

## STATE BUILDING AUTHORITY

A meeting of the State Building Authority was held on March 21, 2022, at the Richard H. Austin Building in the State Treasurers' Board Room, Located at 430 W. Allegan Street, Lansing, Michigan, 48922. The meeting took place at 2:00 p.m.

### Board Members Present:

Ehrlich Crain, Chair  
Michael Barnwell, Vice Chair  
Jimmy Greene  
Price Dobernick  
Todd Begerowski

### Board Members Absent:

None

### Authority Staff:

Debbie Roberts, Executive Director  
Andrew Boettcher, Deputy Executive Director  
TeAnn Smith, Financial Specialist  
Trenton Pashak, Financial Analyst

### Others Present:

Alan Lambert (Attorney General's Office)  
Brian Lefler (Robert W. Baird)  
Alyson Hayden (Robert W. Baird)  
Jamie Rabe (Andrews Hooper Pavlik) – *by phone*  
Pat Devlin (Former Board Member)

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Vice-Chairperson Crain called the meeting to order at 2:00 p.m. A roll call was taken with Michael Barnwell, Todd Begerowski, Ehrlich Crain, Price Dobernick, and Jimmy Greene in attendance. Mr. Crain noted that a quorum was present.

Vice-Chairperson Crain introduced himself and requested introductions from the other Board Members and State Building Authority Staff.

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

The minutes of the October 19, 2021 meeting were reviewed. Jimmy Greene moved that the minutes be accepted as written. Michael Barnwell supported the motion. All were in favor and the motion passed.

Mr. Boettcher reviewed the agenda, including old business to review the commercial paper program and the 2021 audit results. Under new business elections of Chair and Vice-Chair will be conducted and 4 resolutions will be presented for approval. The first resolution is to approve an executive director upon the retirement of Debbie Roberts. The second resolution approving Construction Agreements, Conveyance of Property, Lease and Easement Agreements, if necessary, for three facilities to enter the commercial paper program. The third and fourth resolutions involve a lease amendment and easement agreement to Alpena Community College's Instructional Addition/Renovation.

Ms. Smith reviewed the CP status report and noted that there are currently 9 projects in the CP Program. The total CP outstanding amount is \$149.4 million, at

an interest rate of .20% with a maturity date of April 28, 2022. There were no questions by the Board from the presentation.

The review of the full year 2021 audit results was presented by Jamie Rabe, Engagement Partner, from Andrews Hooper Pavlik. Ms. Rabe presented high level audit results, reviewing the audit committee letter and the audited financial statements. The SBA received a clean unmodified opinion on the financial statements. No opinion was given on internal controls, but they were reviewed, and no deficiencies were noted. Ms. Rabe stated that the audit process went smoothly without issue. No questions were asked by the Board after the presentation. Ms. Roberts explained that the SBA maintains negative equity balances due to the nature of how the SBA must recognize 100% liability, but \$0 asset for the projects in Commercial Paper and 100% of the liability versus present value of the asset for debt outstanding.

Ms. Roberts presented to the Board the need to nominate and elect a new Chair as Mr. Devlin's term had expired. Mr. Crain was nominated for Chair by Mr. Greene. It was moved by Mr. Greene, supported by Mr. Barnwell, that the Board approve the nomination of Mr. Crain as the new Chair. All board members were in favor. Ms. Roberts thanked Mr. Crain for accepting the position and also thanked Mr. Devlin for his many years serving as Chair.

Ms. Roberts presented to the Board the need to nominate and elect a new Vice-Chair. Mr. Barnwell was nominated for Vice-Chair by Mr. Begerowski. It was moved by Mr. Begerowski, supported by Mr. Greene, that the Board approve the nomination of Mr. Barnwell as Vice-Chair. All board members were in favor. Mr. Barnwell accepted the position.

The first resolution presented to the Board was the State Building Authority appointing an Executive Director to succeed Ms. Roberts in her retirement. Ms. Roberts indicated that Mr. Boettcher was currently serving the role as Deputy Executive Director and had been shadowing under her for the last year and a half. It was her recommendation that Mr. Boettcher become the new Executive Director. It was moved by Mr. Greene, supported by Mr. Dobernack, that Mr. Boettcher become Executive Director. All board members were in favor. Mr. Boettcher graciously accepted.

The second resolution presented to the Board was for approval of Construction Agreements, Conveyance of Property, Lease and Easement Agreements for three new projects to enter in the Commercial Paper Program. It was moved by Mr. Greene and supported by Mr. Dobernack, that the Board approve the Resolution of the State Building Authority Approving Construction Agreements, Conveyance of Property, Lease and Easement Agreements, if Necessary, for Certain Facilities.

- Delta College Electronic Media Broadcasting A Wing Renovations Addition
- Ferris State University Virtual Learning Center
- Western Michigan University IF-1 Dunbar Hall Renovations

A roll call vote was conducted with the following results:

- Mr. Barnwell – Yes
- Mr. Begerowski – Yes
- Mr. Crain – Yes
- Mr. Dobernack – Yes
- Mr. Greene – Yes

The third resolution presented to the Board was for approval of a lease amendment for Alpena Community College's Instructional Addition/Renovation. The College has an opportunity to receive a \$2.4 million grant from the Economic Development Authority but will need a portion of property reconveyed before it is granted. Ms. Smith shared that a change to the original lease's legal description will not impact the bonds outstanding as Integra Realty Resources-Detroit certified that the rent value assigned at the time of bonding would not change. It was moved by Mr. Begerowski and supported by Mr. Greene, that the Board approve the Resolution of the State Building Authority Approving the Conveyance of Property of Alpena Community College and an Amendment to Lease.

A roll call vote was conducted with the following results:

- Mr. Barnwell – Yes
- Mr. Begerowski – Yes
- Mr. Crain – Yes
- Mr. Dobernick – Yes
- Mr. Greene – Yes

The fourth resolution presented was for an easement/party wall agreement for the Alpena Community College Instructional Addition/Renovation. Ms. Smith explained that this agreement is necessary as a result of the carveout approved in the prior resolution. One of the facilities bonded in this project will have split ownership between the College and the Authority since the legal description will cut through a wall within the Besser Technical Center. This agreement is necessary to protect the bondholders in the event of an unlikely future default. It was moved by Mr. Price and supported by Mr. Greene, that the Board approve the Resolution of the State Building Authority Approving an Easement Agreement for the Alpena Community College Instructional Addition/Renovation.

A roll call vote was conducted with the following results:

- Mr. Barnwell – Yes
- Mr. Begerowski – Yes
- Mr. Crain – Yes
- Mr. Dobernick – Yes

- Mr. Greene – Yes

Mr. Boettcher recommended the next meetings to be held quarterly in June, September, and December. Proposed meetings dates were June 14, September 13, and December 13.

Mr. Crain asked for a motion to adjourn, Mr. Greene moved for adjournment and Mr. Dobernich supported. The meeting was adjourned at 2:39 p.m.

APPROVED AND ADOPTED:



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Andrew Boettcher, Executive Director



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Ehrlich Crain, Chairperson