

## STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at the Richard H. Austin Building in the State Treasurers' Board Room, located at 430 West Allegan Street, Lansing, Michigan, at 2:00 p.m., Monday, June 15, 2015.

### Board Members Present:

Patrick Devlin  
Stephen D'Arcy  
Kenneth Lingenfelter  
Carol Walters

### Authority Staff:

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

### Others Present:

Alan Lambert (Attorney General's Office)  
Ann Fillingham (Dykema Gossett PLLC)  
James Kiefer (Dykema Gossett PLLC)  
Kester So (Dickinson Wright PLLC)  
Rachael Eubanks (R.W. Baird)  
Alyson Schafer (R.W. Baird)  
Stephanie Tomblin (JP Morgan)  
Craig McKenna (Morgan Stanley)  
Mary Martin (Department of Treasury)  
Colin Ohl (Department of Treasury)  
Cathy Clark (Department of Treasury)  
Lynette Witgen (Department of Treasury)

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Chairperson Devlin called the meeting to order at 2:00 p.m. Mr. Devlin introduced himself and the board members, and noted JP Morgan and Morgan Stanley staff and others present. It was noted that a quorum was present. Ms. Roberts indicated the board member vacancy is due to Mr. Trott becoming a U.S. Congressman.

Ms. Roberts discussed the FY 2015 audit report and indicated there was one comment related to the timing of the SBA accounting which was due in part to the transfer of the SBA to the Department of Treasury.

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

The minutes of the October 27, 2014, meeting were reviewed. Stephen D'Arcy moved that the minutes be accepted as written. Carol Walters supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which included an update of the Commercial Paper (CP) program and five resolutions for approval. One resolution was for approval of a new series of the CP program and the second resolution was for approval of ten facilities for inclusion into the CP program. The third and fourth resolutions approve matters for projects to be included in the upcoming bond deal. Thereafter a presentation will be given by the underwriters for the upcoming bond transaction. The final resolution was for approval of documents for the issuance of the upcoming bond deal.

Ms. Schulz reviewed the CP status report and noted the total CP outstanding amount is \$169.9 million issued on May 21 at a rate of .10% with a maturity date of June 25, 2015.

Ms. Roberts explained the first resolution presented to the Board is to authorize the sale and issuance of CP notes and to approve the next series. Each pool of the program is valid up to five years and the current pool will expire in October. Ms. Roberts indicated the resolution was in the form as previously approved in the past. Mr. Devlin asked if there were any questions on the resolution. There were none. It was moved by Ms. Walters, supported by Mr. D'Arcy, that the Board approve the Resolution Authorizing the Sale and Issuance of Commercial Paper Notes, Series 7. A roll call vote was conducted with the following results:

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

The second resolution presented to the Board is to allow for approval of construction agreements, conveyances of property, leases and easement agreements, if necessary, for ten projects to enter the CP Program. Mr. D'Arcy inquired if any of the projects were unusual and Ms. Roberts indicated they were all straight-forward and under construction and approval of this resolution would allow for reimbursement of construction costs. It was moved by Ms. Walters, supported by Mr. 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.

- Central Michigan University Bio-Science Building
- Jackson College Bert Walker Hall Renovations
- Kalamazoo Valley Community College Healthy Living Campus
- Lake Superior State University School of Business Building
- Macomb Community College South Campus C-Building Renovation
- Muskegon Community College Science Laboratory Center
- Saginaw Valley State University Wickes Hall Renovations
- Southwestern Michigan College Science and Allied Health Labs
- University of Michigan-Ann Arbor G.G. Brown Memorial Laboratories Renovation
- University of Michigan-Flint Murchie Science Laboratory Building Renovations

A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D’Arcy – Yes
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

The third resolution presented to the Board is to approve the rental, leases, and other matters for 14 projects to be included in the upcoming bond deal.

Ms. Roberts indicated the buildings are occupied and in use and Mr. D'Arcy inquired as to the rental rates. Ms. Roberts indicated they are set monthly rates. Ms. Roberts explained that the SBA will be taking title to the buildings and that the resolution is in the same form as presented to the Board in the past. It was moved by Mr. Lingenfelter, supported by Ms. Walters, that the Board approve the Resolution of the State Building Authority Determining the Rental and Confirming Other Matters Regarding the Conveyances of Property and the Leases for Certain Facilities.

- Alpena Community College Electrical Power Technology  
Education and Training Center Addition
- Bay de Noc Community College Nursing Laboratory and Lecture  
Hall
- Community College District of Gogebic County Building  
Renovation
- Delta College Health and Wellness F-Wing Renovations
- Department of State Police Detroit Crime Lab
- 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

- Lansing Community College Arts and Science Building  
Renovations
- Mid Michigan Community College Mount Pleasant Unification
- North Central Michigan College Health Education and Science  
Center Project
- Northern Michigan University Jamrich Hall Replacement
- Oakland University Engineering Center
- Wayne State University Multidisciplinary Bio-Medical Research  
Building

A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D’Arcy – Yes
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

The fourth resolution presented to the Board is for approval of the rental amount and lease form 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 resolution is in the same form as presented to the Board in the past and approval of this resolution will allow the SBA to proceed with the upcoming bond issue. Ms. Roberts further indicated 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. D'Arcy inquired as to the difference in taking a Bill of Sale and Ms. Roberts explained. It was moved by Mr. D'Arcy, supported by Ms. Walters, that the Board approve the Resolution of the State Building Authority Determining the Rental and Confirming Other Matters Regarding the Lease for the Department of Technology, Management and Budget State Facility Preservation Projects-Phases III and IV Group S Mason Building Special Maintenance. A roll call vote was conducted with the following results:

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

Ms. Roberts stated that a presentation was to be made to the Board by Stephanie Tomblin, JP Morgan, and Craig McKenna, Morgan Stanley, on the upcoming bond deal. The presentation covered the transaction overview, the attractiveness of bonding and refunding due to low interest rates, structuring details, proposed new money and refunding results, and schedule of events.

The fifth resolution presented to the Board is for the authorization of issuance and sale of its 2015 Revenue and Refunding Bonds, Series I. Ms. Roberts stated that the resolution is seeking approval for the 2015 bond issue described in the presentation and if this resolution is not approved, the SBA cannot proceed with the bond issue and the opportunity to achieve savings through the refunding will be

foregone. It was moved by Ms. Walters, supported by Mr. D'Arcy, that the Board approve the Resolution of the State Building Authority Authorizing the Issuance and Sale of Its 2015 Revenue and Revenue Refunding Bonds, Series I (Facilities Program) (including supplemental trust indenture, purchase contract, preliminary official statement, escrow deposit agreement, and continuing disclosure agreement).

A roll call vote was conducted with the following results:

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

Ms. Roberts presented the proposed 2015 meeting schedule and indicated the next regular meeting is scheduled for Monday, October 29, 2015. Carol Walters expressed appreciation to JP Morgan and Morgan Stanley for the presentation. Additionally, Pat Devlin acknowledged the efforts of SBA staff and expressed appreciation for all their efforts.

Mr. Devlin adjourned the meeting at 2:54 p.m.

APPROVED AND ADOPTED:



Deborah M. Roberts, Executive Director



Carol Walters, Vice-Chairperson