

MICHIGAN FINANCE AUTHORITY
BOARD MEETING MINUTES
September 13, 2018

A meeting of the Michigan Finance Authority ("MFA" or the "Authority") was held on September 13, 2018, at 10:30 a.m. in the Richard H. Austin Building, 1st Floor, State Treasurers' Board Room, 430 West Allegan Street, Lansing, Michigan.

MEMBERS PRESENT: Anne Wohlfert, Chair, proxy for State Treasurer
Bill Beekman
Charlotte Edwards
Tim Hoffman
Travis Jones
JulieAnn Karkosak

MEMBERS ABSENT: Don Gilmer

CALL TO ORDER/ROLL CALL

Anne Wohlfert, Chair, introduced herself as Interim Deputy State Treasurer and called the meeting of the Michigan Finance Authority to order at 10:30 a.m. with Anne Wohlfert, Bill Beekman, Charlotte Edwards, Tim Hoffman, Travis Jones, and JulieAnn Karkosak in attendance. Ms. Wohlfert noted that a quorum was present.

PUBLIC COMMENT

Anne Wohlfert 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

Anne Wohlfert asked if there were any corrections, comments, or additions to the minutes as presented dated June 12, 2018. A motion was made by Travis Jones and supported by Bill Beekman to approve the minutes. A voice vote was taken and the motion passed unanimously.

RESOLUTION 2018-09

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF
MICHIGAN FINANCE AUTHORITY REVENUE BONDS
(GREAT LAKES BAY HEALTH CENTERS) SERIES 2018**

David Boyne, Bureau of State and Authority Finance, discussed the health center which was founded in 1968 and currently has over 20 locations which provide a variety of healthcare and dental services, including behavioral health care and eye care. Mr. Boyne further discussed the financing and use of proceeds in the amount of not to exceed \$2.5 million which will be used to finance costs for the acquisition, renovation and equipping of two healthcare/administrative facilities located in Saginaw; and finance the renovation, furnishing and equipping of an existing healthcare facility in Saginaw.

Amy Evans, Great Lakes Bay Health Centers, further discussed the financing and stated the project would include expansion of the behavioral health services to integrate care for both behavioral and medical health within one visit/center. Additionally, Ms. Evans explained the project would include the addition of five dental chairs which would greatly expand dental services.

Ian Koffler, Miller, Canfield, Paddock, and Stone, P.L.C., presented the resolution and indicated it is in the usual and customary form.

Travis Jones inquired whether the financing was a fixed interest rate and Mr. Koffler clarified that it was.

William Pettit, Esq., Attorney General's Office, commented that there have been a number of financings for entities such as Great Lakes through the former Healthcare Equipment Loan Program and while this financing is much smaller than the mega hospital deals the MFA has seen most recently, the proposed financing for Great Lakes meets both the purpose of the act and definition of hospital. Mr. Pettit further 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.

Anne Wohlfert 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 Charlotte Edwards. A roll call vote was taken and the following members voted affirmatively: Anne Wohlfert, Bill Beekman, Charlotte Edwards, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

RESOLUTION 2018-10

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

Patrick Price, Bureau of State and Authority Finance, discussed the program and the use of proceeds in the amount of not to exceed \$75 million which would authorize the MFA to provide low-cost loans to qualifying Michigan school districts for their operating cash flow needs. Mr. Price further indicated the most recent pooled SAN financing closed on August 20, 2018, for approximately 160 school districts in the amount of \$354 million and this resolution is to assist districts that did not borrow in the program earlier this summer.

Jarrold Smith, Dykema Gossett PLLC, presented the carryover resolution and indicated it is similar to the resolution approved in May and is in the usual and customary form consistent with previous years with a sunset date of May 31, 2019.

William Pettit, Esq., commented that the resolution and documents were in the form of those used in the past and are in order for the board's consideration.

Anne Wohlfert asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Tim Hoffman made a motion to approve the resolution supported by JulieAnn Karkosak. A roll call vote was taken and the following members voted affirmatively: Anne Wohlfert, Bill Beekman, Charlotte Edwards, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

Tim Hoffman noted that the most recent pooled SAN transaction was executed differently as an underwritten deal as opposed to a private placement and inquired as to its execution.

John Barton, Bureau of State and Authority Finance, indicated that both an underwritten and direct placement transaction were completed, and each went well. Mr. Barton further indicated the set aside pool was a rated public offering with a 1.75% interest rate and the no set aside pool was directly placed with JPMorgan Chase at a 2.50% interest rate.

Tim Hoffman expressed appreciation to the staff for their creativity and inquired whether combining K-12 with the PSA SAN program would be considered for future program financing. John Barton indicated it is considered each year but the financing would be very difficult.

RESOLUTION 2018-11

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

Kimberly Hines, Bureau of State and Authority Finance, discussed the program and the financing which would authorize financing in the amount of not to exceed \$100 million and extend the lapse date through December 31, 2018. Ms. Hines indicated there are no specific projects in progress at this time.

Ian Koffler presented the resolution and indicated it is in the usual and customary form 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.

Anne Wohlfert asked if there were any questions, comments, or additions to the resolution. Hearing none, she then requested a motion. Travis Jones made a motion to approve the resolution supported by Charlotte Edwards. A roll call vote was taken and the following members voted affirmatively: Anne Wohlfert, Bill Beekman, Charlotte Edwards, Tim Hoffman, Travis Jones, and JulieAnn Karkosak.

ADMINISTRATIVE MATTERS

John Barton provided an update of the state revolving fund loans that closed during the last quarter.

Next Meeting

Anne Wohlfert expressed appreciation to Mary Martin and indicated this is her last MFA board meeting. The next meeting scheduled for Tuesday, October 9, 2018, at 10:00 a.m. will be cancelled.

Tim Hoffman further expressed appreciation to Mary Martin for her work and efforts as Executive Director of the MFA.

ADJOURNMENT

Charlotte Edwards made a motion for adjournment supported by Bill Beekman. The meeting was adjourned at 10:55 a.m.

APPROVED at the MFA Board Meeting on November 15, 2018