

MICHIGAN FINANCE AUTHORITY
BOARD MEETING MINUTES
May 27, 2020

A meeting of the Michigan Finance Authority (“MFA” or the “Authority”) was held on May 27, 2020 electronically by telephonic conference due to COVID-19 health concerns and in accordance with Executive Order No. 2020-75.

MEMBERS PRESENT: Rachael Eubanks, Chair
Bill Beekman
Luke Forrest
Anna Heaton
Timothy Hoffman
Travis Jones
Murray D. Wikol

MEMBERS ABSENT: N/A

CALL TO ORDER/ROLL CALL

Rachael Eubanks, Chair, called the meeting of the Michigan Finance Authority to order at 10:15 a.m. with Rachael Eubanks, Bill Beekman, Luke Forrest, Anna Heaton, Timothy Hoffman, Travis Jones and Murray D. Wikol in attendance. Ms. Eubanks noted that a quorum was present.

PUBLIC COMMENT

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

APPROVAL OF MINUTES

Rachael Eubanks asked if there were any corrections, comments, or additions to the minutes as presented dated February 12, 2020. A motion was made by Timothy Hoffman and supported by Bill Beekman to approve the minutes. A voice vote was taken and the motion passed unanimously.

RESOLUTION 2020-6

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE
MICHIGAN FINANCE AUTHORITY
HIGHER EDUCATION FACILITIES LIMITED OBLIGATION REVENUE
AND REVENUE REFUNDING BONDS
(KETTERING UNIVERSITY PROJECT), SERIES 2020**

Kimberly Hines, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$40 million and indicated proceeds will be used to refund the University's Series 2001 Michigan Higher Education Facilities Authority Limited Obligation Revenue and Revenue Refunding Bonds; fund a portion of the Learning Commons Project and miscellaneous capital projects across the University's campus; fund capitalized interest on the construction portion of the financing and to pay costs of issuance.

Thomas Ayers, Kettering University, further discussed the financing, the University and how the capital projects, including the Learning Commons Project, will have a positive effect on University programs and ability to attract students.

Ms. Eubanks inquired if enrollment projections would impact revenues. Mr. Ayers responded they have extended their enrollment deadline and have budget plans for an estimated 5% drop in enrollment.

Tom Colis, Miller Canfield, presented and discussed the resolution and indicated it was in the proper form for the board's consideration.

Klein Allison, Attorney General's Office, commented that the resolution was in substantial final form and ready for consideration.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Murray D. Wikol made a motion to approve the resolution supported by Anna Heaton. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Luke Forrest, Anna Heaton, Timothy Hoffman, Travis Jones, and Murray D. Wikol.

RESOLUTION 2020-7

BOND RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STATE REVOLVING FUND REVENUE BOND ANTICIPATION NOTES, THE ISSUANCE OF STATE CLEAN WATER MATCH BONDS AND THE ISSUANCE OF STATE DRINKING WATER MATCH BONDS, APPROVING DOCUMENTS, BANK PLACEMENT AGREEMENTS AND BOND PURCHASE AGREEMENTS

Graham Davidson, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$100 million for the new money Bond Anticipation Note and \$25 million for State Match Clean Water/Drinking Water. Mr. Davidson indicated proceeds will be used to provide additional funds for the Clean Water Revolving Fund and the Drinking Water Revolving Fund to continue to pay loan draws to local units of government, and to pay cost of issuance.

Anne Burger, Hilltop Securities, further discussed the program as efficient and cost-effective indicating the one year note allows the funds to be drawn as needed until the new money transaction is completed in September.

Kester So, Dickinson Wright, presented and discussed the resolution and indicated it was in the proper form for the board's approval.

Mr. Wikol inquired if the funds are for governmental entities or if they can be used by private sectors. Mr. So responded the funds were for governmental entities.

Alan Lambert, Attorney General's Office, commented that the resolution was in a form that is finalized and ready for the board's approval.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Timothy Hoffman made a motion to approve the resolution supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Luke Forrest, Anna Heaton, Timothy Hoffman, Travis Jones, and Murray D. Wikol.

RESOLUTION 2020-8

BOND RESOLUTION AUTHORIZING THE ISSUANCE OF STATE CLEAN WATER REVOLVING FUND REVENUE BONDS, THE ISSUANCE OF STATE DRINKING WATER REVOLVING FUND REVENUE BONDS, APPROVING RELATED DOCUMENTS AND AUTHORIZING OFFICIAL STATEMENTS AND THE PURCHASE OF MUNICIPAL OBLIGATIONS

Graham Davidson, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$385 million and indicated proceeds will provide additional funds for the Clean Water Revolving Fund and Drinking Water Revolving Fund to continue to pay loan draws to local units of government; refund the Clean Water Revolving Fund

and Drinking Water Revolving Fund Bond Anticipation Notes, Series 2020A; refund all or a portion the Series 2013 Clean Water Revolving Fund and Drinking Water Revolving Fund Bonds and the Series 2011 Drinking Water Revolving Fund Bonds, and to pay costs of issuance.

