

MICHIGAN FINANCE AUTHORITY
BOARD MEETING MINUTES
November 13, 2019

A meeting of the Michigan Finance Authority ("MFA" or the "Authority") was held on November 13, 2019, at 9:30 a.m. in the Richard H. Austin Building, 1st Floor, State Treasurers' Board Room, 430 West Allegan Street, Lansing, Michigan.

MEMBERS PRESENT: Rachael Eubanks, Chair
Luke Forrest
Anna Heaton
Tim Hoffman
Murray D. Wikol

MEMBERS ABSENT: Bill Beekman
Travis Jones

CALL TO ORDER/ROLL CALL

Rachael Eubanks, Chair, called the meeting of the Michigan Finance Authority to order at 9:30 a.m. with Rachael Eubanks, Luke Forrest, Anna Heaton, Tim Hoffman, and Murray D. Wikol in attendance. Ms. Eubanks noted that a quorum was present.

APPROVAL OF MINUTES

Rachael Eubanks asked if there were any corrections, comments, or additions to the minutes as presented dated September 25, 2019. A motion was made by Tim Hoffman and supported by Luke Forrest to approve the minutes. A voice vote was taken and the motion passed unanimously.

RESOLUTION 2019-12

**RESOLUTION TO AUTHORIZE THE ISSUANCE OF
ONE OR MORE SERIES OF MICHIGAN FINANCE AUTHORITY
HOSPITAL REVENUE AND REFUNDING BONDS (TRINITY
HEALTH CREDIT GROUP), SERIES MI 2019A AND 2019-T**

David Boyne, Bureau of State and Authority Finance, discussed the financing and use of proceeds in the amount of not to exceed approximately \$1.735 billion and indicated proceeds in the approximate amounts of \$165 million will be used to finance tax-exempt new money Michigan projects in multiple locations, \$105 million will be used to issue tax-exempt bonds to refund bonds issued in other states, \$65 million will be used to refinance taxable corporate debt,

and \$1.4 billion will be used to issue taxable refunding bonds. Additional general discussion took place regarding the out-of-state refundings.

Jim Martin, Trinity Health, further discussed the healthcare group which is one of the largest multi-institutional healthcare systems across the nation in 22 states and consists of 94 hospitals and over 100 continuing care locations. Mr. Martin further indicated that Trinity Health is one of the highest performing large healthcare systems in the country and described projects to be included in the financing and stated the financing is expected to price in early December and close the week of December 16.

John Renken, Hawkins, Delafield & Wood LLP, presented and discussed the resolution indicating it was in the proper form for the board's consideration.

William Pettit, Esq., Attorney General's Office, commented that the Attorney General's Office has reviewed the documents and that the resolution and documents were in substantially final form and in order for the board's consideration.

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 Murray D. Wikol. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Luke Forrest, Anna Heaton, Tim Hoffman, and Murray D. Wikol.

RESOLUTION 2019-13

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN FINANCE AUTHORITY PUBLIC SCHOOL ACADEMY LIMITED OBLIGATION REFUNDING BONDS (CÉSAR CHÁVEZ ACADEMY PROJECT), SERIES 2019

Kimberly Hines, Bureau of State and Authority Finance, discussed the five campus K-12 academy, the financing, and the use of proceeds in the amount of not to exceed approximately \$13.5 million. Ms. Hines indicated the proceeds will be used to refund the Series 2012 bonds, fund the academy's portion of a debt service reserve fund, and pay costs of issuance of the 2019 bonds.

Dr. Juan Martinez, César Chávez Academy, further discussed the financing and the academy located in southwest Detroit which is one of the largest charter schools in the State of Michigan (State) currently serving approximately 2,300 students. Dr. Martinez stated test scores have continually improved and expressed appreciation to all partner groups.

James Crowley, Miller, Canfield, Paddock and Stone, P.L.C., presented the resolution indicating it was in the proper form for the board's consideration and contains a sunset date of January 31, 2020.

William Pettit, Esq., commented that the resolution presented was in substantially final form for the board's consideration and acknowledged the efforts of counsel in preparation of the documents.

Rachael Eubanks 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 Anna Heaton. A roll call vote was taken and the following members voted affirmatively: Rachael Eubanks, Luke Forrest, Anna Heaton, Tim Hoffman, and Murray D. Wikol.

RESOLUTION 2019-14

RESOLUTION AUTHORIZING THE ISSUANCE OF SCHOOL LOAN REVOLVING FUND REVENUE REFUNDING BONDS, ACQUISITION OF NEW CREDIT FACILITIES, MODIFICATION OF CERTAIN TERMS AND APPROVAL OF DOCUMENTS INCLUDING THE PURCHASE AGREEMENT AND DISCLOSURE DOCUMENTS

Cathy Clark, Bureau of State and Authority Finance, discussed the School Loan Revolving Fund (SLRF) program stating that it is designed to be a self-sustaining source of funding for loans to school districts that have their capital improvement bonds "qualified" by the State and to reduce or eliminate the need for general obligation borrowing by the State to fund such loans.

Through 2014, the MFA has issued SLRF weekly variable rate bonds in the amount of \$600 million secured by direct-pay letters of credit from four banks; the four collective letters of credit are set to expire December 12, 2019.

Pursuant to the Board's September 25, 2019 approval, it is anticipated that the MFA will issue SLRF term rate refunding bonds on November 20, 2019, to refund a portion of the Weekly Rate Bonds.

Prior to December 12, 2019, it is anticipated that the MFA will issue SLRF weekly variable rate bonds to refund the remainder of the outstanding variable rate bonds and each series of such variable rate refunding bonds will be secured by a new letter of credit.

Upon the issuance of these variable rate refunding bonds, the MFA will be able to effectuate amendments to various covenants applicable to the SLRF program and outstanding bonds.

Deborah Roberts stated this is the final piece of restructuring the program in an effort to reduce the interest rate and cost passed along to the participating school districts.

Tim Hoffman acknowledged the efforts of staff and expressed appreciation in obtaining savings through the financing which are ultimately passed on to the school districts.

Jarrold Smith, Dykema Gossett PLLC, presented the resolution indicating that the bonds will be secured by two new letters of credit and that the resolution was in the proper form for the board's consideration

Banu Colak, Esq., Attorney General's Office, commented that the resolution presented was in the proper form for the board's consideration.

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

RESOLUTION 2019-15

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

RESOLUTION 2019-16

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

RESOLUTION 2019-17

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

RESOLUTION 2019-18

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

RESOLUTION 2019-19

**RESOLUTION OF THE MICHIGAN FINANCE AUTHORITY
Strategic Water Quality Initiatives Fund
Wetland Mitigation Banking Fund (WMBF) Program
Purchase of Municipal Obligations**

Graham Davidson, Bureau of State and Authority Finance, stated the annual resolutions (Resolution 2019-15, 2019-16, 2019-17, 2019-18, and 2019-19) would authorize continuing administration of various programs under the State Revolving Fund(s) and provide loans and grants to fund various projects for local units of government.

Alan Lambert, Esq., Attorney General's Office, commented that the documents and resolutions presented were in the standard form for the board's consideration.

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

ADMINISTRATIVE MATTERS

Next Meeting

The next meeting date is to be determined.

PUBLIC COMMENT

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

ADJOURNMENT

Murray D. Wikol made a motion for adjournment supported by Tim Hoffman. The meeting was adjourned at 10:15 a.m.

APPROVED at the MFA Board Meeting on January 14, 2020