

MICHIGAN FINANCE AUTHORITY
BOARD MEETING MINUTES
June 12, 2018

A meeting of the Michigan Finance Authority ("MFA" or the "Authority") was held on June 12, 2018, 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

MEMBERS ABSENT: JulieAnn Karkosak

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, and Travis Jones 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. Mr. Scorsone indicated this is the last MFA board meeting that he would chair and thanked all parties for their work and service to the State of Michigan on these important matters.

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 May 17, 2018. A motion was made by Tim Hoffman and supported by Travis Jones to approve the minutes. A voice vote was taken and the motion passed unanimously.

RESOLUTION 2018-07

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

Patrick Price, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount of not to exceed \$48.5 million which will be used to finance and refinance costs for various capital improvement projects for the four-year, liberal arts, undergraduate college.

Jim Prince, Kalamazoo College, further discussed the college and the financing and stated the projects would enable the college to continue its successful swimming program, be more sustainable, attract new students, and enhance the classroom experience.

Susan Wyngaarden, Varnum LLP, presented the resolution and indicated it is in the standard form for a Public Act 295 authorization and has an expiration date of September 30, 2018.

John Millhouse, 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.

Tim Hoffman inquired as to the level of savings on the refinancing.

Susan Wyngaarden indicated the college is not undertaking the refunding for savings as the bonds will be converting to a bank mode in the near future and would be subject to interest rate risk as well as future renewal risk.

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 Charlotte Edwards. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, and Travis Jones.

RESOLUTION 2018-08

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF
MICHIGAN FINANCE AUTHORITY DISTRIBUTABLE
STATE AID REVENUE BONDS (CHARTER COUNTY OF WAYNE
CRIMINAL JUSTICE CENTER PROJECT), SERIES 2018**

Valerie Agolli, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount of not to exceed \$350 million for the construction of a new consolidated Wayne County Criminal Justice Center. Ms. Agolli indicated the series 2018 bonds would be secured by a 100% intercept of the county's distributable state aid payments (revenue sharing). Additional funding for the project would include unexpended proceeds from the prior 2010 jail bonds issued by Wayne County, a contribution from the county's restricted funds, and a portion of the funds from the sale of the unfinished jail site. Ms. Agolli further stated the balance of the funds needed to complete the project would be provided by Rock Development Company, LLC.

Henry Dachowitz, Charter County of Wayne, expressed appreciation to the MFA for the opportunity to come before the board. Mr. Dachowitz further discussed the financing and the opportunity to take advantage of favorable interest rates.

Tim Hoffman inquired as to the intended use of the former jail site.

Henry Dachowitz indicated that the property was sold and indicated it would be developed into a mixed-use space.

Eric Scorsone expressed his appreciation to Wayne County for their work and efforts on the project.

Jason Simmons, Hilltop Securities, further discussed the financing and indicated the bonds are expected to be issued with a single rating from Moody's which is expected to be Aa3. Mr. Simmons further indicated the interest rate on the bonds is expected to be in the 4.5% to 5.0% range.

Kester So, Dickinson Wright PLLC, presented the resolution and noted it contained an expiration date of October 1, 2018.

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 Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, and Travis Jones.

ADMINISTRATIVE MATTERS

Graham Davidson, Bureau of State and Authority Finance, provided an update of the state revolving fund loans that closed during the last two quarters.

Next Meeting

The next meeting scheduled for Tuesday, July 10, 2018, at 10:00 a.m. will be cancelled.

ADJOURNMENT

Charlotte Edwards made a motion for adjournment supported by Bill Beekman. The meeting was adjourned at 10:25 a.m.

APPROVED at the MFA Board Meeting on September 13, 2018