

STATE BUILDING AUTHORITY

A meeting of the State Building Authority was held on May 20, 2025, at the Richard H. Austin Building in the Vault conference room, located at 430 W Allegan St, Lansing, MI 48933. The meeting took place at 11:00 a.m.

Board Members Present

Ehrlich Crain, Chair
Michael Barnwell, Vice Chair
Price Dobernick
Aaron Pangborn

Authority Staff:

Andrew Boettcher, Executive Director
TeAnn Smith, Deputy Executive Director
Joe Avery, Financial Specialist
Ryan Tabb, Financial Analyst

Others Present:

Alyson Hayden (Department of Treasury)
Alan Lambert (Attorney General's Office)
Amy Patterson (Attorney General's Office)
Kelly Mrcic (Robert W. Baird)
James Srouji (Robert W. Baird)
Mike Menelli (Barclays) – Senior Underwriter
Collin Teague (Siebert) – Co-Senior Underwriter
Jarrod Smith (Dickinson Wright) – Bond Counsel
Laura Bilas (Foley) – Co-Bond Counsel
Heidi Jeffery (Foley) – Co-Bond Counsel
Dawn Stokes (JP Morgan)

Chairperson Crain called the meeting to order at 11:04 a.m. A roll call was taken with Ehrlich Crain, Michael Barnwell, Price Dobernick and Aaron Pangborn present.

Introductions were made for Joe Avery, State Building Authority Specialist from Financial Services to State Building Authority as of November 2024.

Chairperson Crain asked if there were any comments from the public. There were none.

The minutes of the September 26, 2024 meeting were reviewed. Mr. Barnwell moved that the minutes be accepted as written. Mr. Dobernick supported the motion. All were in favor and the motion passed.

Mr. Boettcher reviewed the agenda, including old business to review the status of the Commercial Paper Program and an audit review. Under new business, a resolution for a North Central Michigan College lease amendment, resolution for construction agreements for three new projects ready for the commercial paper program, a resolution approving the lease for Oakland University, presentation by Barclay's and resolution for 2025 bonding will be discussed.

Mr. Tabb reviewed the CP status report and noted that there are currently 2 projects in the CP Program. The total CP outstanding amount is \$42.8 million, with an interest rate of 3.1% and a maturity date of July 24, 2025. No new projects have been added since the last board meeting. It was stated that the Oakland University

project would be bonded this year and the UofM project will be withheld until next year's bonding. There were no questions by the Board from the information provided.

Mr. Boettcher covered the annual audit review. The Authority had a clean audit with no findings. In response to the last audit, the Authority has started utilizing a new software program that better reports and tracks journal entries to help streamline the roll-up to the financial statements. The changes that were made have been very positive for the Authority and will be moving forward. There were no questions.

Under New Business, Mrs. Smith covered the amendment for the North Central Michigan College Project. She gave an overview of the project and a layout of the currently held property and explained the location of the carveout on the site map. Federal funds would be used for this new addition that the Authority would not hold title to and it was stated that approval of this will allow the College to add an addition to better assist them. It was also stated that it was verified with Integra, the Authority's outside appraiser, that the carveout would not cause any change in rental amount. Mr. Lambert stated the AG's office looked over everything and the resolution is ready for approval. A roll call vote was conducted:

Aye Nay

x		Ehrlich Crain
x		Michael Barnwell

-	-	Todd Begerowski
x		Price Dobernick
x		Aaron Pangborn

Ms. Smith talked about three projects that are ready to move into the Commercial Paper program, including Delta College Information Technology and Computer Science (K-Wing) Renovations, DTMB Northville State Psychiatric Hospital Complex and DTMB State Public Health and Environmental Science Laboratory projects. The total cost of each project and the Authority's portion for each were explained. It was explained when these projects will likely need funding and their potential completion dates. Mr. Crain had a question about the Public Health and Environmental Science Laboratory project and where it was located to which Mrs. Smith replied Dimondale, the State's Secondary Building Complex. There were no other questions and a vote was conducted:

Aye Nay

x		Ehrlich Crain
x		Michael Barnwell
-	-	Todd Begerowski
x		Price Dobernick
x		Aaron Pangborn

Mr. Avery covered the resolution for the Oakland University South Foundation Hall Project. He stated that this is the sole project that would be a part of the 2025 bond issue. This project was toured in conjunction with previous board meetings and the board members are familiar with it. Some stats were shared about the project including the rental amount. Approval of this resolution would allow the Authority to bond the project. Mr. Barnwell moved that the resolution be voted on, Mr. Dobernick supported the motion. A vote was conducted:

Aye Nay

x		Ehrlich Crain
x		Michael Barnwell
-	-	Todd Begerowski
x		Price Dobernick
x		Aaron Pangborn

Mr. Menelli presented the upcoming bond issue. He started with an in depth look at the current market conditions and what factors would play a role in the bonding. He also spoke on the current Treasury yield, the MMD yield, the typical way they both move and how the current environment hasn't been customary. The supply and demand of bonds in the different months of the year was explained. The Authority is planning to price this summer, the same timeframe as in previous years.

It is believed to be the best time to be in the market due to investors having more capital to put to work. The schedule for the bonding was reviewed and Andrew added that the Authority has accelerated the pricing to avoid the week that was initially chosen at the end of the tariff freeze. Mr. Crain asked if any other factors would create problems for the bond issue. Mr. Boettcher explained that none should affect the bonding.

Mr. Smith shared his transition from one law firm to the next and explained the resolution for the 2025 bonding. He explained that this resolution is the same as previous resolutions for a bond issue. It includes all the necessary documentation for bonding that everyone is accustomed to seeing. Mr. Lambert stated the AG's Office has reviewed the documents and all is in good order for approval. Mr. Barnwell motioned to approve the resolution and Mr. Dobernich supported. A vote was conducted:

Aye Nay

x		Ehrlich Crain
x		Michael Barnwell
-	-	Todd Begerowski
x		Price Dobernich
x		Aaron Pangborn

Mrs. Smith spoke about the proposed next meeting which is being planned for October and wanted the Board's opinion on where they would like to have it, offsite or in the SBA's office. The board stated they would prefer offsite and it was stated that a location and a tentative date would also be selected later.

Mr. Boettcher spoke about the location change for the Bureau and how we will be moving into a new space right outside of the Vault conference room. The projected timetable for the transition was explained and what it would look like in regard to temporary work space. He then covered the remote work/hybrid update and how it's been renewed for another year. However, depending on a new administration, this may change. Mr. Dobernick was then recognized for his service to the board and was presented an award.

Chairperson Crain asked for a motion to adjourn, Mr. Dobernick moved for adjournment and Mr. Barnwell supported. The meeting was adjourned at 11:49 a.m.

APPROVED AND ADOPTED:



Andrew Boettcher, Executive Director



Ehrlich Crain, Chairperson