Anne Burger, Hilltop Securities, discussed the program and plan of finance as well as other state revolving fund programs across the country which have been able to issue bonds recently. Ms. Burger indicated there has been an increase in volume of SRF transactions in the market and significant demand by investors.

Kester So, Dickinson Wright, presented and discussed the resolution and indicated it was appropriate for the board's consideration.

Alan Lambert, Attorney General's Office, commented that the resolution is ready for the board's approval.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Bill Beekman made a motion to approve the resolution supported by Luke Forrest. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Luke Forrest, Anna Heaton, Timothy Hoffman, Travis Jones, and Murray D. Wikol.

RESOLUTION 2020-9

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF STATE AID REVENUE NOTES AND TAX ANTICIPATION REVENUE NOTES

Graham Davidson, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$800 million and indicated the proceeds will provide Michigan school districts with low-cost loans to meet their operating cash flow needs. Mr. Davidson indicated the loans will be secured by a pledge of state school aid and the MFA will use the loan repayments from the school districts to repay its notes.

Jarrold Smith, Dykema Gossett, presented and discussed the resolution and indicated it was in the proper form for the board's consideration.

William Pettit, Attorney General's Office, commented that the resolution is in substantial final form and ready for the board's consideration.

Mr. Hoffman inquired if a shortfall in state school aid will impact the SAN borrowing program. John Barton, Bureau of State and Authority Finance, responded staff is prepared to address any increase in volume and the not to exceed amount contained in the resolution is \$800 million. Ms. Eubanks also responded developments in Washington are being watched closely for additional relief packages.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Murray D. Wikol made a motion to approve the resolution supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Luke Forrest, Anna Heaton, Timothy Hoffman, Travis Jones, and Murray D. Wikol.

RESOLUTION 2020-10

**RESOLUTION TO AMEND THE SUPPLEMENTAL RESOLUTION
AUTHORIZING THE ISSUANCE OF LOCAL
GOVERNMENT LOAN PROGRAM REVENUE BONDS
ADOPTED ON FEBRUARY 12, 2020**

David Boyne, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$250 million and indicated proceeds provide financing for the acquisition of real property, water and sewer improvements, energy conservation improvements, equipment purchases, and other local government and school district needs. Mr. Boyne indicated two projects were currently in progress for the School District of the City of Flint including an energy conservation bond and school financing stability bond as noted in the resolution.

Craig Hammond, Dickinson Wright, presented and discussed the resolution and indicated it was in the proper form for the board's consideration.

William Pettit, Attorney General's Office, commented that the resolution is ready for the board's consideration and approval.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Anna Heaton made a motion to approve the resolution supported by Travis Jones. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Luke Forrest, Anna Heaton, Timothy Hoffman, Travis Jones, and Murray D. Wikol.

RESOLUTION 2020-11

**RESOLUTION AUTHORIZING
THE ISSUANCE AND SALE OF
PUBLIC SCHOOL ACADEMY STATE AID
REVENUE NOTES**

Patrick Price, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount not to exceed \$50 million and indicated proceeds provide Michigan public school academies with low-cost loans to meet their operating cash flow needs. Mr. Price

indicated the loans will be secured by a pledge of state school aid and the MFA will use the loan repayments from the public school academies (PSA) to repay its notes.

Jarrold Smith, Dykema Gossett, presented and discussed the resolution and indicated it was in the proper form for the board's consideration.

William Pettit, Attorney General's Office, commented that the resolution is ready for the board's consideration and approval.

Rachael Eubanks asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Timothy Hoffman made a motion to approve the resolution supported by Bill Beekman. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Bill Beekman, Luke Forrest, Anna Heaton, Timothy Hoffman, Travis Jones, and Murray D. Wikol.

ADMINISTRATIVE MATTERS

Next Meeting

The next meeting date is scheduled for June 16, 2020, at 10:00 a.m.

Mr. Wikol asked for staff to prepare an updated list of bond issues including a sensitivity analysis due to the current uncertainty and potential for defaults. Ms. Roberts responded staff can update the list provided last year.

ADJOURNMENT

Bill Beekman made a motion for adjournment supported by Timothy Hoffman. The meeting was adjourned at 11:30 a.m.