Municipal Obligations**

Graham Davidson stated the annual resolutions (Resolution 2018-19, 2018-20, 2018-21, 2018-22, and 2018-23) would authorize continuing administration of various programs under the State Revolving Fund and provide loans and grants to fund various projects for local units of government.

Alan Lambert, Esq., Attorney General's Office, commented that the documents and resolutions presented are in the standard form for the board's consideration.

Anne Wohlfert asked if there were any questions, comments, or additions to the resolutions. Hearing none, she then requested a motion to authorize the annual resolutions. 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: Anne Wohlfert, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

**FEDERAL TAX CUTS AND JOBS ACT OF 2017  
RESULTING IN INTEREST RATE CHANGES**

John Barton, Bureau of State and Authority Finance, discussed the resolutions for Father Gabriel Richard High School and Hope College noting that while in May of 2018 the MFA provided authorization for an authorized officer of the Authority to execute any necessary amendments or revisions to the documentation for outstanding transactions triggered by the Tax Cut Act, the unique circumstances associated with the transactions was beyond the scope of the May resolution. Mr. Barton further noted both transactions were precipitated by the Tax Cut Act, each are utilizing the purchase in lieu of redemption provisions contained in the respective bond indentures to purchase their respective bonds and issue replacement bonds with new purchasers at interest rates lower than what would be available with the current bond holders.

Tim Hoffman inquired whether the transactions were unique or if more are to be expected. John Barton indicated they are unique due to the purchase in lieu of redemption and change in bond purchaser.

**RESOLUTION 2018-24**

**RESOLUTION TO AUTHORIZE THE EXECUTION OF A  
BOND PURCHASE AGREEMENT PERTAINING TO:  
\$8,165,000  
MICHIGAN FINANCE AUTHORITY  
EDUCATIONAL FACILITY LIMITED OBLIGATION REVENUE  
BONDS (ROMAN CATHOLIC DIOCESE OF LANSING/  
FATHER GABRIEL RICHARD HIGH SCHOOL PROJECT)  
SERIES 2011**

Robert Schwartz, Dickinson Wright PLLC, presented the resolution and stated that the purpose of the resolution is to approve the bond purchase agreement. Mr. Schwartz indicated that due to a decrease in the corporate tax rate there would be an increase in the interest rate with the current bondholder and the borrower negotiated a lower interest rate with a new bondholder.

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

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

**RESOLUTION 2018-25**

**RESOLUTION TO AUTHORIZE THE EXECUTION OF A  
BANK PURCHASE COMMITMENT PERTAINING TO:  
\$13,940,000  
MICHIGAN FINANCE AUTHORITY  
HIGHER EDUCATION FACILITIES MULTI-MODAL  
LIMITED OBLIGATION REVENUE REFUNDING BONDS, SERIES 2015  
(HOPE COLLEGE PROJECT)**

Robert Schwartz presented the resolution and indicated it is identical to the previous resolution for Father Gabriel Richard High School and provided for the approval of a bank purchase rate commitment.

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

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

## **ADMINISTRATIVE MATTERS**

### **Next Meeting**

The next meeting date is to be determined.

## **ADJOURNMENT**

Charlotte Edwards made a motion for adjournment supported by Bill Beekman. The meeting was adjourned at 10:40 a.m.

**\*APPROVED at the MFA Board Meeting on March 20, 2019\***