

MICHIGAN FINANCE AUTHORITY
BOARD MEETING MINUTES
November 7, 2017

A meeting of the Michigan Finance Authority ("MFA" or the "Authority") was held on November 7, 2017, 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.

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 September 12, 2017. A motion was made by Travis Jones and supported by Charlotte Edwards to approve the minutes. A voice vote was taken and the motion passed unanimously.

RESOLUTION 2017-15

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE
MICHIGAN FINANCE AUTHORITY REVENUE BONDS
(CITY OF DETROIT TRANSPORTATION PROJECT),
SERIES 2017A**

David Boyne, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount of not to exceed \$125 million which will be used to invest in major infrastructure improvements and replacement of damaged sidewalks. Mr. Boyne further indicated that the city receives a share of statewide gas taxes and vehicle registration fees from the Michigan Transportation Fund (MTF) and, along with bond proceeds, will use these revenues over time to invest in the projects.

John Naglick, City of Detroit, discussed the project and expressed appreciation to the MFA for their support. Mr. Naglick further indicated that as part of the mayor's neighborhood redevelopment plan, the financing would create opportunities for jobs and redevelopment in neighborhoods.

Lee Donner, FirstSouthwest, discussed the financing and indicated it is a fixed rate transaction and the bonds will be secured by the city's MTF revenues. Mr. Donner further stated the city will be able to continue with current ongoing projects also supported by MTF revenues.

Tim Hoffman inquired whether the interest rate may change and whether there is an interest rate cap. Lee Donner indicated that the rate could change with a change in the tax code and there is no cap on the interest rate.

Kester So, Dickinson Wright PLLC, presented the resolution indicating it was in the proper form.

William Pettit, Esq., Attorney General's Office, expressed appreciation for the efforts of all who worked so diligently on the financing. Mr. Pettit further commented that the Attorney General's Office had participated in the development of the documents and believe the resolution is 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 Travis Jones. 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.

Tim Hoffman and Eric Scorsone further expressed appreciation for the efforts of all who worked so diligently on the financing.

RESOLUTION 2017-16

SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF LOCAL GOVERNMENT LOAN PROGRAM REVENUE BONDS, APPROVING DOCUMENTS, BOND PURCHASE AGREEMENT, PLACEMENT AGREEMENT, PRIVATE PURCHASE AGREEMENT AND AUTHORIZING DISCLOSURE DOCUMENTS AND THE PURCHASE OF MUNICIPAL OBLIGATIONS

David Boyne discussed the program which would authorize financing in the amount of not to exceed \$150 million and extend the lapse date through May 31, 2018. Mr. Boyne further indicated there are no specific projects in progress at this time.

Craig Hammond, Dickinson Wright PLLC, presented the resolution and indicated it is consistent with prior supplemental resolutions for this program.

William Pettit, Esq., commented that the supplemental 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. Don Gilmer 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.

RESOLUTION 2017-17

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

Graham Davidson, Bureau of State and Authority Finance, discussed the program and the use of proceeds in the amount of not to exceed \$70 million which would authorize the MFA to issue low-cost loans to qualifying Michigan school districts for their cash flow needs. Mr. Davidson further indicated the resolution would extend the lapse date through May 31, 2018.

Jarrold Smith, Esq., Attorney General's Office, presented the resolution and indicated it is consistent with previous years.

William Pettit, Esq., 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. 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: Eric Scorsone, Bill Beekman, Charlotte Edwards, Don Gilmer, Tim Hoffman, and Travis Jones.

RESOLUTION 2017-18

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

RESOLUTION 2017-19

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

RESOLUTION 2017-20

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

RESOLUTION 2017-21

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

RESOLUTION 2017-22

**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 would authorize administration of various programs under the State Revolving Fund and provide loans and grants to fund various projects.

Alan Lambert, Esq., Attorney General's Office, commented that the documents presented are in the standard form for the board's consideration and indicated the change in interest rates from 2.5% in FY '17 to 2.0% for FY '18.

Eris Scorsone asked if there were any questions, comments, or additions to the resolutions. Hearing none, he then requested a motion to authorize the annual resolutions. Bill Beekman made a motion to approve the resolution supported by Tim Hoffman. 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 provided an update of the state revolving fund loans that closed during the last quarter.

John Barton provided a summary of bond issues that have been completed and upcoming projects.

Next Meeting

The next meeting scheduled for Tuesday, December 12, 2017, at 10:00 a.m. will be rescheduled.

ADJOURNMENT

Charlotte Edwards made a motion for adjournment supported by Bill Beekman. The meeting was adjourned at 10:30 a.m.

APPROVED at the MFA Board Meeting on December 1, 2017